

Conclusion

If there has to be anything "behind the utterance of the formula" it is particular circumstances, which justify me in saying I can go on-when the formula occurs to me. Try not to think of understanding as a "mental process" at all-For, that is the expression which confuses you. But ask yourself: in what sort of case, in what kind of circumstances do we say, "Now I know how to go on," when, that is, the formula has occurred to me? -
L. Wittgenstein (1953, p. 61, no. 154)

Coherence must be made. This way of being cannot be found. In a world of managed entities coherence is often merely asserted or worse insisted upon by those doing the managing. Such arrogance, it seems, is an all too familiar unfortunate facet of management today. But, coherence, a unified sense of purpose, self, identity, and values ... it must be created, woven together from the many inter-relationships that characterize our complex world. This chapter is about helping managers to create a context that makes coherent action most likely.

As our journey nears its conclusion it is important to remember that while the academics reading this book may have a profound interest in the concept of coherence, the managers who are also our readers have a more fundamental interest: how will this help me or my organization. As we bring the book to a close we examine how what we have presented can be viewed as a set of useful tools. In doing so we must stress that tools are extensions of their user not ends unto themselves. All too often managers seek tools as if the tool contained the answer. Results and the means to obtain them are affordances of tools. Tools do not contain answers and the ones presented below are no exceptions.

If there is any lesson which is key to this book, it is for managers to learn the difference between the raw application of a rule, category or symbol and the situated application of a model. The resonance of a rule is that of ascribed coherence, the resonance of an applied homology – a shared model – is that of experienced emergent coherence. Thus the manager must ask what it is that is being applied out in their environment. Is it a fixed rule – a best practice – which is not context driven and which does not allow for change in situ? Or is it a mental model which allows for prediction, change, and attunement to environment? The former is efficient. The later has the potential for emergent coherence.

Coherent action is hard to achieve. Promoting and maintaining coherence requires effort. Too often, as management puts its day to-day energies into improving what is measurable and easier to do, little attention is paid to the ingredients necessary for creating coherence. Further, we note that many companies can function with seemingly incoherent or even decoherent viewpoints. Even in a decoherent environment, most employees will show up for work, know they are supposed to be helpful, and deliver decent products or services. Coherent actions add to higher levels of performance and can make the company a more long lasting concern, but they are not necessary for day-to-day activity.

Collins and Poras in *Built to Last* refer to one ingredient of coherence, alignment. They say,

"Alignment is elusive. It is hard to discern without a holistic and total view of a company. ... Companies can function with relatively poor alignment, but they cannot be consistently creative unless they are strongly aligned. Alignment is often overlooked -- it is intangible and elusive, and as far as corporate creativity is concerned, its effects are readily visible only when a company is either extraordinarily well aligned or misaligned."

If furthering coherence is an answer, what is the question? We believe the problem addressed is how to better cope with and guide an organization dealing with complexity. Notice that we have said "cope with and guide" not manage, not conquer, not reduce. Many managers would argue that the goal is to reduce complexity -- and indeed many modern management tools seem to offer the potential for doing just that, at least at the moment a decision is needed. We note instead that meaning is the goal and that complexity reduction is but one method of getting there.

There was an aphorism we mentioned at the beginning of this book which bears repeating now: to a river be a canyon. The complexity and emergence of life in the 21st century can be guided some but not controlled. The key to experienced emergent coherence lies in recognizing that while control can only be temporary and often must be coerced, guidance can be internalized, situated, and allows enough freedom of action to remain in place far longer than control.

The Problem in Context

The modern manager has a wide variety of tools to draw upon. They include strategic planning, customer relationship management, human resource management, six-sigma, benchmarking, the balanced scorecard, outsourcing, segmentation, mission and vision statements, core competencies, alliances, and business process re-engineering. The manager can reach for scenario analysis and do zillions of "what-ifs." What all these tools have in common is an emphasis on reduction and analysis. Strategic management tools such as a Porter five forces analysis or scenario planning are aimed at reducing the perception of uncertainty and thereby easing the task of decision making. Customer relationship management is aimed at reducing the peripheral friction that accompanies how a firm and its members relate to customers – CRM can be as simple as a centralized database where customer contacts are kept and as complicated as a semi-automated system which prompts relationship managers when and how and about what to be in contact with customers. Benchmarking is a measurement device aimed at reducing "waste" and reducing uncertainty by providing ongoing means of comparison to "standards." Managers are comforted, it can be contended, by having ready access to "how am I doing" – in the alternative managers can become motivated by ready access to a continual series of the answer "not well."

