ORGANIZING IN THE MIST:
A CASE STUDY IN LEADERSHIP AND COMPLEXITY

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ABSTRACT

Purpose
This paper contributes to the growing body of literature seeking to develop an understanding of how complexity theory may be applied to an understanding of leadership and organizational dynamics.

Approach
Stacey’s (2003) theory of complex responsive processes is used to analyse leadership and organizational dynamics in an unusual example of an organizational simulation exercise on an MBA programme.

Practical implications
This article shows how the theory of complex responsive processes may offer the potential to understand episodes of emergent, and potentially creative, forms of organization and leadership. It demonstrates how to recognise and work with the qualities of participation, conversational life, anxiety, diversity, and with unpredictability and paradox.

Originality/value of paper
This paper complements previous articles in LODJ that seek to use complexity theories in the analysis of leadership and organizational dynamics. It demonstrates how an analysis from the perspective of complex responsive processes differs from that of complexity theories that focus on systemic rather than process thinking and that do not incorporate insights from psychology and social theory.

Keywords: complexity theory, leadership, conversation, anxiety, unpredictability

Type of Paper: Case study
In recent years there has been a growing interest in the application of complexity theories in organizational studies. This article demonstrates how Stacey’s (2003) theory of complex responsive processes may be applied to an understanding of leadership and organizational dynamics. This will be achieved through the analysis of an unusual example of an organizational simulation exercise on an MBA programme.

This article begins by contrasting complex responsive processes theory with systems theories of complexity. A summary of Stacey’s theory is then provided in the form of a framework that is used to analyse the case study, which forms the heart of this article. It is argued that complex responsive processes theory has provided the author, as a reflective practitioner, with the most convincing explanation for the unusual manner in which this particular event unfolded.

Process and Systems Theories of Complexity

The *Leadership and Organization Development Journal* has featured a number of articles that have taken ideas from the ‘new sciences’ (Fairholm, 2004). For example, chaos theory and quantum mechanics have been used as a source of new metaphors for leadership and management (Dreachslin, Kobrinski and Passen, 1994; Shelton and Darling, 2001); organizations have been conceived of as complex adaptive systems (Collier and Estaban, 2000; Englehardt and Simmons, 2002); and leadership and change have been subjected to a systems level analysis with attention to non-linearity and emergence (Styhre, 2002; Cooksey, 2003). This article complements these previous publications, thinking about organizations in terms of complex responsive processes (Stacey, 2003).

There are a number of features of Stacey’s approach that add to a study of complexity in organizations. First and foremost, most complexity theories utilise systems thinking, whereas Stacey employs process thinking. Systems thinking describes the configuration of an organization in its context and tends to focus on the conditions required for improved performance and the changes required to move to that state. In contrast, process thinking draws attention to the evolving dynamics of relating that make an organization what it is and how it is continuously evolving.

Further, complex responsive processes theory is reflexive: a social and psychological process of theorising organizations as social and psychological processes. In contrast, the majority of complexity theories do not give a similar level of attention to the social or psychological, as they have developed from the study of physical systems (see, for example, Thietart and Forgue, 1995; Wheatley, 1999). As a consequence, their primary usefulness in understanding organizational complexity is in providing metaphorical insights. A well know example is Reynolds’ (1987) computer simulation of the flocking behaviour of birds (called ‘Boids’), demonstrating emergent organization based on three simple rules. This has been used as a metaphor for emergent self-organization within human social systems based on schemas and mental models. The significance of such an insight is that the leader’s role is not to plan and implement change, but to foster conditions (‘rules’) that support emergent novelty.

However, there is a growing literature that questions the metaphorical application of the new sciences to social systems. Galbraith (2003), for example, raises some questions about the application of chaos theory to leadership in the field of education. Amongst other things, his critique draws attention to the need for a “distinction between metaphor, archetype and model”. He argues that there is “a world of difference between arguing from the precision of a model, arguing on the basis of an identified
generic structure, and arguing by analogy at a system level” (p. 24). He suggests that a greater degree of rigour is required in order to make progress in the application of ideas of complexity to the practices of leadership and organization. The development of models and generic structures, such as Senge’s ‘archetypes’ (1990), can be subjected to tests on model validity or to questioning as to why a particular archetype is relevant. Argument by analogy or metaphor does not carry such rigour, leading to admittedly interesting but possibly misleading understandings of organizational and leadership dynamics.

In contrast, the approach of complex responsive processes is based on theory from the social sciences, seeking to move beyond the metaphorical to directly explain the complexity of social and psychological processes within organizations. For example, taking the example of Reynolds’ (1987) ‘Boids’, cited above: the computer simulation focuses on the interaction of simple rules; systems thinking likens this to schemas and mental models as the basis of individual choice within organizations; but process thinking explains the dynamics of complexity in terms of the ‘arrangement of narrative and propositional themes that organize experience’ (Stacey, 2003, p. 311). In the theory of complex responsive processes, the inherently social and psychological dynamics of language and conversation become central to the understanding of how complexity develops and unfolds.

