Solution-Focused Consultancy Work
Practice-Oriented Application of Distinction-Based Concepts
Integrating Context Factors for Resilient Solutions

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ABSTRACT[1]

For more than two decades now, systemic and systems-based approaches have been broadly applied in management consultancy. Numerous definitions attempt to describe the added value of a system-based consultancy—and they mostly emphasize a supposedly holistic view of problems and solutions. In Peter Senge's work *The Fifth Discipline*, for instance, the organizational learning approach or systems thinking offers perspectives, methods and ideas that are still en vogue.

However, as can be seen in the daily work of a systemic consultant, the greatest impact of this kind of work on leadership issues relies on the very basic concepts of distinction-based approaches as described by George Spencer-Brown or Niklas Luhmann. Being aware that any difference, even one that is perceived as small, may be *the* difference and then using this awareness as an impulse in the target direction is—as it can be shown in various empirical studies (cf. Steve de Shazer or Insoo Kim Berg)[1]—a very fast way for resilient solutions that include all relevant context factors. Working in organizations as communicating systems on the basis of differentiation/distinction rather than with content or interpretation offers us the possibility to make any goals of any type, even soft ones, manageable and controllable.
This paper uses data from an ongoing qualitative study that is part of Philipp Belcredi's[2] postgraduate work and analyses them from the point of view of theoretical concepts of distinction, second order cybernetics and social systems theory.

This theoretical analysis spots parameters in solution-focused leadership communication that produce more effective leadership outcomes, in terms of both communication and results, and that locate innovative possibilities for consultancy and leadership offered by aspects of second order observations.

1. INTRODUCTION

Using questions to collect relevant information is nothing new in both systemic and traditional management consultancy. Asking about the system that is looking for solutions, in order to distinguish and clarify the situation in terms of analysis, is a common approach: Issues can be ordered and prioritized, step by step. This process can be used to identify the root causes of issues, to set up an activity plan or to find solutions for current challenges.
The solution-focused systemic method works on the basis of useful differences (like resources—differences that make a difference—G. Bateson[2]), asking questions that focus on distinctions, which lead to a new perception of reality (first order observation). In terms of social systems theory: through solution-focused questions the system can be inspired to observe its environment in a slightly different way; during re-entry, it then integrates this difference into its own premises or codes. This enables fundamental changes and establishes reliable solutions.

In practice, the systemic solution-focused (also: 'comparative-systemic' or 'distinction-based') work shows an impressive capability to induce change in patterns of organizational communications. A few studies have already been made about this phenomenon, but the theoretical discussions about solution-focused work in organizations are still at the beginning, with major attempts at the topic only being made about ten years ago.[3] This paper aims to be a contribution to the scientific dialog centered on this topic and to open new paths to a solid development of this field.
Therefore, the present discussion will focus on the following questions, in particular on the systemic and systems-theoretical aspects:

1) How can second-order cybernetics add value in management issues?
2) What are the substantial differences between

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1 For better readability the male form was chosen in the text. Nevertheless, all information in this paper refers to members of all genders on equal terms.

2 Philipp Belcredi is systemic consultant of many years' experience in the field.

traditional, analytical consulting and distinctions/difference-based consulting?

3) Which types of situation are the ones in which comparative-systemic work can be most helpful to organizations?

2. SOLUTION-FOCUSED AND SYSTEMIC CONSULTANCY

Systemic approaches for the use in organizational and management consultancy are primarily rooted in constructivist ideas and methods of modern psychotherapy. That said, some of the concepts current in cybernetics and Social Systems Theory (e.g. Luhmann's ideas like the difference between system and environment), are fundamental parts of systemic work within organizations, together with autopoiesis and self-referentiality.[4]

The systemic idea also assumes that the behavior of people relies on the context. The belief that we have a primary personality determining our behavior cannot, therefore, fit with the systemic idea. Rather, systemic thought assumes that people behave according to the systems to which they belong. In the words of Insa Sparrer, "systemic approaches are characterized by the fact that they do not understand symptoms that occur in an individual person as a characteristic of that person, but as characteristics of relational structures of a system. These relationships are determined, among other things, by communication between the members or by communication processes."[5]

