SST 28 Complexity and Constraint Regulation Failure

The Organisation That Drowned in Meetings

The Community Futures Trust began as a small voluntary organisation. Its purpose was simple: support local community projects.

At first everything worked well. A handful of dedicated volunteers met regularly. Problems were discussed openly. Decisions were made quickly. Everyone understood the organisation's purpose and knew who was responsible for what.

As the organisation became more successful, new opportunities appeared. Additional projects were launched. New committees were created. Specialist working groups were formed. Funding increased. More staff were recruited. External partners became involved.

Each change seemed sensible. Each new committee addressed a real need. Each reporting requirement appeared justified.

Yet over time something strange began to happen. Meetings multiplied. Reports became longer. Decision-making slowed. Different groups began working towards different priorities. Information became trapped within committees. Important problems remained unresolved because nobody was certain who was responsible for addressing them.

Ironically, the organisation now possessed more people, more resources, and more expertise than ever before. Yet it was becoming increasingly difficult to coordinate. Staff grew frustrated. Volunteers lost motivation. Projects drifted away from their original purpose.

The organisation had not failed because of a lack of effort or commitment. It was struggling because complexity had grown faster than its capacity to regulate itself.

Formal Description

Structural over-complexification occurs when the complexity of a system grows faster than its capacity for effective coordination, communication, and regulation.

Within the Enhanced Morphogenetic Cycle (EMC), increasing structural differentiation often creates new capabilities and opportunities. However, it also generates additional coordination requirements.

As complexity increases:

- communication pathways multiply;
- decision processes become more complicated;
- feedback becomes more difficult to collect and interpret;
- responsibility becomes more diffuse.

Constraint regulation failure occurs when a system loses the ability to accurately perceive, interpret, and respond to changing conditions.

Typical consequences include:

- organisational drift;
- declining adaptability;
- slower decision-making;
- duplication of effort;
- unresolved problems;
- increasing internal conflict.

The result is a growing mismatch between the complexity of the system and its regulatory capacity.

Plain English Explanation

As organisations grow, they usually become more complicated. New departments are created. More specialists are employed. Additional rules and procedures are introduced.

At first these changes often improve performance.

However, every increase in complexity also creates a need for more communication, coordination, and oversight.

Eventually a point may be reached where managing the organisation becomes more difficult than performing its core activities.

People spend increasing amounts of time:

- attending meetings;
- completing reports;
- following procedures;
- coordinating with other groups.

Meanwhile important information may fail to reach decision-makers.The organisation begins reacting more slowly to problems and opportunities.

