Transformation Management

Towards the Integral Enterprise

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2.1 Introduction: The Four Fundamentals

In Chapter 1 we introduced the emerging trends in, and shortcomings of, the fields of enterprise and entrepreneurship, management and leadership. Our critical review of these is based on many years of social research, management education and process consultancy in both Transformation Management and also social innovation all over the world. During this time we have identified four fundamentals of transformation, which, if applied, we believe to be key to a sustainable Integral Enterprise.

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These four fundamentals represent what is missing in an ahistorical (decontextualized), monocultural (Western), monofunctional (business) and unidisciplinary (economic) enterprise, management and leadership. Moreover, even when such crosscultural and transsectoral management is taken into account, no coherent model for the sustainable enterprise in a particular society has been developed so far. In this chapter we shall introduce such a coherent framework, which will be further substantiated, theoretically and practically, in the course of this book. In the following we shall briefly introduce the four fundamentals. We illustrate how they are interconnected and together constitute the core pillars of Transformation Management.
FIRST FUNDAMENTAL: ACTIVATING TRANSFORMATIONAL FLOWS

This first fundamental involves releasing the full potential of an enterprise through engaging in transformational processes in relation to a specific self, organization and community.

The transformational flows introduce the dynamic and ultimately transformational Strategic Renewal, which is our equivalent of conventional strategy.

Based on a fourfold transformational process, which we have coined the GENE (an acronym which stands for grounding, emerging, navigating and effecting), we illustrate how the GENE-ius of a social organism can be released.

In this initial case, by drawing on ecology, biology and other natural sciences, as well as on the humanities, we root our approach deeply in nature and culture. Hence, the origination of a new form of enterprise involves us tapping into our collective origins by combining nature’s and humanity’s wisdom. Thereby, we build on natural as well as cultural vitality, and on the way living systems develop forms, that enable continuous adaptation and renewal, and ultimately transformation.

SECOND FUNDAMENTAL: PROMOTING INTERACTION BETWEEN TRANSCULTURAL FORCES

This second fundamental involves learning to manage organizations in fundamentally different worlds. Engaging with cultural diversity is the key!

Culture is not just a mere ingredient of management and organizational theory, a subset of organizational behaviour, corporate culture or indeed managing across cultures. It is much more than all of that. For us it constitutes the cultural force that builds on the natural flow of Transformation Management. That is probably the single most revolutionary aspect of our work. We shall demonstrate in this book, how culture, and an understanding of one’s cultural and societal context, as well as that of the ‘other’, which you individually and collectively engage, provides the basis for a sustainable and thereby integrated organization. The design for such integration is embodied in our Four World model, spanning the globe from the south to the east to the north, to the west.

The transcultural perspective is formed out of the differentiation and integration of the cultural particularities of the south, east, north and west of the globe, and the diverse cultural morphologies of each world region. Interestingly enough, this archetypal Four World perspective can be translated into an integrated perspective of each social organism: from society, to the organization, to the self. We demonstrate this in detail later in this chapter.
THIRD FUNDAMENTAL: PROBING INTO TRANSDISCIPLINARY FIELDS

This fundamental and now integral field involves broadening the knowledge base of the organization to accommodate local as well as global knowledge, the humanities as well as the broad range of social sciences.

Conventional management and leadership theory is, so our argument goes, too narrowly defined, in that it is usually universally and all too often economically, and partly psychologically and behaviourally, framed. Thereby it does not build on the local knowledge base of the society in which an enterprise is lodged. To draw on such requires you to be exposed, at least to some degree, to anthropology and sociology, ecology and systems theory, depth psychology and spirituality, geography and history, as well as, of course, to politics and economics. Overall, such a transdisciplinary perspective enables you to include and activate the local knowledge base of the society/culture in which a particular organization is rooted. Such a local knowledge base is then brought into meaningful interaction with the global knowledge base. The various disciplines serve to broaden the primarily economically based ‘Western’ conventional perspective to incorporate, for example, more ‘northern’ systems perspectives, more ‘eastern’ spirituality, and more ‘southern’ anthropological sources. Further, by probing into a broader base of transdisciplinary fields, the organization is enabled to engage in transformative research, designed to lead to social innovation.