Today, systemic methods offer a possible answer to the Social-Systems Theory's assumption of operational closeness and autopoiesis. These assumptions tend to discourage any kind of interference in systems and to declare every intervention attempt ineffective. Furthermore, given Niklas Luhmann's consideration of human beings not as elements of a given social system but rather as part of the environment of that system, social systems theory at first glance seems to exclude any possibility for people to influence social systems. In fact, in our society there are notorious examples for this assumption. The legal system or religious institutions often illustrate this resistance to intervention: the 'world' changes, views are revised, but these changes arrive, say, in the church at best many years later. Even other, younger social systems show limits to their openness. Only messages that correspond to the actual codes of the system can be accepted. For example, if a business consultant explains that processes in a big profit business have to be changed because the Blessed Virgin Mary so desires, this information might be accepted as a joke but not, generally, as a basis for an implementable suggestion. Still, even with evidence of operational closure of social systems, there is a remaining link to interventions from the 'outside' world: communications.

The systemic consulting approach recognizes barriers for change and respects them, as they are also part of the system. Tensions within the system (see section *4. Tension Within Organizations*), however, can be used as the engine for expansion and/or development of the system as well as of individuals. Systemic methods try to work with (and not against) the 'templates of perception' of social systems in order to stimulate reflection and thus provide space for change. "It is true that intervention is a goal-oriented communication, but the outcome can only be realized by the targeted system. [...] However, [interventions] only achieve lasting effectiveness when they change structures."[6]

With a combination of systemic method and solution-focused approach, this 'goal-oriented communication' could be taken to a pinnacle of excellence. Especially in recent years, the number of attempts to enable productive supervision for solution-focused approaches has increased. Developed by Steve de Shazer, Insoo Kim Berg and other team members at the Brief Family Therapy Center (BFTC) in Milwaukee, the solution-focused approach is now being adapted especially for coaching and working with larger systems in organizational consulting, community work and regional development.[7]

Meanwhile, the efficacy of these methods has been examined in several studies; as a result, many consultants are changing their attitude and working methods and have begun to adopt systemic approaches both in theory and in practice. Instead of being agents of change, systemic consultants have become multipartial companions of change processes in organizations,[8] and the models and expertise used in counseling social systems such as families now offer a wealth of knowledge and hands-on experience for advising and supporting organizations.

3. THEORIES BASED ON DISTINCTION

"We take as given the idea of distinction and the idea of indication, and that we cannot make an indication without drawing a distinction."[9] The idea that cognition is based on distinctions is an old one, but in the late 1960s, Georg Spencer-Brown's approach embraced the concept of distinction. In his seminal work 'The Laws of Form' he proposed a theory that Luhmann would later use to explain essential events of human society.

Distinction-theories may be defined as those whose referents are not explanations but rather 'agreement procedures' in the form of distinctions.[10] They are built around the assumption of an observer able to distinguish

and denominate these differences and are counted among the theories based on constructivist ideas.

The comparative-systemic approach, which includes solution focused methods, understands that social behavior is not predetermined but rather adapted to social agreements and/or context situations. Working with differrences instead of definitions opens paths for innovative solutions, something that can be experienced every day working with patients. "One can know what is better without knowing what is good" is one of the favorite quotes attributed to Steve de Shazer.[11] In other words, it is easier to perceive something or a situation as better than another, than to recognize a thing/condition as *good*. On this basis it is possible to work on enhancement using 'positive' differences while abandoning fruitless endeavors such as analyzing the past and searching for reasons and culprits; it even allows one to not know anything about the facts of a given situation.

Philipp Belcredi's ongoing qualitative study about tensions in organizations, performed in Austria with the cooperation of leaders of major companies, already demonstrates how a focus on useful differences puts new paths and solutions within reach.