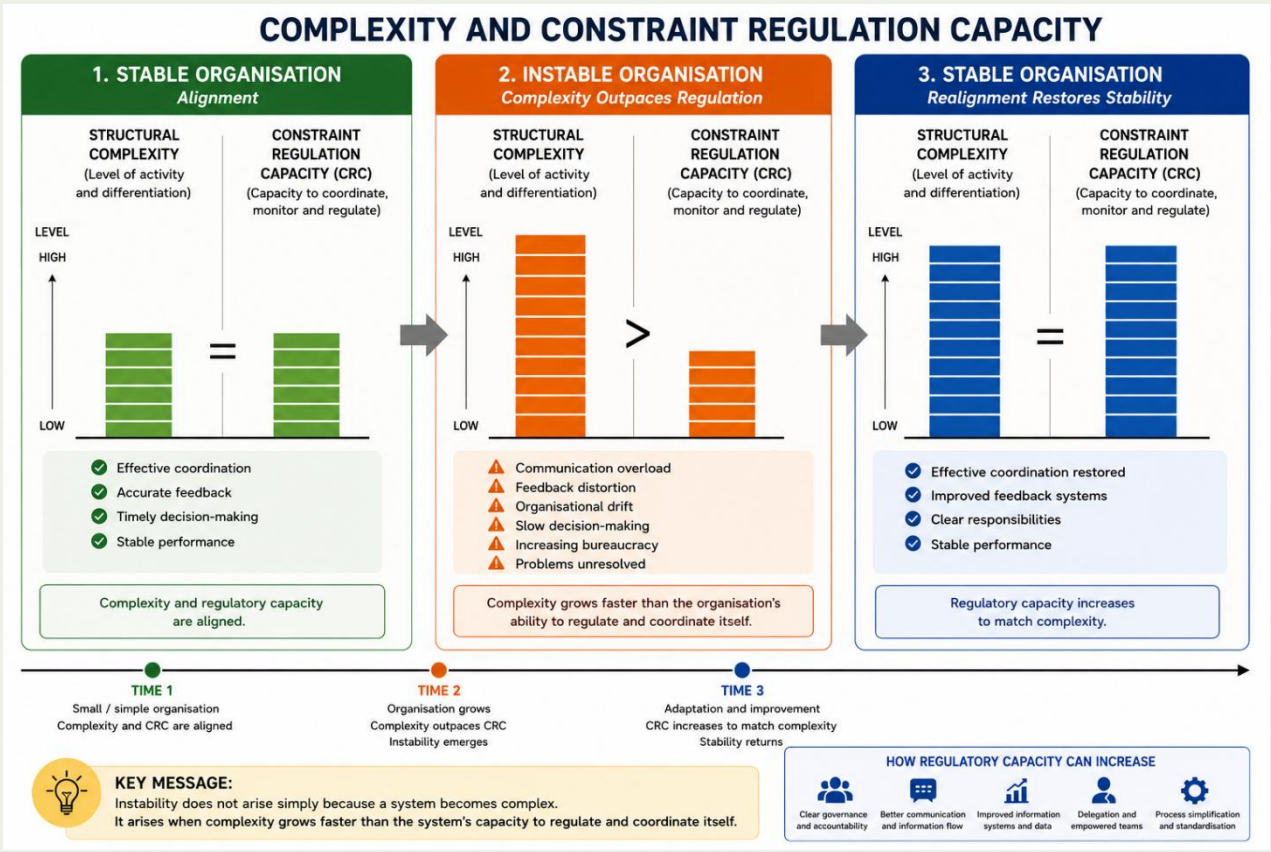
The key issue is not complexity itself. Many highly complex systems function extremely well.

The problem arises when complexity grows faster than the system's ability to coordinate and regulate itself.

The key diagnostic question is: **"Has complexity outgrown coordination capacity?"**

In many cases the growth in complexity begins for entirely sensible reasons. New opportunities appear, demand increases, additional responsibilities are taken on, or new regulations are

introduced. Each change may be justified in isolation. The problem arises when the resulting complexity grows faster than the organisation's ability to coordinate and regulate itself.



Example 1 – Large Bureaucracies

As organisations grow, specialised departments are often created to improve efficiency.

Over time, however:

- communication becomes more difficult;
- coordination costs increase;
- information becomes fragmented.

The organisation becomes harder to regulate effectively.

Example 2 – Expanding Voluntary Organisations

A community organisation expands from a small volunteer group into a large multi-project organisation. New committees, procedures, and reporting requirements are introduced.

Eventually:

- volunteers become frustrated;
- decisions take longer;
- organisational priorities become unclear.

Complexity begins to exceed regulatory capacity.

Provenance and Links

The concepts of structural over-complexification and constraint regulation failure emerged during the development of the Enhanced Morphogenetic Cycle and Constraint Analysis.

As systems grow, new structures frequently emerge to manage increasing complexity. However, these same structures generate additional coordination requirements. This creates a continuing tension between differentiation and regulation.

The module draws upon:

- General Systems Theory (Ludwig von Bertalanffy)
- Cybernetics (Norbert Wiener)
- Management Cybernetics (Stafford Beer)
- System Dynamics (Jay Forrester)
- Organisational Theory

Practical Exercise – Student Response Area

Think of an organisation that you know well.

1. Has its complexity increased significantly over time?
2. What new structures have been added?
3. Has communication become more difficult?
4. Are important problems identified and addressed quickly?
5. Does the organisation appear to spend more effort coordinating itself than achieving its purpose?
6. Has complexity grown faster than regulatory capacity?