One traditional function of management is to create intentional coherence. To do this, management attempts to provide enough labels and codes to the organization and its members so that an observer might ascribe the label "coherent" to the organization and its activities. This perspective suggests that the use of labels helps people to have some actionable view of the world. We need a way of reducing

the world enough that we can cope and act. Labels form a very valuable role in limiting the world. From the traditional management perspective, one engages in activity for the purpose of applying intention and having it be coherent. Ascribed coherence is one possible result. But, emergent coherence is not found in the codes and categories which managers often offer. These codes and categories are presented as “story” but are really soliloquy. They offer no emotional bond. There is little possibility for resonance. There is no room for emergence.

Complexity takes a different view. Emergence happens. Activity occurs in a context where emergence happens. Managers can affect that context through narrative. In narrative there is room for the listener and room for emergence. In narrative we find cue and make reference to code. The purpose of narrative is to provide the illusion of overcoming uncertainty. Uncertainty is a lack of potential willingness to act. If one is willing to act, one is acting as if one is certain. Ambiguity is something else. You can have a willingness to act in an ambiguous situation. You are not acting as if there was uncertainty because you were willing to act. By definition, one is taking an action that’s as if one were certain.

For forty years or more, business schools have taught would be executives a mindset of compartmentalization, models, and supposed rationality. Yet, we live in a world of interrelatedness, stories, and emotions. Business schools do a poor job of teaching the limitations of taking a naïve realist approach to the abstract models, labels, metaphors and indexicals taught therein and which are omnipresent in the "practical" business literature. The major differentiation of context and situatedness are all too often ignored or brushed over in favor of blunt applications of abstract models endowed with "reality." Naivety regarding the limitations of the currently used tools and models (indeed of all models and metaphors in general) contributes to the tensions of the modern business world.¹

Faced with complexity, the traditional instinct of the practical manager has been to try to reduce it through rules of thumb, standard operating procedures, etc. If this did not always succeed in eliminating uncertainty, it helped to reduce anxiety allowing life to go on at a lower level of neurosis than otherwise. Yet reducing complexity is only an option if some measure of insight and understanding is present, and if, through the myriad stimuli that rain upon him at each instant, the manager can discern some minimum structure that can help him make sense of his situation.

The business schools and the management consultants deal with this surfeit of information, complexity, and anxiety by utilizing the notions of compartmentalization, analysis and modeling. If we can model it we can manage it. For, the model, which by definition is derived through compartmentalization and

¹ Note others also suggest tools built around more flexible mental models. For example, Wind and Crook (2005) write of a four part approach: “Understand the power and limits of mental models. Test the relevance of your mental models against the changing environment, generate new models and develop an integrated portfolio of models. Overcome inhibitors to change by reshaping infrastructure and the thinking of others. Transform your world by acting quickly upon the new models, continuously experimenting and applying a process for assessing and strengthening your models.”

analysis, is manageable. Do what the model says and complexity will be reduced and anxiety lessened. This of course assumes that the models are correct; that they somehow what is important for business decisions to be made. In other words, we can apparently reify these models without concern - if it were only that simple.

Models exist in the business world to make predictions. Models are judged as successful when they are predictive and predictable. Complexity reduction and anxiety lessening are tied to the ability to predict. But, often we cannot predict. Despite evidence that such models often do not fulfill their predictive promises, it is often supposed that the application of the models is in error. In the blind application of supposedly rational representations Jervis (1998: 311) suggest that:

"Confronted with disasters that may have been caused partly by their own previous actions, modern bureaucrats and politicians are adept at using this as further evidence for the need for yet more 'rational' intervention and control..."

It is not that there is a problem with making use of analysis and the metaphorically constructed models which form the heart of modern business tools - it is that the method managers are taught to make use of the analysis and models is far too often devoid of the context and situatedness from which the models were abstracted and into which they must be interpreted. Very few business situations match the abstract simplifications which inform even the best of these analytic methods and models. The world of potential actions is populated by actors, events, and contexts which have been "reduced" out of the models.