Some of the differences between the dynamics of complexity in physical and social systems are becoming more apparent. For example, a recent study based on a four year ethnographic research project (Houchin and MacLean, 2005) gave attention to the social and psychological. The authors ultimately conclude by challenging the assumption that organizations can be understood as complex adaptive systems (see, for example, Axley and McMahon, 2006; Meyer, Gaba, and Colwell, 2005), which are argued to be characterised by the spontaneous emergence of novelty. In contrast, Houchin and MacLean argue, “the ‘natural’ tendency of a complex social system is the creation of equilibrium rather than novelty… The concept of the organization as a natural complex adaptive system may well be a myth” (p. 163). They argue that an important factor in organizations, compared to computer simulations or studies of the physical world, is the attention that must be paid to the psychological and social defences to anxiety provoked by organizational change (Menzies, 1960). This is a conclusion that has important ramifications, for example, in relation to the nature of prescriptions for the leadership of organizational change that can be drawn from complexity theories.

The analysis of the case study in this paper reaches some very similar conclusions, albeit in a more limited organizational context than that studied by Houchin and MacLean. This article provides an account of reflective practice and sense-making (Weick, 1995) in relation to a brief organizational simulation, a developmental event on an MBA programme, on which some unusual and unexpected leadership and organizational dynamics emerged. As a participant in the process, as one of the tutors, I have reflected on this event over a number of years, employing various concepts and theories in the attempt to make sense of what happened. Quite early on I was intrigued by the obvious connections with chaos and complexity. Ultimately it has been the theory of complex responsive processes that has facilitated my most satisfactory explanations of the events that transpired.

The next section outlines the framework of concepts that has been used in the analysis of the case study. This inevitably requires a considerable simplification of Stacey’s theory, but utilises many of the core concepts. The case study will then be outlined and analysed.

**An Analytical Framework**

The theory of complex responsive processes focuses on patterns of communication and conversation. Central to this is the notion of relationship, which is formed, sustained and developed in responsive
processes. Unlike approaches to complexity that employ systems thinking, the individual is not the prime agent of organization: “what organizes itself is themes in conversations” (Stacey, 2003, p. 311). Organization unfolds in self-organizing processes of communicating. Under certain conditions this will take the form of ‘free flowing conversations’ (pp. 379-80), which may generate creativity and novelty.

In the case study some unusual patterns of communicating and relating were noticed from the outset. The manner in which the organization evolved was also unusual, as it did not follow the common pattern on this event of being ‘agreed’ by self-appointed or designated leaders. This emergent, and novel, form was in keeping with complex responsive processes theory, which indicates that the organization is not designed at the decision of individual agents (i.e. leaders) but is something that all organizational participants experience and contribute towards. This suggests an understanding of leader as participant rather than, as more generally conceived, somehow above or outside the situation.

As indicated above, the social psychology of change means that the anxiety provoked by the unfolding processes of organizing will have an impact. Stacey (2003, p. 379) argues that the ‘good enough holding’ of anxiety is an essential condition for free flowing conversation, and therefore for creative or novel forms of organizing. Without this we can expect the organization to move rapidly towards equilibrium, the creation of stability as a social defence against anxiety, as Houchin and MacLean (2005) argue. However, the ‘good enough holding’ of anxiety is a necessary but not sufficient condition for creativity: Stacey argues that diversity is also required. It is interesting to note that this may arise from misunderstanding as well as from cross-fertilisation of difference. It is suggested that the case study does indeed demonstrate a novel and creative organizational form, with sufficient diversity for the maintenance of this form for the life of this temporary organization. However, whether this would be sufficient for the longer term is open to question.

In summary, the case study will be analysed in terms of:
- Self-Organizing Processes of Communicating
- Leadership as Participation
- ‘Good Enough Holding’ of Anxiety and Diversity

Each of these is now discussed in more detail.

Self-Organizing Processes of Communicating
Stacey argues that narrative themes, not key individuals, are the basis of emergent self-organization, for it is not people but themes organizing conversations, communication and power relations. What is organizing itself, therefore, is not individuals but the pattern of their relationships in communicational and power terms. (2003, p. 332)

This article is concerned with a case study of creative or novel organization. Stacey argues that it is at the boundary between stability and instability that novel processes of communicating may take place. Self-organization emerges without direction by individual agents in the themes in conversation, which may be conscious or unconscious, formal or informal, legitimate or shadow (Stacey, 2003, p. 370), and can take a number of forms, for example fantasies, beliefs, myths, rumours, or discussions (p. 362).

