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Scotland looks to her future

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Guest Editors: Sheila James, Peter Sheal and David McAra

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Cover image: Photo by Robert Kerr: A view of Stac Pollidh, looking over from near Ullapool.

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The independence referendum: facing change and uncertainty

Peter Sheal, Sheila James and David McAra

Change, uncertainty and learning

At AMED we are preoccupied with the education and development of managers and with learning for people and organisations. How do we come together to combine our efforts and talents to accomplish shared aims? How can we understand our situation more fully and improve it? How can we live more fulfilling lives together, with all our shared values and our differences? This edition of *e-O&P* reflects on a large scale experiment in organisational change,

In less than three months, people living in Scotland will vote on whether to remain within a three centuries-old political union or to separate from the rest of the UK and become an independent country. The battle between the Better Together and the Yes to Independence campaigns is heating up. Radical change is afoot. The air is thick with conflicting assertions of certainty.

As professionals and individuals concerned with personal, management and organisational development, what do we see? Where are the opportunities in the uncertainty? Have we the courage to put our beliefs about change and risk to the test?

Opportunities and threats

In the context created by the imminent referendum, our articles discuss some of the big ideas at work in organisations – the meaning of money, how to make a deal, where people fit – and explore some of the assumptions of doubtful validity which are often accepted, unexamined, as the way things are.

In language which is both logically sound and poetic, **Louie Gardiner** questions the usefulness of a binary choice in a situation of considerable complexity and sets out to clarify what we know and what we don't know. Without providing much insight into her own opinions she makes it clear that the imminent prospect of the Referendum is already having significant effects and that those seeking to persuade us of the good and

bad outcomes of either result may be underestimating the complexity.

Bob MacKenzie offers a personal perspective on how it feels to be an expatriate Scot looking in on the debate from the sidelines. By the characteristically thoughtful expression in his photo, he leaves us pondering whether the somewhat illusory concept of the nation state is a helpful model at all. As a native Scot, he describes his nationality as Scottish-European and finds himself disenfranchised from participating in the Referendum in his present English home.

John Carlisle describes his own journey of learning, from the sharp end of striking deals with his research into the behaviour of negotiators, through his representation of the complex system underlying the eventual transaction, to a deeper insight into what is really happening. He discusses a variety of examples including the surrender of Singapore in 1942, large engineering projects and a comparison between the contrasting experience of the Olympic Games in Atlanta and Sydney.

Tony Miller writes in a very personal way about aspects of the human spirit which are barely recognised in the prevailing management paradigm. Although we are keenly sensitive to the emotions in play at any time, they are excluded from consideration, 'out of bounds' at work even though the costs are significant, as the example of the Japanese train crash tragically illustrates.

Adrian Furnham writes with great authority about the psychology of money and identifies many inconsistencies between our unspoken assumptions about how it works and what the research shows. We already know, somehow, that it can't buy us happiness, and yet we are trapped in a society which tends to believe it's the only reason for going to work. Perhaps we should be encouraged that the research backs up what we already know.

Mark Douglas has been interviewing leaders in Scotland about the characteristics of effective leadership. Again, he discovers something we might well realise we already knew – that there is no 'best way' – and yet the gap between what we know in our hearts and what we experience in the world is considerable.

Finally, **Bob MacKenzie** reviews Morgen Witzel's *Management from the Masters. From Confucius to Warren Buffet*. Bob outlines Witzel's 20 Laws of Management and, for this issue of *e-O&P*, Witzel's first law, the Law of Entropy (Time's Arrow) seems particularly relevant: 'There is no such thing as steady state, only growth or decay.'

Thanks to **Robert Kerr** for the photograph in our cover picture (reproduced in full below) and to **Tony Scott** his photographic model, who offered the following thoughts on the scene:

> *"There is something very apt about Scotland's future and a picture of some of the oldest rocks on the planet. In case you didn't know, the "flat bits" are a basement of Lewisian Gneiss about 3.2 Billion years old and the mountains are of Torridonian Sandstone around 1 to 1.2 Billion years old. We are better connected in geological terms to Greenland, Canada and Norway than we have ever been to England, physical separation is unlikely but the sooner we end the 300 year old love/hate relationship the better."*

Photo by Robert Kerr: A view of Stac Pollidh, looking over from near Ullapool.

So ... the future ...

The Scottish Referendum is happening. A referendum on the future shape of the EU is in prospect. Nationalist parties (some of which have been called 'separatist' or 'anti-immigration' movements) are on the move throughout Europe. Our times are surely 'interesting' and uncertain and perhaps there may be exciting opportunities for progress in new thinking about organisations and management.

What do *you* think?

To explore their own position, our Editorial team have posed six questions about the Referendum and their response to change and uncertainty in particular and in general. Their answers are peppered throughout the journal. Perhaps you'd like to join in. You can share your thoughts on our **Discussion Forum** if you like.

The Scottish Referendum: facing change and uncertainty

The Scottish Referendum offers what many people see as a once in a lifetime opportunity to change radically the political, social and economic landscape of Scotland. What are your views on what is potentially a momentous change?

1. Do you see change more as an opportunity or as a threat? How does this affect your response to the Scottish Referendum?
2. Has your attitude towards change changed as you've got older?
3. Do you see nationalism as a largely positive or largely negative force?

4. Change and disruption often provide a catalyst for learning. What opportunities would be generated by Scottish Independence and the break-up of the Union?
5. If Scotland becomes independent, what new knowledge would we need to learn?
6. If the outcome is not full independence, what benefits do you think might have accrued nonetheless from the Referendum?

Finally, in the last few pages of this issue, you'll find the usual **Invitations and Notices**, and information **about AMED** and **about our journal *e-O&P***. We'd welcome any offers of help: writing, producing or marketing future editions.

Acknowledgements

We would like to extend our warm thanks to all our authors for generously sharing their thoughts and patiently submitting to our processes.

Special thanks to **Bob MacKenzie**, member of the *e-O&P* editorial board and champion of the original concept of a Scottish Edition, for tireless editorial support and encouragement. Two and a half years ago, in November 2011 Bob led a co-inquiry with the North East Scotland AMED Group in Aberdeen which was the genesis of this edition.

So thank you also to everyone who came to that meeting and so contributed to our Journal. It has gone through a long gestation period, and we now await the outcome of the vote on 18 September with bated breath.

About the guest editors

Peter Sheal is a writer and training consultant with MDT International www.mdtinternational.com and delivers management development courses for the international oil and gas industry. He is the author of *How To Develop & Present Staff Training Courses* and the *Staff Development Handbook* published by Kogan Page.

Peter was born in Manchester of Scottish ancestors who took advantage of the opportunities afforded by the United Kingdom to move between Ireland, Scotland and England in pursuit of peronal and family prosperity. He describes himself as British and has lived in Aberdeenshire for over 30 years.

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Sheila James is preparing to step down from paid work when she hits the magic age next year, after a portfolio career (or more accurately a succession of jobs) mainly in learning and organisational development. She's considering how she'll fill her days post retirement, but is reassured by the number of retired friends and relatives who tell her they don't know how they used to find the time to go to work.

She was born in Scotland (of English parents) and returned there with an English partner some 28 years ago after a spell in London. Her three daughters all consider themselves Aberdonians, but only one still lives in Scotland. She's drawn towards voting for independence but the household is not united. How the majority will vote is still uncertain.

Sheila can be contacted at: sheila.james@virgin.net

David McAra is in his fourth decade of disappointment at the slow uptake of the transformational ideas he was first introduced to as an adviser with the Engineering Industry Training Board. He is not yet ready to give up and perseveres as a member of AMED Council and of the e-O&P editorial board and as a director of the Deming Learning Network.

He was born in Singapore of mixed Scottish/English parentage and gives his nationality as British. He has lived in Aberdeen for longer than anywhere else. While he finds some appeal in the idea of Scottishness he doesn't warm to its manifestation in the Scottish National Party.

He feels awkward writing about himself in the third person and may be contacted at david.mcara@petrotechnics.com.

The Scottish Referendum

Complexity perspectives

Louie Gardiner

There is no outside

In agreeing to write this article, I am psychologically and soulfully stepping into the conversation on the Scottish Referendum.

Practically I am already in. I live in Scotland by choice. It is my home – not the land of my birth, but the birthplace of my father and my mother's father. My mother and I represent our colonial heritage, having been born in Calcutta, India and Lusaka, Zambia respectively.

I experience myself as Scottish, British, Zambian and a global citizen and know the privileges I have because of all these identities I hold. I am undecided about which way I will vote in this Referendum. It is with some trepidation that I write; yet write I must, because the nature of the debate bothers me and I believe I can contribute to the conversation.

I am supported by my intention (Purpose) to illuminate what is and is not being seen, said or understood. I hope to facilitate a more expansive, respectful enquiry that informs people's sense-making, decision-making and action-taking, whatever the result of the vote on 18 September 2014.

Everything is something

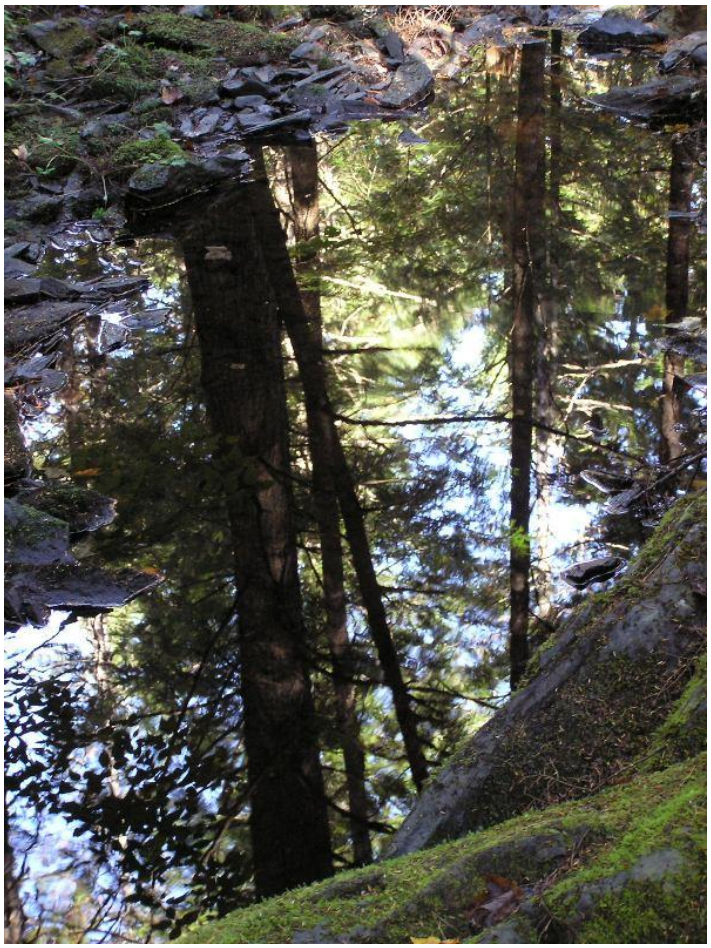
I bring to the arena what I have available to me – it is something, though not everything. The work I do in the world I inhabit is guided by an understanding of complexity principles which appear to illuminate the reality of reality. I use the subtitles in this article to point to some of these principles without diving unnecessarily into the underpinning theories. In particular I draw on complex adaptive systems (CAS) theory, as to me, this most powerfully illuminates the dynamics within and between us as human beings, alone and together. I know something about CAS theory, neuroscience and intrapersonal and interpersonal interplay. I also know something about planning and delivering 'fit-for-purpose' stakeholder engagement; and about organisation, leadership and community development. I work with people individually and collectively, helping them to see, understand and act more effectively amidst great complexity and uncertainty. I bring this fusion of knowing to bear as I coach, consult, facilitate, teach, supervise, write; and through it all I learn. In writing, I discover what I am coming to know. I hope that in my sharing the fruits of this process, you too may reap something of value.

There is something in everything: The Scottish Referendum

How we got to this point as a Nation arises from a complex mesh of factors, facts, feelings and fictions projecting across time (past, present and future) and space (places, nations and continents). In this article I say nothing of specific historical events nor do I refer to explicit details in the ongoing debate. To illuminate aspects of this mesh, I draw on various models and methods from the field of Human Systems Dynamics (HSD),[1] including a framework of my own developed over some 30 years of personal, academic and professional praxis. It is called the *Potent 6 Constellation*. I reveal its constituent elements in italicised text in what follows to help illuminate aspects of the current conversation. I do not, however, explain how it is practically deployed in service to catalysing dynamical (unpredictable) change with individuals, groups and organisations. This would be the topic of another article.

What is, is not

When it comes to the Scottish Referendum, forgive me for not knowing which way to go. Quite apart from the professional critique I have of the question (see insert below), I find myself amidst shades of uncertainty that reside in the space between those who believe they KNOW the right choice for Scotland: those who would answer 'Yes' and those who would answer 'No'. The single question generates a cascade of further questions in me: What is/ would be/ could be/ should be THE right choice? The right choice for 'what' in Scotland? About what? Based on what? To achieve what? For whom? For what purpose? To what end? Amidst this complexity as I see it, there can be no choice that is 'right' from every perspective, for every context and future possibility. In the end, votes will be cast and counted, and we will get on with whatever unfolds as a result of the result. Essentially that is it.



[1] Founded by Glenda Eoyang. I am currently the only HSD Professional Associate in Scotland and one of a handful in the UK

CRITIQUE OF THE SCOTTISH REFERENDUM QUESTION

'Should Scotland be an independent country?'

The question is

- ***Closed*** *- it asks for a single either/or answer = Yes or No. This reduces a hugely complex matter into a simplistic binary response. Kahneman (2011) says that when a question is too complex to answer, we unwittingly default to answering a different simpler question which bears no relation to the original question being asked. If we remain unaware of our internal sense-making patterns, we are likely to default to something we can answer for ourselves – an emotive reaction based on our likes/ dislikes or wants/ desires which will be driven by either by 'fear of getting what we don't want' OR 'fear of not getting what we desire'*
- ***Leading*** *- it suggests/ implies an outcome in the body of the question i.e. 'an independent Scotland'. Whichever 'outcome' is mentioned is psychologically seeded/ preferred*
- ***Loaded*** *- in using the term 'should' it provokes judgment and evokes emotionality. It implies there is a morally appropriate answer: right/ wrong; better/worse; good/bad. Additionally, it channels people into connecting, not with their rational minds, but with the meaning their minds make (Fictions) e.g. beliefs, assumptions, conclusions, stories, narratives, histories which are coupled with Feelings of matching intensity. These past Fictions are either fed by old narratives, translating into survival/ need-driven Purposes that feed and are fed by imagined (future fiction) Outcomes. We find ourselves taking action based on Decisions that have been wholly reactive. We think we have made a clear choice but in fact our flawed subconscious System 1 thinking will have metaphorically had us play out an old, familiar, counter-productive, potentially destructive drama*
- ***Unfair*** *- its phrasing poses a psychological advantage to the 'Yes' answer – voting 'for' something rather than standing 'against' something connects us with hope, optimism, confidence, 'power to…' – How would you respond if the question were: Should Scotland stay united with England, Wales and Northern Ireland?*

Future is Fiction until present as Fact

The Referendum Question looks like a simple question seeking a simple answer: **Should Scotland be an independent country?** Its *Purpose* appears to be self-evident in the framing of the question – the pursuit of independence for Scotland. Some in the 'Yes' camp believe that by becoming independent, Scotland will gain 'control of its own destiny'. This is an assumed *Outcome*. We do not know it to be true - yet. Factually, were it to become an independent nation, Scotland would simply win the right to make additional legislative, political and financial decisions undiluted by the voices of those in England, Wales and Northern Ireland as represented by MPs in Westminster. What happens thereafter is anyone's guess.

This focus on 'controlling our destiny' draws our attention to future prediction based on interpretation of data and projections of future national performance. In essence, this is meaning-making shaped by beliefs,

conclusions and assumptions based on people's experiences, emotions, knowledge, histories, perceptions etc.

Those in the 'No' camp also call upon future prediction, believing that it will be better for everyone if we stay together 'as demonstrated by our historical success as four nations united in one Kingdom'. They anchor their predictive capability in 'evidence' of the past. Yet just as future success cannot be assured by future projections, neither can it be assured by examining past performance. Both are common flaws in the thinking surrounding business and organisational planning processes.

OUTCOMES: consequences arising from tangible results, effects, manifestations. We tend to think in terms of benefits (what we want/desire) and consequences (what we don't want/fear). In reality, there are numerous – if not infinite – outcomes in any scenario manifesting at every level and scale in a system. We tend to notice only what our default filters seek out. Hopes and desires, fears and catastrophic fantasies are all imagined outcomes or 'future fictions' because they are simply thoughts in our imagination not indisputable FACTs.

What transpires in the future cannot be known with certainty ahead of time. Desired or assumed Outcomes are essentially future Fictions. Only when something is seen, heard, touched in the present moment does it become a Fact. Having many people sharing a particular viewpoint does not make what they think any truer. It simply means a whole bunch of people agree with each other.

Certainly there is no certainty

Certainly there is no certainty when it comes to something as complex as a human system. Why? Because of three evident inter-dependent conditions:

- The systems are **open** not closed. They are essentially unbounded, which means that influences are moving in and out from all directions, all of the time and we cannot know when, what, who, in what ways these influences may be impactful. For example, conversations are not just happening in Scotland. People in other member UK countries, across the diaspora, in America and elsewhere are engaging in related conversations. Who knows what will show up that might divert people's thinking, feelings and decisions in a different direction?
- The systems are **high dimension.** There are innumerable variables/ factors at play, most of which are unknown and unknowable. This is about differences in the system which do not exist independently of each other. Individuals, families, communities, organisations, governments, peoples with differing access to resources, contacts, information etc. can do, in small and big ways, things that bring influence to bear. We have no idea what, who, how, but at some point stuff will show up and we may be caught by surprise. Not all differences make a difference in every situation and moment so we cannot predict which will suddenly become relevant and influential in the debate.
- There is **nonlinear causality.** The connections and exchanges between differences in the system are infinite and multi-directional. Causes are effects and effects are causes. In other words, there is no single 'root cause', nor one-way influence. When we ask 'which comes first - the chicken or the egg?' we are talking about nonlinear causality. This question opens a hopeless circular debate in which opposing parties attempt to establish who 'started it' so they can make the other wrong and themselves right. From a CAS perspective this is futile because there is no useful answer about root causality to be found.