Reductionism can be reduced to "the whole is equal to the sum of its parts". Reductionist thinking focuses our attention to the characteristics of the parts (which are assumed to be easily recognizable as such), by neglecting the relationships between the parts and ignoring the relationships between parts or whole (which can be just as difficult to recognise as such, given that 'wholes' are simply the 'parts' of another level of description) and the environment in which it functions.

The very notion of emergent meaning requires that we extend the concept of affordances to the semiotic sphere. A semiotic affordance is the possibility that a situation or a cognitive sign offers to an attendee. Semiotic affordances are not properties of the situation or cognition but rather are joint properties of the situation/cognition/attendee and attention. In the absence of attention there are no semiotic affordances.

Instead of actively discussing the multiple approaches which may all be interpretations, enactments, decodings, or embodiments of a model, managers often act as if there is but one or perhaps two decodings. These "privileged" interpretations are given status as names, labels, or symbols - and the labels are then used as guides for action. In the language above the semiotic affordances are reduced and as a direct by-product of that reduction so too are the universe of potential effectivities. Both situatedness and context are lost as is the interpretive circle which allows the underlying model to afford validity. All that is left is an abstract label overused as an indexical. By making assumptions (and

in so doing restricting ourselves to a particular or one method of decoding) we predetermine what might be learnt, which will limit the options that appear to be open to us as managers. This is because by adopting a particular perspective, and therefore making particular assumptions, we limit what we can 'see'. The perspective acts as a lens that only allows particular features to come into focus - all other features are lost, or assumed not to be relevant to the problem at hand. Furthermore, in communicating with others by making use of a particular viewpoint we limit their ability to 'see' what is relevant. If we take this process to its conclusion and consider language we find that the language we each use to describe our surroundings predetermines what we 'see'. This limitation is captured, for example, in the following quote from Robert Shaw: "You don't see something until you have the right metaphor [label] to let you perceive it."

Don't you see that the whole aim of Newspeak is to narrow the range of thought? In the end we shall make thought crime literally impossible, because there will be no words in which to express it. Every concept that can ever be needed will be expressed by exactly one word, with its meaning rigidly defined and all its subsidiary meanings rubbed out and forgotten. Every year, fewer and fewer words, and the range of consciousness always a little smaller... (Orwell,1949)

Stories are not a set of labels. If they were then as the labels get triggered a predefined set of images would be unfolded by the listener. Every listener would hear and construct the same story. Children learn that this is not true when they play "telephone" or "operator." Corporate managers, however, tend to forget this childhood lesson. The children's game illustrates the new things that can emerge as stories are told and retold. Too many managers tend to expect the same meaning to be evoked by their story as they retell it from audience to audience. These managers miss what the children gained. In telling and retelling the same war stories they often fail to ask their listeners about the images the story evoked. What matters about a story is what the listeners do with it, not the smile it brings to the face of the teller in its one hundredth reincarnation. Listeners use the images evoked to create meaning ... meaning that goes on to inform actions.

Narrative is about trying to situate the possibility space for the audience so that they can see what are referred to as affordances, the opportunities that are present in the adjacent possibles. The only things that matter for the next action are the adjacent possibles. Managers have to be willing to revise narratives as necessary, as emergence occurs, as context changes, as situations change. And note, narrative is not merely telling stories. Narrative is providing enough ascribed coherence so that the people hearing the story, the rest of the audience that's part of the group with you, has got some kind of a potential willingness to act.

Emergent coherence is found in the narratives which members of an organization tell and retell to explain to themselves and others their journey -- where they are going, how they got to here, and what it all means. When the narratives resonate coherence happens. We exchange stories in dialogue. In a complex world, tools for complexity reduction are helpful for analysis, but they are insufficient for confronting and living in the world so analyzed. Teaching managers to tell and discuss stories, to

examine alternate interpretations of models and how they might find application, to embrace the perplexities offered by situatedness would go a long way towards correcting the imbalance in the curriculum - and thus perhaps its more noxious side effects. We suggest doing so with our dialogic square as a guide.

Narratives provide the canyon to the on-going river of complexity we find ourselves in every day.

