



FORMATION OF THE REFLEXIVE MANAGEMENT SYSTEM IN COMPLICATEDLY COORDINATED ORGANIZATIONS

Naydonov Mykhaylo

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The XIIIth European congress of Work and Organization Psychology, Sweden, Stockholm, May 9-12, 2007



Pre-conditions of complexity in organizations

- Objective contradictions the manifestations of which are described in terms of scientific branches from philosophy to engineering
- Sociosystemic (heterogeneity)
- Subjective (psychological)

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Pre-conditions of complexity in organizations

- **Sociosystemic (heterogeneity)**
 - Social and technical (Schedrovytsky G. P.)
 - Social and economic (Soros J.)
 - **Resist** the main postulate of economic theory about “independence of events at the market”
 - Self-strengthening and Self-stabilizing processes of Complicated coordination (CC) arising
 - Culturadigm Social and cognitive (methodological) culturadigm-paradigm (natural paradigm error)
- **Subjective (psychological)**
 - of complexity as a difficulty (cognitive overload or cognitive schemes' non-conformity to the requirements)
 - heterogeneity of subjectiveness :
 - heterogeneities of cognitive and **identification** components
 - Heterogeneities of cognitive and coordinative components (**co-existence**)
 - situational (CC phenomena) and problem-conflict situation.

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Pre-conditions of complexity in organizations

The latest achievements of the complexity theory
(Holland)

- The principle of the complexity theories – between Chaos and Order— three phases. At the chaos phase the interaction is liquid. At the order phase it is stable. At the complexity phase the interactions adapting to different conditions are generalized.
- Simple rules can produce a complex behaviour. Rules' clarification is a sense of adaptability but organizations move paradoxically in their development, i. e. in the direction of internal stability decrease approaching to the non-equilibrium state.

Holland, J.H. (1995). *Hidden order: how adaptation builds complexity*. Reading, M.A.: Addison -Wesley.

Waldrop, M.M. (1992) *Complexity: the emerging science at the edge of the order and chaos*. New York: Simon and Schuster.

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Pre-conditions of complexity in organizations

Alliances of coalitions (Simonin)

Simonin studying the complexity influence on the effectiveness of know-how transfer indicated that among the partners within an alliance the complexity is not a significant change of influence while among usual partners it has an impact. Cooperative know-how becomes the core of organization's cooperative ability called the ability for alliance.

Simonin B. (1999) *Transfer of Marketing Know-how in International Strategic Alliances: An Empirical Investigation of the Role and Antecedents of Knowledge Ambiguity*. *Journal of International Business Studies*, 30 (3): 463-90.

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Pre-conditions of complexity in organizations

Dominant logic (Bettis, Wong)

- Simplification tendency in knowledge application while the process of decisions making by a top-managers' team is the dominant logic construct.
- DL provides a simple and potentially full of power way of thinking about different strategic problems.
- From the other hand, the simplification process carries the potency of complexity producing

Bettis, R.A. and Sze-Sze Wong, Dominant Logic, Knowledge Creation, and Managerial Choice. In: The Blackwell Handbook of Organisational Learning and Knowledge Management. Ed. By Mark Easterby-Smith and Marjorie A. Lyles – Blackwell Publishing, 2003 - pp. 343-355. Schvenk, C.R. (1984) Cognitive Simplification Process in Strategic Decision-making. Strategic Management Journal, 1: 103-24.

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Developmental stages of the Reflexive Management (RM) concept

- “initial” developmental stage of the RM concept (a week point of psychological factor)
 - The implicit Author of the **RM** concept is **Schedrovytsky G. P.** (*Schedrovytsky G. P. Scheme of reflexive way out*)
 - The author of the **RM** concept is *Lefebvre, Vladimir A.* issues the phylosophic and psychological understanding of reflexion as an ability to take a position of «observer», «researcher» or «controller» with respect to one’s body, actions and thoughts. **RM Range** is from struggle to the ethic choise. Self-relationship: The cybernetic model of reflexive structures is used. (*Lefebvre, Vladimir A Conflicting Structures, 1973*)
 - Lepsky V. E. «The reflection concept was expanded: the reflection started being also considered as some system’s modeling the other system together with involved in it (the other system) model». (Lepskiy V.E. Subjective approach and reflection machineries of manipulation by consciousness and conduct)
 - **Ionov M.D.** is close to this understanding in the aspect of struggle.

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Stage of “Accumulation”

RM – Management together with a consultant Anisimov O.S., Schedrovytsky P.G.