There is no beginning, middle or end; and *Everything* is a beginning, middle and end

These three conditions are interdependent and together, they constitute the conditions which create patterns in a CAS. A change in one condition will affect the others, resulting in system shifts that are unpredictable and uncontrollable. In other words, whatever the result of the vote in Scotland, people's assumed or desired *Outcomes* cannot be assured. Additionally, many surprising – perhaps even shocking - outcomes may also emerge.

> *Glenda Eoyang in her doctoral research simplified these conditions into CDE:*
>
> *C = Containers (similarities),*
>
> *D = Differences (high or low dimension) and*
>
> *E = Exchanges (nonlinear causality).*
>
> *We can use CDE these to help us see, understand and influence the human systems in which we find ourselves – which is exactly what I did when considering whether or not to accept the invitation to write in this journal.*
>
> *I looked for patterns playing out in the referendum debate: considered evident 'containers' in which I had seen the debate taking place; I identified different agents and voices present and took note of the nature of the exchanges between those agents.*
>
> *I reflected on what I was seeing and considered how I might usefully contribute e.g. 'talking' or*

'writing' being 2 clear options for me (i.e. a form of exchange I might employ). I thought about where I could do this, given what was currently and easily available to me e.g. THIS journal OR the online journal in which I regularly contribute (I chose this journal as a new and potentially better-fit container).

I then also considered what angles I might bring forth in my exchange (choosing to focus on complexity perspectives as A difference to bring into the debate). In essence my writing of the article is an Adaptive Action experiment to see what if any different it makes in the nature and direction of the debate

In Human Systems Dynamics (HSD) we call sudden, unexpected change 'dynamical'. In the physical realm, it is akin to an avalanche or a tsunami. Shifts happen in multiple directions at once, effecting colossal change on the environment in which it occurs with the landscape being changed irreversibly. No one could begin to determine exactly how and to what extent that landscape will be affected.

Three types of change: Drawing from mathematical sciences,

DYNAMICAL change is where a tiny shift in initial conditions catalyses unforeseeable, non-linear, irreversible changes of state and form in/of a system i.e. what I would call 'transformation'. By contrast

STATIC change assumes that by exerting 'forces' one can move a system from an undesired state to a new and different state e.g. low performing culture to high performing culture.

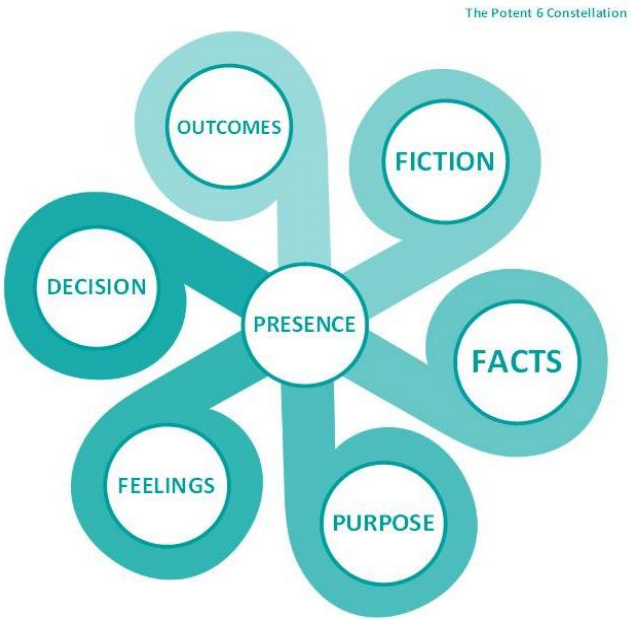
DYNAMIC change assumes that we can predict a clear pathway and trajectory from the starting point to an end point and that it will unfold as expected.

Where variables are known and small in number, where the system is closed and where connections/ exchanges can be directed, it can be helpful to think of change in one of these two ways - but the key is knowing which frame we are holding and to what extent it is helping or hindering progress.

The same principle applies in human systems such as when someone gets a sudden 'aha' moment or when a crowd of people all pour out onto the streets as one, in response to a sudden unexpected event. Examples include the time when Princess Diana died or when the young man set himself alight in Tunisia, marking what then became known as the beginning of the Arab Spring.

No one could have predicted these events, nor the outcomes arising from them, each being an end, middle and beginning to other interconnected happenings in the world.

Believing is not Seeing: Seeing through the lens of the Potent 6 Constellation



So, within the scope and focus of this article, what is certain? A *Decision* has been taken to hold a referendum in Scotland (*Fact*). There appears to be a single explicit *Purpose* to test people's views on an independent Scotland.

In all likelihood (though we cannot know for sure), the decisions and behaviours of politicians on both sides of the debate will be being driven by undercurrent *Purposes* of which they are likely to be unaware. The vote is scheduled for 18 September 2014 (*Fact*). There are divergent perceptions and multiple interpretations (*Fictions*) which influence the assumptions people make about potential *Outcomes*.

People living in Scotland are eligible to vote (*Fact*) but we don't know (*Fact*) who or how many will participate. The result is not yet known (*Fact*). We assume (*Fiction*) the Referendum will place. There are already and will continue to be *Outcomes* (*Fact*) even though we do not know (*Fact*) what these will actually be. People have *Feelings* about the Referendum; and whether or not these are being recognised and their influence acknowledged, their feelings will be implicated in the personal and collective decisions and patterns that unfold.

THE POTENT 6 CONSTELLATION:

What goes on inside us comes together as inter-meshed, multi-dimensional patterns of being and doing that play out, usually out of our awareness: we show up recognisably as ourselves but often have no idea why or how. The Potent 6 Constellation helps us become aware of these patterns and the internal ingredients holding them in place. Awareness helps us shift conditions that can catalyse dynamical (transformational) change.

The outlying portals are briefly explained:

- ***Facts** refers to things that are tangible and evident to all. They arise in the present and can be recounted from the past.*
- *Physical sensations (e.g. hot, cold, tight chest) and emotions (e.g. anger, shame, grief, delight, surprise) sit in the **Feelings** portal. **Feelings** show up in the present but arise from a complex soup made up of past memories, future projections and present events.*
- *Swimming around in the soup are past-driven **Fictions** – thoughts, conclusions, assumptions, narratives, memories, experiences that have us generating all manner of core beliefs (about ourselves, others, life) and driving beliefs (what we believe we have to do to gain or avoid what we desire or fear).*
- *These morph into needs/ drivers/ intentions/ **Purposes** that manifest in our 'Being-ness and Doing-ness'.*

*Through inquiry we may discover multiple **Purposes** that are unconscious. When we are unaware of them (undercurrents), they 'play us' - we may have no idea what is really going on internally and why stuff keeps happening in our lives that we neither want nor expect.*

- *Whilst some **Decisions** are conscious, there are many we make without knowing or understanding that we have nor, indeed, why. Revealing undercurrent Purposes can shed light on the internal drivers for our decisions.*
- *When we are blind to our internal dynamics, we may find ourselves reacting rather than responding – taking decisions and actions that result in surprising, even shocking, **Outcomes**. Recognising the uncertain, unpredictable, uncontrollable nature of reality calls on us to accept there are limits to the degree to which we can predict and control outcomes.*

The Potent 6 Constellation illuminates, equips and accelerates more effective change-work with individuals, groups, organisations – human systems.

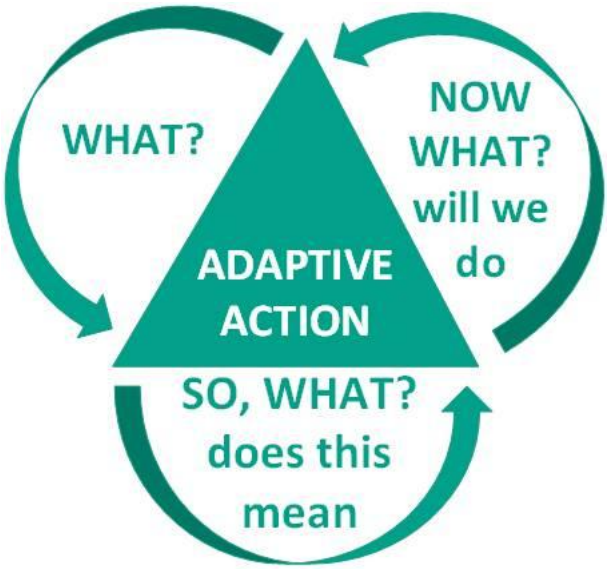
The central portal – ***Presence*** - in the Potent 6 Constellation calls us to notice WHAT is present within and around our own internal systems so that we can better understand and respond. The framework itself helps us discover what is present and absent; what is noticed and not yet noticed, and where patterns are (in)coherent, (in)consistent and (in)complete. It seems to me that there are incoherent, inconsistent and incomplete patterns showing up in many actors engaged in the Referendum debate – selective facts, unconscious fictions, suppressed feelings, undercurrent purposes, assumptions about outcomes and reactive decisions… Only the individuals themselves will be able to discover what is really driving them…

Patterns repeat across scales

People in the debate speak of how things **will** be after the vote. This takes our attention away from what is already unfolding **because of** the 'vote-to-come'. Consequences are already emerging.

From the place of *Presence* – and being guided by portals of the Potent 6 Constellation - we could deploy a simple yet powerful process of inquiry - Adaptive Action[2] - which by itself can usefully and meaningfully help us handle enormous complexity. Its three simple questions move us from gathering data (WHAT?) to making-meaning (SO, WHAT?) to decision-making (NOW WHAT?). It brings our attention to what is present in the here-and-now. Drawing on the different perspectives of others, we can gather important 'data' about the patterns of activity and engagement within and between players in and beyond Scotland. Involving others brings difference into the exploration and expands the scope of what is noticed, helping us to break out of limited and default ways of seeing. Engaging in shared sense-making opens up more options for action. NOW WHAT? moves us from options to decision to action which, once taken, brings us back to engage in the next WHAT?

[2] ADAPTIVE ACTION: WHAT, SO, WHAT? NOW WHAT? first referenced by Terry Borton (1970) in 'Reach, Touch and Teach' and then Eoyang and Holladay (2012) in their book 'Adaptive Action' supports responsiveness to PRESENT reality and 'damps' reactivity to PAST and future-projection 'FICTION'.



Adaptive Action is powerful because it can be applied a) reflectively to understand how past events have brought us to the present AND b) reflexively, moment-to-moment (in fast-cycle iterations) as events unfold, with our attention focusing simultaneously on the present with the future in mind. Engaging in conscious, fast-cycle iterations, more than anything else, equips us to adapt more assuredly to unpredictable, uncertain, complex situations. Though simple in principle, it requires mindful practice and effort to turn what is essentially a natural, unconscious, reactive process (Daniel Kahneman, calls this 'System 1/ Fast thinking') into one that is conscious, considered, and choice-ful ('System 2/Slow thinking').

Individually practising Adaptive Action can grow our personal capacity to adapt; engaging in Adaptive Action with others in groups builds adaptive capacity within the wider system i.e. 'being sensitive enough to see; flexible enough to adapt; and robust enough to withstand challenges' (Eoyang, 2012).

Importantly though, we need to recognise that both fast and slow thinking processes are necessary and useful. System 1 thinking runs on what is known, familiar, similar; thereby reinforcing what is already present – great in an emergency. In contrast, System 2 thinking opens the possibility for new patterns because it invites in different data, calls upon new sense-making, and different decision-making – great for complex, unknown situations. Limited difference can make things easy to resolve but can lead to compliance, stagnation, extinction or self-destruction. Significant difference can be creative yet may lead to tension, conflict, disengagement; violence, destruction, break-up.

What we do and how we 'be' as individuals, shows up in and shapes the places and groups in which we gather – the patterns we create begin and end with us individually and together. We influence these patterns by how we engage with each other around our differences and similarities. A cross on a voting page sets conditions for a competitive exchange, the outcome of which drives perceptions of winners and losers. How is the anticipation of this event manifesting in our communities, organisations, council chambers? What are the patterns we are seeing playing out in our homes, neighbourhoods, towns and cities in Scotland? In the UK?

*To influence systemic change in Complex Adaptive Systems (CAS), we look to take action at three connected scales: the **whole**, **part** and **greater whole**. What this means depends on the issue, context and scale of any particular dilemma. It could mean working within a department (whole), management team (part) and an organisation (greater whole) or within the Scottish Government, City Councils and Local partnerships; or even as an individual (part) within a street (whole) in a neighbourhood (greater whole) etc. Under the 'right' conditions, dynamical change in one scale could shift the entire system*

My sitting alone with these questions or conversing only with those who think like me will not help me or us see and understand our multi-dimensional reality; nor will it help us generate systemic solutions that have the potential to attend to the sustainability of the 'whole, part and greater whole'.

What if we decided to change the game? What if, instead of playing the voting game, we engaged in Adaptive Action **with** others who are different from ourselves; who also shared a common desire to act for the benefit of the 'part, whole AND greater whole' rather than prioritising one of these system levels/scales to the detriment of all others e.g. me; or my neighbourhood; or my city; or my business; or my nation; or my union of nations?

There is no 'there, there'

In the Referendum, people seem to have their eyes on the horizon, looking backwards or forwards. This is not wrong, simply incomplete. The future is made in the present. So it matters to pay attention to current observable patterns, connections, exchanges and activity, to how people are feeling and behaving NOW. As the debates become more prevalent and visible, so the quality and nature of the exchanges between people holding differing positions, becomes amplified. I notice patterns that suggest more telling, less asking; more persuading, less listening; more certainty, less curiosity; more noise, less silence; more emotional intensity, less considered reflection; more focus on winning the vote than in seeking systemic solutions; more blaming of others for past injustices than taking personal responsibility for the parts we have all played in creating our own current reality in Scotland. Patterns of competition in Scotland and between Westminster and the Scottish Government are being amplified. The 'WE' we once were is becoming ever more divided into 'them and us'.

The very act of putting the referendum question on the table has shifted differences that were more evident **between** England and Scotland and has now amplified them both between the two and now **within** Scotland. We have started creating our own internal battle lines and with conflict and competition, there are winners and losers. How we are relating to and working with each other NOW is seeding patterns of our present and future. There is no there, there because 'There' is already here. We must decide if and how we want to change it. This begins and ends in 'local' exchanges between each of us as individuals and the people we meet day-to-day. This is how patterns replicate – not in or through the grand-scale policy and position statement, but in the 'what' and 'how' we treat each other, whoever we are, wherever we are in each present moment.

Competition and conflict in CAS: at the level of the 'part' and 'whole' we might see evidence of simple winners and losers but when we scale up and down those patterns of conflict can show up affecting and damaging the sustainability of the system as a whole. Where there are winners and losers, usually in the end, everyone loses

Interventions are experiments with uncertain consequences

Were independence to happen, it could set the ground for structural change, much the same as in organisational re-structuring or re-design exercises. However, rarely do such exercises deliver the fundamental cultural and performance changes that the architects of organisational development agendas promise. Why is this? Because re-structures generally involve establishing new metaphorical boundaries coupled with re-drawing functional and organisational charts. Such OD interventions are grounded in

conventional thinking that assumes change is predictable and controllable (static or dynamic) rather than dynamical. Yet despite the structural manipulations, people remain in the system, possibly with new job titles, and little or no effort is directed to influencing the actual internal and relational dynamics. So they persist: people who exchange with each other continue to do so and those who don't, don't. The patterns remain the same.

The result of the Vote is not a guarantee of promised/expected change. In this open, high dimension, nonlinear complex adaptive system in which we exist, we simply do not know what might emerge or erupt within and/or beyond Scotland as a consequence of a 'Yes' or 'No' vote. Whilst the Referendum might prove to be an important and helpful ingredient in the change agenda, we need to remember it is only ONE of an infinite array of possible actions and influences. Causes will be effects and effects, causes. And the Referendum will simply be another experiment with uncertain consequences.

There are multiple histories, realities, pathways, insights, resolutions and futures

We cannot know what might unfold as each person takes a step forward from now, except in one general sense – **individually and together, we will adapt to what is** – just as we always have and always will – until perhaps some point of global or material extinction. We may survive, limp along or even thrive. No one can know for sure if 'it' will be better for none, some or all, were Scotland to become an independent nation. This is as unknowable and as unpredictable as the Scottish weather. With each decision - each action – we take, the systemic landscape around us will change. Those changes may be imperceptible at first; but life has a habit of shifting conditions outside of our awareness until suddenly the avalanche of whole-scale transformation cascades upon us, wreaking havoc on the established order. Here we find ourselves - wildly different lives, histories, narratives and futures existing in impossibly complex, ever-changing and overlapping literal and metaphysical containers, all inextricably interconnected and interdependent. Whatever we might think; whatever we believe we see, we find ourselves here together.

How can we possibly cope? How can we possibly prepare ourselves to both respond to and influence what is happening around us?

There is no Outside; there is no There or Then, only Here and Now

First and foremost, we would recognise we cannot wait for the Vote. To some extent it is immaterial as change is already upon us. Whether or not we realise it, we are already creating and reacting to the perturbances caused by the-vote-to-come. We are left with some basic choices: How conscious we want our Adaptive Action to be? Who do we want to play with? Where do we want to play?

Individually and collectively, for example, we could choose to:

- 'explore and challenge our personal assumptions' or 'hold on to our current thinking paradigms'
- 'welcome difference and discomfort' or 'seek comfort in similarity'
- 'convene conversations with people we do not ordinarily meet in places we do not usually go' or 'stay close to home with those we know'

- ‘change the nature of our exchanges within our families, communities and organisations’ or ‘comply with current codes of conduct and power dynamics’
- ‘collaborate to co-create’ or ‘compete to win at any cost’
- ‘work for the benefit of the whole, part and greater whole’ or ‘serve me and mine above all else’

The challenges for us in Scotland, the Union and the world at large are enormous in scope and degree; who knows what else might emerge on the horizon and in the landscape before and beyond 18 September 2014?