The Dialogic Square -- As A Tool

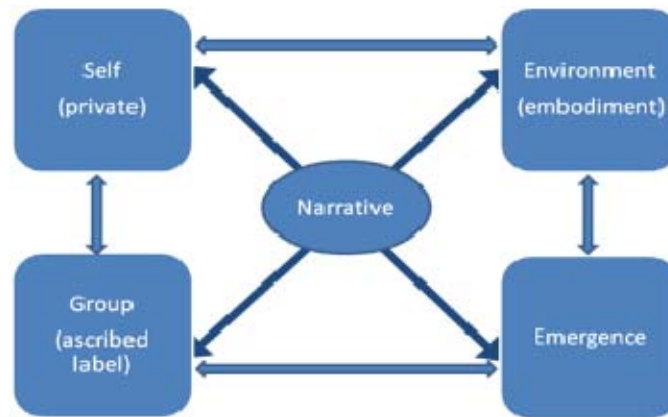
If complexity (and the perception of complexity) is recognized as a managerial issue, then reduction of complexity is a means of cutting the problem down to size. Reduction as a tool is well covered in a plethora of books and how to manuals; our aim is quite different. Rather than working on complexity reduction, the tools which follow work on complexity absorption. To this end we are extending the work of Gibson (affordances) and of Marshall McLuhan the twentieth century's leading academic of media. McLuhan is remembered most for the oft misunderstood expression "the medium is the message." The common lay understanding of this is that the vessel by which content is delivered is as important or more important than the content itself. But, McLuhan deliberately set out to use common words in his own idiosyncratic way. By medium, McLuhan was referring to the environment and situation in which a message is encountered, and by message, McLuhan referred to the changes which occurred as a result of the encounter with the content in a particular medium. As his disciples, Federman and de Kerckhove (2003) write:

The Message of a Medium is the resultant "change of scale, pace or pattern" that a Medium causes in ourselves, in society or in a culture. This is clearly distinct from the content of the Medium. This seemingly obscure view is based on the notion that the information itself is not necessarily what is important to understand or appreciate the nature, power and potential of the Medium. The Medium's ability to effect change is what is important to realize and understand. ... which *figure/ground* combination best describes the appropriate in-context perception for the circumstances? By "appropriate" we mean the context in which the Medium will act on a particular segment or aspect of the business environment. A Medium cannot be understood in the abstract, or in the context of an arbitrarily imposed, idealized view of reality. A Medium acts on us in the here and now, or if you would prefer, the *hear and know*. We must listen to our instinct and draw on our life experience to understand the changes that are possible with a Medium. We then can look forward and ask the quintessentially McLuhanesque probe, "...and what will that change?" ... "We shape our tools and thereafter our tools shape us." As we create a new Medium, its Message is the consequential changes in the nature, pace and scope of our interactions and activities. By virtue of these changes, we are changed as we react to the new.

Thus, to McLuhan change as an affordance of content with respect to a particular environment was what mattered. If one accepts the concept that willingness to act is a prerequisite for both actions and

decision making, then actions are the message which results from an encounter within a medium. In a sentence, such is the manager's task – to guide actions which result from encounters with a medium.

In earlier chapters we have made extensive use of what we call the dialogic square below as a tool for analysis.



In this chapter we extend the readers' concept of that square to be a tool for guiding dialogue. The difference in approach is critical: if the square is merely a tool for analysis then the manager is gifted with yet another reduction technique but not a tool for day-to-day encounters. By approaching the square as a guide to necessary dialogue, the manager has a different context with which to view his tool.

John Dewey (1938) noted the importance of this difference in context:

What is designated by the word situation is not a single object or event or set of objects and events. For we never experience nor form judgments about objects and events in isolation, but only in connection with a contextual whole. ...An experience is always what it is because of a transaction taking place between an individual and what, at the time, constitutes his environment, whether the latter consists of persons with whom he is talking about some topic or event, the subject talked about being also a part of the situation; or the toys with which he is playing; the book he is reading (in which his environing conditions at the time may be England or ancient Greece or an imaginary region); or the materials of an experiment he is performing. The environment, in other words, is whatever conditions interact with personal needs, desires, purposes, and capacities to create the experience which is had. Even when a person builds a castle in the air he is interacting with the objects which he constructs in his fancy.