FOURTH FUNDAMENTAL: BUILDING UP TRANSPERSONAL FUNCTIONS

This fourth fundamental involves embodying Transformation Management in the conventional business functions while also aligning self, organization, society and, ultimately, the globe.

The differentiated and integrated approach of Transformation Management, evolved out of its transcultural (rather than Western), transdisciplinary (beyond economics) and transformational (as opposed to transactional) perspectives, allows us to see the functioning of the enterprise in a new light. Specifically we witness the development of an originally personalized and trait based approach to leadership, followed by a depersonalized and segmented functional perspective (marketing and operations, human resource and finance) of the organization towards a transpersonal one. This transpersonal orientation interconnects self, organization and society, as well as ultimately the globe.

Through such evolved functions the enterprise is newly integrated in society. Such integration enables an organization to serve profoundly a society’s needs, increasing the relevance of the organization to the particular community in which it operates. We now turn to the new integral form of the enterprise, which is the culmination of Transformation Management.

INTEGRAL ENTERPRISE: FROM CORPORATE SOCIAL RESPONSIBILITY TO SOCIETY BUILDING

The new integral form involves the enterprise as ‘society builder’, encompassing public and private, civic and animate (environmental) sectors, rather than being a merely private ‘profit maximizer’.
The transformed enterprise is characterized by an inclusively natural (animate), cultural (civic), social (public) and economic (private) form. For us, what is key is the reintegration of the enterprise in a particular society, whereby it assumes a private-public-civic-animate (environmental) form. Such a new form enables the enterprise to simultaneously evolve its community, consciousness, knowledge and sustainability. Such a fully integrated enterprise is aligned with the natural, cultural, technological and economic context it is embedded in and it becomes an intrinsic society builder. This is the ultimate aim of Transformation Management. In fact, it is such a ‘trans-FORM-ation’, which lies at the core of our work. We shall now give a detailed overview on each fundamental, starting with the transformational flows.

2.2 Transformational Flows: Nature and Community

FOUR WORLDS IN NATURE AND CULTURE: LIVING FRAMEWORKS FOR TRANSFORMATION

The situation we find ourselves in today is, in our ‘Four World’ terms, as follows: the pragmatic west has lost touch with its roots in the natural south; the rational north has become disconnected from the consciousness raising east; the east itself has spun out of control trying to accommodate an overpowering west; and the south remains impoverished. On an organizational level, we can equally see a dominance of the financial and operational dimension, while the human and environmental dimensions have been neglected.

Hence, there is a need to understand the inner dynamics of transformation to enable us to bring the Four Worlds into a state of creative interaction, promoting a new dynamic balance between all four elements. This is equally relevant for all levels: self, organization and society. Again, as a first step, let us go back to the original journey of humankind.

The journey of humankind, as we shall see later, provides a living framework of transformation. For what has occurred is that the journey through the Four Worlds settled into the creation of four fundamental cultural forms or morphologies that are distinct from each other and yet part of one story. Each part of the world has developed a particular strength, each one building on the other. The full integration of all four elements is crucial for the full integration of an individual and social organism as illustrated by Figure 2.1.

The fourfold cultural transformation process that we identified deeply resonates with transformation processes that we found in nature. Indeed, culture builds directly on nature. While life emerges out of its environment, the environment needs to be continually transformed by life, so that it remains life-supportive. In essence, first, the individual unit of survival is simultaneously a unit of transformation, and second, the transformation process is the engagement of the individual unit with other units thereby creating new, intelligent forms without losing the essence of the original. Through this process nature ensures ongoing adaptation: life is preserved and sustained. This is illustrated in Figure 2.2.
The South represents the Source of our \textquoteleft being\textquoteright, providing the indelible Links we share with our natural Environment. It also represents our organic Relations with the Community in which we originate and flourish.

The East represents the catalytic Zone of Change in which we move beyond who we are and enter the Stage of \textquoteleft becoming\textquoteright. We start engaging in the in the Process of Renewal and re-creating ourselves.

Finally the West represents the Culmination of the transformative Process, embodied in transformative Action or in \textquoteleft doing\textquoteright.

The North represents the \textquoteleft knowing\textquoteright or the newly organized Entity, emerging out of the \textquoteleft Emptiness\textquoteright of the East.

