

NEW DEAL: A sociological consulting approach to humanistic management and deliberately developmental organization

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Abstract

As in the case of the French Revolution of 1789, attempts to replace a historically grown system, for instance, a hierarchically managed profit system, by a non-hierarchical system of distributed leadership typically fail.

The most obvious reason for this is that the workforce meant to bring to life a new mode of work delivery is developmentally unprepared to exercise the new freedom that history bestows on it. The delay in making effective use of new kinds of freedom is not only psychological. It is also sociological in that the society in which such revolutionary changes occur does not provide the needed tools for rousing oneself to insight into the structure of one's thinking, individually or collaboratively. Rather, society keeps its members prisoners of the 'logical' ways of proceeding that they remember as having been successful in the past.

At that point in the revolution, what is needed is a re-assessment of what it took to deliver work in times of *scientific management* that grew into Taylorism and through the software and internet revolutions found a way to drive its influence into the most remote corners of organizational contributors' consciousness. In the control culture created, there had been no way of seeing a use in anything that smacked of ambiguity, and thus also no use for play. Nor had it been considered worthwhile to take note of things that take more than a single step to understand.

In reflecting on the power in oneself of this culture-enforced 'single-mindedness', it is helpful to remind oneself that thinking in successful organizations never occurs on a single level. Rather, there are at least five very different universes of discourse that differ in their thought complexity, although Harvard Business Review will reduce these to a single one by telling you that even today "70% of CEOs worry about the accuracy of their data" (thus painting them as unthinking monsters).

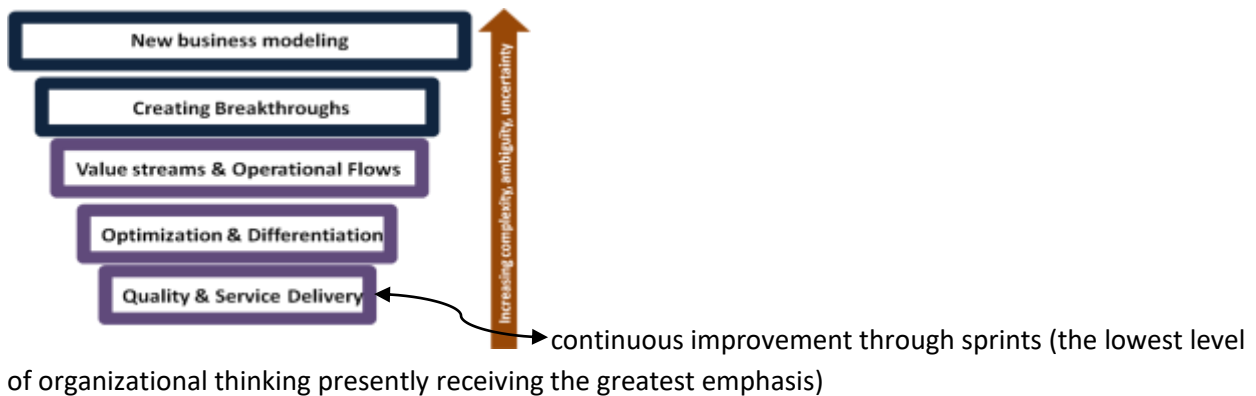


Fig. 1 Levels of Complexity of Organizational Thought (courtesy Jan DeVisch 2014)

As shown in Fig. 1, complexity of thinking is both unnecessary and rarely found at the lowest rung, of *quality and service delivery* on which most manifestos of distributed leadership are presently fixated. The real issue is, rather, how to transcend that lowest level of organizational thinking, not just by introducing sprints which universalize lack of ambiguity, but by adding thought complexity which can help discover new ambiguities.

An additional reason for the frequent failure of distributed leadership in non-hierarchical organizations is that in holacracy as in sociocracy, contributors' self is purposefully obliterated and replaced by abstract role definitions focused on 'getting the job done'. In this way adult-developmental differences between individual contributors, hugely important for achieving collaborative intelligence in teams, are never acknowledged or, if so, disavowed and neglected.