McLuhan referred to this difference as the shift between figure and ground. An emphasis on analysis serves as a shift in focus from the day-to-day problem at hand (the center of one's experience) to a "one-stage removed" abstracted and reduced model. Analysis in the business world is often focused on categorization as its reduction technique. Once a category is assigned, "meaning" is ascribed and a

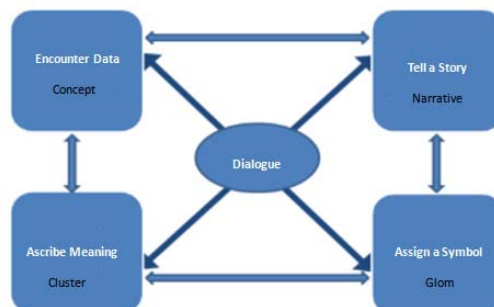
“best practice” can be looked up. Deviance from the best practice can be examined, and a narrative of justification and rationalization explored. Experience is put on the back burner.

Dialogue is an ongoing process. It is an interaction amongst participants. It is experience. And, it is very different from analysis (even if the subject of the dialogue is analysis). If dialogue is regarded as medium, then the message is the change which occurs as an affordance of the dialogue itself.

The tool we are suggesting is the drawing of the square and its use in active dialogue. McLuhan referred to such a technique as “probing” and the square as a tetrad. McLuhan’s probing technique is to ask:

What does the medium extend, enhance, enable or intensify? When extended beyond its limits into what does the medium reverse? What formerly obsolesced form does the medium retrieve from the past? What does the medium obsolesce? This tetrad presents not a sequential process, but rather four simultaneous ones. All four aspects are inherent from the start. The four aspects are complementary, and require careful observation in relation to ground, rather than consideration in the abstract. There is no sequence to discovering the aspects. The Medium does not first extend, then reverse, then obsolesce and finally retrieve. At the same time that the medium extends some capability, it simultaneously obsolesces some older form or medium, while retrieving a previously obsolesced *ground*. If the Medium is extended too far, it will reverse into another complementary form that may be desirable undesirable or neutral with respect to our impression of it. (Federman and de Kerckhove,2003)

By having the square to refer to, the dialogue has some sense of boundary, some positioning of figure and ground, and a base to reflect upon such that no one aspect is emphasized at the expense of ignoring another. For example when a self encounters a concept, the concept can be shared amongst a group such that there is a clustering of meanings, these meanings can be self organized by the group into a narrative or the cacophony of the variety of meaning could lead to a retreat such that the symbol or icon or indexical originally encountered and used to communicate the concept has become a symbol for a glom (an aggregate of many meanings stuck together and symbolized or afforded in common).



Federman and de Kerckhove (2003) continue:

As a Medium changes, so too do its various aspects. A Medium is not static in its nature, action or effect. Remember that as we react to the changes caused by the Medium and are changed by its Message, we cannot help but change our perception of it. The same applies to our judgment of its Message. These myriad subtle changes begin to shift the *ground* and thereby the context or environment within which we interact with the Medium and understand its effects. Therefore, the Medium cannot be considered in the abstract, but rather as *a figure* with respect to its specific *ground* at the time. Because of this, there are potentially an infinite number of possible tetrads for a given Medium over time. The user provides the context. Each person who considers the Medium will approach it from a unique perspective. Within a relatively large context, a marketing department considering a new product, for example, a relatively consistent tetrad would likely be constructed. But for multiple, distinct contexts, a consolidated tetrad may result in a hodgepodge of aspects, metaphors, effects and possible changes, each of which is valid with respect to someone's *ground*.

Given this we could rewrite the chart above as: the single self encounters a symbol, the group engages in dialogue, a story self organizes and in the end a retrospective analysis emerges. Within these roles the self acts, the group (the environment in which the self is found) engages in role play, the story needs narration to resolve the roles of affordances and constraints, and analysis is used to justify retrospectively the action which emerges.

Visually this differs from:

Concept	Narrative
Cluster	Symbol

The drawing of the issue as flowing dialogues visually changes the emphasis. No longer is the manager's eye drawn to the possibility of categorization (which quadrant can I place myself or the situation in) but returns to the necessity of interaction. There are many possible dialogic squares to be built upon the homologue of our basic square. Our dialogic square serves as a guide, as an underlying homology for the affordances and constraints of the dialogue at hand. One might think of the dialogue as a means of bringing focus to a picture and the underlying square as a guide for how to turn the dial.