In the interplay of responsive processes, in which themes become significant, interact with other themes, and change form, it is possible to understand organization as a pattern of interdependence, in which power relations form and develop. The consequence of interdependence is that “the behaviour
of every individual is constrained by the demands of others. Constraints are what power is about…” (p. 324). Self-organizing processes of communicating enact webs of power relations, which, depending upon various factors such as the ‘good enough holding of anxiety’ and the presence of sufficient diversity, will lead either to novel forms of organizing, in free flowing conversation, or to stability, in stuck or repetitive conversation.

This suggests the need to give attention to the processes of communicating, to its free flowing or repetitive character, and the identification of themes.

Leadership as Participation
The notion that there will or should be an easily observable distinction between ‘the leader’ and ‘the led’ is common in the leadership literature. Stacey (2003, p. 288) suggests that this view prevails because of the tendency for the theorist or researcher to take the position of the “objective observer… who stands outside the system and models it in the interests of controlling it.” Prescriptions are then derived from these theories that “implicitly place the manager in the same position. It is the manager who must produce and impose the few simple rules that will produce the desired attractor.” For example, Fairholm (2004) suggests that

As we begin to think of visions and values as organizational attractors, it helps leaders understand the power of vision and values in setting and altering organizational contexts and cultures. (p. 376 – italics added).

In contrast, complex responsive process theory makes clear that the leader is just as much a part of the emerging pattern of relating as anyone else. This is not to suggest that individuals are impotent or their behaviour irrelevant. Whilst someone exercising leadership cannot be ‘in control’ of emergent self-organization, everything that is done, even the decision to do nothing, has consequences. The significance of positional leaders does not diminish: one merely understands their power differently, at least in terms of recognising that they are not ‘in control’ and cannot present a blueprint for an innovative future (Stacey, 2003, p. 334)

‘Good Enough Holding’ of Anxiety and Diversity
Free flowing conversation, a pre-requisite for emergent novelty, requires organizational dynamics to be characterised by the ‘good enough holding’ of anxiety. Understandably, people become anxious in situations of change, particularly those that become chaotic. Indeed, the anxiety that Stacey is referring to is a form of generalised fear (p. 378), which arises in a context characterised by uncertainty.

There is a tendency to put a more individualistic slant on the practice of the ‘good enough holding’ of anxiety, with the more usual interpretation tending to focus on the attributes or capacity of the leader or consultant (Stapley, 1996), but complex responsive process theory suggests that this is achieved through the quality of the themes organizing the experience of relating. When these take the form of trusting interaction, they are themselves then forms of ‘good enough holding’. (Stacey, 2003, p. 379)

This suggests the need to give attention to the manner in which patterns of communicating develop in the presence of uncertainty. In particular, the absence of typical defensive behaviour, such as the creation of hierarchy and other mechanisms of control, will suggest that anxiety is being held at a level that might allow novelty to emerge.

The ‘good enough holding’ of anxiety is a necessary, but not sufficient, condition for novel self-organization. Stacey is clear that organizational creativity is dependent upon diversity. He argues that
[if ] an organization is a pattern of talk (relational constraints), then an organization changes only in so far as its conversational life (power relations) evolves… Creativity, novelty, and innovation are all the emergence of new patterns of talk and patterns of power relations. (2003, p. 363)

In relation to the emergence of new patterns, “the key to transformation is diversity” (p. 375). Diversity tends to be understood in terms of individual difference but, again, it will be necessary in the analysis of the case study to look for diversity among organizing themes and the contribution that these make to self-organizing patterns of communicating.

**Case Study: An Organizational Simulation**

The developmental exercise described in this article is part of a two-day residential event using the outdoors, run with a group of approximately 20 participants. In this exercise the group is required to form a temporary organization with the task of engaging in a ‘treasure hunt’ in a range of hills over an area of 12 square miles. The task involves various problem-solving activities which provide clues for destinations where sub-groups will find further clues, eventually leading them to the ‘treasure’, which all members must reach by a set time.

This organizational simulation has been run nearly 100 times with different groups. It is a challenging task in which approximately 50% of groups are successful. Tutors on the programme have observed that success is generally achieved where a clear hierarchy emerges and leadership, planning and control result in the effective deployment of group member resources. This exercise is a challenge of organization under tight time constraints and a context in which the remoteness of teams in an unknown environment can make communication difficult. Failure tends to ensue in this task when leadership, planning and control lack clarity and direction. Problems with morale are common, which can result in organizational fragmentation and deteriorating communication. Task difficulty, and therefore failure rate, also tends to increase in adverse weather conditions. The lesson normally learned from this exercise is that organizations perform well through the expenditure of considerable effort in planning and coordination. However, a disappointing feature for many participants is that many aspects of the task become alienating for all but the ‘management team’.