Votes will be cast and counted; and we will get on with whatever unfolds as a result of the result. All of us will face the consequences. Shocks, surprises; frights and delights – little of the future is likely to be quite as we imagined. My hope is that through reading this article you may feel inspired to experiment with and explore further, the ideas, lenses and frameworks presented. In so doing, I hope you will find yourself better equipped to engage with the current debate in ways that leave you clearer, more grounded and ready to cope with the uncertainties and with whatever unfolds.

In the end, what transpires Then and There will come down to what we each do Here and Now. Now. Now. Not when… when… when…

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Do things fall apart?

An expatriate view of the Scottish Independence Referendum

Bob MacKenzie

Keywords

Identity, relationships, learning and development, uncertainty, runes, OD, Scottish Referendum

Putting things in context

In preparation for the publication of this edition of *e-O&P*, my colleague Peter Sheal invited me and others to respond to some questions on the impact of the Scottish Referendum. On 30 May 2014, I finally got round to expressing some thoughts in writing. This has proved to be a very useful exercise for me as, failing to find enlightenment in the vortex of conflicting passions, 'facts', opinions and arguments, I've been feeling confused, powerless and excluded from involvement. I decided that the only course open to me is to render the political personal. Hence, in trying to answer these questions, I'm hoping to discover my own views on the Referendum issue.

It so happens that 30 May was also the date of the *official* launch of the campaigns to lobby for or against a 'Yes' vote on 18 September. I was surprised to realise this, because somehow it has felt as if those campaigns have been going on for ever. Although the official ballot asks for a straight YES or NO response, the subtext seems to suggest a broader question: Do we want greater devolution or full Independence from the UK? Without knowing all the 'facts', and following my instincts, I guess I'd have to put myself in the camp of greater devolution. This is not an official option, but I imagine this would happen anyway in the event of a NO vote, given all the forces that the Referendum will have unleashed.

What are 'the facts'?

However, sadly, native (and perhaps naïve) Scot that I am, it seems that I have no formal say in the matter, for reasons that I explain below. Moreover, the truth is that I'm confused. I've sought deeper understanding of the complex issues involved from a variety of sources, including friends and colleagues on both sides of the border (and indeed in other countries), from the broadcast media, from social networks, and from scholarly writings such as those of Linda Colley (Colley 2014) and Murray Pittock (Pittock 2014).

I've even tried consulting the Scottish Government's 670-page online White Paper, which sets out the case for full Independence (Government 2013), though I have to confess that I gave up reading long before the end of that document. I visited the Scottish Government's website, which claims to give me 'all the facts'. It told me that I had 110 days, 12 hours and 14 minutes to make my vote count (Government 2014). Not true! Despite having always thought of myself as a native Scot within an international setting, like many others in my position, I find myself disenfranchised. For me, this raises profound questions of identity.

Scot, exile, expatriate or outcast?

As an expatriate Scot, would a YES vote suddenly change my status to that of an exile or outcast, alienated in perpetuity from the land of my birth? Indeed, henceforth, who would be able legitimately to count themselves as Scottish?

Perhaps I should explain my personal circumstances in a little more detail. I'm a native of Edinburgh, where I grew up benefiting from a good Scottish education. After majoring in History from Edinburgh University, I cut my teeth on educational development and nation-building projects in newly-independent, post-colonial Anglophone Africa. So you can tell from this that I'm a man of a certain age. After a lengthy, nomadic professional existence in several different countries, I'm now based in Southampton (England!), where I live with my English wife.

That makes me a fully paid-up member of the large Scottish diaspora. This diaspora comprises a mixed bunch, to say the least, scattered all over the world. Yet whenever the Scottish national rugby team runs out on to the pitch, I'm there with them in spirit with all the primordial tribal passion I can muster, urging them on to glory, though sadly, often more in hope than in expectation. Whenever I'm asked, I generally describe myself as a citizen of the world, as a Scot, as British, and as other allegiances, in no set order, depending on the specific circumstances I find myself in. I have multiple identities, amongst which being Scottish matters.

Reading the runes of the referendum question

Way back in November 2011, the North East Scotland Group of AMED (www.amed.org.uk) met in Aberdeen to explore our thoughts and feelings about this Referendum, which at that stage seemed very far away (MacKenzie 2011). We knew, however, that it would raise fundamental questions about the future trajectory of personal, management and organisational development in Scotland and beyond.

We found it helpful to work with the metaphor of runes as:

> *'simple, earthy symbols rooted in the natural world …. The runic system was in use by the Nordic and Germanic tribes of Northern Europe for both secular and religious purposes ….. the first examples of runes to phonetically represent language appear to date from around the second century BCE*
>
> (Peschel 1989)

Image: Runes in Maes Howe; Undiscovered Scotland. Source: http://www.undiscoveredscotland.co.uk/westmainland/maeshowe

Maeshowe in Orkney is one well-known example of a Viking runic site in Scotland. Early technologies for inscribing runes consisted of sharp instruments to cut symbols on hard surfaces. People cut or scratched runes to make their mark, and hence left a legacy for future generations.

We've withdrawn the view of Maeshowe that we'd originally intended to include here, because Visit Scotland have advised us that they're unable to send out any material from their archive for publications concerning the Referendum. However, you can view it by clicking on the URL in the caption below.

Image: The 5,000+ year old Maeshowe chambered tomb in Orkney, containing 12th century graffiti runes carved by Vikings. Source: http://www.visitscotland.com/info/see-do/maeshowe-chambered-cairn-p299611

In certain respects, voters on 18 September 2014 can be seen as continuing this tradition. Reading runes involves deciphering and interpreting these marks from a variety of perspectives. In Aberdeen, reading the runes seemed to us to be a highly relevant metaphor framing our attempts to begin to understand or divine the impact or implications of the Scottish Independence Referendum. Without knowing the precise details, we sensed that this would affect profoundly not only Scots and the development professions in Scotland, but also others far beyond the Scottish borders.

Image: Sunset over the heart of Neolithic Orkney. Source: © Colin Keldie - k4graphics.zenfolio.com

In this co-inquiry, we were exploring our views on three key questions:

- What do 'Scotland' and 'being Scottish' mean to us?
- Can there be a distinctively Scottish approach to personal and organisational development (POD)?
- If so, what are its characteristics, and how can we nurture them?

In the more recent run-up to the Referendum, it's clear that questions such as these are being splashed over a far wider canvas. Everyone involved in personal and organisational development, whether based in Scotland or not, is exercised by trying to decipher, interpret and work out what to do in response. No doubt, people will cast their votes impelled by a variety of criteria. As well as historical and financial considerations, I imagine we will also be seeking to influence the kind of place we want Scotland, Europe and the rest of the world to become.

A view on personal and organisational development

About the same time as our meeting in Aberdeen, in a more specific, professional context, the Winter 2011 issue of AMED's journal *e-Organisations and People* (Varney & Garrow 2011) offered a fresh overview of OD. This is well worth a read. It notes that there are many interpretations of what 'developing people' and 'OD' mean and of how they should happen. OD is not confined within a given organisational boundary. It interacts with, is influenced by, and influences a far wider context. Likewise the Scottish Referendum. OD can be viewed as an aspirational response to deal with the mixed post-war *zeitgeist* of optimism and alienation. More recently, interest in OD has intensified in the context of the current global economic and political malaise – and now also in the context of the largely unpredictable impact of the Scottish Referendum and its outcomes. OD makes certain assumptions about whether or not organisations can be 'developed', about human nature (has it remained essentially the same throughout history?) and about what causes us to behave in the ways we do. The literature on OD ranges across micro and macro perspectives.

Various schools of thought draw upon increasingly multi-disciplinary approaches, and upon fresh discoveries and innovations in science, technology, the arts and humanities and the social sciences. They advocate a range of frameworks, tools, techniques and methods for conceptualising and implementing OD. Today, efforts to operationalise OD are often instituted formally through organisational structures or functions such as Human Resources, Collaboration, Leadership and Learning, TU relations or Facilities & Estates Services, as in the HR and OD Directorate of the Scottish Government (Scottish Government Directorates 2011). However, greater attention is also now being devoted to informal processes.

The following diagram illustrates some core concepts of OD. It suggests some inherent (creative?) tensions between its different components.

(Reproduced from Varney & Garrow 2011:1)

What might this mean for personal and organisational development in Scotland?

The interplay between trends and initiatives elsewhere (such as in Europe and across the globe) on the one hand and Scotland's unique size, demographics, history, culture, economy, politics and level of independence on the other, will inevitably shape any post-Referendum POD solutions that are emerging or being considered. Cooperation, dialogue and debate is essential between networks such as Scotland's Futures Forum, the Scottish Universities Insight Institute, the Deming Learning Network, and other practitioner groups like AMED, to name but a few. The very day we were meeting in Aberdeen all those months ago, eminent people were referencing past glories and present aspirations as they engaged with the Scottish Parliament at Holyrood about '*Learning in context of systems that characterise our society*'.[3] They were exploring ways to reassert Scotland's status as 'a world-leading learning nation' by 2025. I'm not sure how far they've got in this project, or whether POD has featured prominently in their discussions, but I imagine that they are considering a mix of both continuities and discontinuities. I'd be surprised if they hadn't referenced proud past achievements, such as 'the Scottish Enlightenment', as well as new ideas and discourses. Whatever the current state of this project, I wish them well.

The political is the personal

Having sorted out a few things in my mind by writing the preceding passages, I now feel ready to address Peter's initial prompt questions head on.

1. **Do you see change more as an opportunity or as a threat? How does this affect your response to the Scottish Referendum?**

   Well, I see change as a constant process. It's inherent in the law of entropy, and is attended by both dark and light properties. Sometimes, I'm braver at facing it than at others. I'm also aware of the law of unintended consequences, so I've come to accept that change is often likely to have consequences that aren't anticipated at the time when it's seen to be taking place. Therefore addressing it requires our constant attention... This leads me to view the Scottish Referendum with a degree of caution and uncertainty, as well as with eager anticipation. I'm only too well aware of its significance for Scotland, for other countries, and indeed for me personally.

2. **Has your attitude towards change changed as you've got older?**

   I suspect that my approach to change is always fluctuating. Sometimes I embrace it; sometimes I fight it; sometimes I try to pretend it isn't happening; sometimes I do something to initiate or try to influence it. I think the major change in me over time is that I'm becoming more conscious of the ways in which I'm responding to – or even initiating – change. This awareness at least gives me and others something to work with.

3. **Do you see nationalism as a largely positive or largely negative force?**

   Now this is a tricky one. As I understand it, nationalism is a complex phenomenon that can take a variety of forms and emphases, e.g. cultural, ethnic, aggressive, assertive, geopolitical etc, depending on specific circumstances.

[3] Invitation from the Unreasonable Learners' Network (Gordon Hall et al, 21 November 2011)

So I guess my response depends on how *nationalism* is understood. Dictionary.com defines it as:

- spirit or aspirations common to the whole of a nation.
- devotion and loyalty to one's own country; patriotism.
- excessive patriotism; chauvinism.
- the desire for national advancement or political independence.
- the policy or doctrine of asserting the interests of one's own nation viewed as separate from the interests of other nations or the common interests of all nations.

At its most extreme, especially in the chauvinist sense, nationalism expressed as xenophobia fills me with horror. At its best, I think that a nationalist spirit – say of being proud to be Scottish – provides one important source of cultural pride and identity, and social solidarity. Nationalism has complex roots, and can be a powerful force for generating either or both a deep and positive sense of personal and social identity and connection on the one hand, and uncontrollable excess on the other if it's not wisely expressed.

I've been impressed by Colley's (2014) analyses of the reasons for and the fortunes of various acts of union over the centuries in what became known as the British Isles. It seems that all such arrangements have proved to be internally fractured and inherently unstable, and in need of constant readjustment to increase their chances of survival. With the advent of globalisation and the increasing phenomenon of statelessness, existing nation states are facing complex challenges. The UK or Great Britain is no exception.

Pittock (2014) helpfully identifies a 'modern' form of Scottish nationalism that's emerged over the last 50 years, and argues that it's associated with the demise of the British Empire. With the decline of the imperial project, it seems that the Union might now need Scotland more than Scotland might need the Union. From this perspective, Scottish nationalism is neither good not bad, but rather inevitable. So we have to face it, and work out some kind of modus vivendi.

4. Change and disruption often provide a catalyst for learning. What opportunities would be generated by Scottish Independence and the break-up of the Union?

Well, the YES campaign tells us that every Scottish household would be better off financially. Therefore, presumably, there would be more to spend on education. No doubt there would be much experiential learning involved in all manner of ways through embarking upon the task of administering and living in a fully independent sovereign state, without any prior experience of doing so for some 300+ years. Perhaps we'd make a point of learning from other countries, say in Scandinavia, which have broken away from a larger suzerain and become and remained viable independent states.

5. If Scotland becomes independent, what new knowledge would we need to learn?

This depends on who 'we' are. Are we referring to Scots resident in Scotland, diaspora Scots (expatriates, exiles, or outcasts of various persuasions and for various reasons), non-Scots resident in Scotland, non-Scots beyond the Scottish borders (including those in England, Northern Ireland and Wales, and also beyond 'the British Isles') etc? Scotland may need to learn new ways of living with a more (or less?) multicultural and multi-ethnic society within her borders.

Certainly, 'the UK' or 'Great Britain' would have to learn how to behave as smaller forces in the world, England would have to adjust to some kind of co-existence with a fully independent contiguous neighbour, the European Union would need to reassess its membership criteria and governance policies, and I would need to learn to develop a new sense of identity and belonging. So, whatever other new knowledge is required, there seems to be a universal need to learn how to form and sustain new kinds of personal, national and international identities and relationships.

6. If the outcome is not full independence, what benefits do you think might have accrued nonetheless from the Referendum?

Unquestionably, whatever its outcome, the forthcoming Referendum has been generating an extended and vibrant period of what we might call creative unsettlement. Everything is being questioned; nothing is being taken for granted. This is the very essence of critical thinking, and as such is to be welcomed. Moreover, I think it's pretty clear that, even in the event of a NO vote, the powers-that-be in Scotland will be in a position to negotiate even greater autonomy in all manner of ways than is the case at present. Indeed, some real learning and development is already under way amongst all concerned parties, and is likely to continue well into the future. A brave new world is in prospect. Interesting times lie ahead for us all!

What is to be done?

In the hurly burly of daily organisational, business and political life, thoughtful writing and conversation are often considered to be counter-cultural and counter-intuitive. Yet they are essential, and must be actively encouraged. Usefully, they slow things down at key moments, such as now, and allow time and space for informed and experimental learning and action. I'm not sure that the current debates surrounding the forthcoming Referendum have featured such approaches sufficiently. So let's hope that this edition of *e-O&P* contributes in some small way to creating and sustaining the conditions in which those conversations and that writing are enabled to flow as they must to energise a bright future for Scotland and her partners, wherever they may be, and whatever the outcomes of the Referendum.

Whatever happens, I don't think everything will fall apart. But they'll never be the same again. The genie is out of the bottle.

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Negotiation from 1942 to 2014

My journey under the iceberg

John Carlisle

This article describes the journey I began when I became interested in negotiation as a phenomenon in the 1970s. I was trying to understand the West's conflict-ridden economic system and my journey continues.

I start by examining the terminology of deal-making and the emergence of effective negotiation as a subject of importance in the world of business.

Then I go on to describe how my own inquiry evolved:

- *from a focus on the behaviour of the seller and the buyer in their meetings,*
- *to the more rewarding territory of the supply chain where the shared interests of the parties are easier to recognise*
- *concluding with my reflections on the need for more collaborative systems in organisations and a strategy for bringing about this change.*

Keywords

Negotiation, collaboration, cooperation, systems

The concept of negotiation

We negotiate only when we have to: when we do not have the power to achieve our goals alone. However, that has changed. Today, thanks to systems thinking, of which Deming was such an erudite proponent, we have a much greater grasp of the phenomenon of interdependence, and its behavioural corollary, cooperation. Nevertheless, the consciousness of the need to negotiate still obtains.

The intention is contained in the very use of the term or its equivalent, *parley*, which indicates that you see, not only the need to talk, (The root of the word *parley* is *parler*, which is the French verb, *to speak*; specifically the conjugation, *parlez, you speak*.) but also that you are prepared to be flexible or to trade - *parlay*. In US politics it morphed into "parlimentaire", which means a herald, someone who sets up the negotiation or may even be the negotiator, who deals on behalf of one of the parties.

A painful case of not understanding the parlay of negotiation

A great example of being prepared (or not) to parlay begins with this historic letter from the commander of the Japanese force invading Singapore to the British commander there.

> *Lieut General Tomoyuki Yamashita.*
>
> *High Com of The Nipon Army*
>
> *Feb 10 1942*
>
> *To:- The High Com of The British Army in Malaya*
>
> *Your Excellency,*
>
> *I, the High Com of The Nipon Army based on the spirit of Japanese chivalry have the honour of presenting this note to your Excellency advising you to surrender the whole force in Malaya.*
>
> *My sincere respect is due to your Army which true to the traditional spirit of Great Britain is bravely defending Singapore, which now stands isolated and unaided.*
>
> *Many fierce and gallant fights have been fought by your gallant men and officers, to the honour of British Warriorship.*
>
> *But the development of the General War situation has already sealed the fate of Singapore, and continuation of futile resistance would not only serve to inflict direct harms and injuries to thousands of non-combatants living in the city, throwing them into further miseries and horrors of war, but also would not certainly add anything to the honour of your Army.*
>
> *I expect that your Excellency accepting my advice will give up this meaningless and desperate resistance and promptly order the entire front to cease hostilities and will dispatch at the same time your Parlimentaire according to the procedure shown at the end of this note. If on the contrary your Excellency should reject my advice and the present resistance be continued I shall be obliged though reluctantly from humanitarian considerations to order my army to make annihilating attacks upon Singapore.*
>
> *In closing this note of advice I pay again my sincere respects to your Excellency.*
>
> *Signed*
>
> *Tomoyuki Yamashita*
>
> *(1) The Parlimentaire should proceed to Bukit Timah Road.*
>
> *(2) The Parlimentaire should bear a large white flag and the Union Jack*

Five days later General Percival met the Japanese at the Ford Motor factory at Bukit Timah road and agreed the terms of surrender. At 2200 hours that same day all hostilities ceased and an imperial army of over 80,000 soldiers had to lay down their arms to 36,000 Japanese soldiers. It was the worst ever British defeat, and the most humiliating since the Zulus destroyed Lord Chelmsford's battalion at Isandlwana in 1879.