4. TENSIONS WITHIN ORGANIZATIONS AND THE FOCUS ON SOLUTIONS

For people who consciously observe and experience, tensions are part of everyday life. Polar-opposite values or intentions, disappointed expectations and unfulfilled wishes are all well known. In organizations, tensions are sometimes created intentionally: Subdividing an organization into different departments helps it to consider contexts as broadly as possible, e.g., marketing observes opportunities on the market, while production is more interested in the feasibility of the products. The relationship between these two departments therefore has the potential to be charged with tension.

Belcredi's current scientific work is taking a closer look at these 'tensions.' After many years of distinction-based work with and within organizations, he is now running a qualitative study focused on 'tensions in organizations,' with the following research questions:[12]

> 1) To what extent do managers of organizations with more than 150 employees perceive tensions as such, without active hints or support in recognizing the polarity?
> 2) To what extent do managers of organizations with more than 150 employees welcome and use tensions as a driver to push the implementation of further developments?
> 3) Do managers experience working with schemata

from the distinction-based systemic work for the processing of tensions as useful assistance in finding valid solutions?

In the last six months six managers (one female, five male) have been interviewed on the topic of 'tensions,' and at least five more are expected to participate in the research. In order to better develop some aspects of the interpretation of these expert interviews, categories were created according to the rules of inductive category development.[13] In a first step, however, categories were set up based on previous theoretical analyses and assumptions that are now being reviewed during the study evaluation process (deductive category development).

Already in this first run-through, interesting aspects are emerging; they are good examples for how distinction-based systemic methods work and what kind of impact they can have in an organizational system. Therefore, in we would like to highlight some aspects of this still-ongoing study.

The study divides its categories in three main parts: (1) the manager's perception of tensions, (2) how they handle situations of tension, and (3) the differences managers can observe between handling tensions in their usual manner, that is, directly working on the content, and doing so with comparative systemic methods.

What makes these interviews differ from prior efforts are, above all, the types of questions that interviewees are asked to consider. They are systemic, solution-focused questions aiming at differences that make a difference and that usually open up new perspectives, assisting in looking at familiar situations in a more differentiated way. Systemic questions are known for stimulating the interviewee's imagination, thoughts and reflections, which in turn leads to new ideas for solutions.[14] The respondents are encouraged to focus on differences rather than content, culprits or causes; in so doing they are able to perceive new perspectives opening up before them and usually experience a positive—in terms of solution-focused—attitude. It is this change in attitude that makes it easier to finally step off the beaten track and to identify new paths and options, or rather that encourages interest in new paths and possibilities.

Well-known systemic and solution-focused question techniques are:[15]

- Circular questions (another perspective is raised, e.g., "What would your colleague say to that issue?").
- Scaling questions (e.g., "On a scale from 0 to 10, what would you …?").
- Hypothetical questions (e.g., "Assuming everything that is bothering you today was solved,

what would then be different?").

- Steve de Shazer's wonder question,[16]
- Paradoxical questions (e.g., "What can you do to make this even worse?"),
- Resource-oriented questions (e.g., "How did you solve a similar situation the last time?").

Scaling questions—one of the tools of the distinction-based approach—are used in the interviews in order to find differences that make a difference. For some questions interview partners are asked to answer on a scale from zero through ten. For example, "How much tension do you perceive in your daily working routine?" where zero represents no consciously perceived tension at all, while ten stands for 'all of my is work is managing tensions.' The questionnaire consciously works with subjective answers or valuations (and leaves open to the client what is relevant to him). Distinction-based questions raise chances to find relevant differences directly:

(a) The weighting of the contents of the answers is distinguished in 11 units. For example, if a person says that he is doing well today, we know more if the same person specifies that his well-being is a 6 on a scale of 0–10. 6 is not 8. Whatever 6 or 8 stand for, we still know that at 6 he is closer to half-way than to almost perfect. We know more than we would have learned just by the answer 'good.' We know a relationship in a context. We know there is more room for improvement than if the same person had stated that he felt like 8 that day.

