

Complexity Paradoxes in Management

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- Over 30 years of experience in Operations Management, including:
 - 11 years in Canada working for:
 - Hudson's Bay Company (retail) – the oldest retail chain in the world
 - Ontario Government
 - Husky Energy (oil & gas) – one of the top 5 oil & gas companies in Canada
- Professional Certifications:
 - Certified Supply Chain Professional (ASCM), USA
 - Certified Six Sigma Black Belt (ASQ), USA
 - Professional Manager (Canadian Institute of Management), Canada
 - Chartered Member, Institute of Logistics and Transport (CILT), UK
- Professional Associations:
 - The Association for Supply Chain Management (ASCM), USA
 - American Society for Quality, Senior Member (ASQ), USA
 - The Chartered Institute of Logistics and Transport (CILT), UK
- Professional Interests:
 - Operations Management, Theory of Complexity, System Dynamics, Cybernetics, and TRIZ

The Process Spectrum Examples

ROUTINE PROCEDURES

Pre-defined Processes
Little or no worker discretion
Highly controlled
Can be easily automated

UNPREDICTABLE PRACTICES

Each case is different
Involves human judgement and discretion
Involves knowledge workers
Goal driven

CASE MANAGEMENT

COMMAND & CONTROL

Employee Admin

Invoicing

Purchasing

Customer Service Provisioning

Complaint Management

New Customer On-boarding

Claim Processing

Help Desk

SENSE & RESPOND

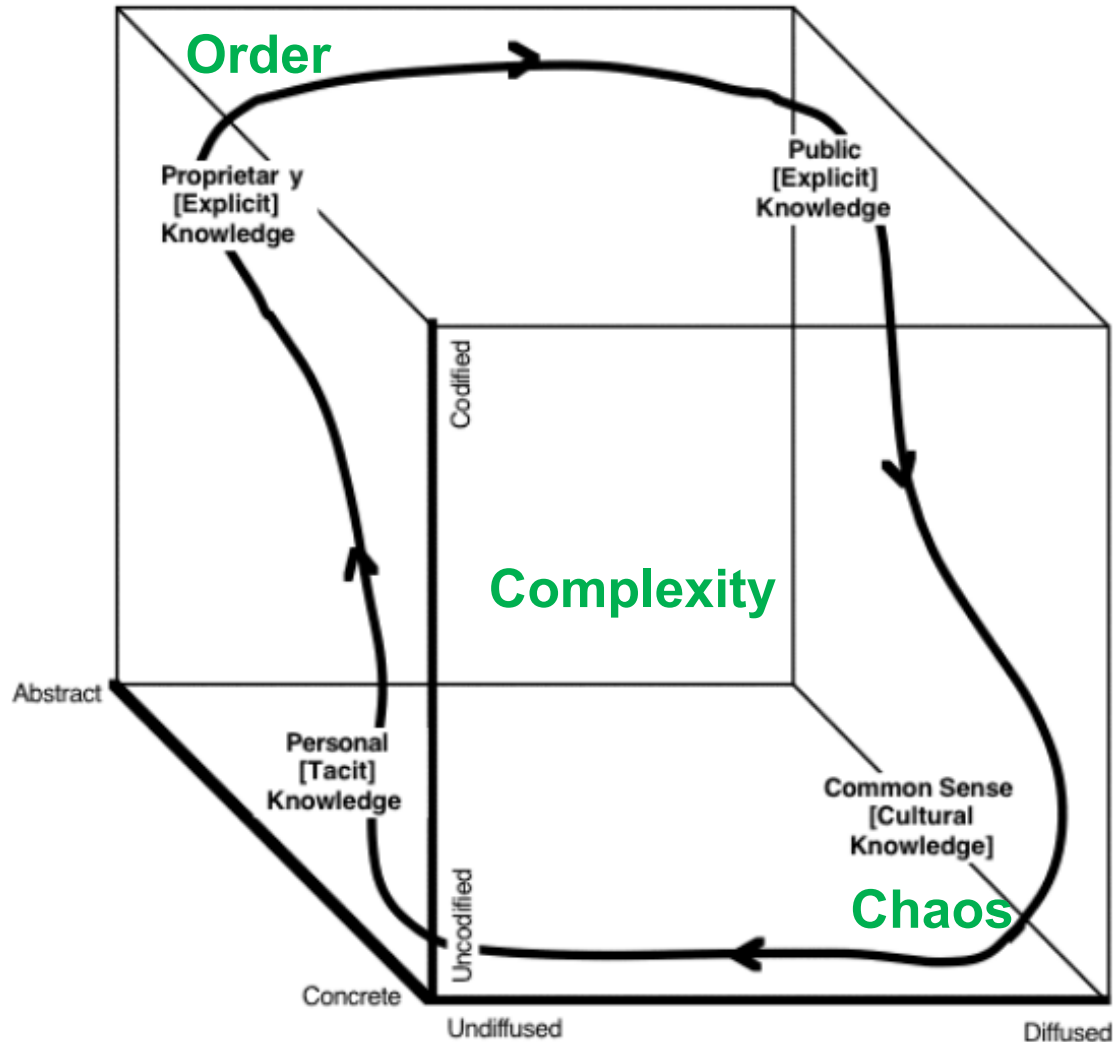
Audits

Investigation Management

Patient / Medical

Legal

Concrete vs Abstract Structured vs Unstructured



Concrete vs Abstract

Concrete (Uncodified, Undiffused) <-> Abstract (Codified, Diffused)

- Control vs Lead
 - Lead when the overall eco-system is ready for change as the utility of the older idea is coming to an end and it is moving to a decline
- The periodic rapid diffusion of the idea requires high levels of abstraction and codification to allow diffusion of the idea

Exactness (Precision) vs Uncertainty

Our brains are hardwired to see uncertainty as a risk or threat

- Knowing or finding the "right" answer is futile and stressful in Complex / Chaotic contexts
- Learn to acknowledge and embrace the discomfort of not knowing
- Leaders should shift from a "know it all" to "learn it all" mindset (Satya Nadella, Microsoft)
- Speed is more important than precision (Dixie cup, 1918 Spanish flu; "dark kitchens" and QR codes, COVID-19)

Exactness (Precision) vs Uncertainty

Managers have to use existing organizational capabilities and develop new ones in order to excel in the long-term

- Requires different thinking styles and organizational structures
- Strategic Foresight Tool: Scenario planning in Business (Pierre Wack, Shell)

Data Science vs Heuristic and Intuition

- Data-driven decision-making can be counterproductive under extreme uncertainty
 - It is highly challenging and sometimes impossible to collect reliable data