Dialogue not Category

Our use of the square as a guide to dialogue risks allowing a traditional MBA mindset of categories to co-opt the tool. Thus, it must be emphasized that the mere labeling of the four factors is insufficient. If we were interested in categories then application of labels to the four points on the square would be the bulk of the work. Once the categories were established and the situation mapped into the appropriate

quadrants, “best practices” would allow the manager to ‘see’ what had to be done. Dialogue is vastly different.

With dialogue the identification of the four factors is only an identification of perspectives that need to engage with each other. The mapping of situation to category is excluded because by definition every situation involves all of the perspectives. Where category allows the “problem” to be reduced by means of a label, dialogue demands that the problem be critically examined so that any solution includes a balancing of perspectives.

The critical differences between dialogue and category can perhaps be most easily illustrated with examples from the world of politics. Often political debate is marked by stridency and by the rhetorical technique of labeling one’s opponent as “evil” and thereby claiming the mantle of “good” as the road to victory. The good versus evil debate (left versus right, democrat versus republican, etc.) is a form of A or NOT A. Category determines actions and outcomes. The normal fall-out from political stridency is the “compromise” – a form of dialectic where we take something from each side and create a synthesis. In general while compromise and synthesis may buy time in a political context, these techniques tend to result in mediocre results in a market oriented business world. Efficiency as the watch word of the marketplace tends to conflict with compromise. The four fold logic of our dialogic square has a political counterpart known as Buberian dialogue.

Buberian dialogue stems from the work of Martin Buber. In a Buberian dialogue the two opponents (good and evil if you will) are placed in front of an audience and a moderator. The two opponents make their statements and then the moderator asks the audience to state what it was that they heard in common from the two sides. The moderator then asks the opponents to speak to the identified commonalities. The process iterates throughout the given time period. The results are neither the synthesis of consensus nor the categories of power politics or voting – they are the emergent properties of the dialogue itself. The audience has a critical role and the moderator has a critical role.

Buberian dialogue is not what we suggest for managers (though the technique may be ideal for brainstorming one’s way through institutional two sided conflict). It is a political technique not a managerial one. But, Buberian dialogue reveals the trap imposed by the use of categories. Dialogue amongst multiple perspectives is the escape from that trap.

A manager making use of our square would consider how a given situation appears from the perspective of each quadrant. Questions to be asked include:

- What factors are important to that perspective,
- what externalities are acceptable,
- what trade-offs seem to work and not work,
- what are the perceived boundaries of the problem, and
- what are the perceived boundaries of its relevant stakeholder concerns.

The answers to these questions will differ when applied to self, group, self organization and emergence. Once armed with the respective answers the next step is engage the perspectives in iterative dialogue reflecting along the way about what tradeoffs occur and how each perspective might respond. It is critical to keep in mind that dialogue is dynamic. One cannot consider a quadrant and then move on never to return. Category may allow for non-iterative lack of feedback, dialogue denies that feedback can exist without iteration.

Iterative dialogue is thus a form of model. By conversing amongst the cells and amongst their inter-relations, the manager can make predictions, alter the situation or context, look for additional affordances and thus try to reshape the catalog of adjacent possibles. Rules, labels, and categories do not have “room” for such dialogue. When best practices are applied far too often they are treated as rules and categories rather than as the situated models they really are.

Consider the old two by two Boston Consulting Group portfolio matrix:



The traditional MBA use of this tool is to assign portfolio elements to a given category and then to apply requisite portfolio techniques (i.e. milk the cash cow, sell the dogs, feed the stars, and worry about the question marks). The dialogue approach would be very different. For example, when considering “dogs” from the perspective of self-organization one might discover that the “dogs” are responsible for a perception of quality or reliability in the outside world or that when viewed from the perspective of emergence the “dogs” are responsible for much of a group’s creativity simply because the members of the “dog” group have the time to be creative. At Tripod, for example, the home page builder which proved to be the very foundation of the companies value was built as a “tool” by the dog part of the firm (the group responsible for building a weekly toy). At most banks the “dog” residential mortgages

(the boring steady value no growth portion of the portfolio), were one of the few parts of the lending arms which retained value during the financial crisis.