(b) Results or insights do not depend on the contents of the answers in a narrow sense but rather use the insights about the relationships or differences—e.g. the relationship/differences between the current state and 'one step better.' There is also the relationship between 0 and the current state: The difference to 0 gives us information about already given resources. In order to learn if the interview was helpful it is sufficient to know whether the post-interview status is perceived as being the same, better or worse than before, without knowing how or why. 'Same, better or worse' after all are the most basic and relevant differences in order to gain insights about the success of a process in a living system. We can find out what the interview partner perceives as a state of 'better' without having to analyze the problem first.

(c) The distinction-based approach leads to more independence of different contexts, since working directly on useful differences we automatically include all relevant contexts into the most relevant difference: the facts which will let us know that now things are 'better' than they were.

By and large, the intermediate results of this study demonstrate the application and outcomes of distinction-based concepts such as comparative-systemic work. The managers' feedback, after being interviewed, offers a bird's-eye view of the effects of these methods. The interview guideline is mostly open and changeable, but the questions are all based on distinction-based systemic methods. At the end of the interview, all six managers express their positive surprise at the quality and depth of the outcomes of the conversation, and four out of six would like to talk again under those conditions.

5. TIME TO ACT 'AGILE'

Today, the new buzzword in the organizational context is 'agile:' agile organization, agile working, agile office etc. Agile working methods and agile frameworks ensure acceleration. Their proponents claim that agile methods map processes and correlations faster, that they are quicker in providing feedback to internal and external customers, and that they enable rapid prototyping in order to obtain the best and most useful result in the shortest time. Scrum, Design Thinking and Lean-Startup are just some of the terms the forefront of the agile wave.[17]

But as long as an organization's commitment to agile methods remains hollow, it will not fully enjoy their benefits; it must champion agility, supporting its values and culture. In particular, most agile concepts require very flat hierarchies, all project collaborators must be fully committed to the common goal, and everyone involved must willingly accept, indeed seek, responsibility for and ownership of the project. Creating such an environment is often difficult, as agile methods require advanced social skills, a high degree of self-motivation, and a strong sense of personal responsibility in order to work.[18]

Comparative-systemic approaches offer concrete tools to quickly deal with emergent situations—without having to change the overall organizational culture. These tools can be put into practice by any manager willing to do so, independently of the system in its entirety. This obviates the requirement for massive, all-at-once, structural changes but maintains the advantage of meaningfully impacting the organization, and paths can be built step by step from a multitude of local changes.

The 'speed-dating the boss' or 'agreement-and-decision-turbo'—a solution focused tool developed and used by Philipp Belcredi—offers a good example of how far these methods are able to improve communication within organizations. 'Speed-dating' is a compact and concise set of rules for any meeting aiming a decision. In order to bring an issue to a co-worker, the person seeking a decision has to prepare a small amount of information:

(a) He must be able, in two or three sentences at most,

to explain the question for which he needs agreement, or the dilemma or problem requiring a decision.

(b) He has to prepare and offer two or three different potential solutions to the dilemma. Each of these must be explainable in just a few words.

(c) He is asked to argue in favor of one of the offered solutions, justifying the choice compared to the other potential solutions.

(d) The short ritual ends with the question: "Is there anything you would like to add?"

The result of this kind of speed-meeting ('speed-dating') usually is either a quick OK, and the decision is taken right on the spot (the topic was decided in the shortest possible time—the relevant 'differences that make a difference' have been discussed), or relevant yet overlooked issues can be raised quickly and in adequate detail. Most clients of Philipp Belcredi are successfully applying this technique.

But why is this approach counted among solution-focused tools? There are four aspects that stand out and which clearly make this tool a distinction-based, solution-focused method: (1) It is based on resources and feasi-bilities (instead of problems and analyses of the past). (2) The rules force the participants to stick to essential information (differences) for decision making. (3) There-fore, there is no room or time to look for culprits, to get worked up over past mistakes, or become lost in thought. (4) Last, the focus of 'speed-dating the boss' is and remains arriving at a decision.

