

## Ashby's Law empirically proven

### Results of the flow consulting study on competencies, procedures and organisation in complex change projects

How are complex change projects managed? Do leaders tend to proceed with the means of stable, planned and long-term project management - or do they rather lead 'complex change' through an iterative approach that maintains orientation, proceeds in a structured way on the micro level and responds flexibly to emerging situations on the macro level? Which competences are characteristic for leading such changes? And: How is an organisation structured that is fit for complex change projects? Many questions - and thanks to the C2L study by flow consulting, clear answers are now available.

- The more complex the situation, the more likely leaders are to use iterative change management procedures and approaches - but they do not see this iterative approach as desirable for their leadership practice. This empirically confirms Ashby's Law. It reads somewhat loosely as follows: "The greater the diversity of your options for action, the better you can respond to surprises from your environment (from other people, from the organisation or the organisational environment)." The study shows impressively that **Ashby's Law** of cybernetics is not a theoretical demand by managers, but is **applied** in practice, but **not aspired to**.
- To act in complex situations, managers need a certain profile in which dynamic competencies are significantly more pronounced than classic competencies. To explain: classic competencies such as dialogue skills, goal orientation or success control are suitable for managing linear change projects in stable situations. They are also necessary for complex situations, but not sufficient. In order to increase the variety of competencies, further - dynamic - competencies are needed for complex change projects. These include, for example, (1) the ability to **provide orientation** (without naming fixed goals) or (2) to **promote the autonomy of others** (without controlling fixed successes). The more complex the change project, the more pronounced these dynamic competencies are relative to the classical ones. If you like, this is something like an 'Ashby's Law for competencies'.
- Four further relevant competences are added to the concrete management of complex change projects in the sense of Ashby's Law: (3a) to **recognise innovations** and (3b) to **drive them forward** (even with risks) as well as (4) to **foster networks**, even if no immediate benefit emerges from them and (5) to **welcome information that contradicts** one's own plans and convictions. We at flow consulting have proven several times in recent years that these competencies can be trained.

- However, the direct action of managers who have the appropriate competencies is not enough. This is because only certain characteristics of the organisation enable the management of complex change projects:
  - a) Small-step planning instead of master plans,
  - b) continuously adapted responsibilities and processes,
  - c) redistributed roles and positions, and
  - d) reporting and approval paths that are introduced and, if necessary, adjusted according to need and task.

These aspects illuminate the **formal side** of an organisation that is equipped to deal with complexity. For the **informal organisational side**, there is evidence of the need for the following:

- e) The acceptance of incomplete and non-binding plans,
- f) the constructive use of mistakes as feedback from the organisational environment, and
- g) moving away from binding goals to which all resources are subordinated.

In addition to this formal and informal side, there is a third aspect, **team diversity**. The more diverse a team is, the more likely it is that complex change projects will be managed iteratively. In addition to gender, diversity also includes other criteria such as age, professional expertise or work preferences of the team members.

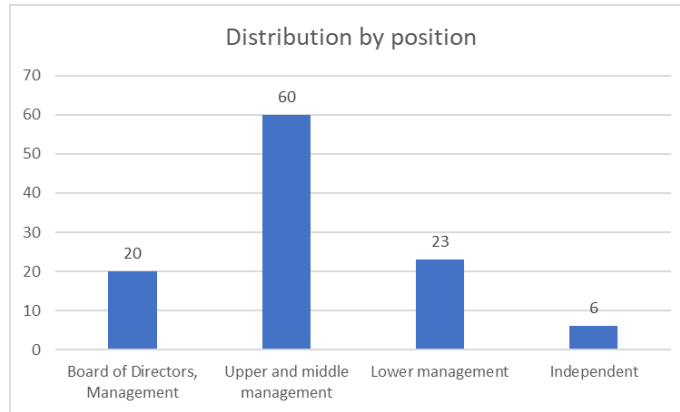
In summary: The more diverse an organisation's composition, the less prescriptive its formal side and the more informal its informal side, the more likely it is to be 'ready for complex change'. These characteristics of an organisation, which are popularly referred to as 'agile', are of great importance, especially in a digital transformation (which is far from being understood as exclusively technical). Our study underlines the necessity of changing an organisation towards higher 'agility'.

Quintessence: The more complex change projects a leader has on his or her to-do list, the more competent he or she should be in the above-mentioned 'skills' and the more structured-flexible ('agile') he or she should design the organisation in terms of member diversity as well as its formal and informal aspects.

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You are welcome to contact us about the study and possible measures that result for you from the study's findings.

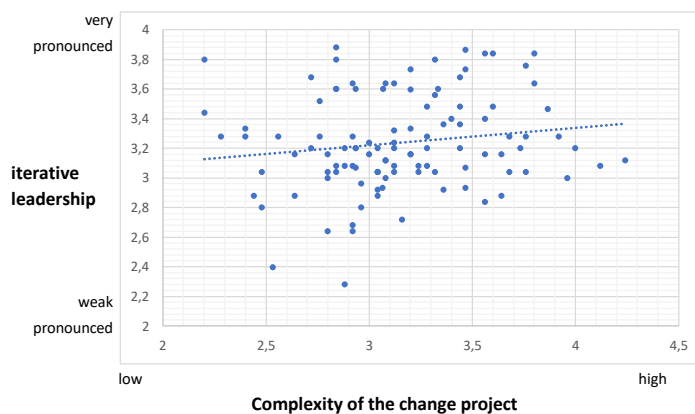
## Brief information on the method



The study was designed, conducted and analysed by flow consulting gmbh (Silke Engel, Renke Ulonska and Frank Wippermann). The survey was conducted online.

109 managers from Germany and Switzerland took part. The survey period was between November 2020 and May 2021.

The executives had different positions (from board to lower management) and came from different sectors. 71% of the participants were male 29% female.



• Mean values of 5 items each ... linear regression line

Comparative Fit Index	0,922
Standardized estimate	0,592
Significance level	0,021 ( 95% Confidence interval)

A long version with results on confirmatory and descriptive statistics is in preparation.

## Contact

flow consulting gmbh  
Frank Wippermann  
Geschäftsführer  
Spörckenstraße 89  
D-29221 Celle

wippermann@flow.de  
www.flow.de