So, why is this anecdote important? It illustrates the power: of knowing ***when*** to, of being ***prepared*** to, and of being ***able*** to negotiate. The question General Percival never asked himself was: "Why does General Yamashita even want to talk to me? Why does he not just attack?" The answer is because there is something he needs from me. It turned out that time was of the essence for the Japanese, as their munitions were running low. A siege would be the last thing they could sustain. So, five days of planning by Percival could have been vital – *if* well used.

Japanese General Tomoyuki Yamashita and British Lieutenant General Arthur Percival discussed surrender terms at the Ford Works Building near the Bukit Timah Road, Singapore, 15 Feb 1942

Source: Imperial War Museum, World War II Database, http://ww2db.com/image.php?image_id=5383

This photo shows the different attitudes. The Japanese is that of determination and dominance. The British look uncertain and almost respectful.

Preparation and planning: the emergence of the system

From this example, the lesson is that, whilst working with the behaviours may be fascinating, too often the vital importance of preparing for the event is overlooked – both by negotiators and by trainers. This emphasis now needs to be reintroduced into learning about negotiation.

Negotiation in business

In the 1970s, negotiation became a hot topic in management literature, beginning with Chester L Karrass' *The Negotiating Game* (1970), advocating effective negotiating in purchasing. In the late 1970s Fisher and Ury in the USA, and Neil Rackham in the UK published their research findings about the effectiveness of negotiation. In 1982, Herb Cohen and the remarkable Gavin Kennedy published their highly readable books and these, along with Fisher and Ury's *Getting to Yes* (1981), sold in their thousands. Then, at the same time as Karrass was launching his negotiation seminars, Bob Parker and I were applying the findings from Neil Rackham's negotiation research into the supply chains of Xerox and Motorola in particular. This had a significant influence on negotiation training for the purchasing staff of major corporations shifting the focus "upstream" from the sales arena and mergers and acquisitions into the more strategically significant area of purchasing and supply, where often up to 80% of a production company's budget could be spent.

Initially I focused on building the skills of the purchasing professionals. Then, with Bob, who had been head of purchasing for Ford Tractor, we began to see the importance of the larger picture, the *system* of negotiation.

Developing negotiating skills: the foundations

"There is no knowledge without theory." W Edwards Deming

Neil Rackham, founder of Huthwaite Research, insisted on using his own skills development model, not the simple loop of learn, practise, get feedback, practise improvements, incorporate into learned habits but:

- Learn the **Right Thing**,
- Practise the **Right Thing**,
- Get feedback on the **Right Thing**
- From someone who knows what the **Right Thing** is (based on valid behavioural data).

The key was the **Right Thing**, i.e. the proven model of success. So, using Rackham's reliable behaviour categories to differentiate good and average negotiations, we developed a behavioural model of effective negotiation and prepared to help people learn how to use it.

My 'behaviouralist' approach

I am an organisational psychologist and I approach my work as a 'behaviouralist'. I study how people behave – what they say and do and how they say and do it - as well as the social systems which provide the context. In his research, Rackham identified behaviour categories which were significant to the outcome of negotiations. Using these, I was able to compare the types of statements and questions used by more and less successful negotiators.

Systematic study of a negotiation.

The first step was to identify the criteria for success. Ultimately there is only one criterion. A successful negotiation is one where the agreements are successfully implemented by both parties

The next step is to identify the skilled negotiators to study. This was Rackham's gift. He carefully defined the characteristics of the negotiators to be studied in his initial research in the late 1970s. He selected people for study:

1. Who were respected by *both* sides.
   Having your own side say that you are good may just mean that you set your targets too low. When the other side says you're good it is with professional respect, usually accompanied by qualifications such as "I had better get my homework right before we meet" or "it's always tough; but it always works."
2. Who negotiated for a living.
   In the heady days of 25% growth for some organisations it was all too easy for a high flyer to negotiate what appeared to be a brilliant deal but wasn't, then to move on swiftly before the full consequences became apparent.
   So, brokers of one-shot deals were excluded from the research sample and only commercial negotiators consistently involved in deals worth at least $100,000 or full-time labour negotiators (both union and management) were included.

3. Whose agreements had the highest rate of successful implementation.
   Just as you judge the best sales people on their conversion ratio of calls to sales, so you judge the negotiators on their conversion of agreements into implementations. And the very best were those whose outcomes were seen as win/win, where both sides were satisfied that the agreement was fair.

Systems thinking in negotiation

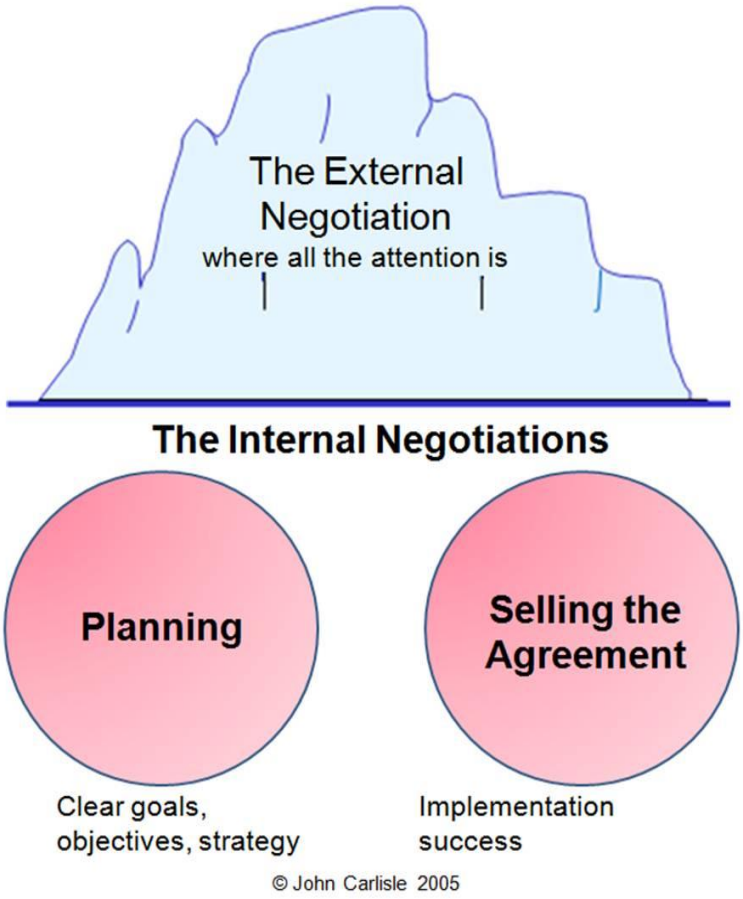
It was only during the training of thousands of purchasing people and civil servants that I began to perceive the underlying system and its impact on the way negotiators could operate. The question I kept asking myself in my daily meditations was, "What kind of system/organisation stands behind a successful negotiator?"

This insight shifted my focus towards the more strategic interventions in the manufacturing supply chain and major construction projects and gave rise to the 'iceberg' metaphor in figure 1, below.

Every negotiation comprises *three* negotiations:

- The external negotiation which receives all the attention and
- Two internal negotiations which make a much more important contribution to the likelihood of a successful outcome.

Figure 1 The Negotiation Iceberg – (It's not just the bargaining)



So, what are the key psychological features of the iceberg itself?

And what does the submerged part of the iceberg reveal when it is studied as part of a negotiating system?

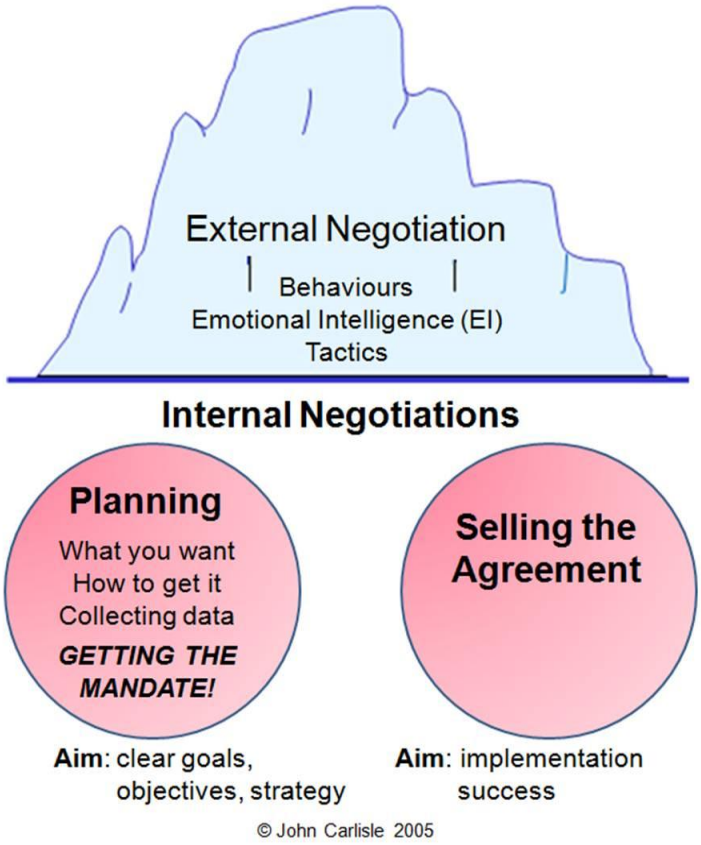
What emerges is a more complex set of relationships (Figure 2.).

Figure 2. The Negotiation Iceberg – (The Internal Negotiations)

The really good negotiator knows that the most important part of planning is to get the mandate to play the hand as they know best for a win/win.

This hidden part of the negotiation is the main determinant of success or failure.

You can have many skilled people in your team, but you will not succeed if you do not have enough data or the right data, nor if your leaders are inflexible about outcomes and how they are achieved, which happens in many labour, political and religious negotiations.



Obtaining the right mandate

Consequently, the internal negotiation is usually the most important: to get the right mandate and the right long term result. The most empowered negotiators are those who understand and do this. One of the best examples was the very successful Sydney Olympics in 2000. Three years into the planning for the games, the project was in danger of falling apart, mainly because there were too many politicians involved. The organising committee was haunted by the debacle of the Atlanta Olympics.

So Michael Knight, Minister for the Olympics and president of the organising committee, called a meeting with the Premier of New South Wales and his cabinet and told them that unless all the powers of committee over the games were given to him, there would be another Atlanta.

What happened in Atlanta?

The Atlanta games were mired in controversy from the moment they were chosen by the International Olympic Committee in 1990 ahead of the sentimental favourite Athens, who had taken it for granted they would be allowed to host the Centennial Games.

Logistical problems, ranging from computer glitches to out-of-town bus drivers who did not know where they were supposed to be going and over-commercialisation, haunted Olympic officials from the start.

But the worst incident was a bomb planted in Centennial Park that left two people dead and more than 100 injured. It was to take nine years before the attacker was caught and convicted.

Even the IOC president Juan Antonio Samaranch broke with tradition at the closing ceremony and refused to call them the best Games ever. Instead he called them "most exceptional".

The Premier said: “You can have mine”. The dominoes fell and the Games went on to be the most successful ever and the model for the marvellous London Olympics. (Webb, 2001)

Often the most empowering act of the planning team is to agree a bottom line and a walk away position. The team needs also to agree, not only the walk away position, but also what the alternatives are. This is what Fisher and Ury (1981) called a BATNA - Best Alternative to a Negotiated Agreement.

In the earlier example of the surrender of Singapore, General Percival was woefully lacking in battlefield intelligence. He did not know that the Japanese army was less than half the size of his or exactly where they were. So he went into the meeting with the wrong mindset, not really knowing what he wanted or how he needed to portray himself, or more importantly, what his options were. Also, vitally, and this is where emotional intelligence comes into play, he certainly did not work out his BATNA, so that he could be prepared to walk away from the table – which he should have done. He should have prepared for a siege and a war of attrition.

To take some business examples: Chrysler should have walked away from the disastrous deal with Daimler. Early on it was clear that this was not going to be a win/win. The Co-op Bank should have walked away from Lloyds even before the bargaining table was reached.

Planning time:

The first surprise of the findings was that there was no difference between the amount of planning time spent by the skilled and average negotiators. What was more important, it seems, was the way the negotiators spent their time. And here both the original and subsequent research and training findings seem to point to the fact that skilled negotiators give more time and attention to two elements:

1. *Preparation*: getting data about all parties around the negotiation, for example, communities which are not party to the meeting, but may have considerable impact.
2. *Strategic planning*, which is a discussion on how to use what we know.

1. Preparation

The average negotiators tended to get too caught up in the initial preparation, i.e. data-gathering, collation, and interpretation, so they often found that the negotiation was upon them before they had decided how to use the data to make their case.

In other words, they “worry” rather than plan. Very often this is a typical trap that logically-minded, engineering- or accounting- trained negotiators fall into, because they like dealing with hard, visible data. Sometimes, they even use this activity to avoid thinking about such 'soft’ data as the other party's motives and interests, their expected stance, being persuasive and so on. This means that they often become too inflexible or tunnel-visioned about their approach.

The skilled negotiators, on the other hand, considered over five options per negotiable issue, while the average negotiator considered less than three. From the outset, the skilled negotiator had more flexibility - a cardinal asset – while the average negotiator had less and the unsuccessful negotiators (like General Percival) often had almost none.

2. Strategy

It is worth looking behind these data to see what else is at work here. The first and most obvious feature is that the successful negotiator has first sorted the negotiable from the non-negotiable issues. The second, less obvious, conclusion, is that the negotiators must be allowed by their mandate group to go in with clear priorities on negotiable issues and with a range of options agreed. What also happens here is that the planners "step into the moccasins of the other party" to guess which options will be most persuasive, i.e. seen by the latter as in their interests.

The following case study illustrates this.

Case study: the value of preparation

These options were generated during one of my workshops where we were looking for ways to bring forward the launch of a new pump by six months without incurring any extra cost.

Options 4 and 5 were chosen because marketing had to be brought into the loop and the purpose of the goal needed to be understood. Moreover, driving out waste could not only speed up the process, but could also save money.

Options:

Increase pressure on suppliers to increase throughput

Gear up own production

Produce flowcharts to look at constraints

Talk to Marketing about what early launch means exactly

Produce a 'drive-out waste' plan with the suppliers, working on current flowcharts.

Looking for common ground

Skilled negotiators spent over three times as long looking for possible common ground as did average negotiators (38% to 11 %). Now this means two things:

- First: that average negotiators spent a great deal more time worrying about possible negative reactions and areas of conflict than did skilled negotiators. Thus they almost predisposed themselves to finding and preparing for disagreement. The consequence is that even when the opportunity for an agreement did appear, they often could not recognise it.
- Second: that skilled negotiators do just the opposite, predisposing themselves to finding agreement, and being agreeable.

In the strategy phase, good negotiators invest a great deal of time looking for possible win/win outcomes, i.e. seeking areas of need that they could help with as opposed to weaknesses they could exploit (because they knew that this would lead to implementation difficulty). Weaker negotiators do the opposite. The best way of identifying win/win is when generating options. The most persuasive options are those which help meet the other party's aims, without deflecting from one's own. In the above example, Option 5 really benefits the suppliers too.

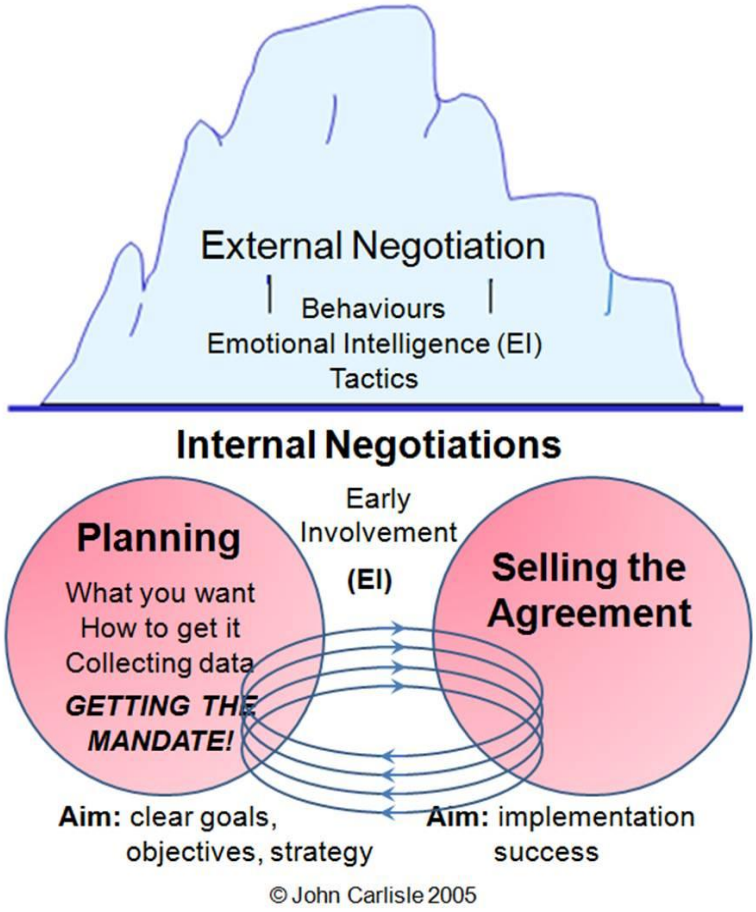
Of course, where there is no common ground, as between Generals Yamashita and Percival, then the appropriate strategy is to walk away, preferably before the negotiation even begins. In the case of General Percival the only reason for the negotiation should have been to buy time to organise for the siege. Talking to military veterans, the consensus of opinion was that Percival should have agreed to parlay but not turned up,

which would have probably bought him at least another day to prepare. It would also have changed the Japanese perception of him and his resolve.