In the perspective of the *Three Houses* of the Constructive Developmental Framework, shown in Fig. 2, below, this amounts to reducing contributors' *internal work place* to one of three interrelated dimensions of work, referred to as the *Task House*. Consequently, the structural, political, leader-follower and symbolic implications of the personal meaning of work (*Organizational House*) are never noticed, not to speak of attention to contributors' *Self House* in which the dimensions of an organization's *social capital* reverberate as a function of each contributor's level of adult development.

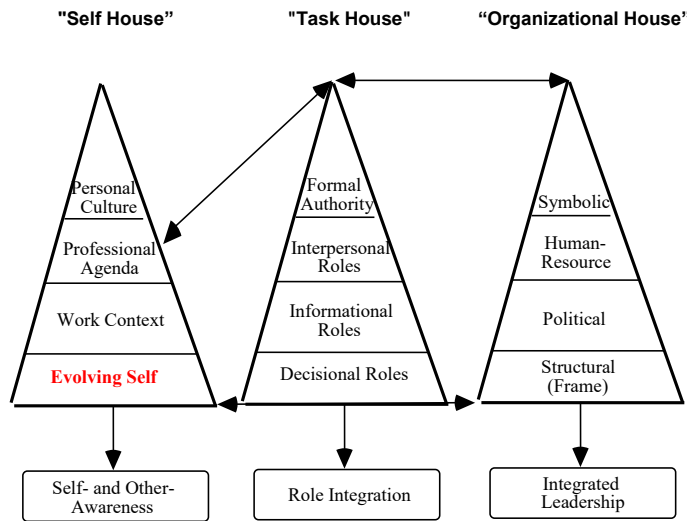


Fig. 2 Three Houses of Work and Work Delivery

One could say that when collaborative work is reduced to Task House issues, social capital breaks down, with straightforward consequences. The breakdown has an immediate impact on an organization's *social productivity* which is grounded in the intersection of contributors' evolving self (adult development) unfolding in the Self House -- that is, *human capital* -- with the *social capital* correspondingly created by them in the Organizational House. From a New Deal point of view, the

consequences of this breakdown readily appear in all *four dimensions of social productivity*: (1) in what way personal relationships ground contributors' capability to collaborate, (2) how contributors balance emotions and personal bonding (personal process) against conceptual work in teams (task process), (3) where attention in collaborative work is placed -- to outcomes or processes, or both --, and (4) in what way different universes of expert knowledge cohere in work delivery.

It is therefore important to recall and acknowledge that work and work delivery have very different meanings in each of the Three Houses, and that each House – seen as a dimension of contributors' *internal workplace* – makes different contributions to social productivity. While in the *Task House*, strategic goals and logistics rule, in the *Organizational House* the focus is on a company's social capital, that is, on how a group of contributors actually interprets the organization as a whole, logistically, politically, as well as sociological and psychologically. Only when upgrading leadership thinking to conceiving of the Three Houses in close relationship to each other does an organization move into a position in which attention to social capital and its measurement becomes truly possible.

It is a truism that companies large and small have had, and are having, a very hard time embracing the concept of *deliberately developmental organization* (DDO) introduced by Kegan and Lahey (Kegan et al., 2016). The reasons for this are obvious: the concept of organizations as places for nurturing adult development jointly with making profit and staying in the market is a daring and challenging one. This is because DDO requires companies to completely transform their concept and treatment of 'human resources', and to do so at the peril of badly losing out in the market externally, and of creating opaque and “uncontrollable” developments inside their operational core.

However, to rethink human resources is simply impossible when focusing on the Task House alone. By excluding the *Organizational House*, social capital is denied; by denying the *Self House*, the adult-developmental foundations of work are made invisible. Both of these denials put the ax to getting the job done at every level of an organization which relies on building up social capital.