\textbf{Figure 2.1} Four Worlds as a living framework for transformation

\textbf{Figure 2.2} Transformation in nature
A GENERIC VERSION OF THE FLOWS OF NATURE AND CULTURE: THE GENE

In our own research we have evolved such a flow, which we have called the GENE, an acronym that stands for grounding, emerging, navigating and effecting. It is in that context that we are talking about releasing the transformative GENE-ius of the self, the organization and the society.

The GENE is our fourfold transformational rhythm. It represents the implicit pattern that underlies all natural and cultural processes. The GENE drives the process towards wholeness and integration in each system. It is this rhythm of renewal that continuously determines and guides the journey – the journey towards releasing the GENE-ius of people, organizations and societies.

The GENE is equally rooted in nature and culture (just compare the inner rhythms of Figures 2.2 and 2.3). Culturally, the GENE emerges through the meeting of different worlds. Yet such a creative interaction between horizons is very much the exception rather than the rule. That having been said, ironically, the key to any cultural renaissance, whether in Europe, in the arts and sciences in the fifteenth and sixteenth centuries, or in Japan, in technology and management, in the twentieth century, lies in the creative interaction between different cultures: here between north and south in the one case, East and West, in the other.

Figure 2.3  The first fundamental – activating transformational flows
Nature and culture, hence, hold the key for the flow rhythm. The GENE is a distillation of nature’s and culture’s transformative wisdom. The direction that a particular entity takes is in this cycle continuously reconnected to its own ground. From there it connects with others and gradually, by completing the cycle, evolves new forms of adaptation. Thus, the full GENE-ius of an organism is released. For organizations, which follow such a transformative cycle, transformation ultimately becomes a Four World process of grounding (humanistic), emerging (holistic), navigating (rational) and effecting (pragmatic). Such increases the resilience of an organization significantly, as the organization continuously renews its strategic orientation. It is doing so, by touching base with its societal and cultural grounds on an ongoing basis through continuously reengaging with the GENE-Flow. This ‘touching base’ enables the organization to reconnect with the societal and cultural reality, and to respond accordingly to it.

BEYOND INDIVIDUAL LEADERSHIP: SELF, ORGANIZATION AND SOCIETY

The flow is equally relevant for all living organisms: the self, the organization and the society. These three levels (ultimately culminating in a global perspective) are deeply interlinked and interdependent. Each level holds an integrated fourfold. The compartmentalization of the three fields is an artificial distinction that has led to isolating perspectives and a disintegration of these three dimensions. Overcoming these artificial distinctions we also move beyond the current overemphasis on individual leadership to a more systemic perspective. Figure 2.3 illustrates how the GENE-spiral continuously propels itself through the interdependent levels of self, organization and society, thereby serving to align them.

We have actually identified for each level a particular variation of the GENE-theme. As we can see, in the Table below, the flow of transformation in the case of you the self moves from the formative to the transformative; for the organization, from pioneering to integration; for society, from the magical to the integral. All of the three specific rhythms are closely aligned with the generic rhythm of the GENE.
WORKING TOWARD INTEGRATION OF SELF, ORGANIZATION AND SOCIETY

Each of the three levels of self, organization and society has its particular fourfold cycle. As all levels represent living organisms, which build on each other, you can notice a deep resonance between the three rhythms. For example, the individual ‘reformative’ referring to the inner development of a person resonates with the civic dimension of an organization where it engages in developing its employees as well as engaging with society. This, in turn, resonates with the cultural context in which both, individual and organization, are embedded. Continuously applying the transformative flow to the three levels enables them to develop shared perspectives, each contributing to the larger entity of which they form a part. We now turn from the transformative to the transcultural.

2.3 Transcultural Forces: Culture and Spirituality

NATURAL FLOWS TO CULTURAL FORCES

To understand how transformation works we need to start with a deep understanding of our own indigenous, cultural forces, be they English or Eritrean, American or Argentinean. This is the particular transformational equivalent to an exploration of an organization’s role in its environment. At monocultural Harvard Business School, for example, this is called ‘Managing in the Business Environment’ (MBE). From our transcultural perspective that includes an understanding of how the principles of transformation are manifested in different cultural environments. So how does transformation take place in culture? We start with the story of mankind’s journey around the world.

FROM SOUTH TO EAST TO NORTH TO WEST

Once upon a time man started his journey around the globe in Africa. It is in Africa, in the south of our planet, where the cradle of (wo)mankind can be found. The human journey continued in the east, before (wo)man moved to the north, then, finally to the west.