The larger system – Implementation Strategy.

Let's remember, from Huthwaite's criterion, the best way to identify a good negotiator is by their successful implementations. Now, not only do successful implementations generate more value, they also develop something of inestimable value – TRUST. Trust is what adds productivity and innovation, as Chrysler found out in the 1980s when, instead of following the traditional approach of using competitive tendering to drive down prices, they agreed "life of component" contracts, and shared blueprints with suppliers.

Figure 3. The Negotiation Iceberg – (Early Involvement)



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Bob Parker and I published our learning in a book: *Beyond Negotiation* (1989), and, with Persona Global, Inc., a training consultancy and publishing firm in Sausalito, produced a manual to bring the system of negotiation into the business realm. It was from our experience in running workshops with all the stakeholders and from long conversations at night, that we produced what I consider our most useful working model for effective negotiation.

This derives from phase 3 of the Iceberg, joining phases 1 and 3 by involving the implementers in the planning (Figure 4).

Again and again the production people on both sides would complain about having to implement bad decisions, taken earlier in the negotiation process, where better information was readily available, if they had been involved.

So, we introduced a policy of calling in those implementers when the goals were being considered. Not only were the agreements more successfully implemented but they were more innovative as well. The value of early involvement increased exponentially as real cross-boundary team work took hold and trust grew on both sides. Chrysler institutionalised this in what they called Platform Teams for the most crucial components and in 1991/2 they recovered a $1 billion in extra value from their supply chain.

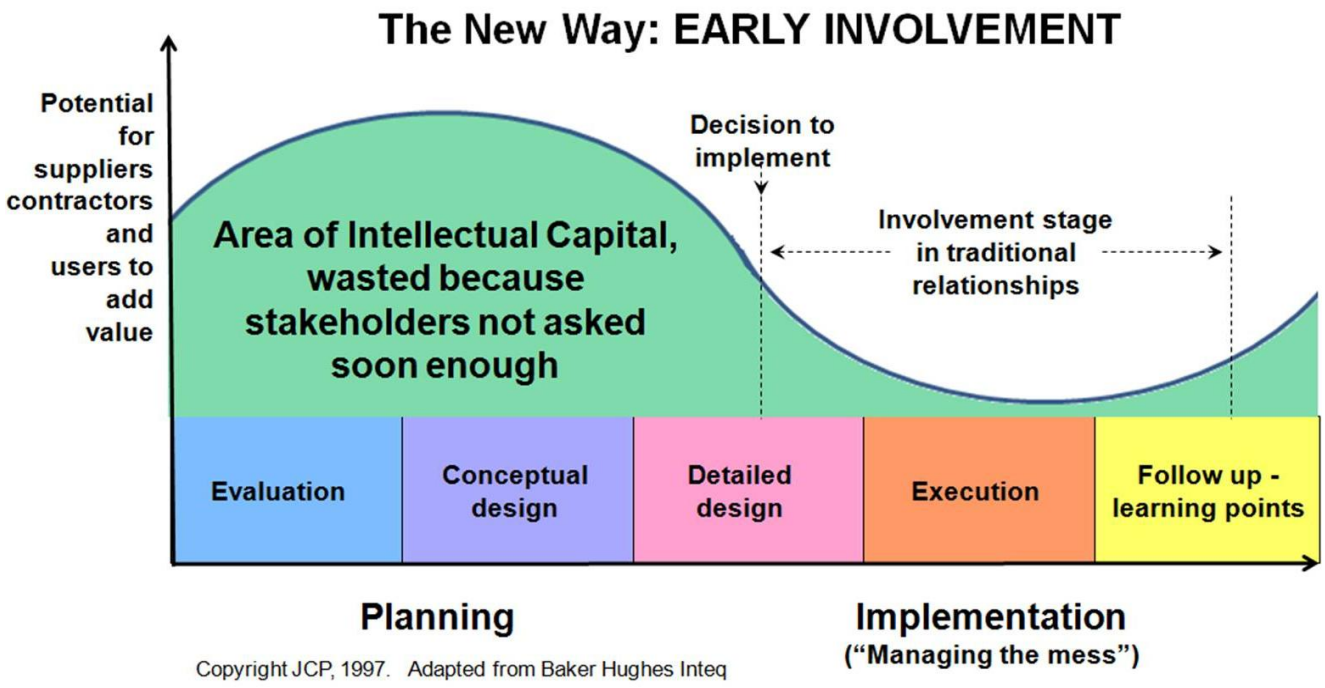
In fact, $2 billion was saved, but half of that went to the suppliers.

Applications from my own experience

The principle of stakeholder involvement really pays off in large oil and gas or construction industry projects. If the relationship went wrong while negotiating the build and service contracts for large facilities, the cracks appeared early and the situation usually went downhill rapidly with big losses in time, money and credibility.

So these industries became interested in our work and we were often able to get both the clients' internal stakeholders and the contractors involved early. The model that captured this is also abbreviated as EI, which stands for *Early Involvement* of the supply chain itself in the design of the project, as figure 4 shows.

Figure 4. The Opportunity Curve



The origin of the Opportunity Curve

This diagram was sketched out at 2am (when some of my best research is done) on a Shell platform in the North Sea by a contractor from Baker Hughes Inteq after a lengthy discussion as to why some of the earlier build programme had had problems.

We named it The Opportunity Curve and I am most grateful to him for his insights. It reinforces my belief that the client seldom knows as much as the contractor about the technology of projects.

In a North Sea survey of innovation it was revealed that 80% came from the contractor/upstream community. Lack of cooperation (normally by the client) ensures that that intellectual value is not deployed on the project.

Case study – the value of early involvement

Another example of how successful this can be occurred at a De Beers mine in South Africa in 2007 when they were planning to move from open cast to underground mining, as the sides had become too steep for the trucks. They introduced the plans to the contractors at the blueprint stage. Two very important contributions were made:

The shaft sinkers asked, "Why do you need a separate ventilation shaft?" (They didn't). That saved millions of Rand.

The mining contractor told them that the shaft headgear they had chosen was not the best for the kind of work to be done. This cut the cost of operating significantly for the life of the mine.

Grounds for hope

None of the extensive benefits from the early involvement are possible if the initial contract conditions are not negotiated in a spirit of cooperation; a spirit that leads to the intellectual capital of all parties being deployed to achieve the aim of the system.

This represents a huge opportunity for society and a huge challenge. Will we ever be able to grasp it and to take on the deeply embedded culture of "the West's conflict-ridden economic system"?

This is now actually a working principle in the Cabinet Office new Government Construction Strategy for Public Sector projects published earlier in 2014. They were very influenced by the London Olympics where John Armitt, chairman of the Olympic Delivery Authority, just transferred the contractor consortium that built the Arsenal Emirates Stadium so successfully over to the ODA – at the blueprint stage. The Cabinet Office was also persuaded by the trial projects in the public sector which are already delivering 20% overall savings on capital projects. So, perhaps the negative impact of the competitive paradigm may at last be giving way to productive collaboration, spearheaded by more enlightened negotiations.

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About the author

John Carlisle's academic career began in Zambia in the late 1960's. He is a recognised authority in partnering and his message of productive cooperation has been consistently driven home in the major projects he has led. The company he founded, JCP, was, in the nineties, the biggest provider of partnering implementation strategies in Europe, working on projects with an aggregate value of £3 billion per annum acknowledged experts in this sector, world-wide.

John is also the founder and chairman of the ASHBY MANOR PROJECT, a family and community centre for HIV victims whose reputation is known throughout the Eastern Cape as a place of "refreshment, light and peace" where the poorest HIV affected people and their families can meet their spiritual, social and basic nutritional needs, and regain a purposeful life.

John is a dedicated (fanatical) England rugby supporter and may be contacted by e-mail: jcashby@btinternet.com.

Peter supports the Better Together campaign

The pro-Unionist position

Peter Sheal

1. Do you see change more as an opportunity or as a threat? How does this affect your response to the Scottish Referendum?

Some changes provide opportunities for improvement and others threaten the gains that have previously been made. We have to look at the justifications for change and the motivations of the people pushing for change. I don't see any justification for breaking up a three hundred year union and fail to see benefits to anyone other than career politicians, civil servants, diplomats and media people wanting more Scottish television programmes. Yet there are significant political and economic risks from separation.

At present we have the best of both worlds – a process of devolution which is increasing the powers of the Scottish Parliament and a political union and common market of over sixty million people, from which we have all benefited.

2. Has your attitude towards change changed as you've got older?

My experience of working and living in developing countries in Africa and the Middle East has taught me that it's much easier to destroy than to build. During a revolution or major political upheaval, businesses, organizations, and lives that have taken years to build may be quickly destroyed.

In the developed world, careless changes can be similarly destructive. Any progress tends to be hard won and needs to be protected against self-aggrandising and sometimes corrupt politicians.

3. Do you see nationalism as a largely positive or largely negative force?

In Africa, the Middle East, and other parts of the developing world, nationalism is a step forward from tribal and sectarian divisions. However, in the developed world, nationalism tends to be a negative force when at this stage in our development, successful globalization requires partnerships and collaboration. Nationalism tends to inspire aggression and warfare, like the recent wars in the former Yugoslavia and the current crisis in Ukraine. Nationalism encourages people to feel superior because of their nationality and when nationalists face problems they tend to scapegoat 'outsiders' or other countries. Scottish independence and the protracted negotiations following it would inevitably generate more animosity between Scotland and the rest of the UK.

4. Change and disruption often provide a catalyst for learning. What opportunities would be generated by Scottish independence and the break-up of the Union?

Economic chaos can often stimulate greater efforts and creativity. Probably the greatest opportunities would be for a rise in property prices in Edinburgh and more jobs for career politicians, potential diplomats, civil servants, and media people. As businesses leave Scotland, local entrepreneurs would buy up the assets at knock-down prices. However, most of the population would suffer the consequences of a business exodus, a flight of capital, and the exodus of bright young people.

5. If Scotland becomes independent, what new knowledge and skills would we need to learn?

The economic shock would shake a lot of people out of their 'comfort zone' and we'd be forced to sink or swim. New knowledge and skills would arise from that, but inevitably there would be casualties. It might take a generation to recover from the consequences of an expensive and time-consuming divorce and the break-up of a three hundred year old union.

6. If the outcome is not full independence, what benefits do you think might have nonetheless accrued from the referendum?

We have benefited from increased debate, discussion and greater political engagement. However, this prolonged period of navel-gazing has led to the neglect of major issues like the number of young people who are unemployed or on zero-hours contracts, the rise in the number of food banks, and increases in gambling and personal debt.

The Psychology of Money

Adrian Furnham

Does money motivate people at work? Why are some people savers and others spenders? Why is money a taboo topic? It occupies such a pre-eminent position in our culture and yet our understanding is riddled with paradoxes and contradictions.

In this article, I explore some of these and caution managers to examine their assumptions about the place of money in their organisations and their options for dealing with it more effectively.

Keywords

Money, motivation, rationality, satisfaction, secrecy

What money means to people

Money has powerful emotional associations. Ask people which emotions are most frequently associated with money, and research provides the following rank-ordered list: anxiety, depression, anger, helplessness, happiness, excitement, envy, resentment.

All forms of money, from cash in the wallet or purse to overall wealth, for many, can stand for *security.* Emotional security is represented by financial security and the relationship is commonly believed to be linear - more money, more security. Money is an emotional lifejacket, a security blanket, a method to stave off anxiety. Evidence for this comes from clinical reports and archival research in the biographies of rich people. Yet turning to money for security can alienate people because significant others are seen as a less powerful source of security. Building an emotional wall around oneself can lead to fear and paranoia about being hurt, rejected or deprived by others. A fear of financial loss becomes paramount because the security collector supposedly depends more on money for ego-satisfaction. Money bolsters feelings of safety and self esteem and so is hoarded.

Money of course, also represents *power.* Because money can buy goods, services and loyalty, it can be used to acquire importance, domination and control. You can use money to exploit other people's vanity or greed. With loads of money, one can bribe and control and so feel powerful. Money can be used to buy out or compromise enemies and clear the path for oneself. Money and the power it brings can be seen as a search to regress to infantile fantasies of omnipotence- or so the Freudians say.

Money is *love*. For some, money is given as a substitute for emotion and affection. Those who visit prostitutes, ostentatiously give to charity, or spoil their children are buying love. Others sell it: they promise affection, devotion, endearment and loyalty in exchange for financial security. Money is used to buy loyalty

and self-worth. Further, because of the reciprocity principle inherent in gift giving, many assume that reciprocated gifts are a token of love and caring.

For many people, money is *freedom*. This is the more acceptable and more frequently admitted attribute attached to money. It buys time to pursue one's whims and interests, and frees one from the daily routine and restrictions of a paid job. Money buys escape from orders, commands, from everything that restricts autonomy and limited independence.

Money and rationality

Bankers, economists and financiers assume that they understand money and that they behave rationally with respect to it. They further assume that others, like themselves, are 'rational' with respect to their own money. Their performance management strategies are based on the premise of *homo-economicus*: the rational human being. They could not be more wrong. People are ignorant, irrational and a-rational with nearly everything about their money. The beliefs about what money is good for, about how best to acquire, multiply and store it, and about the happiness it brings, are demonstrably false.

Arguably, nearly everyone works to make money. Yet talking seriously and honestly about it, at least in polite company, is pretty rare. Money matters are frequently discussed, e.g. the rate of tax, the cost of living and property prices but personal finance remains taboo. Celebrities and ordinary mortals seem happier to talk about the intimate ramifications of their sex lives and mental health than about their monetary status, salary or financial transactions.

Secrets about money matters do not occur in all cultures. In the openly materialistic cultures of South East Asia, enquiries into others' financial affairs and open discussion of one's own, seem quite acceptable. In our culture, money issues are often denied, overlooked, or ignored in courtship, argued about constantly in marriage and are the focus of many divorce proceedings. Contested wills between different claimants can turn mild-mannered, reasonable human beings into irrational bigots.

Studies show that parents rarely talk about money to their children but that children acquire many of their money habits from their parents. Profligate parents beget profligate children. The children of obsessive, miserly hoarders either copy their parents or, in oppositional triumph, spend it all. Surveys show that over 90% of adults would like their children to know more about the financial reality of life than they currently do but that they are not really confident enough to ensure their children are financially literate, sensible and mature (Furnham, 2014)

Many philosophers have written about the irrational, immoral and downright bizarre things that people do with and for money. The media frequently focuses on compulsive savers and hoarders who live in poverty but die with millions in the bank or on compulsive spenders who recklessly run through fortunes often obtained unexpectedly. The late Benny Hill was recently shown to have left over £7 million but to have spent very little. Misers are compelled to save money with the same urgency by which spendthrifts seem driven to lose it. Robbery, forgery, embezzlement, kidnapping, smuggling and product-taking are quite often, simply motivated by the desire for money.

The new discipline of behavioural economics is based on thinking fast and not slow (Kahneman, 2011): that is using rules-of-thumb which lead to erroneous conclusions. There is now a huge interest on nudging people along by cleverly presenting information in a particular way which often hood-winks them (Thaler and Sunstein, 2009).

Money as a motivator at work

One of the most debated issues is the motivational power of money at work.

Where do you stand on the issue of money as a motivator at work? Responses to this question would typically indicate three possible positions.

1. **For**: Money is an effective, powerful and simple motivator. Self-evidently, money motivates and extra money motivates people to work extra hard. It's natural to compete, so productivity and standards are bound to improve when better work is rewarded with money. Further, because it is not always wise or indeed possible to promote individuals, money can be used as an equitable and very acceptable way to reward all workers. More importantly, because money is a "generalised re-enforcer", it is *always* acceptable to *all* people *everywhere* and at *all* times. Money talks and it talks loudly and clearly.
2. **Equivocal**: Money motivates sometimes but not always. For those who are very well paid, even quite large – and especially incremental - amounts have a minimal motivational effect. Worse, money rewards can and do set employees against one another, leading to conflict, disharmony and reduced teamwork. It leads as much to a win-lose as a win-win philosophy. Also, it is very difficult in many jobs to determine or measure an individual's work performance accurately and equitably so as to decide how much money to award – especially in relation to the performance of the team of which they may be a part -.
3. **Against:** Money is not effective and has only the power to de-motivate. Money actually trivializes work. It turns those who are intrinsically motivated at work into extrinsically motivated workers. Money rewards (e.g. wages, salaries, bonuses, performance related pay) may bear little relation to what the worker does or feels. If money works and is so motivating, perhaps the base salaries are too low. There are better ways to motivate people, other than cold cash. It is naive nonsense to believe that if you increase a person's salary by say 20% you will generate a 20% increase in their productivity (or even morale).

The data on this topic are surprising.

- There is little connection between how much you are paid and how job satisfied you are (around r=.10). In other words, poorly paid people may be highly satisfied with their job and vice versa.
- Correlation between salary amount and salary satisfaction is about the same. The research shows that employees in the top half of the salary range have very much the same level and degree of satisfaction with their salary than those at the bottom half. This suggests that many other things apart from simple amount influence satisfaction with salary.

So the relationship is weak and unclear.

Punished by rewards?