In light of pervasive lack of attention to the dimensions of work falling outside of the Task House (Fig. 2), a recently published *sociological approach* to management consulting and organizational learning is of great interest (New Deal, Gucher et al. 2015; <http://www.4dimensions.at/index.php/publikationen.html>). This approach (published in German) considers Task House issues only as a trigger of opening up substantial issues in the Organizational and Self Houses of work delivery, for the sake of facilitating the transition from scientific (hierarchical) to humanistic management (Minghetti 2014).

In this approach, the notion of *social capital* (Sozialkapital) moves into the center of attention. Social capital becomes visible as a unifier of the three dimensions of contributors' *internal workplace* outlined by way of the Houses. Procedurally, social capital defines an entry point to achieving a cultural

transformation in organizations on their path to distributed leadership and, what is more, to becoming emphatically *social* organizations (Minghetti).

New Deal defines social capital as consisting of four increasingly relevant "economies": (1) *personal relationships*, (2) *emotions*, (3) *attention*, and (4) *knowledge*. Managing these economies is seen as pivotal not only for leaders in hierarchical organizations, but equally for those that accompany organizations on their way to distributed leadership (the "Ex-CEOs"), in contrast to adhering to anachronistic hierarchical models.

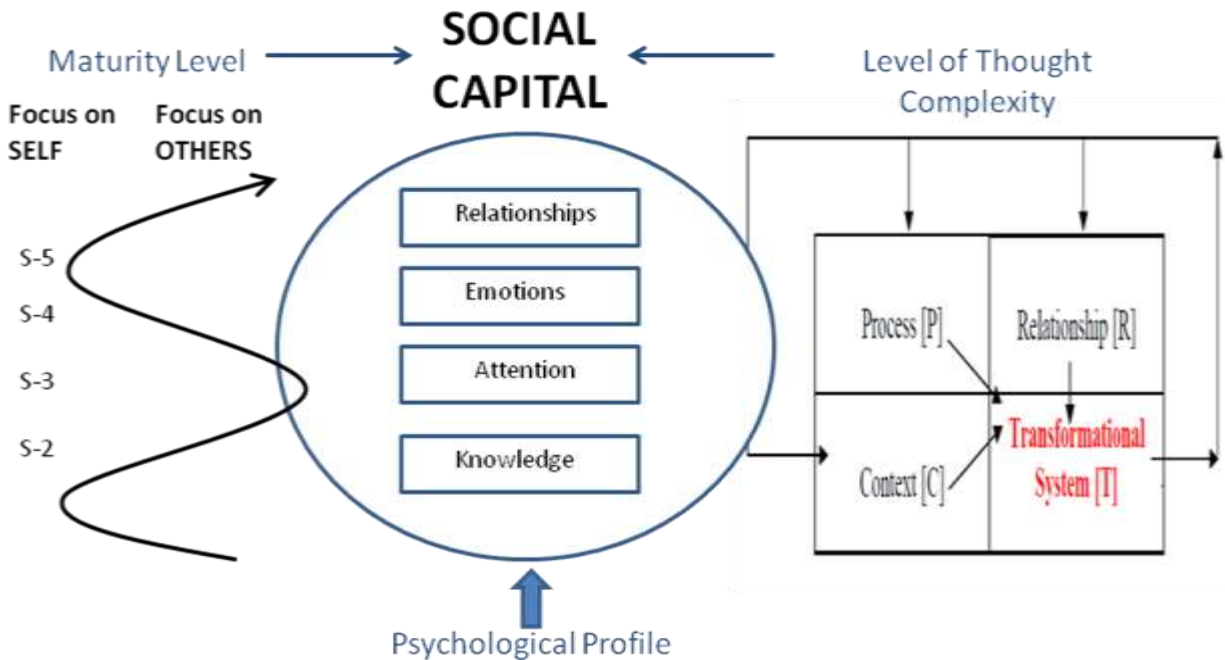


Fig. 3 Three developmental dimensions of Social Capital (social-emotional, cognitive, and psychological)

Fig. 3 above shows social capital from the perspective of its adult-developmental foundations, thus from the combined perspective of the Organizational and Self Houses. From this vantage point, work delivery is a *reflexive process* that goes far beyond 'getting jobs done'; rather, it is a place where social capital is constantly generated based on contributors' level of consciousness and personal engagement.