Using molecular techniques to measure degrees of biological relatedness in DNA, scientists have identified that just about 100,000 years ago the ancestors of all of humanity arose along the Great Rift Valley of Africa, in the communal ‘south’ of the Four Worlds. They moved out from there, northeast across the Sahara, southwest into what is now South Africa, northward across the Arabian Peninsula and east to India. From there they fanned out to Europe and Russia, from New Guinea to Australia, into Siberia and across the Bering land bridge to the Americas.1

Revisiting the human journey provides us with the framework to challenge the fragmented worldview that has pervaded for so long in that it treats human cultures as disjointed and fragmented. This is made all the more seemingly real by treating culture as an artefact, a set of practices that codes a certain kind of behaviour. Our approach to culture is entirely different on two counts: one, we see culture in the larger movement of humankind’s journey through the Four Worlds, and two, we perceive culture as a natural extension of nature.

So as we can see, in terms of mankind’s journey, the European ‘north’, and even more so, the American ‘West’ came very late in the day.
This movement from south to east, to north to west can, interestingly enough, also be found in the generic evolution of individual societies. The following Table illustrates this evolution and underlines how the integration of the Four Worlds (on a global level, but also within each society) helps to bring about an integrated perspective on society:

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<tr>
<th>The Four World Perspective Translated into the Evolution of Human Communities and Societies</th>
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<td><strong>South</strong>&lt;br&gt;Nature and Community</td>
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<tr>
<td><strong>East</strong>&lt;br&gt;Culture and Spirituality</td>
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<tr>
<td><strong>North</strong>&lt;br&gt;Science and Technology</td>
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<tr>
<td><strong>West</strong>&lt;br&gt;Economics and Management</td>
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**Figure 2.4 (Wo)Mankind’s journey from south, to east, to north, to west**
Back to the global cultural morphologies, what then are the particular cultural capacities of each world region?

**DIFFERENT CULTURAL CHARACTERISTICS (MORPHOLOGIES) BUILD ON EACH OTHER**

Figure 2.5 illustrates the cultural strengths of each of the Four Worlds. We argue that while each world has developed over time a particular set of strengths, it also, to be fully functional, needs to embody the other three worlds; in fact, it needs to continuously reach out to the other worlds, in order to be in an integrated state of dynamic balance.

The four morphologies are not only a geographic orientation. Much more than that, they constitute an archetypal representation of the inner fourfold of living organizations, such as individual people, organizations and societies. As such, we associate the ‘inner’ south with humanism and nature, the east with holism and culture, the north with rationalism and science, and the west with pragmatism and enterprise.

**Figure 2.5  The second fundamental – activating transcultural forces**

It is, however, fascinating to see, how this pattern still resonates, to some degree at least, on a global geographic level, while we acknowledge that historical and actual patterns of migration as well as modern communications lead to many hybrid combinations.

The Four Worlds are rooted in an ancient archetype of wholeness and integration, which can be found in endless variations in all cultures, from the mandala to the medicine
wheel. In this archetypal picture it is the south, which is most closely related to physical nature and to his or her fellow (wo)man, represented by humanism. The archetypal east is home to the evolutionary dimension of the person (holism), while the archetypal north represents such a person’s rational dimension. And it is the archetypal west that holds the pragmatic dimension, which, as in the other cases, is only of full value, if it embodies and thereby stays connected to the other three dimensions.

While we are not saying, that for example humanism is only rooted in the South (hence in Africa), or holism is only rooted in the East (hence in countries like India, Japan or China), we argue, that each world region has evolved over time one inner dimension that seems to be stronger developed than the others. The East has arguably the longest and deepest tradition in the area of holism, spirituality and non-material aspects, while, for example, the West, has developed an enormous capacity for the pragmatic and material expression. Moreover, each world, when isolated and conflict ridden, has its downside – tribalism and nepotism in the South, fundamentalism in the East, totalitarianism in the North, materialism in the West. Of course, you find all aspects in every society, in every organization, in every individual. And we argue that it is ultimately about integrating these four positive dimensions within the fields of the self, the organization and the society, albeit retaining your particular, for example ‘Western’, pre-emphasis. The pragmatic West needs not only the rational Northern dimension, but also the holistic Eastern dimension and the humanistic (people, community and nature orientated dimension) of the South. Each dimension needs the other in order to be truly meaningful and effective. In fact, when one dimension is isolated from the worldly others it becomes distorted.