In his provocative book Punished by Rewards, Kohn, (1999) argues strongly against using money as a motivator. His thesis is essentially as follows:

- *Pay is not a motivator* – It has only a transitory impact on motivation. Too little money can de-motivate but this does not mean that more will bring about increased satisfaction & motivation.
- *Rewards punish* - Because they are manipulative, like outright punishment. By making that bonus contingent on certain behaviours, managers manipulate their subordinates. This experience of being controlled is likely to assume a punitive quality over time.
- *Rewards rupture relationships* – Incentive programs tend to pit one person against another, which has negative repercussions .This threatens good teamwork.
- *Rewards ignore reasons* –Managers sometimes use incentive systems as a substitute for giving workers what they need to do a good job, like useful feedback, social support and autonomy. Offering a bonus to employees requires much less input and effort.
- *Rewards discourage risk taking* – People working for a reward generally try to minimise challenge and tend to lower their sights when they are encouraged to think about what they are going to get for their efforts.
- *Rewards undermine interest* – Extrinsic motivators are a poor substitute for genuine interest in one's job. If people feel they need to be 'bribed' to do something, it is not something they would ordinarily want to do.

Money as a de-motivator

Elsewhere (Furnham 2014), I have argued that there are at least four reasons why money is seen by business psychologists as much more likely to be a cause of dissatisfaction than of satisfaction. These reasons suggest that money does indeed have motivational effects but that they are nearly all exclusively negative. In other words, paradoxically money can often be a de-motivator

The *first* reason relates to the idea that the effects of a rise in pay very soon wear off as people adapt to their new conditions. Any improvements are therefore likely to be temporary. It can take as little as two to three months for people to "settle down" to the new situation. Money can be a very effective motivator, but you need a great deal of it to stop adaptation effects - too much for most organisations to bear.

Second, what leads to pay satisfaction is not so much absolute salary but comparative salary. So if my salary goes up dramatically but so does that of my comparison group, there is no change in my behaviour. The question, of course, is who my comparison group is and do I really know what they actually get? This is crucial and relates to the whole problem of performance related pay, as we shall see. No matter what people are paid, if they believe, with or without evidence, that they are not *equitably and fairly* paid, they become de-motivated. The smallest differential can have the greatest effect. That is why reading the appointment pages can generate such a lot of passion.

Third, money is not everything; in fact it may be much less important than health or holidays, time with the family and job security. Here is a choice: would you take £1,000 (immediate payment) or a week's extra holiday? Many would be happy with more time off or more job security than more money. People are prepared to *tradeoff* other things for money once they have enough, or grow weary of the game which is not worth the candle. The young, the desperate, perhaps the greedy, are willing to do anything for money. But are they the people on your payroll, or the people you want to employ?

Finally, there is the eternal implication of tax and spend. It's all very well to increase pay, but if increased taxes eat heavily into it the benefit is only marginal. Why earn when the government take too much? If the government takes 50% and more, then striving for more money is hardly worth the effort.

The Easterlin Hypothesis

The most surprising data come from what is called the Easterlin Hypothesis (Easterlin, 1975). This was a study that examined aggregated data collected over 50 years in America. While GDP had been growing steadily over the years, response levels of personal happiness remained pretty stable. This has led economists (yes, the dismal scientists) to attempt to calculate how much money you need to *maximize your wellbeing.* The question is, what is the sum, expressed as an annual salary, beyond which you get no "bang for your buck" in terms of happiness, well-being and contentment? What do you think? £100K, twice or thrice that? The answer is half that, or twice the average UK annual salary: around £50K/$75K.

Some reject this "factoid" as unbelievable nonsense - particularly those most hungry for cash. They mistake the pursuit of money for the pursuit of happiness. They certainly are motivated to accumulate quickly and feverishly so that they can quit and do something they really love.

Money secrecy

If it is true that the most important predictor of a person's satisfaction with their salary is in comparison with the salary of others, should you try to encourage or discourage pay comparisons? Managers might well be tempted to do so but should, or indeed can, you keep salaries secret at work?

The argument against secrecy includes concerns about giving rise to suspicion, mistrust and anxiety over unfair treatment in the workforce and also about impairment to the free functioning of the labour market, which depends on access to information. On the other hand, if pay could be handled in secret, it might well appear to make life simpler, with less jealousy and conflict and greater freedom of movement for managers.

Adrian's forthcoming book (Furnham, 2014) gives a detailed examination of this sensitive topic.

Conclusion

Money remains a taboo topic, more so than sex and death, and yet it can arouse enormous passions in the workplace and the home. It is precisely because it is often not openly discussed that it can cause so much argument and stress.

For you as a manager, three points are important.

- People differ widely in how they think about their money. Do not assume they are like you.

- Money is one, and a rather minor, source of motivation and satisfaction at work. Concentrate on managing better.
- Unless you are very clearly able to show a relationship between salary and productivity/seniority/speciality, it is best not to encourage social comparisons.

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About the author

Adrian Furnham was educated at the London School of Economics where he obtained a distinction in an MSc Econ., and at Oxford University where he completed a doctorate (D.Phil) in 1981. He has subsequently earned a D.Sc (1991) and D.Litt (1995) degree. Previously a lecturer in Psychology at Pembroke College, Oxford, he has been Professor of Psychology at University College London since 1992.

He has lectured widely abroad and held scholarships and visiting professorships at, amongst others, the University of New South Wales, the University of the West Indies, the University of Hong Kong and the University of KwaZulu-Natal. He has also been a Visiting Professor of Management at Henley Management College. He has recently been made Adjunct Professor of Management at the Norwegian School of Management (2009. He has written over 1000 scientific papers and 70 books

Like Noel Coward, he believes work is more fun than fun and considers himself to be a well-adjusted workaholic. He rides a bicycle to work (as he has always done) very early in the morning and does not have a mobile phone. Adrian enjoys writing popular articles, travelling to exotic countries, consulting on real-life problems, arguing at dinner parties and going to the theatre.

He hopes never to retire and may be contacted by e-mail: a.furnham@ucl.ac.uk.

Sheila is drawn towards a 'Yes' vote

Sheila James

1. **Do you see change more as an opportunity or as a threat? How does this affect your response to the Scottish Referendum?**

   I don't often initiate change but usually see it as an opportunity and try to change my ways. My gut feel re the Referendum is to welcome the opportunity for greater autonomy but at the same time feel a little apprehensive about the practicalities.

2. **Has your attitude towards change changed as you've got older?**

   Think I've now got less energy for change and am less inclined to rock the boat. Generally I'm more cautious these days.

3. **Do you see nationalism as a largely positive or largely negative force?**

   It's quite finely balanced for me. Intuitively it feels as if nationalism should be a very positive force, enabling people to work together for the greater good. In reality I can't see many good examples around. It doesn't seem possible to avoid becoming mindlessly competitive and exclusive.

4. **Change and disruption often provide a catalyst for learning. What opportunities would be generated by Scottish independence and the break-up of the Union?**

   I think smaller organisations can often be nimbler on their feet and respond more rapidly to changing circumstances. The scary part would be making decisions and living with the consequences of them without the 'safety net' of the rest of the UK.

5. **If Scotland becomes independent, what new knowledge and skills would we need to learn?**

   We'd need to learn to be more resourceful and assertive. We're already good at negotiating but usually that's from a position of relative weakness. We need to be able to accept leadership and to encourage leaders to stay in Scotland rather than feel they can only be successful out of the country.

6. **If the outcome is not full independence, what benefits do you think might have nonetheless accrued from the referendum?**

   For a while I thought that a very close result would be disastrous – the issue might keep coming back and there would be the feeling that it had not been properly resolved. I think now that almost regardless of the result the referendum provides a snapshot of how confident people are that Scotland can go it alone and that information is a basis on which plans and policies can be developed.

7. Any other comments you'd care to offer?

Answering these questions was more difficult than I anticipated. I've not enjoyed much of the public debate which appears to me to have made each 'side' of the argument more entrenched. Not long to wait now for the vote and we'll see what actually happens.

Managing Living-Systems

Tony Miller

Issues about management are no longer confined to large organisations, they have leaked through to politics and national governance. So many voices, so many opinions, so much information to consider. It is as if I walked out into a snowstorm and lost sight of my soul (apologies to Leonard Cohen).

Mention system thinking and it seems as though everyone knows what you are talking about. I don't. Oh I understand the 1950s technical stuff - I think. Although I'm not sure their systems are the ones management are now interested in. And I'm not sure how to integrate human individuality into the ideas.

I look through this snowstorm of information and yearn for a new inclusive approach.

Keywords

System thinking, socio-technical systems, management of complex systems, safety, learning

A weaving of ideas

I like to think my father was a free thinker. He never went to university yet his bookshelves offered a surprising range of subject matter. He had books by Freud, Jung, Drucker and Stopes. His daily paper was the right wing Daily Telegraph, and he also had delivered the left wing New Statesman and sometimes he bought the BBC's Listener, which I read and never understood. No subject, no point of view seemed outside his consideration.

I have a picture of him in my mind sitting at the bureau in the front room, seeing to the day's correspondence. When all letters were written, he would take out his Bible and quietly do the day's readings. I grew up in a household where no subject was barred. I still have the bureau. He was a civil servant, working for HM Customs and Excise, which meant regular trips to distilleries, including the one on the Queen's Balmoral estate, my favourite.

It was Drucker who popularised the phrase the Knowledge Economy, (Drucker 1969). Fifty years later it seems that we are only now beginning to wake up to its implications. Handling information is far more than a challenge for technology, with implications far beyond the electronic and computer engineering which I studied at university and which became my chosen career. The focus of the challenge is now on people, especially the ever changing demands on those working in large organisations. While lecturing at university, it was uncanny how in later years my interests turned back to those books in the family home, to human interactions and management - the real frontiers of scientific knowledge.

On 25th April 2006, the West Japanese Railways commuter train 5418M was carrying 700 passengers into Osaka. As it left the last station before Osaka it was running 80 seconds late. The line was straight for several miles. At the end of the straight you could see a multi-storey apartment block directly in line with the track which curved right passing remarkably close to the building. The driver was trying to make up time. The delay was down to 70 seconds when at 9.18am the train reached the end of the straight travelling at 117 kph; the first carriage left the rails and wrapped itself round the building killing 107 passengers, including the young driver. It was his life's ambition to be a train driver and work for Japanese Railways.

The case for a Science of Management

As an engineer – an applied scientist – I wish there was a science of management, instead of the come-and-go ideas we have now. But sadly the very notion of a 'science of management' is tainted: by the word 'science' and its connotations of statistical measures and fancy equations which are blind to the nuances of human beings, and by the word 'management', which has been corrupted by our growing familiarity with 'managerialism', with its narrow numerical focus on profit and performance management.

If we are to develop a science of management, we have to redefine our ideas of science and management - to envelope the human side of enterprise. For example, among the challenges would be how to ensure compliance to make our workplaces safer and yet give freedom for problem solving and innovation. This demands an understanding of socio-technical systems.

This realisation is not new. Very clever individuals have been involved with promoting the approach for over 50 years, and the ideas flared brightly with success when applied, but have faded in recent years.

The term Dynamic Conservatism (Trist 1981), was invented to describe the inevitable drift back to power politics within organisations. Perhaps it was assumed that the approach applied only to work design in the heavy industries. Not many of us work on a coalface nowadays. After all, what has socio-technical system thinking to do with sitting comfortably at a desk in a climate-controlled office on the sixteenth floor of a high-rise office block? Perhaps surprisingly, I would argue - everything.

The problems for coal miners working on a long wall for an eight-hour shift came not only from the physical conditions of the work, but also from the mechanisation which resulted in worker separation and loneliness. Times have changed and expectations of workers have evolved. But worker wellbeing, albeit in an office, is still an issue. To survive working in many large organisations you have to leave your true self behind. It's your brain they want, not your heart, not your emotions. You work with advanced technology, but inventive ideas are not welcome – just do your job and don't make mistakes.

There is still a reticence towards dealing with the whole person at work (Miller, 2013). The sadness is that when it comes to inventiveness, and to exploiting innovation, it takes qualities more associated with our subjective feelings than with our analytic brain. When there is enthusiasm, ideas bubble up and work becomes fulfilling and a joy. Managers are caught between their perceived need to control, and the dream of delegation, allowing staff to manage their own affairs. The spectre lurking in the background to steal the dream is the ever present fear of instability and failure. So here is the paradox: the very act of trying to control people is destructive of their creativity as well as of their humanity. As a consequence, system failure is almost guaranteed, because the system is simply too complex to be managed by policy and procedure. Organisational success has always depended on adhocracy (Russell-Walling 2007).

Tackling Complexity

I have on my bookshelf a book entitled '50 Management Ideas' by Edward Russell-Walling. I can recommend it for an insight into how little the human aspect appears in our thinking about management. It documents the main ideas introduced by academics and consultants in the last hundred years or so. None of the ideas tackles complexity - except one, which focuses on technical complexity, and staff (people!) are not mentioned. Several authors are mentioned, and their advice can be crudely summarised as 'complexity is costly, so keep it simple'. There's nothing like hiding your head in the sand.

It seems that the ideas of W. Edwards Deming have slipped past under the radar. But for me he is the only thinker in the 20th century who proposed a conceptual framework of ideas for tackling the complexity of socio-technical systems. Deming died in 1993 aged 93, and his last publication was the 'New Economics', (Deming 1993). Management thinking is in the doldrums and has been so for many years (see Hamel 2009). Academia has yet to awaken to the rich possibilities opened up by Deming's approach formulated over twenty years ago.

For me, one of the main major problems arising from this hiatus in management thinking is our failure to get to grips with system thinking, to operationalise it so that it can become a real guide for managers. What if systems thinking had been applied by West JR, would there still have been that terrible accident?

Below is my attempt to introduce the essential principles of living-systems thinking.

Systems Thinking

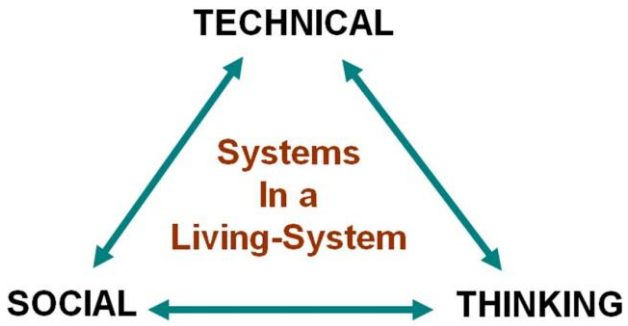
I saw my friend at a distance. We were meeting for coffee and a catch-up. He waved and started walking towards me. As he approached he looked well; slightly sun-tanned, smiling, his movements assured. We shook hands and, chatting easily, went in search of coffee. We talked for nearly an hour, about the usual things: sport, television and work, plenty of smiles and jokes. We discussed politics and predictably ended up arguing. With our reasoning floundering from lack of real knowledge, we reverted to swapping long held opinions. But still our good humour held. My lunch hour was nearly over. "Oh, and how is Jennifer?" I asked. My question visibly disturbed him. There were moments of hesitation. He looked down at his hands. "She is thinking about leaving me; someone she met at work". After a time he lifted his head and looked at me. I felt uncomfortable. "Maybe you know him. He might even be in your department." I couldn't hold his gaze; my turn now to look down at my hands. "I'm so, so sorry" I said, feeling acutely how the effects of a single action ripple out in all directions.

In that short episode we have the essence of the challenge of systems thinking. Let me explain.

Living-Systems

The systems we are talking about are Living-Systems (Miller 2013). In management, the simplest example of a living-system is a single human being. But a large work organisation is similarly a living-system, and until as managers we admit to the complexity of the challenges this creates, we will forever be lead astray by clever people, with expensive books, offering overly simplistic solutions. The first step for a manager is to engage with the 'whole person' of the entire system – see figure 1.

Figure 1: Three interacting sub-systems within a single Living-System



In a single person, the living-system consists of a:

Technical System	Bones, organs, physical and chemical processes. Habits of living. External appearance.
Social System	Emotions and Feelings Our set of values and what we value (Craig 2012).
Thinking System	Logical/illogical world view. Set of working theories about how the world works.

In my short story above, what I initially saw was the Technical (or physical) System of my friend. All seemed well. Initially the Social System of friendship with its emotions and feelings about what we hold dear, is often suppressed, disguised, because they are personal and we feel vulnerable when revealing them. We chatted away happily about things which neither of us valued that much. But to engage with a fellow human being fully, this social system has to be recognised as important; at some point more personal matters must be discussed. The Thinking System was shown in the argument over politics. The fact we seldom agree on this is another insight. We tend to avoid this area in polite conversation, but to know our friends, and for us to learn and in turn help our friends, we must not be afraid to acknowledge and deal with differences of outlook. The story ends with one of the most important lessons of system thinking.

In a large Organisation, the living-system consists of:

Technical System	The organisation's hierarchical and bureaucratic structure. All the official standards, procedures and processes.
Social System	The power structure, the use of targets for individuals and KPIs for departments. The level of closeness of staff in working towards the system aim (Miller, 2013).
Thinking System	What senior management think that 'management' is all about. Do they see the three systems? Do they see the effect of systems 1 and 3 on system 2? Is there an emphasis on command and control, or on innovation and self-expression?

I told the story about my friend because it shows that we as human beings naturally understand the three systems. We have developed very sensitive antennae to sense and deal with the complexity of human relations. At work, reliance on spreadsheet figures and on numerical measurements discards as irrelevant

so much of our natural ability. Treating people as machines that predictably respond to rewards, effectively removes people from the task of management. We are left with the narrow and empty world of procedures and processes, a technical system without life.

Reflecting on the rail disaster

The terrible crash was due to a young train driver going too fast. Management thinking seemed limited to Technical System thinking. West Japanese Railways changed the training for their drivers, and also started a work program installing automatic safety braking on all its commuter trains.

Analysing the causes of the crash quickly revealed a far more complex picture, in fact, all three sub-systems in this organisation was found to be defective.

The thinking sub-system relied heavily on command and control, and the built-in use of targets to control the drivers. The targets were set for all to see; they were enshrined in the train's timetable. Failure to keep to the timetable, even when the discrepancy is measured in seconds, was seen as failure to perform the duties of a West JR train driver. The young driver who died had been called in front of a disciplinary panel for late arrivals not many months before the incident. Drivers are only allowed to stop at each station for 15 seconds. Four seconds are used in opening the doors, four seconds to close them. This only leaves seven seconds to allow for passengers to board. In his particular case, a class of primary school children with their teachers boarded the train at one of the stations, and he had to wait substantially longer than seven seconds with the doors open to allow the children on. The tribunal were not impressed: they held that he could have made up time between the stations, and he was criticised and given an official warning. This form of performance management is akin to bullying. When a new station was built on the line several years previously, the journey times were not changed: the drivers were simply told to drive faster.