Categories and best practices address a demand for efficiency. But, managers must remember that efficiency comes at the expense of resilience. Redundancy is a defense against unexpected threat as well as a "cost." Dialogue via the perspectives of the square asks for reflection about resilience. It may not be "efficient." Efficiency may not be the only goal.

Dialogue and category are thus two differing tools for a manager. They each affect what will be the manager's world view and will expand or limit the manager's understanding of next steps or the adjacent possible. As Dalibor Vesely (2004) writes:

Situations represent the most complete way of understanding our experience of the surrounding world and the human qualities of the world. They also endow experience with durability in relation to which other experiences can acquire meaning... What we normally refer to as reality, believing that it is something fixed and absolute, is always a result of our ability to experience, visualize, and articulate—in other words, to represent so as to participate in the world. There is a point where the interpretation and the way of making come so close to each other that they become fully reciprocal: what we know contributes to what we make, and what is already made contributes substantially to what it is possible to know.

William Seaman (1999) adds:

In re combinatorial environments, meaning is characterized by a fluid, shifting, continuous state of becoming. In this form of fleeting context, content is always emergent, arising out of the superimposition and or juxtaposition of a series of "poetic" elements and processes functioning in relation to one another.... Fleeting and shifting qualities of engagement become an experiential focus. During interaction, the user, through direct experience, encounters a series of potential "states" of meaning. We should always view these states as a temporary glimpse at a continuous process of meaning-becoming, motivating the thought and behavioral reaction of the user.

When the manager makes use of category as the tool for organizing thought and action, category dominates. Dialogue is an alternative to this domination. Category is the reductionist tool; dialogue is the complexity tool.

Pragmatic Rules for Dialogue

Given that groups and members have different beliefs, values, and histories, developing a set of shared meanings usually requires resolving the tension between wishing to follow one's beliefs on the one hand and building consensus by including other points of view on the other. Thus, you must dialogue with the affected others to develop a coherent view of who you - collectively are - and what you - collectively want. The goal is to avoid obstacles and to create what is in effect a free flowing river. If the setting has been properly prepared, i.e. the appropriate canyon created, then the river can run free and its full energies be exploited. Words alone have no meaning. Words in usage do. Stories are verbal contexts, which are "the next best thing" to actual usage. Leaders tell stories, and more importantly, leaders listen to the stories of others.

1. Participants in the dialogue need adequate opportunity to explain their own points of view and to influence the discourse on plausible interpretations of what is being said.
2. Those participants need understand the logic behind the selection of the shared interpretation and how it can further the group's heretofore articulated goals.
3. Participants both need to recognize that the shared interpretation (the now articulated coherent viewpoint regarding identity and purpose) can be revised or even replaced when warranted by new events or a perceived need for more dialogue and they need to be encouraged to express this belief.
4. The dialogue itself is conducted in a non-threatening and non-intimidating way. Yes, the boss can frighten everyone into a temporarily coherent viewpoint. It will survive only for so long as he or she stays in the room. If having "safe" dialogue is difficult for your group, get a facilitator involved. Having a safe context for dialogue on issues of identity and purpose is the only way to cut the Gordian knot of incoherence. Expect the mutualism of the dialogue to break down. A "good" session will then switch to story-telling.
5. When explaining a position or interpretation which is not resonating with the other dialogue participants, use a story for illustration. Seek to tell only stories that you can tell from your heart. These are the ones you can tell most easily and the ones that will evoke canyons.
6. Once the story-telling has begun, tell stories that seek to reinforce the basic values shared in your organization. These are the ones that lead to coherent action.
7. As the story-telling continues, make use of stories that challenge the imagination of the listener.
8. Seek to be open to discussing the stories and their implications. It is the implications which matter. Seek to diagram models and homologies underlying the stories being exchanged.

9. To ferret out these models, Speakers should always ask their listeners about the images the stories being told bring to mind for them. Through the use of models and diagrams, the exchange of stories can stop and dialogue (this time hopefully with improved mutuality) can resume. The dialogue will provide a basis for on-going narrative.
10. Always be prepared for surprise (emergence).