The particular event described in this paper was notable in that it did not follow this pattern. Morale remained high for the whole group for the duration of the exercise. Interestingly, this seemed to be directly related to the fact that the group did not develop a clear hierarchy, and in fact did not even develop a consistent leadership team. Another distinguishing feature of this event was the novelty of the solution developed by the organization. The one common feature with other successful groups was the considerable amount of energy that was put into thinking about the task and the planning process.

Finally, the event was characterised by immersion in a thick cloud, which had descended upon the range of hills and did not lift for the duration of the exercise. Whilst the title of this article, ‘organizing in the mist’, is intended as a metaphor for the challenge of organizing in conditions of chaos and complexity, for this group it also became a reality.

Detailed notes were made throughout the event and in the subsequent group review. The following account tells the story. Paragraphs are numbered to aid later discussion.
Organizational Simulation Exercise: Day One

1. The weather is beautiful for late autumn. The group has completed some introductory exercises and it is now mid-afternoon on the first day. In the main hall of the manor house the equipment for the main exercise and four paper copies of the briefing are given to the group without any further explanation by the course tutors. Immediately, and without discussion, the group splits into four sub-groups. One sub-group moves outside onto the grass to work in the sun. Ten minutes pass, the sub-groups working independently. There is no communication, no attempt at co-ordination.

2. Daniel, stepping back from his sub-group, looks around and makes an attempt to pull them all together. He asks another member of his sub-group to bring in those who are outside. However, the other sub-groups do not respond but carry on working. After ten minutes Daniel tries another tack. He asks the two other sub-groups in the room a technical question about a term on the map. The reply is given, and the sub-groups continue to work on their own. One of the tutors observes “a gentle hubbub - the culture of an insurance office”. Unperturbed, Daniel makes a third attempt, this time supported by others. Mark walks over and begins talking to a sub-group. Tim suggests, loud enough for all in the room to hear, that they should “get together in five minutes”. Daniel comes in from outside, “They won’t tell me what their answers are”. Peter observes, “We’re getting different answers”. Paul, fairly loudly, “We’ve got to work out what we’re going to do”.

3. The group gathers. Graham stands at a flip chart as spokesman for the group that has solved the harder logic clue. At the other flip chart, Paul is plotting co-ordinates on to a map and suggests that the key question is “How do we organize ourselves tomorrow?” Tim stands up at the flip chart. Paul sits down. There is a tentative jostling for leadership - nobody wanting to make a strong play. Tim suggests the need to “clarify objectives”, and begins writing on the flip chart. In parallel, Graham is proposing more forcefully that there is a “need to work out the constraints”. Tim counters, “We are still not sure about our objectives - is it just to get to a central point by 2:30 p.m. or is it to maximise profit and finish by 12:30 p.m.” Voices from the group are heard: a man, “We could just keep the £400”; a woman, “But don’t we have to buy some stuff?” A man, different, replies in a slightly aggressive tone, “We don’t have to buy anything”. Tim and Graham stand at their flip charts. Kevin directs the discussion back to the problem solutions that have been generated, “There are two map references that we are not sure about. I think we need a contingency plan…”

4. The process is chaotic and energy is high – no longer an insurance office. Tim appears to be gaining the support of the group, playing a co-ordinating role for different contributions. Graham appears frustrated and has been withdrawing but Tim deliberately hands over to Graham, suggesting that the group needs to work on a list of constraints. The possibility of a leadership pairing appears to be emerging. The group work on the list and agree to split into three sub-groups to build a strategy for each of three elements. It is also proposed that the large group is too big to review the outcomes from the sub-groups and it is quickly agreed that two members of each of the sub-groups will meet to plan a strategy. The team of six will re-convene at 5:30 p.m. and brief the rest of the group at 6:00 p.m. The sub-groups disperse into the gardens.

5. As agreed, at 5:30 p.m. the six members gather in the main room. The tutors are surprised to see that neither Tim nor Graham is in this ‘leadership’ team. The three pairings take it in turns to present their strategy for structuring the organization to reach the five map locations. Half an hour is spent debating the various alternatives. Should there be three or four teams? What is the role of the HQ team: to find clues and co-ordinate, or merely to co-ordinate communications and develop strategy? It is agreed that the organization will work with four teams and have an HQ that does not find clues. It is explicitly stated, and consensus readily achieved, that this group of six is not the HQ team. Some protracted debate ensues concerning the size of the HQ team. Strong arguments are made for
“smaller rather than larger”, and Daniel pointedly states, “If the HQ team has five or more in it, then count me out”. A view of HQ as small and able to make clear decisions prevails, with the opinion that solving the problems, as well as finding the clues, could readily be managed within the teams: HQ does not have to have technical (problem solving) expertise.