One academic called it the 'Japanese Disease' - the expectation that each year public services will be more punctual, more efficient, faster. Even passengers are known to shout and complain at train drivers when they arrive late at their destination. So much pressure on a young train driver trying to please his bosses and his customers! Each of the three systems of management was dysfunctional; each needed recognising and healing.

The Sum of all Things

There is a comfort in simple things. We like to know where we stand. But life is not like that. The bigger world and the social structures we create within it are all beyond complete comprehension. The first step is to be honest about that and to think up ways of exploring and working with systems we will never fully know. There will be simple problems to solve that suit tools and techniques, or outside consultants. But for the rest we have to engage with the complexity in order to see and fully appreciate the problem.

To see complexity it helps if we have a curiosity beyond the narrow discipline we have been trained in. Your bookshelf will contain books on all the subjects relating to managing living-systems, including flow-mapping of processes, control charting, human interaction, and intrinsic motivation. And there will be a book or two on the beliefs and values we put our faith in, and how as individuals and as communities, we learn and develop.

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About the author

Tony Miller retired in 2012 from a career in electrical engineering both in industry and as an academic at the Robert Gordon University. In later years his interests took him into safety management and the work of W. Edwards Deming and for over two decades he has been involved with a local group in Aberdeen, running public seminars to extend awareness of the ideas of Dr Deming and other innovative thinkers in the fields of management and systems thinking.

Outside of work, Tony has spent a lifetime studying how faith in the ideas of science, philosophy and religion intertwine and influence our behaviour in ways we seldom acknowledge. He has become an enthusiastic advocate of a more compassionate and thoughtful approach to how we manage organisations and indeed societies. He advocates the need for a new science of systems thinking, which challenges our belief systems, engages with complexity, and includes at its core the spiritual and emotional wellbeing of all.

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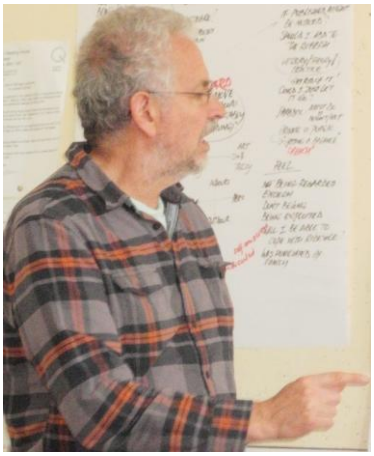
Tony's father's - and now Tony's - bureau

David is still making up his mind

David McAra



1. Do you see change more as an opportunity or as a threat? How does this affect your response to the Scottish Referendum?

I see change, mostly as opportunity. I have a strong belief that new thinking, in many of the ways we look at life, is already available; new thinking which, if shared and applied, would turn conflict into creativity and lead to a much more profound prosperity than the relentless pursuit of 'growth'.

So I tend to be optimistic and see the Referendum as a desirable opportunity for change, whatever the result of the vote.

2. Has your attitude towards change changed as you've got older?

I don't think so. I still rather resist growing up and recover quickly from disappointment to a default condition of believing everything will turn out OK.

3. Do you see nationalism as a largely positive or largely negative force?

Easy question. Yes!

4. Change and disruption often provide a catalyst for learning. What opportunities would be generated by Scottish independence and the break-up of the Union?

We might learn that our individual interests are more thoroughly fulfilled by the pursuit of our shared interests. The rich fields of opportunity beyond the tedious conflicts between the landowners and the peasants are still quietly awaiting discovery.

5. If Scotland becomes independent, what new knowledge and skills would we need to learn?

Whether or not Scotland becomes independent, we need to learn:

- That there are better ways of dealing with complexity than pretending everything is simple (See Louie Gardiner.)
- That humans are beings not resources. (See Tony Miller.)
- How people with apparently conflicting interests can work together. (See John Carlisle.)
- What money really means and how it works. (See Adrian Furnham.)
- How to give better leadership in our diverse spheres of influence. (See Mark Douglas.)
- That we belong to each other in many complex ways. (See Bob MacKenzie.)

6. If the outcome is not full independence, what benefits do you think might have nonetheless accrued from the referendum?

It came as a surprise to me, as a migrant from England, 25 years ago, that some Scots harbour resentment towards the English. Resentment may be too strong a word. The emotion is seldom strong but often deeply held, latent, rarely visible and certainly more than the jocular banter over international sports. It's interesting to notice this and wonder about it without trying to explain it too much. To discover there are members of our community who feel themselves excluded, a minority, not 'one of us' at all, might well stimulate some worthwhile reflection.

7. Any other comments you'd care to offer?

Our adversarial decision making processes are killing us. They are slow and ineffective producing poor decisions too late. We have to find ways to gain access to the knowledge which is scattered in our diversity. It is certainly convenient that so much of the world's communication uses the English language. Last week I went to a conference with Norwegians, Germans and Italians and they all spoke my language to share their ideas with me. That was generous of them and helpful to me but I fear for the loss of knowledge in this monoculture.

When I consider the referendum question, one of the factors I give weight to is the impact on our cultural environment and whether diversity is more or less likely to flourish.

‘Seeing the wood ... and the trees…':

The Scottish leadership question

Mark Douglas

I believe that I’m not young enough to know everything, and I have a natural curiosity to learn from others. As leadership development is a personal passion, I interviewed other business leaders to get their views on which Leadership approach works best in a world class Scottish company. This project was driven by my belief that many leadership and management interventions fail because leaders/managers don’t take the time to ensure that they fit with the organisational culture and operating climate. The results of this small survey confirmed me in this belief.

Keywords

Scotland, future leadership attributes, culture, world class company

Context

After spending the last six months interviewing a number of senior leaders across Scotland about their views and experiences on leadership, here are the insights and themes that came to light. These leaders worked in a broad range of sectors and had experienced a variety of companies and cultures during their careers. Their currently held senior roles have exposed them to a multitude of cultures and climates in diverse organisations ranging from multinational companies to family owned businesses. These are the leaders’ collective views on leadership which are shared to provoke personal reflection and debate rather than answers and solutions. After summarising the interviews, common themes were identified and grouped to begin to provide insight into the Scottish leadership question. These are the views of a group of leaders in a nation of over 5 million people in a world that is forever changing…

My interviewees were all senior business leaders who had both a good track record in delivery, and who believed that leadership was important. I identified them through my network of contacts and from referrals. The gender mix of the interviewees was 2/3rds male 1/3rd female with a total of 18 leaders interviewed from July 2013 until January 2014.

So what is great Leadership?

We are in a global race where we must compete against the best and most talented companies if we are to win the prizes of investment, growth and success. There is a direct link between the leadership of the organisation and business success. So what are the top three leadership attributes you need to have to be a successful leader working in a world class Company?

I WONDER WHAT THE LEADERSHIP LESSON IS IN THAT?

The number one leadership attribute is the ability **'to develop and communicate a strong vision'** while at the same time staying awake and alert to other possibilities. Their personal belief and passion for the company, its brand and its product was very important, as it enables others to engage and buy into their vision and the goals and aspirations for the company.

Communicating the direction of travel of the business and their proposed plan enables colleagues within the organisation to understand how the vision would be achieved and potentially how their role and team could help deliver it. The leaders' ability to communicate and deliver this vision was just as important as the ability to develop it. Therefore the supporting skills of business acumen, goal setting, benchmarking and learning from others outside the organisation or its sector were all viewed as important enablers.

Secondly, the leader's ability **'to engage people'** and motivate and drive team and personal performance was seen as the next most important leadership attribute. The ability to blend both soft and hard leadership skills was viewed as being key, as either set on its own will not always work. The softer leadership skills of active listening, building trust, treating people with respect, honesty and collaboration were all viewed as being important and they go hand in hand with the hard skills of making tough decisions, surrounding yourself with a team that can agree and deliver stretching yet achievable goals, personal resilience and driving individual performance.

And finally, the leader needs to be '**flexible in their approach**' to leadership. A one dimensional leadership style will not work in all climates or scenarios and a leader's ability to use both push and pull approaches sometimes in the same situation is important. Leadership is a continual learning experience and you can never assume you know it all. Reflecting and learning from experiences both good and bad and a willingness to try new approaches are all part of being a great leader. To quote Churchill, "Success is not final, failure is not fatal: it is the courage to continue that counts…".

Develop and communicate a strong vision + **Engage people** + **Flexible approach**

A conscious approach to leadership

There are many different leadership theories, books and approaches, all of which claim to have the answer to how best to be a leader. Business leaders have looked in the past to the military and more recently to our sporting icons for inspiration. However, according to our interviewees the best leaders blend a variety of approaches, ranging from the North American theoretical models and delivery focus, to the Far Eastern ideas on mindfulness and inner focus to the European ideals of cooperation and engagement. The key to success is to link your approach to the specific culture and climate of the organisation and the scenario you are dealing with. Leadership does not have to be complex and it is really about tapping into people's discretionary effort and therefore at its most fundamental it is about helping people deal with ambiguity and uncertainty. Leadership starts with awareness, moves through options and choices to action and focus. The key is that leadership is a **conscious process** and we need to watch the trap of 'groundhog leadership', where we continue to do what we have always done but still expect a different result.

Many variables impact and influence the development of our approach to leadership. These include peers and line managers, formal training courses and seminars, our life experiences and personal reflection. In general, the leaders in our sample learnt more about leadership from peers and line managers, who encouraged them to reflect on how they were impacting on others. These line managers and peers were good coaches who gave balanced feedback and had the ability to ask some really searching questions. They also learned from line managers and peers by watching them in an action learning setting, observing both what they did well and what they did not do as well. In fact observing and learning from others was the second biggest influence on our leaders and interestingly, *they learnt more about what not to do* rather than what to do. Formal training courses, where new ideas were learnt and support networks built, also had an influence. Mentors and networks were often seen as being key areas for learning for the leaders in the most senior roles. The interviewees' upbringing and family were mentioned occasionally. When this surfaced, the leaders' parents tended to have a negative influence (e.g. raising self doubts) whereas the leaders' own experience of parenthood had typically been viewed as having a positive influence on their approach to leadership.

However, all this learning and development was only achieved because our leaders had a desire and **drive for self-development and improvement.** A leader's ability to reflect on their personal experiences, be curious about others' approaches, ask questions and take a different approach next time enabled the learning and development to happen in the first place. Many of the leaders talked about being interested in understanding more about why people do what they do…

Why are some leadership approaches better than others? The importance of relevance to context

Every year there are new books, theories and approaches to leadership, as we continually try to find the 'holy grail' of leadership. Many of these new ideas have come and gone, while others have been more regularly adopted and become part of a leader's toolkit. So why is it that some leadership approaches or theories do not work or are less effective in practice? Our leaders were able to list many approaches that had not worked in practice. However, the key insight was that it was not so much that the approach is flawed; it was more about not using it in the appropriate situation/scenario. In other words, when an approach or

theory has been less effective it is more about **the inappropriate use** of the approach or poor implementation, rather than the approach itself not being effective or useful. For example, coaching people when clear direction is needed, wanting the team to make a decision when that has to be done by the leader, or too much transparency and honesty which can drive more uncertainty and ambiguity. The best leaders avoid these issues by reflecting on their planned approach, making sure it is appropriate for the organisation, the operating context and culture. In addition there were certain personal behaviours that our leaders almost universally suggested were counter-productive and these included aggression, shouting, bullying, being autocratic and having a lack of listening ability.

Our interviewees were asked to rate 10 leadership attributes in order of importance. Interestingly there was quite a variation in their answers, with no-one placing any of the collective top 5 attributes last in their individual rankings and there was a significant gap between the top 5 and bottom 5 attributes when all the individual rankings were collected together. The collective ranking is shown in the table and chart below, with number 1 being the most important and number 10 the least:

Ten leadership attributes identified by our sample, ranked in descending order of importance

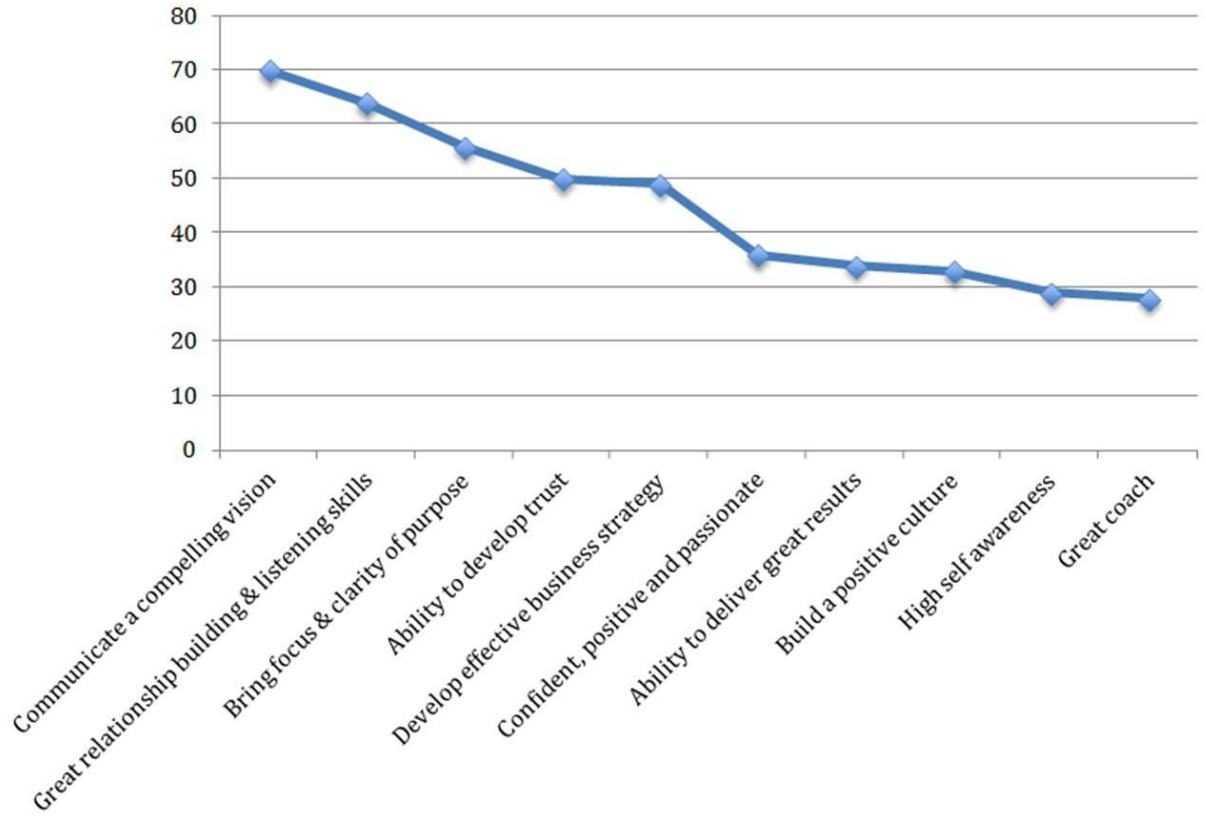
Leadership Attribute	Ranking
Communicate a compelling vision	1
Great relationship building and listening skills	2
Bring focus and clarity of purpose	3
Ability to develop Trust	4
Develop an effective business strategy.	5
Confident, positive and passionate.	6
An ability to deliver great results.	7
Build a positive culture including a willingness to have some fun.	8
High self-awareness.	9
Great coach	10

This also revealed that **the top 3 attributes match the leaders' earlier views of which top three leadership attributes** make the biggest difference. The top five attributes also support the earlier beliefs that leadership does not have to be complex, that it is really just about tapping into peoples' discretionary effort, and that at its most fundamental it is about helping people deal with ambiguity and uncertainty.

Our interviewees were also asked if there were any attributes that they felt were missing, and these are listed below. None of them would have made it into the top 10 attribute list:

- - Ability to deal with ambiguity
- - Ability to lead and manage change
- - Honesty - say it as it is.
- - Business acumen/ sector specific expertise.

Leadership attribute ranking



Implications for Scotland

The culture of any country, community or business can impact on its people's beliefs and values. It has already been suggested that successful leaders link their approach to the culture and climate of the organisation and the scenario they are dealing with. Within the Scottish culture are there any **self-limiting beliefs** that we need to be aware of that could impact our approach to leadership? This has been a very interesting area for debate and discussion in many forums over the years.

The interviewees had a variety of differing views on this question, but three common themes emerged. A 'fear of failure' was generally accepted to exist, with many individuals having self doubts and not believing enough in themselves. The expression often used was sometimes it feels 'just too hard', and this impacts on peoples' motivation and self-esteem. Self-confidence for many individuals seems to develop later in life, once they have tried something out rather than believing in the first place that they could achieve it.

There is a general belief that as a nation the Scots do not like to 'sing or shout their own praise' and that they believe 'doing a good job is what I am meant to do'. Within the Scot's language there is a tendency to use the 'we' word instead of 'I', and local expressions like 'you're getting too big for your boots' and 'who do you think you are?' probably do not help.

Do the Scots feel happier with glorious defeat and supporting the heroes that fail or do not quite achieve? One interviewee summed it up quite nicely saying 'we are a proud nation but not necessarily proud individuals'. However, some of the interviewees believed that with many foreign companies being based in Scotland, business or company culture impacts more than the Scottish culture. Overall, most of the

interviewed Leaders believed a Scottish culture of not wanting to stand out and the tendency to have quite a degree of self-doubt impacts on our approach to leadership.

And looking to the future…

The future success of any company is linked to its ability to develop, retain or attract its leaders of the future. So how do the companies that our leaders work for develop their next generation of leaders? The traditional HR based tools of succession planning and talent reviews were typically the starting point, with Leaders highlighting again that it is the day-to-day working of the tool that is key, rather than the tool itself. This next generation of identified leaders would then be developed through both 'on-the-job development' and more formal training delivered through courses and seminars.

