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Transformation Management

Towards the Integral Enterprise

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GOWER

Prologue: Time for Transformation!

... if corporations run their businesses with the sole aim of gaining more market share, and earning more profits, they may well lead the world toward economic, social and environmental ruin. But if they work together ... they can bring food to the poor, peace to war-torn areas, and renewal to the natural world. It is our obligation, as business leaders, to join together to build a foundation for our world peace and prosperity.

*Ryuzaburo Kaku,
Former Chairman of Canon*

It is ironic – and as we feel, timely – that we should be completing this text on *Transformation Management: Towards the Integral Enterprise*, at the very time, in Autumn 2008, where economic and financial disintegration and economic unsustainability have become the order of our day. Yet all the talk in the media is about ‘shoring up the system’, by re-capitalizing the banks, so that they can return to their ‘normal’ functioning, as opposed to transforming the way we design and run our enterprises, let alone the economic basis of our societies.

Instead of thinking in terms of transformation, then, there is a lot of talk of where to ‘allocate blame’ for the current crisis, which, after all is not merely an economic crisis. For global warming and the accompanying energy shortages are bearing increasingly upon us. These problems, combined with the gap between the rich and the poor, get worse every day. Moreover, the proverbial and so-called ‘clash of civilizations’ has now reached global proportions. In summary, religious and ethnical fundamentalism (culture), environmental destruction and communal decay (nature), corruption and closed societies (politics), rampant materialism in conjunction with abject poverty (economics): for us, these are all interdependent symptoms of a deeper underlying – and untransformed – cause.

For us the underlying cause is that an increasingly one-sided form of politics and economics has eclipsed the diversity of our nature and culture. In fact, rather than economics and politics building on nature and culture, the reverse has prevailed. Specifically, the ‘west’ has dominated over the ‘rest’. The inevitable result has been a ‘clash of civilizations’, rather than a dialogue. What kind of dialogue are we alluding to? We mean the dialogue between you and me, between local communities and global systems; between the north and south, east and west of our globe; between the public and the private, the civic and the environmental sector of our societies. All that.

Transformation, for us, arises, when such dialogue – you may also call it creative interaction or co-creation – between diverse cultures and natures arises. But such dialogue does not just happen by itself. At least not on the large scale, that Canon’s legendary former Chairman Ryuzaburo Kaku is pressing for in the opening quote.

So in this book we offer an integral approach to design and run organizations in their respective communities and societies whereby they engage in such a dialogue and co-creation, within and without. Within then, such an organization equally embraces its ecological (nature), civic (culture), public (technology) and private (economic) each in equal proportion. Without, such an organization acts as a bridge between an individual and a society. An organization, which integrates the four inner dimensions and is thereby fully grounded in its society, can address such burning issues, that Kaku mentions: providing, as such, food for the poor, peace to war-torn-areas, renewal of the natural world, ultimately establishing, in association with others, a foundation for world peace and prosperity.

We shall demonstrate in this book, in theory and in practice, that we are not simply driven by morals (let's do something good for the planet) or aesthetics (integral is beautiful). That is well and good. But, altogether, we are driven to pursue truth, beauty, goodness and utility in addressing the deeper causes of the dysfunctioning of our enterprises, our communities, our societies and the world at large. For us then, as we shall progressively reveal, a main cause is the state of disintegration of our organizations and societies.

We have also discovered, in the course of our research, in the rare cases of the integrated organizations that we had the privilege to study, that they have been able to bring their public and private, civic and environmental functioning into dynamic balance. They were able to reach out to other organizations and societies in a co-creative way. And exactly here, in that co-creative space between nature and culture, politics and economics lies the key to transformation, evolution and social innovation.

Transformation Management, then, is the fruit of decades of probing into the inner cause, why individuals, organizations and societies are often disintegrated and unsustainable, and therefore ultimately dysfunctional. It is the fruit of decades of research and development, of educational programmes on transformation and innovation, of executive education and consulting.

With Transformation Management, we are laying a new path to integration. As you go through the book, you will discover that Transformation Management is not just a new model. It is much more. Transformation Management forms the basis for a new management curriculum, ultimately serving to fundamentally transform the prevailing management education, most especially the MBA world. The way we educate managers and organizational leaders nowadays has a lot to do with the functionality of our organizations and society. Transformation Management is hence an attempt to build a new educational – theoretical as well as practical – framework, to enable the design and management of functional, integrated and sustainable organizations. In other words, Transformation Management is also about the Transformation *of* Management.

What then are key elements of such a transformation? We shall be arguing in this book that whereas the pre-modern period, in world history, was an era of local *dependence*, of for example the peasants on the feudal lord, and the modern era has been an age of national *independence*, culminating in a post-colonial period, we are currently living in an era of *interdependence*. Ironically, and in this case negatively, such interdependence has become evident to many amongst us only through contemporary environmental, food and energy crises as well as ethnic and religious fundamentalism.

In the positive terms, with which this book is concerned, such an interdependent era is *trans-cultural*, *trans-disciplinary*, and *trans-personal*, and altogether *trans-formational*. Moreover, the *trans-sectoral* nature and scope of an 'integrated' or 'integral' enterprise is

required to accommodate all of such. Only a few pioneering enterprises, ranging from a Sekem in Egypt to Grameen in Bangladesh, from Broad Air Conditioning in China to Virgin in the UK, have begun to grasp that integral truth. We shall therefore feature them extensively in this book.

For us, then, the ultimate resolution of the financial crisis, if not also the energy crisis, and indeed the crisis of our civilization, lies neither in government ownership, nor in financial regulation, nor indeed in the media indulgence in 'the blame game', but rather in a much more fundamental transformation and re-integration of enterprise and society. Building such an Integral Enterprise is indeed the core objective of Transformation Management. We shall now take you through such a step-by-step process to achieve just that.