6. The tutors observe that the process has been complicated. Compared to previous groups, the duplication of work has been significant; the absence of a consistent lead from an individual or small group uncommon; the amount of discussion and the degree of detail in conversations unusually high. All of these factors have led to a continuing sense of mildly organized chaos. That said, the commitment to giving the HQ team genuine decision making power is extremely clear.

7. At 6:00 p.m. the rest of the group come in to the main room. The six appear to be taken off-guard: they had lost track of time and are not ready. The group is told that the briefing will take place after dinner and happily return to their croquet on the lawn. The six indulge in self-recrimination for their poor timekeeping, and become more focused. Within ten minutes they are ready for the others and call them back for the briefing.

Organizational Simulation Exercise: Day Two

8. A low, dense mist and light rain have replaced the sunshine. The tutors follow the teams up onto the hill. Ron, the fourth member of the tutor group, is handling the logistics and safety of the exercise. It is 9:00 a.m. and he has been up on the hills since 8:00 a.m. The clues are in place and Ron is in his Landrover listening to the group on the CB radio. Conditions are appalling. The mist is thick and shows no sign of lifting. Visibility is limited to 5 yards. All that can be seen is the path ahead, the path behind, and heather and bracken to the sides. Apart from an occasional steep incline there is no way of telling that this is an extensive range of hills. Muffled footsteps and the voices of approaching walkers can be heard before anyone can be seen. Conditions for map reading are difficult. The tutors check with Ron that safety is not compromised.

9. HQ has taken up a position on high ground, maximising their ability to maintain radio communications with other teams. By the time the tutors arrive on the hill, the teams are on course for their first destinations and are in good spirits, despite the rain and the mist. This stage is well organized with an agreed call in time of 9:05 a.m. They have estimated likely times of arrival at first destinations and are attempting to manage the uncertainty of being out on the hills for the first time. In planning they were unclear about a number of factors, for example whether the radios would work in poor weather conditions.

10. The teams heading for the nearer locations have little trouble finding their clues and communicate these to HQ. The team travelling furthest, however, is operating in more difficult terrain - the location of the clue is off of the main path and they have gone past their target location by several hundred yards. They call HQ for help. The adverse weather conditions make it difficult to find their bearings and some of the map symbols are obscure for anyone other than an experienced map reader. HQ is paying considerable attention to maintaining channels of communication as well as morale. The comments and discussions over the radio are humorous and thoughtful. When the first clues are solved a celebratory tune is played over the radio using a feature on a mobile phone.

11. The co-ordination of the task begins to break down when an error is made. In the mist, a team has mistaken one path for another and head for a location 400 yards north. By chance, this happens to be the location of a secondary clue, ‘C’, that is quickly found. Quite understandably in these
conditions this error is initially missed by the team and by HQ. Even when the primary clue that would have directed them to this location is solved it is merely noted that “this has already been found”. However the implied duplication of clues is not challenged. The missing primary clue is never found. The tutors are clear that the ‘logic’ of the exercise (solving all primary and all secondary clues to lead to a single final destination) means that the objective cannot be achieved without the missing clue. The tutors discuss whether to offer to ‘sell’ a team some consultancy to help redress this error. However, there are still several hours to go before time runs out and so they choose to bide their time.

12. Confusion begins to set in. As they try to piece together the information so far obtained, it is proving difficult to determine what to do next. HQ is in communication with the two teams nearest to them and between them they agree to meet up. By this time, the furthest have retraced their steps and manage to find their clue. This is communicated to HQ and the team is asked to make their way to a rendezvous point. It is 11:15 a.m. and the tutors know that it is premature under normal conditions for the whole group to reform. Over the radio the tutors hear what appears to be a growing sense of chaos within the group. HQ is no longer leading the organization, but leadership moves around the group to those who have ideas about how to proceed.

13. It becomes clear that the clues that have been found do not provide enough information. Some begin to speculate about the way in which the task has been conceived, with one member of the group suggesting that the exercise designers would not want the group to finish a long way from the manor house. Someone else suggests that all clues have so far led to clearly identifiable geographical features. Another surmises that the ‘C’, the secondary clue that had been found accidentally, might stand for ‘Centre’ (it does not). This information is used, along with the clues that have been found, to identify a small number of central locations on the map that might constitute the end point. Teams are sent out to investigate.