Accordingly, jobs are accomplished only when commensurate levels of social-emotional meaning-making (Kegan & Lahey, 2016) and cognitive sense-making ('thinking'; Laske 2017, 2015) coalesce in individuals and in teams (where psychological profile plays an additional role). **Where that happens, social capital is created, while otherwise it is destroyed.** Reduction of work delivery to the Task House is thus itself putting the ax to social capital.

The essential insight in New Deal is that the decay of organizational hierarchy does two things: it makes hierarchical organizations more vulnerable to being hijacked by small, more agile organizations at the same time that it is giving the workforce new freedoms that cannot be used effectively without increasing the level of awareness of social capital (in the sense of the four economies mentioned above).

In addition, the authors of New Deal see awareness of social capital as a harness needed by members of non-hierarchical organizations since they have become individually more exposed to losing face on account of their own lack of capability that was formerly hidden behind, or sheltered by, organizational hierarchy (Boyd & Laske 2016).

This broader conception of work, embedded in a holding environment of social capital, entails that work delivery naturally nurtures each of the four dimensions of social capital. In fact, it does several important things at once:

1. updating and deepening personal relationships
2. testing the maturity of emotions in teams (especially relative to team members' complexity of thinking)
3. renewing and replenishing contributors' attention to what is constructive and work enhancing, and what destroys social capital
4. updating and deepening personal and team knowledge and creating openings for strengthening knowledge complexity.

Importantly, New Deal strives to make work delivery a personal endeavor, not unlike Kegan and Lahey who emphasized “an everyone culture” (2016). However, New Deal consulting and teaching presently fall short of reflecting the adult-developmental foundations of personal endeavor as well as social capital, thus marching only part of the way toward humanistic management and DDO. (One finds a similar gap in Minghetti's *Collaborative Intelligence*, mentioned above, despite its emphasis on social capital).

From the perspective of the adult-developmentally grounded CDF (Constructive Developmental Framework), social capital is rooted in the **quality of dialog** at all levels of an organization. Dialog is always carried out as a function of *divergent* levels of emotional maturity and complexity of thinking, as well as subject to the vicissitudes of the dialog partners' different psychological profile (Fig. 3 above). How divergent developmental levels of adult development interact in concrete circumstances, especially in teams, is therefore of paramount importance for the success or failure of distributed leadership.

As they naturally come into play, these levels decide how far an organization's leaders are able to intercept the flight of followers' “I” into unaccountability by hiding behind objectivity, or moving into self-reification (Safranski 2014, p. 31). The processes by which different developmental levels enter into play with each other are thus the final arbiters of whether a collaborative 'We' can be fashioned in the reflexive process of work. For this reason, it is of the utmost importance that a way is found to nurture

in contributors an awareness that they are constantly creating or destroying social capital. In this way they also acquire *organizational citizenship* without which they come and go.

Conclusion

The sociological approach to making transparent and nurturing social capital can helpfully be coupled with the adult- developmental approach. The simple reason for this is that **the former is focused on heightening awareness of social capital while the latter is focused on the reflexive process itself by which social capital is generated**. The invitation issued by New Deal thus becomes much more effective if it is accompanied by an awareness of adult-developmental processes, potentials, and vicissitudes. In particular, CDF dialog tools are pivotal in deepening contributors' reflexive process in the direction of a higher awareness of developmental differentials that exist between them, and of how these differentials influence work in teams and larger communities.

By linking the sociological with the developmental approach, it becomes possible to make visible the various ways in which social capital is actually generated, rather than simply reflected upon as an outcome. This facilitates knowing what developmental supports for augmenting social capital can be applied where, when, and how. Adult-developmental tools also make it easier to determine why a specific counter-productive contribution to social capital continues to be made, and how to transform such a destructive contribution based on empirical assessment. In this way, insight into the *transformational structure* of social capital acquires greater transparency than the sociological approach by itself would allow for.

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