If you regard this as too farfetched then examine carefully the current state of our globalized world where a one-sided domination of a) economic principles is b) all developed in a heavily dominant west. It is this fragmented and one-sided perspective that, in our view, is one of the core reasons for many of the problems that the world community currently faces.

BASED ON THE ULTRURAL MORPHOLOGIES, DIFFERENT CULTURAL FORCES CAN BE IDENTIFIED

Based on the four morphologies, different cultures have developed particular cultural orientations. We draw on the innermost forces within a particular self, organization or society that often provide the context for the transformational journey. The organizations referred to in each world (for example, Visa in the West) will be elaborated upon in Chapters 12 to 15.

Examples for expressions of such local cultural forces are African ‘Ubuntu’ (South), Japanese ‘Kyosei’ (east), the Nordic ‘Naringsliv’ (North) and the Anglo-Saxon ‘Individuation’ (West), among others. From our experience, each society, each organization, each individual resonates most with one cultural force, while the others are less present. Figure 2.6 above provides examples of cultural forces in the Four World regions, including corporate cases that have consciously built on such cultural forces.

It became obvious to us in our work around the world, how these cultural forces are – as a dominant cultural expression – an integral part of the identity of a person, an organization and a society. Transformational processes, hence, always have strong cultural forces lodged in a particular local identity and need to be built on them. From such a strong ‘home base’ an organism can productively engage with the larger entity
and contribute in a coherent way to it; the self can contribute to the organization, the organization to community and society, the society to the global perspective. That’s why we call one of the core rhythms of a healthy transformation process: ‘From Local Identity to Global Integrity’.

Ultimately, the Four World model provides a new map for the enterprise. With this approach we illustrate how each world region has developed its particular cultural strengths and set of local capacities, that, if successfully activated, form the basis for local transformation processes and social innovation. This particular strength can then contribute to global solutions, if brought in balanced interaction with other cultural capacities. The Four Worlds form a framework for such creative interaction, allowing each society, each organization and each individual to identify its particular strengths and the strengths of ‘the others’. It is remarkable to see, how the Four Worlds – as an ‘archetypal’ representation – equally resonates on the level of the global cultural landscape, as well as on a societal, organizational and individual level.

CREATIVELY ENGAGING WITH DIVERSITY, ON ALL LEVELS

The Four World approach focuses on the ‘creative activation’ of the diverse elements of each social system while working towards more integrated perspectives.

Creative interaction between the parts of a whole is only possible if there is a rich understanding and appreciation of cultural, sectoral, societal, organizational and individual diversity. Reactivating these cultural forces is one of the core aspects of this approach. It is lodged in the insight, that in order to fully activate and harness the specific
strengths of an organization, it is important that it remains truly lodged in the societal and cultural grounds on which it is built. Transformation processes start with the development of a local identity (of self, organization and society), whether this is rooted, for example, in the Ubuntu philosophy of interdependence in Southern Africa or in Japan’s concept of Kaizen promoting continuous improvement in Japan.

If we do not understand who we are and where we come from we cannot possibly know where we wish to go and determine how to get there. We cannot transform consciously and achieve our full individual or organizational potential. Only when there is an understanding of our local identity can we contribute to the global integrity of the system we live and work in: the community, the organization, the society, and ultimately the world. Only then can we meaningfully and productively link the local and the global, and one culture with another. Such transformation processes then also serve to overcome fragmentation on an individual, organizational, communal, and societal level. We now turn from transcultural forces to the transdisciplinary fields that underlie Transformation Management.

2.4 Transdisciplinary Fields: Science and Technology

BEYOND ENTERPRISE, MANAGEMENT AND LEADERSHIP

The underlying disciplines that conventional programmes on business studies, business administration or indeed management and leadership in general draw upon, specifically in the social sciences, are economics and statistics, behavioural and social psychology, as well as a small dose of systems theory and sociology. In other words, the conventional management wisdom on strategy and organization, marketing and operations, human resources and finance, are lodged in such underlying disciplinary fields. As such anthropology and ecology, depth psychology and political theory, are completely ignored.