14. After a period of what appears to the tutors as continued confusion, they are suddenly surprised by a message over the radio: "Did you hear that? I think they said they've found the treasure". Ron jumps into his Landrover and sets off to investigate. As the other tutors follow on foot it becomes apparent that one of the teams has indeed found the final marker. HQ is calling all teams to that location. The ‘treasure’ is 150 yards down an obscure track and HQ guide the final team to the location over the radio. Time is running out with less than ten minutes to go before their, albeit ideal, 12:30 p.m. target. The team has trouble finding the track in the mist and asks over the radio for the rest of the group to shout. As they make their way towards the final destination a great shout shrinks the expanse of mist and it is clear that the group is only a stone's throw away. The final team reaches ‘the treasure’ at 12:25 p.m. The tutors arrive minutes later to find Ron giving out several bottles of sparkling wine and some plastic cups. It is not gold, not even champagne, but the precious taste of victory is sweet indeed.

An Analysis of Leadership and Organization Dynamics

The case study will now be analysed in terms of self-organizing processes of communicating, leadership as participation, and the ‘good enough holding’ of anxiety and diversity. Attention is drawn to specific aspects of the case study by reference to the paragraph numbers in parenthesis (for example [2, 6] is a reference to paragraphs 2 and 6).
**Self-Organizing Processes of Communicating**

A high quality of conversation was not predictable when, at the beginning of the task, the large group sub-divided into four [1]. On the contrary, at this point it appeared that communication throughout the whole group was likely to be problematic. Paradoxically, however, this may have contributed to the emergence of a culture of free flowing conversation, which one sub-group described as “a culture that contained both competition and collaboration” [3, 4, 5, 6, 13]. The pattern of relationships emerged from uncertain and indeterminate power relations.

Having split into four sub-groups to work on all aspects of the exercise briefing, all were fully conversant with the whole task when the group eventually came together. Each sub-group had taken time to become familiar with, and rehearse, important themes arising from the task. Their conversations were rich with these as well as with additional themes that each individual brought from their diverse experience. These themes combined and re-formed in complex responsive processes as their conversations with one another developed. These conversations had many aspects, formal and informal, legitimate and shadow (for example, “who is going to be the leader of this organization?”), conscious and unconscious. In this process power relations were forming and reforming. This process then continued in the meeting of the whole group.

Contrast this with the more common approach to the task, with speedily nominated leaders structuring the organization before work has begun on the detail of the task. Typically, the whole group begins by meeting together with leaders directing the formation of sub-groups to work on sub-tasks. This formation of a decision making hierarchy and the division of labour from an early stage appears to be a more efficient use of resource, but it immediately formalises working practices and serves to constrain what it is legitimate to discuss within the small groups. This excludes some from being able to participate in later conversations, which become the preserve of a ‘management elite’. In this case study, all engaged with the whole task and later contributed to a lively (competitive as well as cooperative) and complex debate about the purpose and identity of the organization.

**Leadership as Participation**

One of the most striking features of this organizational simulation was the manner in which leadership moved around the group [2, 4, 5, 12]. Whilst there were clearly those who were more prominent as leadership figures [2, 3, 6], identifiable as ‘named’ characters in the story and in the formation of an HQ, an overriding characteristic of the group was one of wide participation in decision making and leadership. Leadership was exercised by participants – who were embroiled in the moment by moment dynamics of the organization whilst, simultaneously, able to stand back, reflect upon and then question or challenge the emerging process.

The difference between the ‘objective observer’ and the ‘participative’ models of leadership is significant in understanding the widespread participation of organizational members. Typically, groups that are successful in this task will develop a clear hierarchy and leadership roles. However, a growing sense of alienation is common for many apart from the management team as the exercise progresses. It is inevitable that a model of leadership that sets some ‘apart’ from and ‘above’ the rest of the organization will eventually create a ‘them’ and ‘us’ situation.

This characteristic of participative leadership can be explored further by considering the experience of emergent leadership within the group. In the review of the exercise with the group, the movement of leadership was highlighted as a particular feature of the organization. However, this was experienced both positively and negatively. For example, one sub-group identified the “energy, creativity, movement, and range of types of leadership in relation to the various sub-tasks” but reflected that “in the chaos, the lack of a clear leadership structure can breed resentment and frustration when potential leaders have less of a voice.”
The most striking example of the lack of a clear leadership structure occurred when Graham began to withdraw [4]. The group appeared to be favouring Tim’s leadership. Then Tim, in an act of apparent generosity, gave the flip chart and therefore leadership back to Graham. This act appears to demonstrate the virtues of integrity and generosity reflected in some of the writings on the positive attributes of effective leaders (see for example Collins, 2001; Badaracco, 2001). However, identifying the presence of a theme of ‘reluctant leadership’ provides an alternative interpretation of emergent leadership. This reluctance appears to be based on an underlying anxiety within the group.