- RM – the management with reflection
- - Ereshko F.I. RM - “to foresee the surrounding’s actions or intentions in order to improve or generally form a management strategy” (Ereshko F.I. Reflexion in the guided systems)
- - Davydenko T.M. RM at school. The systemic development of a school basing on a developing subjects’ interaction from the position of response to the position of self-regulation (through the realization and changing the activity reasons and means) (Davydenko T.M. Reflection management by school)
- RM as a behaviour management (Krasovsky Yu. D. Management of the behavior in firm, M., 1997)
- Avilov A. V. RM – (implicitly) – managing a manager’s spirit (*Avilov A. V. Reflexive management. Methodological grounds*)

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Stage “penetration into CC” in the RM concept development

- **RM** as taking into consideration self-strengthening and self-stabilizing processes inside the cycle of investment starting taken from the main postulate about “independence of events at the market“. It was concluded: effectiveness of the natural scientific approach is high where the thinking and events, which it is directed to, are clearly parted. When the thinking subjects with their incomplete understanding of a situation become the participants of these events the natural scientific approach inevitably fails“. According to the theory of reflexiveness implicitly defines the RM concept as taking into consideration self-strengthening and self-stabilizing processes inside the cycle of investment starting and its stop under the conditions of heterogeneity of reflection and actions. “The price evolution at the financial markets can be considered as the reflexive hystorical process“. Soros J. (**G. Soros**, **The Alchemy of Finance**, Reading the Mind of the Market, John Wiley (1987, 1994).

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■ Conclusions about the tendencies concerning the use of the reflexive management term:

- The tendency of transfer from struggle content to saturation of the RM concept with the reflexive content (psychological)
- Hollowing out the RM concept when using it as “a general place”, stamp losing its sense

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- Problem of consolidation (merger)
 - As an event (merger) for customer's organization
 - typical manifestations:
 - unique manifestations
 - As a psychological manifestation of (all) participants' state, the dynamics of processes in the event and executor's providing the optimum of their flowing

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- The problem of merging event for a customer's organization has **typical** manifestations:
 - For the merging companies besides the organizational and financial aspects preservation of previous and creating of a new united entity have a significant psychological component. This is it that becomes a reason of unsuccessful merger in many cases (according to the statistics only **20% of merging cases are successfully over**).

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The problem of merging **event** for a customer's organization has **unique manifestations**

- The variant of leading market companies contains much greater risks and requires necessary technological support
- The reason for the merger's term shortening from a year's to a half-year's one **hollows out coordinated criteria** of staff's reduction and thus causes the risks for the value "people are our main capital" discredit

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- The problem of consolidation (merger) as an executor's providing the optimum of all participants' states is in
 - Innovation of:
 - The obstacles for the status of reflexive management obtaining
 - Territorial and temporal disunity of an executor's team

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Reflexive management project devoted to merger providing:

“The company staff’s effectiveness after the merger, effectiveness of rotated out employee as his competitive ability at the labour market”

Intention

- Group-reflexive resource philosophy
- Integrating over-activity which is a participation on parity
- Mutual investment environment
- Assessment effectiveness and transparency within the training-competition

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Company staff's effectiveness after the merger, effectiveness of the rotated out employee as his competitive ability at the labour market.

1 stage We are customers of changes

Project type:

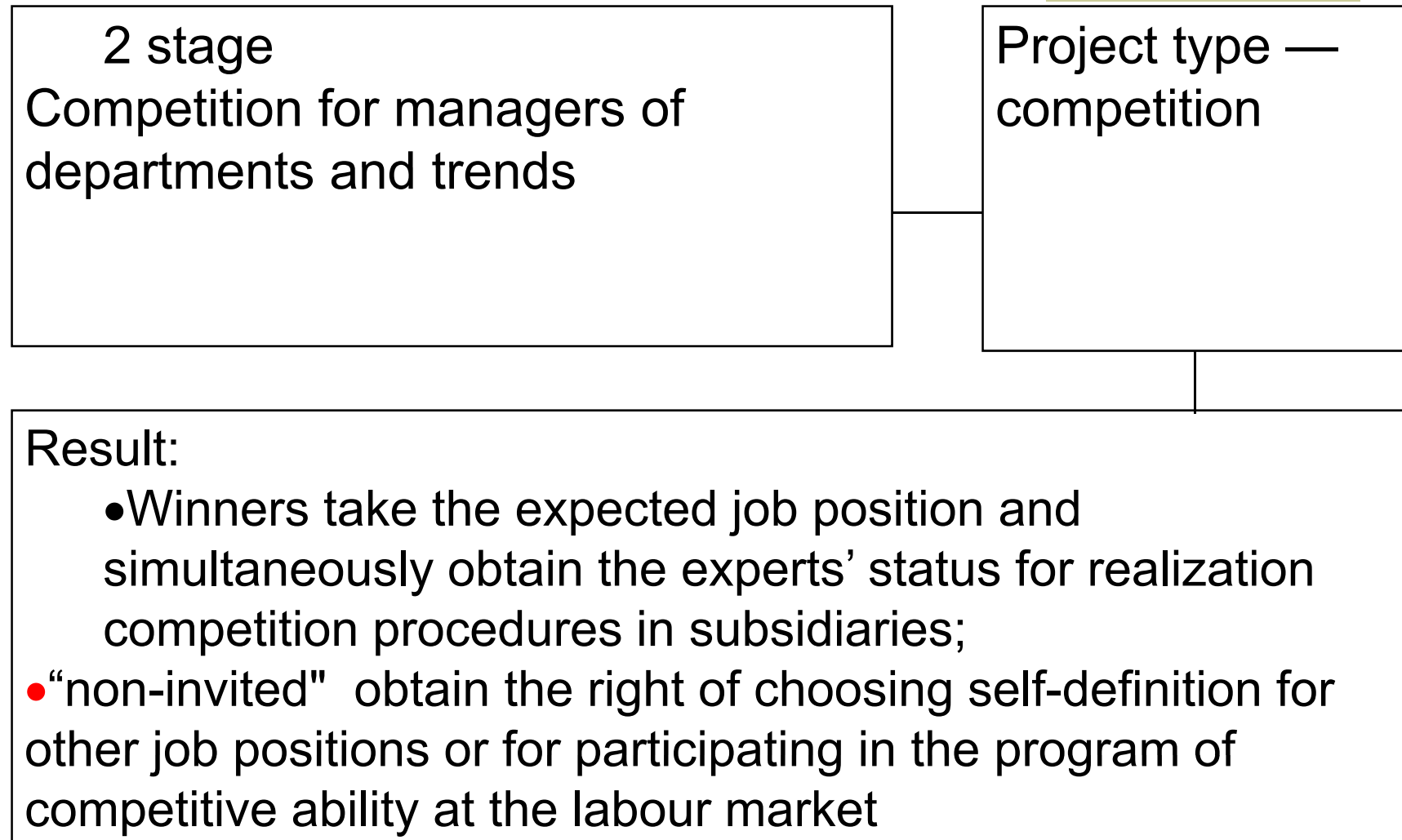
- Innovative - representative
- Self-definition

Result:

- Requirements and criteria both for the investment volume and for responsibility;
- Self-definition for the position of the competition co-customer and for participating in the competition for a definite job position or for the guaranteed participation in a short-budget project

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3 stage * 8
Competition for the staff of 8
regional subsidiaries

Project type —
competition

Result:

- Most managers of departments and trends master expert's activity, and simultaneously overcome the protectionist strategy.
- Winners in the main vacancies take the expected job position.
- A part of managing staff of departments and trends master expert's activity and independently came to a conclusion about their non-conformity for the given criteria and refuse from the position. For the vacant positions additional successful competitions are held.
- "Non-invited" take part in the program of competitive ability at the labour market

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■ Conclusion

- The analysis of the use of a projective meta-technology for providing the effective consolidation of two leading companies proved the expediency of considering a merger as a complicatedly coordinated situation as it proved an availability of all its theoretically distinguished phenomena.
- The format and content of the project providing a merger by involvement of the outer developmental group showed to realized the stage-by-stage inclusion into the investment into joint developmental situation of joint organization of all subjects of meta-technology realization: a customer, an executor (trainers), expert participants and participants.
- Reproduction of the meta-technology stages in the particular economically and socially significant event proves that the technology provides not only a separate organizational problem solution by means of a project creation and realization but can be reproduced by different executors and form a system of reflexive management by the process of interaction between a customer and an executor in a wider social context. This defines the possibilities of its effective application for complex organizational problems overcoming.
- It has been proved that the reflexive management application mediated by an outer developmental group is not an aspect of a customer's competence or incompetence but it is an aspect of an optimum of the reflection system organizational provision, that is reinterpretation (editing at the personal and group level) of a number of stereotypes the main of which is the rupture of investments' expediency and inflexibility of corporative identity.