Not only that, but this narrow base is effectively drawn from the ‘West’, essentially from America. The rest of the world – that is our other three worlds – hardly gets a look in. Moreover, and particularly damaging for our purposes, the whole of the humanities is left out of account. Given the fact that Transformation Management draws upon local identity with a view to developing global integrity, this means that enterprise, management and leadership, by comparison, are fundamentally flawed. For local identity, as we have said, draws pre-eminently on nature and culture. That means that not only anthropology and ecology, but also philosophy and theology, geography and history, as well as the humanities in general – art and architecture, music and dance, literature and theatre – are all important. This will be addressed in our forthcoming book on Integral Economics.

FROM MONODISCIPLINARY TO TRANSDISCIPLINARY PERSPECTIVES

In other words, and to retrace steps, approaches to enterprise and entrepreneurship, developed out of economics arose predominantly from what we term the ‘Northwest’ – in this case that means predominantly Britain and America as well as France and Austria to a smaller extent. Interestingly enough even Germany, the birthplace of Karl Marx, and the centre, together with France, of European philosophy, hardly got a look in, never mind
Italy, Spain or Russia. It is actually only very recently, as we saw in the last chapter, that sociologists, psychologists and even philosophers have begun to engage with now ‘social’ entrepreneurship.

The field of management, interestingly enough, and the leadership studies that followed in its footsteps, are totally Western (American) in their origins. The only significant exceptions to such are discrete elements of Japanese management (related to the management of people and operations). In fact, with the consolidation of the America-style business schools all over the world, and the recent onset of Reagonomics, the underlying economic, monodisciplinary orientation has become even more pervasive.

As a counter to such, in the new millennium, we witness two significant trends towards the transdisciplinary orientation we adopt. The first is the diversification from business to social and even eco-enterprise, which draws upon psychology, sociology, political science and even ecology as underlying disciplines. The second is the comparatively recent advent of ‘crosscultural management’ and indeed of ‘corporate culture’, which has something of an anthropological tone to it, also extending its reach into literature and theatre, in terms of storytelling. Yet, at the present time, these remain like drops in the economic and behavioural ocean, which is precisely why overall social, as opposed to technological, innovation, is inhibited.
TECHNOLOGICAL TO SOCIAL INNOVATION

Interdisciplinary development in the natural sciences, in biochemistry, in neurobiology, in medical electronics, and so forth, have led to a proliferation of innovation, facilitated by the application of scientific method. In the social sciences and humanities, hitherto, such innovation has been inhibited for two major reasons. First the different social disciplines, such as economics and anthropology, political science and psychology, have remained largely segregated from one another, and secondly so-called ‘scientific method’, in the social sciences, has remained academically esoteric rather than practically useful.

We shall demonstrate in Part 4 of this book, how a transdisciplinary perspective enables the organization to build an enlarged and relevant knowledge base. Further, by applying research to such an enlarged knowledge base in a transformative way, the enterprise can become a social innovator.

We now turn from social disciplines to business functions.

2.5 Transpersonal Functions: Economics and Management

In order to fully ‘function’, individuals, organizations and society each need to differentiate and integrate their life sustaining activities. However, the functions of the three levels are often disconnected. One of the reasons lies in the enormous specialization of society as a whole; the larger picture (the connecting patterns) is not any more visible. By overcoming that ‘disconnection’ (fragmentation) we move from a narrow understanding of Business Administration to a transpersonal and transsectoral perspective.

UNDERSTANDING THE SHARED FUNCTIONING OF SELF, ORGANIZATION AND SOCIETY

Each living human organism (self, organization and society) needs to integrate various functions in order to stay alive. These functions – today – are merely outer expressions of the deeper original meaning they once had. Engaging in transformation we need to deeper understand the southern, eastern, northern and western oriented functions, in order to enable them to build on each other and to then mutually reinforce each other. The four functions of each level resonate deeply with the cultural morphologies, as can be seen in the following table.
By reconnecting the main shared functions of self, organization and society, organizations play a particular important role. They are the bridge between self and society. They provide the context for further evolution, which can reach out into society and have a transformative impact there. Business, as a major force in modern society, has a particular role to play in providing a context for individual transformation and in developing new, evolved forms of communities, organizations and ultimately societies.