The participants themselves described power relations characterised by competitiveness rather than generosity and collaboration. It is in this context that they explained why no clear, persistent leadership hierarchy emerged: that "no one wanted to take the risk of setting themselves up. There were clearly a number of people in the group with the ability to lead, maybe all of us". Tim, rather than being generous, may in fact have lost his nerve once it looked likely that he was winning the battle with Graham for leadership of the group. Other examples of this are evident: Daniel readily laid down his claim to a position in HQ [5]; neither Tim nor Graham appeared in the key leadership grouping responsible for planning [5]; and, perhaps most pertinent, HQ relinquished leadership of the group at a crucial period in their work on the task [12]. The desire to lead was thus held in a tantalising balance with a fear of rejection or criticism by the rest of the group. This constraint led to a delicate balance in power relations.

These dynamic processes are difficult to describe adequately in the written word or in models. However, in figure 1 (and later in figure 2) I attempt to illustrate some of the complex, sometimes self-reinforcing dynamics that characterise the development and character of an emerging process. In figure 1, the leadership dynamics on the theme of ‘reluctant leadership’ are summarised (most easy to follow by starting with the theme “reluctance to grasp leadership positions”, at the base of the ‘triangle’ in the centre of the diagram). Firstly, the competition in the group, with a large number of potential leaders, and the fear of being ‘set up’, introduces the theme of reluctant leadership. This contributes to the movement of leadership around the group, and high participation in the task is mobilised. This establishes a positive dynamic of high quality conversation and a sense of unity, which further contributes to a reluctance to grasp positions of leadership.

In the group review after the exercise, it was noted that HQ “tried to be firm but also recognised where they were at”. In other words, these positional leaders in HQ were self-consciously responsive to the emerging characteristics of the situation. They were influential. However, more significant in understanding the unfolding story is the emergent self-organization of which HQ were merely a part. Taking up leadership in this way requires confidence, and one can see that this theme of self-belief was evident from the beginning. There were a number of individuals with the ability to lead - “maybe all of us”. This wealth of ability was certainly a positive resource for the group, but it also contributed to the competitiveness. From the beginning individuals demonstrated a strong desire to self-direct, even, it seemed, to the potential detriment of the organization [1]. However, with the benefit of hindsight it is possible to see that these themes of self-direction and independence formed the basis of the high quality of interaction that became so significant later in the exercise. One of the distinguishing features that made this group so unusual was the pervasiveness of high quality, free flowing conversation within the large group.
Figure 1: Dynamics of Reluctant Leadership

equivocality sustainable in the organisation

movement of leadership around the group

reluctance to grasp leadership positions

large number of potential leaders

capable and proactive group members

fear of being set up

shared sense of purpose

balance of power in the group never fully resolved

task participation mobilised in the group

high quality of conversation

sense of unity

clarity of task purpose

balance of power in the group
'Good Enough Holding’ of Anxiety and Diversity

The free flowing conversation was most important when it was tested in the latter stages of the exercise [12]. At this point the group was lacking key information and HQ was struggling to determine what should be done next. This is a common stage in groups that ultimately fail. Typically the uncertainty and confusion in the management team leads to the fragmentation of the organization: sub-groups lack direction, unclear what should be done. Ultimately organizational failure ensues as sub-groups become passive and disengaged, merely waiting for time to run out. In this case study, however, HQ arranged to meet up with the two sub-groups nearest to them and the hierarchy was, temporarily, dissolved. The increasing level of confusion [11, 12] was leading to heightened levels of anxiety. However, the organizational dynamics are characterised by a ‘good enough holding’ of anxiety.

Organizational experience prior to this critical moment is characterised by success, including a proficient planning process [3, 7], high levels of energy [4, 6], sub-task success [2, 3, 9], and good levels of morale [10]. This is summarised in figure 2, which suggests that this success has established the trusting interactions that Stacey argues are forms of ‘good enough holding’.

The free flowing conversation within the group resulted in a complete re-conceptualisation of the task, involving re-imagining how the exercise had been designed. Rather than seeking information within the ‘rules of the exercise’, they sought ideas by thinking about how the exercise rules themselves might have been determined. They began to look at the pattern of the clues so far retrieved. They made ‘intelligent guesses’. In doing so they re-configured the task and short-circuited the solution to the problem, eradicating the need for the several clues that they never found.

This was risky, but the levels of trust achieved gave the group sufficient confidence to engage in intelligent guesswork [13]. Their assumptions were not all correct, nor did they identify all of the ‘end points’ that have been used on previous versions of this exercise. Despite these weaknesses, they had enough good fortune and their strategy paid off. More importantly, however, their organizational process was novel and creative. They demonstrated a capacity for innovation that is characteristic of emergent self-organization.

At one extreme, in groups that have well-established ideas and have known one another a long time, there is a tendency for there to be too little diversity. At the other extreme, in groups where participants share little in common, there may be too much diversity and communication may disintegrate. This newly formed group, at the beginning of their studies, between them brought enough diversity in ideas to foster cross-fertilisation, whilst sharing enough similarities to avoid disintegration. This group met the conditions for free flowing conversation, “in some critical range between these extremes” (Stacey, 2003, p. 378).