Applying the Dialogue to Our Cases

With the dialogue and square behind it as our guide let us reexamine some of the cases from earlier.

At Tripod the internal dynamics were contrasted around a form of the dialogue. The staff was gathered in one place, they had many internal meetings with focused discussion on who they were and where they were going. Identity purpose and the non-Tripod aspects of the staff members lives were all actively discussed. The change came with growth and the inclusion of “our advertisers” as a recognized stakeholder. The “kids” that founded and worked at Tripod had an initial major advantage – their customers were very much like themselves. This was not true of the advertisers. Suddenly the cohesion which had existed amongst self and group (which then fueled coherent talk about self-organization and laid the ground work for well accepted emergence) was challenged. The advertisers were perceived to want something very different from the “self” which most of the Tripod staff understood themselves, the group, and Tripod to be.

The ad people requested a different slogan one they could more easily sell to advertisers. Initially internal dialogue continued as before, but the pressure of satisfying the ad people altered the final dynamics. Figure and ground did a reversal. No longer was the slogan about Tripod’s identity or the self identity of staff and customers – it was to stand on its own as a means of attracting advertisers. This demand drowned out all other concerns (including the not-yet-to-be-voiced concern of slogan as badge of self identity). The emergent was allowed to dominate at the expense of self. What happened? The newly emergent slogan allowed for self-organization to occur in a new direction – fragmentation. The internal standard for self reference was lost. That this occurred at the same time as the actual service offering was having its own transformation magnified the process. (The services aspect of Tripod was declining in customer perception of “value-add” while the “build your own homepage” was gaining.) In the end the fragmentation was so self evident that management brought back the old slogan and the old dialogue methods in an effort to recapture what was lost.

Webmind too began with dialogue which cohered to our model. When the company was but a handful of people the notion of finding an application for Ben Goertzel’s theories was enough to keep things unified. The initial shortage of funding was the external constraint which bounded the efforts and the dialogue. “We need an application to generate money to keep going.” Yet, in hindsight, it appears that the need for funding generated its own figure and ground reversal. The need for funds was what people

focused on. When funding was achieved, the lack of cohesive dialogue at the firm level was highly destructive. Paradoxically the lack of cohesion at the firm level was reverse mirrored at the group level. Each of the artificial intelligence groups and the business group held coherent dialogues of their own, but as in any weak confederation it appeared that only a firm name and legal boundary held them together.

ProjectMagi further echoes this pattern. The founders held coherent dialogue along the lines of our square, however, when the organization was allowed to grow the European arm had a self which dominated any and all aspects of the remaining quadrants. The fragmentation which WebMind saw and which started but ended at Tripod was allowed to blossom and the company ended as a decoherent mess.

Realtors and their firms are in a similar boat. They possess a coherent dialogue which seems in conflict with the new information resources available on the Internet. Only by recasting their roles and becoming guides for both buyers and sellers who are faced with data and information overload can the real estate agent industry adapt to the new reality. Yet, few of the more than one million realtors are ready to trade dialogue for category. The new business models will take hold, but only as new agents enter the profession.

The financial industry is even worse. Rules and categories dominate the world of lending algorithms and of trading algorithms. Efficiency is not just the guiding principle; it often seems to be the only principle. Here new processes will be needed to reintroduce the very local knowledge which creates safe lending.

Rules, labels and categories are the source of much of our industrial efficiency. Dialogue is not efficient, and thus seldom happens. The lack of such dialogue in most corporate settings gives room not only for a continued series of figure/ground reversals but also for a search for meaning by stakeholders outside the settings where the absence is felt. Some version of meaning can be produced by the complexity reduction approach, but at what expense?

Did We Explain Miracles?

No. We just explained why they seem like such a surprise when they occur. The same can be said for nasty surprises. If emergent coherence means anything it means having the confidence to take the next action whatever that action may be. If the coherence is solid and the affordances are right, miracles happen. So too do nasty surprises. If the coherence is absent Anything can happen.

The financial crisis and the housing bubble are examples of just that.

Our managerial takeaways are simple: dialogue not category, cues are different from codes, be a canyon to the river not a rerouting canal.

Experienced emergent coherence will let you sleep easily at night. That is a miracle enough.

One thing about miracles and nasty surprises -- they lend themselves to great narratives. And to emergent coherence.