 - 12 publishers were unable to see the potential of "Harry Potter and the Philosopher Stone" before Bloomsbury Publishing accepted to publish an initial print of 500 copies. The book was so innovative that there was by definition no prior data available to accurately assess its potential.
- Managers who rely on their instincts together with some simple heuristics (e.g. tallying) make decisions that just as accurate as based on data analysis but they undertake them much more quickly.
- Effectiveness of intuition compared to analysis is contingent upon domain knowledge.

Objective vs Subjective

Time management: how to tame stress, boost energy, improve health and accomplish more?

- View objective time through the lens of subjectivity
 - We can let go of temporal schemata or "time rules" – fixed views of when things should occur or how long they should last
- Focusing vs Defocusing: Focus on work as a series of meaningful events rather than a fixed, hourly schedule
 - prioritizes the work over the schedule and emphasizes effectiveness over efficiency
 - increases perceptions of control over time
 - greater enjoyment of the task
 - experiencing the satisfying feeling of closure
 - "Flow" experience, getting fully absorbed in work without regard for time
 - benefits of occasional mind-wandering
- Meaningful vs Economical value of a task. Search for meaning over efficiency in every work task by asking: Where does this task fit in relative to my goals and values?
 - the more meaningful activity creates energy through the revitalizing experience of meaningful work
 - neglecting meaning and focusing on the economic value of time emphasises time as a commodity and perceives it as scarce

Explicit vs Tacit Knowledge

- Technology vs Culture
 - Technology – "the application of scientific knowledge for practical purposes" (Oxford dictionary)
 - Manifested as Explicit / Factual knowledge
 - Culture – "the collective programming of the mind which distinguishes the members of one category of people from another" (Hofstede, 1984)
 - Manifested as Tacit / Implicit knowledge
- Social interaction vs Formal knowledge transfer
 - During social interaction with colleagues and clients employees learn as much as during formal knowledge transfer activities (training, studying formal documents etc.)

Western vs Eastern View of the Universe

- Order
 - West: there's order in the universe (Christianity)
 - East: there is no inherent order (Taoism)
- Nature
 - West: Man vs Nature - exploitative view
 - East: mutual accommodation of man and nature
- Individualistic (West) vs Collectivistic (East) Culture
 - Cultural dimensions (Hofstede, 1984)
- Using force
 - American concept of using force as a coercive tool to reach desired goals
 - Chinese concept of *wu wei* "not to force anything"
 - always act in accordance with the pattern of things as they exist
- Problem-solving
 - West: focusing on the macro dimension of problems without thinking about the details
 - East: importance of thinking about the details of a problem

Thank you!

Questions?

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or

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