Free flowing conversation allowed for a diverse range of sometimes conflicting themes to emerge. For example, splitting into sub-groups is efficient [2, 5] AND coming together helps creative problem solving [3, 4, 12]; hierarchical leadership with genuine decision making authority is valuable for coordination [5] AND the dissolution of positions of leadership may allow the right leader to emerge in the moment [3, 4, 12]. Most significantly, however, it is apparent that a diversity of ideas was allowed to surface in this organization because a multiplicity of leaders was able, at different times, to participate in influencing the free flowing conversation within the group. This was the basis of the creativity that emerged in self-organizing processes of communicating.
Figure 2: Dynamics of Trust and Creativity

equivocal environment encouraging creative engagement

creativity possible in organization

equivocality sustainable in the organization

movement of leadership around the group

widespread understanding of complex organizational structure

good enough understanding of the task environment

confidence to take risks

clarity of task purpose

sense of unity

increased chances of (sub) task success

intelligent guesswork

group trust in leaders

leaders able to make decisions and direct events

group trust competence of organization

DELAY

(sub) task success

DELAY

DELAY

DELAY

DELAY

DELAY

DELAY

DELAY

DELAY

DELAY
Implications for Leadership and Organization Development

In this article, ‘organizing in the mist’ provides a metaphor for the challenge of operating in conditions of complexity. The discussion began by contrasting the theory of complex responsive processes with systems theories, arguing that attention to the social and psychological is an essential but frequently neglected aspect of the study of complex processes within organizations. A brief analytical framework, based on Stacey’s (2003) theory, was summarised, comprising self-organizing processes of communicating, leadership as participation, and ‘good enough holding’ of anxiety and diversity. This framework was then used to analyse a case study of an organizational simulation on an MBA programme. It was argued that this case study is an example of an organization demonstrating the characteristics of emergent self-organization that is both novel in form and innovative in performance.

Stacey’s theory of complex responsive processes makes it possible to describe the nature of the particular organizational dynamics that contribute to this emergence. The range of concepts that have been employed focus on the importance of the generation of novel conversations:

- New forms of conversation and other action may emerge at the edge of chaos in free flowing conversations that begin to appear in legitimate form. The conditions for this to happen are trust and the holding of anxiety, power relations that are both cooperative and competitive, and conversational practices that do not block exploration. (Stacey, 2003, p. 381)

In considering the implications of this study, it must be remembered that of the 50 or so groups to have succeeded previously in this task, all but the one group described here have achieved this through the creation of a clear and stable hierarchical structure and by solving each of the clues in order and ultimately calculating the final location of the treasure with certainty. This is in keeping with Houchin and MacLean’s (2005) contention that stability is the more ‘natural’ state for organizations.

It is not realistic to routinely prescribe the characteristics of this group’s activity as an ideal model for organization or for leadership practice. Why take risks when certainty is possible? What can be argued, however, is that this group developed a uniquely creative solution to the problem and maintained high levels of engagement across the organization. In other successful groups, participants apart from the management team experienced a pervasive sense of alienation from the task. They also took longer, finishing by 2:30 p.m. not 12:30 p.m., and achieved the task in easier conditions.

One of the major implications of complex responsive processes theory is that it is not possible to develop prescriptions for leaders or organizational design that will guarantee novelty and innovation. The leader is a participant, not an objective observer, and as such must learn to engage in a learning process as the organization emerges. Stacey argues that this requires giving attention to critical factors that may be fruitfully engaged with in the emergent present. This involves addressing many of the characteristic features of this case study, by focusing attention on

- quality of participation
- quality of conversational life
- quality of anxiety and how it is lived with, and
- quality of diversity (Stacey, 2003, pp. 415-419)

In an argument that underpins many aspects of the discussion here, Stacey goes on to suggest that the “most radical implication of complex responsive processes theory is the limits to certainty and unpredictability that it points to” (2003, p. 419). There are those who wish to use complexity theory to promote the idea that leaders can control emergence within organizations. Complex responsive processes theory challenges us to work with an awareness closer to that of Socrates, who famously
claimed: “I know nothing except the fact of my ignorance.” This may be challenged as an excuse for ambivalence or prevarication, but the organizational reality is that when the unknown is faced the imperative to think and to act will still remain (French and Simpson, 1999, 2001; Raab, 1998; Simpson, 1997; Simpson and Burnard, 2000; Simpson, French and Harvey, 2002). Rather than being distracted by feelings of shame or incompetence, organizational members may be liberated by some of the insights from the theory of complex responsive processes to give attention to what is emerging in the present moment (Simpson and French, 2006) and to do the best that they can.
References