There are four core functions to be identified within the self, the organization and the society: community building arising out of marketing, communications and markets (South); conscious evolution emerging out of human resources, consciousness and labour (East); knowledge creation as a transformation of operations, competence and science/technology (North); and sustainable development emerging out of finance, capability and capital (West). These four evolved functions relate strongly back to the four archetypal expressions of the four directions: community building and humanism (Southern); conscious evolution and holism (Eastern); knowledge creation and rationalism (Northern); and sustainable development and pragmatism (Western).

**FUNCTIONAL GROUNDING TO EFFECT**

In fact, we have found it quite extraordinary, in our review of the emerging literature on leadership and entrepreneurship, that the conventional functions – marketing, human resources, operations, finance – have been left totally out of account. It is, for us, as if the body as well as, in the best cases, the spirit and soul of enterprise have been considered, but not the mind.

We shall now demonstrate how the core functions can be further evolved in order to release their GENE-ius. We build here on existing trends that can be found in all those functions. However, so far, there has not been any consistent framework and curriculum to provide a learning and development context for an integral evolution of all functions across all fields.
THE SOUTHERN FUNCTION: FROM MARKETING TO COMMUNITY BUILDING

The Southern ‘functional transformation’, to begin with, is about the evolution of marketing into community building. The fulfilment of individual and communal need, inherent within a ‘Southern’ humanistic approach has been overtaken by the ‘Western’ exploitation of the consumer, thereby aggressively satisfying wants. Such an evolution of marketing is a process whereby the fulfilment of authentic communal needs, through mutual exchange, takes the place of the exploitation of inauthentic individual wants.

THE EASTERN FUNCTION: FROM HUMAN RESOURCES TO CONSCIOUS EVOLUTION

The Eastern ‘functional transformation’ is about the evolution of human resources into conscious evolution. As Personnel Management evolved from the management of people to Human Resource Management (HRM), so people became an economic resource like any other. From a holistic perspective, the ‘re-sourcing’ of the human involves a developmental approach to enhancing the levels of consciousness of not only individuals but also of organizations and whole societies.

THE NORTHERN FUNCTION: FROM OPERATIONS TO KNOWLEDGE CREATION

The Northern ‘functional transformation’ is about the evolution of operations into knowledge creation. With the advent of the Japanese manufacturing revolution in the last twenty years, the development of the knowledge worker and the knowledge creating enterprise has transcended land, labour and capital. The management of ideas has overtaken the management of employees. From such an evolved perspective management and worker are replaced by knowledge work.

THE WESTERN FUNCTION: FROM FINANCE TO SUSTAINABLE DEVELOPMENT

The Western ‘functional transformation’ is about the evolution of finance into sustainable development. The notion of reciprocity and exchange, inherent within economic relationships and double entry book keeping, can be connected to inclusive life principles rather than exclusive financial relationships. The role of money in society thereby evolves from a transactional to a nurturing relationship, ultimately giving rise to complementary currencies and other means of sustainable development.

We now turn finally to the new transsectoral form of the Integral Enterprise.

2.6 Developing a New Form of Public-Private-Civic Enterprise

ARRIVING AT A NEW FORM: THE INTEGRATED PUBLIC-PRIVATE-CIVIC-ANIMATE ENTERPRISE

An enterprise, which has successfully transformed its core functions, has the potential to reach a new form. Or, in other words, it has been ‘trans-Form-ed’ into a sustainable and Integral Enterprise.
The transformed enterprise is characterized by a simultaneously natural, cultural, technological and economic form. For us, it is the reintegration of the enterprise in society, whereby it newly assumes a public-private-civic-animate (environmental) form; that is the key to transformation.

Moreover, such a ‘formal’ transformation in the nature and scope of the micro enterprise, cannot effectively take place without a parallel transformation of the macro economy. Although, the full subject of such would be the making of another book (see our forthcoming book Integral Economics to be published in the Spring of 2010 by Gower Publishing), the fault line in so much of the current work on transformative leadership or on organizational transformation, as well as on the newly emerging field of social entrepreneurship is the total lack of any consideration whatsoever of the macro economy, in one society or another.

