Introduction to this Special Issue ‘Action Research in Organisational Cybernetics’

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Metaphorum is a non-governmental organisation aiming to preserve and develop Stafford Beer’s legacy. It was created in 2003 in an initial ‘Syntegration’ organised by A. Espinosa, A. Leonard, J. Truss and C. Cullen in the Scarborough Campus of Hull Business School, as a result of one of the team’s suggestions. Ian Perry developed the web site of this event, summarising the results and illustrating the process and a later web page was created and has been managed since then by Nick Green.¹

From 2004 until 2009 we have developed an annual Conference, on topics on Cybernetics and Governance (Sunderland University, 2004), Designing Governance (Dublin University College, 2005), Approaches and tools in Organisational Cybernetics (Liverpool John Moore University, 2006) and New Developments in Organisational Cybernetics (St Gallen Business School, 2007).

Last year Conference (2008) on the topic of ‘Action Research in Organisational Cybernetics’ was headed by A. Espinosa and once more supported by Hull Business School. In this special issue of Systemic Practice and Action Research we present a selected number of papers presented in the Conference, as well as reviews of recently published books by Metaphorum members.

While previous Conferences were directed to discussing contributions about Beer’s applications in governance of public and private institutions as well as new research directions for the field, the main goal of this Conference was to reveal ongoing research projects using Beer’s work and to create links between new researchers and practitioners. Mostly coming from PhD students in diverse stages of their doctoral programs, and a few more mature researchers, the presentations included research topics on performance

¹ See www.metaphorum.org.

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management, complexity economics, environmental management issues, and regeneration and tourism policy implementation in the UK.

The first contribution, from Allenna Leonard, is also an elaboration of her opening of the World Organisation of Systems and Cybernetics 2008 Conference in Orlando, USA, entitled ‘The Viable System Model and its Application to Complex Organisations’. She offers a comprehensive recount of Stafford’s personal and intellectual journey, from his first days as a consultant in the British steel industry until his major applications of the theory he developed for complex organisations, the Viable Systems Model, in Chile during Allendes’ government. It offers a readable summary of the theory as well as reflections on how the theory has been used from small businesses to a whole nation. She finishes by presenting reflections on the applicability of the model to the current global crisis.

Russell Clemens—Research Associate at Curtin University Sustainability Policy Institute, Western Australia—presents his action research project entitled ‘Environmental Scanning and Scenario Planning: a 12 month perspective on applying the viable systems model to developing public sector foresight’. He describes the context where the project developed—a regional environmental organisation developing environmental scanning—and the multi-methodological approach and tools used for designing a suitable governance framework and toolkit. The toolkit includes Checkland’s Soft System Methodology as a generic framework to establish the stages of the research; the VSM to design the meta-systemic context; and elements of risk analysis. He describes each stage of the 1-year intervention, the cybernetic analysis, as well as reflections about the whole project and its learning.

The next contributions come from PhD research projects at Hull Business School, under supervision of A. Espinosa. The first one is from Michelle Watts is a summary of her PhD research (close to conclusion). Michelle has been interested in finding innovative answers to deal with complex issues on policy implementation and networking, using systemic and cybernetic approaches. She analyses as a case study the current structures for policy implementation in the tourism sector in Scarborough/North Yorkshire. She suggests a multi-method approach—following Mingers—that includes observing and analysing the networked institutions operating in the region and diagnosing their problems of connectivity using a combined VSM and social network analysis toolset. Both her suggested methodology and application offers very innovative insights into combined use of complexity and cybernetics approaches for understanding complex networks dynamics.

Steve Morlidge presents his ongoing PhD research on Financial Performance Management Systems (FPMS), in his paper ‘Money, Time and Variety Engineering’. He makes a sound analysis of traditional financial management theory and analyses its main mismatches in practice, using as his analytical filter the ideas of variety management suggested by Ashby and Beer. His core argument is that is possible to demonstrate that traditional budgeting practice does not have requisite variety. This would explain a range of undesirable patterns of behaviour in current Financial Management Practice. He then suggests how a further development of the VSM could offer a clearer supporting design of FPMS based on a re-conceptualisation of the model as a set of interlocking Homeostats. It includes a brief description of a ‘cybernetically sound FPMS’ and how it would overcome the limitations of traditional budgeting systems, as well as open research questions that he hopes to address in the final stage of his doctoral research project.

The next contribution, from Kathryn Knowles and Angela Espinosa, is entitled ‘Towards A Holistic Framework for Environmental Change—The Role of Normative Behaviour and Informal Networking to Enhance Sustainable Business Practices’. In this research, we hypothesise that one of the major limitations of most environmental

management systems (EMS) is that they do not explicitly address cultural and structural issues in the implementation of sustainability plans and that a more holistic approach to EMS may better address these issues and bring important benefits for implementation. In particular the research explores the role of introducing meta-norms, fostering informal networking and addressing structural constraints in the learning process towards sustainability. It summarises a holistic framework that includes these elements and describes initial results of testing it in a UK organisation. The suggested framework is also inspired by a multi-methodology approach including elements of SSM, VSM, Team Syntegrity and Social Network Analysis. At the conclusions we summarise what we expect to do by the end of the research project as well as some of the open questions left so far by the ongoing research process.

Steve Hardwood presents next a reflection from his PhD research—recently finished—on VSM analysis of the Scottish Tourism Industry in the last five years. He analyses the evolution of current mechanisms and suggests alternative ones that'll improve the viability of the sector. The final contribution is a research note, about a starting PhD research project from Stefan Wasilenski—"Towards a sustainable benchmarking of investment risk. A research project in motion: Time, functions and processes: creating better performance metrics for investors". An experienced and creative practitioner in the insurance world, now exploring the academic research arena, Stefan summarises his research context, the main aims and objectives of his (starting) research and the approach he will take to develop it. His view of organisations is highly influenced by Beer's VSM and his understanding of the dynamics of the financial sector is described by using complexity economics. His research projects include a thorough reflection on the current credit crunch and design of alternative solutions for the insurance sector. His research is supported by company projects he had already designed and implemented recently following a cybernetic and complexity approach to businesses.

Finally, we conclude with several book reviews:

M. Schwaninger reviews Jose Perez-Rios book, "Diseño y Diagnostico de organizaciones viables: Un enfoque sistémico"²

A. Leonard reviews *The Viability of Societies*: by Paul Stokes

R Asby offers a review of Patrick Hoversdat book on the *The Fractal Organisation*

A. Espinosa presents a review on Ralph Eckart-Turke new book on *Corporate Governance*

² Design and Diagnosis of Viable Organisations: a Systemic Approach—free translation from the authors.