The on-the- job development focused on giving people extra responsibility and opportunities, supported by additional mentoring and coaching and ad hoc on the job training. On the other hand, the ‘off-the-job’ training was typically delivered through training courses, with the vast majority of these being provided by external suppliers. The quality of the senior leadership embedded in the company culture was also seen as a major influence, as people often behave as they are done to. In other words, if the identification and nurturing of future talent is a day-to-day activity of the senior team, then this tends to spread through the middle management ranks and onto the shop floor. Interestingly, again, organisational culture was seen to have a bigger positive influence than formal leadership or management development programmes.

Are we doing enough?

Is my team good enough? Everybody thinks their leadership team is strong in times of success. However, the one unchangeable certainty is that nothing is certain or unchangeable. If we believe that there is a direct link between our business success and the development of our next generation of leaders, what more should we be doing to best prepare this next generation? The common themes here typically fall into either being internal Company opportunities or external opportunities that would involve greater collaboration between a variety of sectors, organisations and government.

The *internal opportunities* included better mentoring and coaching, more structured 'induction into role' and creating a more balanced workforce with less of a divide between leadership and the shop floor. Overall the internal opportunities could be summarised by creating a culture which is seen as non-threatening, where people’s sense of security is strong and at the same time individuals are stretched and continually learn, creating more confident leaders of the future.

The *external opportunities* include working more closely with colleges and universities to better prepare the graduates of tomorrow for the workplace and the leadership roles they will typically take on. Another theme was to make the sharing of resources and opportunities across companies and sectors easier to achieve through expanding the role of organisations like the Trade Associations. One particular area that a number of leaders highlighted is how to encourage more women into senior leadership roles. Here we need to look at how we support them from a business and personal point of view. Is it right that the burden falls mainly on

their immediate family? How do we help women deal with the perceived guilt factor and tension of being both a CEO and a mother? And finally, as a wider nation we need to look at creating a culture of **lifelong learning,** where people naturally want to learn new skills and improve themselves. After all, who 10 years ago had heard of social media managers, app developers and 'big data' analysts?

What now?

To answer the original question around being a successful leader in Scotland, it would appear that this is no different to being a successful leader anywhere else in the world. The key insight is that great leadership is about having a flexibility of approach and good awareness of the culture and operating context you are leading. As is often the case when articles such as these are written they often raise more questions than answers, which all of us will no doubt be trying to find answers to throughout 2014. Here is a starter for 10:

- If creating a purpose for people at work is key, do we spend too much time on the how rather than the what?
- How do you create the time and space to link your approach to the culture and operating context of the organisation?
- Why is it that some of the more negative experiences delivered by peers and line managers have had a bigger influence over people's approach to leadership than the more positive approaches gained from training courses, seminars or self development?
- Why is it that leaders sometimes struggle to match their approach to the organisational culture and operating context?
- As individuals and a nation, do the Scots lack the drive and desire to be world players?
- How should we be best preparing our next generation of leaders?
- And finally how do I start to make some of the opportunities we have for the future happen?

What are *your* reflections?

Acknowledgements

Many thanks once again to all the interviewees who so kindly gave up their time to be interviewed and be part of this article.

About the author

Mark Douglas is an experienced business leader with a proven track record of delivering significant business improvements and results. He has extensive experience in the design and delivery of leadership, coaching and management development interventions for both small businesses and large corporations. Mark's business, Blue Ptarmigan, partners companies to 'unlock their potential and unleash growth'. In addition, he is a guest lecturer with Dundee Business School and a business mentor and coach with the Princes Trust (Youth Business Scotland).

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The 21 commandments:

Morgen Witzel's "Management from the Masters"

Bob MacKenzie

Did you know that the law of entropy as applied to business derives from the second law of thermodynamics? Or that Arthashastra, Kautilya's classic work on politics and leadership, was written in India over 2,300 years ago? Or that the 'concept of the span of control was first formally identified by the Lithuanian engineer V.A. Graicunas in the early 1930s'? These and many other fascinating references, all still highly relevant to contemporary – and doubtless to future - business practices, are peppered throughout Morgen Witzel's delightful and thought-provoking volume of cautionary notes. They are culled and interpreted from sages across the globe and centuries, and concern the art and practice of managing.

About Morgen Witzel

Morgen Witzel is a prolific reader, researcher, writer, teacher, editor and consultant. His style and sweep is panoramic, literary and urbane, embracing as it does a range of diverse cultures and international traditions from both East and West. Recently, he was lead guest editor of a special themed edition of AMED's journal on '*Leadership Paradoxes*' (Witzel, Bolden et al. 2013). Witzel read Renaissance History for his Master's degree at the Canadian University of Victoria, and this has clearly influenced his subsequent approach to writing and thinking about organisational life. Now, much-travelled, he is based in the West Country, where, amongst many other roles, he is a Fellow of the Centre of Leadership Studies at the University of Exeter Business School. His web site and blog http://www.morgenwitzel.com are well worth a visit.

Why these cautionary notes?

Witzel's basic premise is that, in today's turbulent, unstable and unpredictable business environment, it's imperative to go back to basics and re-think our approaches to, and understanding of, the art and practice of 'management'. In 21st century society, where we wrestle with complexity, paradox and the interplay of emotions with reason and more conventional notions of 'hard' data, he maintains that we are *all* managers in one way or another. So this book has something to say to everyone, not just to the cadre of professional managers. That said, it should be required reading for this latter group. It's a timely reminder that good management in any context is essentially a thoughtful, principled and philosophical enterprise, laced with a strong dose of enlightened self-interest.

The laws

Management from the Masters is a series of injunctions for everyone – not only in business - anywhere in the world to strive to lead an examined life. Witzel (2014:17) argues that:

> *'the laws we observe in the natural world are at play in society [including business] as well'*
>
> *(parenthesis added)*

Here, he accords the status of law to a principle or rule that cannot be ignored. To select this canon, he has applied criteria of relevance, simplicity, elegance and ease of use. However, he encourages us to critique his anthology and to explore with colleagues the relevance of these and other such laws as well. He uses the term law in a philosophical rather than a legal sense. He also assumes that these natural laws are:

> *'inescapable and immutable forces rooted in physics, psychology, economics and other disciplines. These are laws that no one can violate – at least for long ….. in the long term nemesis will always catch up.'*
>
> (Witzel 2014: 2)

Through the filter of these criteria, he has sifted 20 fundamental principles articulated by various authorities to guide us when engaging with other stakeholders. Each principle overlaps with others. 19 of the 20 of the laws (and perhaps a 21st, as I suggest later) must be obeyed. One (#15, The Peter Principle) *must be broken*. (You'll recall that the Peter Principle proposes that 'In a hierarchy, every person rises to the level of their own incompetence'). Cautionary words indeed! Some of these maxims are to be found readily in some form or another in standard management text books, though never, to my knowledge, all in one place. Until now. Others you may not have encountered before, at least in the context of management discourse. According to Witzel's categorisation, which I've summarised in Table 1 below, Laws 1-4 are universal, Laws 5-9 relate to general human behaviour, and Laws 10-20 address the dynamics of organising – how we behave in groups. But none is hermetically sealed; all interplay with at least some of the others in this collection.

Table 1: 20 Laws of Management

THE LAWS OF THE UNIVERSE

1. The Law of Entropy (Time's Arrow): 'There is no such thing as steady state, only growth or decay'.
2. Darwin's Rule: 'it is not the strongest that survive, nor the most intelligent, but those that are best capable of adaptation.'
3. The Rule of Yin-Yang: Embracing and managing paradox is essential, (yet many in the business world are unwilling to accept this).
4. The Law of Unintended Consequences: Any decision or action sparks off a chain of unanticipated consequences.

THE LAWS OF HUMAN BEHAVIOUR

5. (Maslow's) Hierarchy of Needs: Human needs change according to time and circumstance.
6. Confucius' Golden Rule: Do unto others as you would be done by.
7. Kautilya's Rule: The root of wealth is activity.
8. Buffett's Rule: Never invest in something you don't understand.
9. Grove's Rule: In business, 'only the paranoid survive'; take nothing for granted.

THE LAWS OF ORGANISATION

10. Moore's Law: Computers double in processing power every two years (though in time the rate may slow down to every three years).
11. The Pareto Principle (the 80:20 Rule): 'Most of the production system works quite well, and only small parts of it create problems.' Or, to put it another way, a small proportion of the effort produces a large proportion of the results.
12. The Rule of the Span of Control: 'The ability of any one individual, or even a team, to control and govern an organisation is limited by the span of control.'
13. Parkinson's Law: 'work expands to fill the time available for its completion'.
14. The Iron Law of Oligarchy: in larger organisations, 'power is always concentrated in the hands of the few.'
15. The Peter Principle: people are promoted into positions of power in spite [or because?] of their unfitness for power.
16. Gresham's Law: 'bad money drives out good money.'
17. Martin's Rules: observe prudence and caution in banking and investment.
18. Fayol's 14 Points: set out the purposes and principles for managers of exercising power and control from a whole-organisation perspective.
19. Deming's 14 Points: complement those of Fayol, by addressing issues of quality and freedom from an individual perspective.
20. Drucker's Rule: The purpose of business is the creation of customers.

To take but one current example of one of these laws in operation, my colleague Peter Sheal points out that:

> *'We see Law 4 on unintended consequences operating particularly in government change efforts. Taking the forthcoming Scottish Referendum as an example, George Robertson, the Labour defence secretary, predicted that devolution would kill Scottish nationalism stone dead. Many commentators would say that the opposite occurred and nationalists were emboldened.'*
>
> (personal communication, 11.5.14)

Actually, Witzel appears to have introduced – but modestly not credited himself with - what might be regarded as a 21st law:

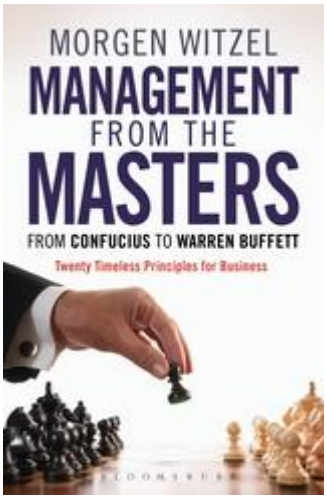
> *'To understand business, we need first to understand people.'*
>
> (Witzel 2014: 39)

Perhaps we might call this Witzel's Law?

It's clear that interpreting, understanding and enacting these laws is a challenging project that will keep every manager on their mettle. Yet, in embracing those laws' inherent paradoxes, managers of any persuasion are more likely to achieve more worthwhile outcomes. But nobody said it would be easy – least of all Witzel.

The book as an artefact

(Witzel 2014) 151 pages; £18 Hardback; Bloomsbury, ISBN: 9-781-472904751



This relatively small, slim volume (151 pages on good quality paper between hardboard covers) belies the weightiness of its contents, though the striking dustcover showing an opening gambit in a game of chess hints at the intricate moves hidden within.

It draws on deep and wide reading, learning and experience, yet it's never inaccessible or condescending. The argument is sustained by well-crafted words – there are no visual illustrations and very few hyperlinks, though I wouldn't be surprised if an e-book appears in due course. Here is proof that, despite the exponential increase of writing traffic on the internet, there's still a place for print-based quality writing.

The layout and format is clear and easy to follow. It's a gripping and elegant read, with a pervasive multicultural and historical perspective. At an average of around seven pages each, the 20 chapters – each devoted to one law - are relatively short. So the book can be dipped into at random, or read from cover to cover at one or two sittings.

Don't expect a prescriptive 'how to' narrative. The focus is firmly on principles, illustrated with some choice examples, rather than on practicalities. You won't find here much coverage of laws pertaining to rational economics, because Witzel holds that the quirks of human behaviour render many of these invalid. Rather, his express aim is to encourage a fresh look at management (nimbly sidestepping the old chestnut of debating differences between management and leadership), and to stimulate informed discussion with fellow practitioners. At the end of each chapter is a useful section on Further Reading, and these references are subsequently incorporated into a final six-page Bibliography. The helpful Index comprises just over six double column pages.

This collection is a rare example of well-informed good writing and eminent 'common sense'. It's unlikely to be left on any bookshelf long enough to gather dust.

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Morgen Witzel's website: http://www.morgenwitzel.com, last accessed 10.5.14

About the reviewer

Bob MacKenzie is an independent consultant, facilitator, writer and writers' friend. He is also Company Secretary of AMED (www.amed.org.uk), an Editorial Board Member of AMED's quarterly journal *e-Organisations and People*, Convenor of the AMED Writers' Group, and Professor of Management Learning with the IMCA Business School. bob@amed.org.uk.

Some forthcoming events

You are most welcome to join us

Please click on the links if you'd like to find out more.

Date	Event	Link
June Friday 20, 1.00 – 4.30 pm	**'Walking and Writing'** with Alison Piasecka AMED Writers' Group: London SE11 	http://www.amed.org.uk/events/awg-walking-and-writing-with-alison-piasecka
July Tues 1 - Sat 5	 '**Living with Open Source Thinking'** in the foothills of the Pyrenees'. OST 2014Tostat, France.	http://www.amed.org.uk/events/ost-2014-living-with-open-source-thinking-in-the-foothills-of-the
August Friday 15	**AMED Writers' Group**, London	
September	Publication of the Autumn 2014 edition of e-O&P: ***'Organising and managing across boundaries***	
September Wed 10-Thurs 11 September	**'Organising and managing across boundaries.'** A Gathering at the Work Foundation, London SW1H 0AD. A joint event with **Inter-logics**	http://www.amed.org.uk/events/organising-and-managing-across-boundaries-a-post-publication-gath

The Autumn 2014 issue of e-O&P

Organizing and Managing Across Boundaries

Guest Editors: Chris Blantern and Tom Boydell

A Gathering

Inter-Logics and **AMED** are hosting a collaborative inquiry and Gathering on *Organizing and Managing Across Boundaries* at the Work Foundation in London on the 10th and 11th of September 2014. (For further details about this event click here)

We are in the process of creating and producing a special edition on this theme in conjunction with the Gathering, and are now inviting contributions. Guest editors for this edition are **Tom Boydell** and **Chris Blantern** of **Inter-logics**.

Your invitation

We are hoping that these contributions will be in a wide variety of formats and media including "standard" pieces, stories, conversations, pictures, photos, cartoons, puzzles, poems, jokes. Also, using live hyperlinks, we want to have audio, film/video, music, blogs, apps, or anything else you might create. To view our Call for Contributions to this themed Autumn 2014 edition of our journal, which we warmly invite you to consider, please click here.

Some aspects our authors have been invited to consider

So the Journal itself will be crossing boundaries between many different arenas - academic and practitioner publications, forums, art displays, music, drama, stand-up, and so on.

At the Gathering, we will share insights and gather promising practices in four important domains, namely

1. Health and Social Care: “
2. Citizens and Institutions as Co-Producers:
3. Communities and Crisis Response Organizations:
4. Whistleblowing:

Deadlines,

Final drafts by the 20 August, please. If you would like to explore a possible contribution, please contact as soon as possible.

Tom Boydell at tom@inter-logics.net or

Chris Blantern at chris@inter-logics.net

Your invitation to become more involved with e-O&P

About e-O&P:

e-O&P is AMED's quarterly online journal, available in pdf format, for academics, professionals, managers and consultants at all stages of their careers. It addresses innovative approaches to personal, professional and organisational development in a reflective and accessible way. It has a practical bias with a balance of well-written thought pieces, case studies, interviews, articles, reviews and editorials. Our articles are succinct, engaging, authentic and easy to read. We maintain our high standards of writing through the careful selection of relevant themes and our support of outstanding guest editors.

About our guest editors:

Once selected, our editors have a pretty free hand within a broad set of guidelines. Guest editors deliver to the *e-O&P* editorial board a set of articles of suitable quality, ready for publication, according to a pre-arranged schedule. This involves editors in inviting proposals for contributions, identifying authors, commissioning stimulating articles, reviewing, and where appropriate, critiquing drafts and proof-reading final copy.

About our 'Critical Friends':

For their particular edition, guest editors often find it useful to create a small, temporary editorial team to support them, including 'Critical Friends'. The *e-O&P* editorial board is happy to help them find such collaborators, and is on hand to explore any issues or concerns that arise, bearing in mind our limited time to engage in extensive, detailed reading or conversations.

We are always looking to expand *e-O&P*'s network of 'Critical Friends', who would be available to guest editors or individual authors on request. Depending on their preferences and any specific need, Critical Friends can help by reading drafts, offering constructive feedback, clarifying ideas, commenting on style, providing encouragement, or by proof-reading or copy-editing pre-publication texts. In return, this offers Critical Friends the opportunity to develop greater insight into, and awareness of possibilities for, their own writing and professional practice. They might even consider subsequently becoming a guest editor or author for *e-O&P*.

Are you interested in joining our exciting project?

If so, please contact one of us on the *e-O&P* editorial board as soon as possible. We'd love to hear from you.

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A note about AMED

AMED stands for the Association for Management Education and Development, www.amed.org.uk. We are a long-established membership organisation and educational charity devoted to developing people and organisations. Our purpose is to serve as a forum for people who want to share, learn and experiment, and find support, encouragement, and innovative ways of communicating. Our conversations are open, constructive, and facilitated.

At AMED, we strive to benefit our members and the wider society. Exclusive Member benefits include excellent professional indemnity cover, free copies of the quarterly journal *e-O&P*, and discounted fees for participation in a range of face-to-face events, special interest groups, and our interactive website. We aim to build on our three cornerstones of ***knowledge***, ***innovation*** and ***networking*** in the digital age. Wherever we can, AMED Members, Networkers and Guests seek to work with likeminded individuals and organisations, to generate synergy and critical mass for change.

To find out more about us, you are welcome to visit our website www.amed.org.uk, or contact Linda Williams, our Membership Administrator, E: amedoffice@amed.org.uk, T: 0300 365 1247