HOW THE FOUR WORLD PERSPECTIVE LEADS TO A NEWLY INTEGRATED PERSPECTIVE ON SOCIETY

The diversity built into the Transformation Management model, represented in the different cultural strengths of the Four Worlds, is reflected at a societal level by the different ideologies, that is capitalism, socialism, what we term ‘culturalism’ and environmentalism. At an organizational level it is reflected in the private, public, civic and animate sectors. It is through this orientation to the fourfold of the public-private-civic-animate that the organization also contributes to build up of a capitalism-socialism-culturalism-environmentalism at a society. The integrated fourfold, that results, is the core expression of the identity of the organization, and also of the society.

CONTRIBUTING TO A NEW FORM OF A SUSTAINABLE ECONOMY AND SOCIETY

Ultimately then as we have seen, on a macro level, we are reaching for a newly sustainable form of economy and society. Such an integrated form extends beyond narrow perspectives of capitalism or socialism, including also culturalism (whereby an economy and society builds purposefully on its culture) and environmentalism.

It is here, on a societal level where nature and culture find their rightful place next to science and technology as well as economics and management.

Having reached a new form on a micro and macro level, the GENE-ius of the self, organization and society has been further realized. It is a big step towards freedom, in a sense of freeing our full potential.

2.7 Conclusion: Towards the Integral Enterprise

Engaging deeply in a transformation process for us results in a totally new way of understanding and acting upon our organizations and their interaction within society.

Transformation Management provides the overall architecture. In a step-by-step process we have introduced the four fundamentals in a first overview. All of them will be laid out in full detail in the chapters to come. Figure 2.8 provides a full visual overview on the core model of Transformation Management.
The following Tables summarizes the four fundamentals of Transformation Management.

**The First Fundamental of Transformation Management**

- Transformational Flows are rooted in Nature and Community and engage the Enterprise in its continuous Renewal
- The natural transformational Flows transcend the previously mechanical transactional Way of being of the Enterprise
- They engage the Organization in a circular fourfold Process of Grounding, Emergence, Navigation and ultimately transformative Effect
- They are simultaneously applied to the three Levels of Self, Organization and Society
- The transformational Flows continuously stimulate the Enterprise to ground itself in its particular social and cultural Context. Thereby, the Enterprise not only connects with the particular burning Issues of its Context, it also gets in touch with its cultural Grounds and Capacities
- Within the Organization, the transformational Flows institutionalize Strategic Renewal, which substitutes for the conventional notion of Competitive Strategy
### The Second Fundamental of Transformation Management

**From Organizational Development to Cultural Dynamics via Transcultural Forces underlying Culture and Spirituality**

- The transcultural Perspective positions the Enterprise within a Four World Framework, enabling it to build on its particular Set of cultural Capacities
- Thereby a monocultural Perspective is overcome and the Enterprise learns to manage in diverse Worlds
- Further, by creatively activating the particular Strength of the southern, eastern, northern and western Perspective, the transcultural Forces stimulate Innovation in the Organization
- Within the Organization, the transcultural Forces are embodied in a field of Cultural Dynamics, transcending conventional Organizational Development

### The Third Fundamental of Transformation Management

**From R&D to Social Innovation via Transdisciplinary Fields underlying Science and Technology**

- The transdisciplinary Fields access the local Knowledge Grounds of a particular Enterprise, linking it to global Knowledge Grounds. Further they combine the social Sciences with the Humanities
- Thereby the entire Knowledge Pool, relevant for the Development of the Enterprise is accessed and the previously unidisciplinary Perspective on Management, with its previous Pre-emphasis on Economics, is overcome
- The Expansion of the Enterprise’s Knowledge Base and the creative Interaction of different Disciplines strengthen the Enterprise’s Capacity to engage in Social Innovation
- Within the Organization, the transdisciplinary Fields are embodied in a revised R&D activity, focusing on bringing about Social Innovation

### The Fourth Fundamental of Transformation Management

**Transforming the Management Functions via Transpersonal Functions underlying Economics and Management**

- Based on transformational Flows, transcultural Forces and transdisciplinary Fields, the Enterprise is now ready to evolve its own Design towards a higher Level of Integration and Sustainability
- Within the Organization, the four core Functions of the Enterprise (Marketing, Human Resources, Operations and Finance) are gradually transformed into Community Building, Conscious Evolution, Knowledge Creation and Sustainable Development
- In the same Process, the Organization aligns the three Levels of Self, Organization, Society
We now turn to the second part of this book and to the first fundamental of Transformation Management. We are starting out in the south, with nature and community and the underlying transformational flows.

References