At the end of the day, all that counts in organizations are the decisions that are taken. But we live in rapidly changing times, and many managers feel that decision-making is becoming ever more complex. About ninety percent of 150 German top managers (interviewed by Camelot Management Consultants for the study *Mastering Complexity*) feel that business life has become much more complicated in recent years. Five out of six surveyed managers are of the opinion that their companies have become far too complex.[19]

Many of today's efforts in management optimization aim to enhance the speed as well as the quality of decisions and processes. If deciders are able to filter relevant differences for their decisions, complexity (in terms of having to choose from an incalculable number of possibilities)[20] can be reduced drastically, generating a meaningful advantage.

6. DECISIONS THAT MAKE A DIFFERENCE

Organizations differ from other social systems mainly in the communication of decisions. This elementary operation 'communication of decisions' (also called basal unit) finds its utility in the absorption of uncertainty. By linking decisions, then, uncertainty is transformed into security. This serves as motivation for further decisions, in their turn ensuring the survival of the system.[21]

Communication of decisions is therefore the operation that secures and continues the autopoiesis of the system. It generates the system/environment difference; consequently, each such operation forces a coupling of self-reference (reference to the network of one's own decisions) and foreign reference (in the sense of motivating decisions). This also means that the decision can only be communicated if the rejection of other possibilities is also communicated (what was decided against).

Each decision settles differences—between the organization before the decision was taken and the organization after the decision (past/future) and between the chosen alternative and all other possibilities. Awareness of this relationship also may open up new possibilities: "[D]istinction can be observed as form. It can be marked, and the processing of the mark may lead to forms of higher complexity."[22]

When an organization faces a challenge, it is still common for management to view it as a problem rather than as an opportunity to take decisions. The 'problem' paradigm works like this, more or less: First, the causes of the problem will be analyzed; second, solutions that worked in earlier, similar situations will be applied to this new challenge—even if the context may be different from back then. This approach represents the medical paradigm of 'diagnosis and treatment.'[23]

"*Paradigms gain their status because they are more successful than their competitors in solving a few problems that the group of practitioners has come to recognize as acute. To be more successful is not, however, to be either completely successful with a single problem or notably successful with any large number*."[24]

The need for paradigm changes is usually awakened by irritations from a system's environment. Traditional management concepts are not adequate for decisions in the complex context of many an organizational challenge. The search for alternatives is evident in the increasing supply and demand for innovative consulting methods.[25]

7. CONCLUSION

Heinz von Foerster's studies exploring the possibilities of second-order cybernetics concluded that, on the level of second-order observations "one has to observe not simple objects but observing systems—that is, to distinguish them in the first place. One has to know which distinctions guide the observations of the observed observer and to find out whether any stable objects emerge when these observations are recursively applied to their own results. Objects are therefore nothing but the *eigenbehaviours* of observing systems that result from using and reusing their previous distinctions."[26]

With the realization of what the results of second-order cybernetics work and all other distinction-based theories and methods mean for the relationship between human ad social systems, many other new possibilities emerge to understand, manage and lead social systems—especially organization systems. With the focus on distinctions, new forms of situations or systems can be observed and therefore more options to act or handle can be created.

In answer to the first research question, and as we demonstrated in the present paper, we may affirm that both distinction-based approaches (cf. section *4. Tensions Within Organizations*) and second-order cybernetics (cf. section *5. Time to Act 'Agile'*) contribute in many ways to management tools that are highly effective in complex situations.

Considering the second research question, about the substantial differences between analytical and distinction-based consulting methods, we have shown that the latter in particular show great potential for a paradigm shift. The questioning methods discussed above comprise the core of distinction-based interventions. The intent of these questions is to find meaningful differences based on resources, feasibility and solutions, as an alternative to analyses of the past or contents, as an important part of the substantial differences between these distinction-based and analytical consulting methods.

As for the third question, comparative-systemic work can be helpful whenever decisions have to be taken in a complex environment (cf. sections *3. Theories Based on Distinctions* and *6. Decisions That Make a Difference*). Of course, the methods don't necessarily need a consultant to be successful. Anyone willing to learn this way of thinking can use the tools and apply distinction-based methods to his daily challenges.

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