



# IMAGE

AN ACTION RESEARCH JOURNAL  
ON  
PERSONAL AND ORGANISATIONAL TRANSFORMATION

THE INSTITUTE OF CULTURAL AFFAIRS and LENS INTERNATIONAL





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### AN ACTION RESEARCH JOURNAL ON PERSONAL AND ORGANISATIONAL TRANSFORMATION

The Action Research Journal is written to communicate designs, formats and ideas of transformational processes which promote the human factor in private and public sectors. It is published by the Corporate Services Division of The Institute of Cultural Affairs: India for distribution through the Asia Network of ICA and LENS International organisations. These include ICA: India (Bombay, Panvel and Pune), LENS Services Pvt. Ltd. (New Delhi), LENS International Malaysia Sdn. Bhd., ICA: Australia, ICA: Taiwan, ICA Associates (Hong Kong) and LENS International Japan.

The Action Research Journal draws on a variety of sources including other ICA world-wide offices and affiliated professional consulting organisations to provide a spectrum of practical tools and constructs that facilitate individual and organisational transformation. We welcome comments and articles from our readers.

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#### "THE TRANSFORMATIONAL LEADERSHIP LAB"

#### TABLE OF CONTENTS

2	Journal Overview	An introduction to this issue
4	The TLL Design	An overview of the Transformational Leadership Lab and an explanation of its rationale
7	Strategically Outclassed	A chapter from the book, <u>Charting the Corporate Mind</u> , by Charles Hampden-Turner, used in the TLL
11	Transformation Research	A listing of the research topics of the TLL participants and one example called "The Experience of Being a Facilitator" by Y. S. Bhat
13	The Habit of Proactivity	An edited transcript of the video tape, <u>The Seven Habits of Highly Effective People</u> , by Dr. Stephen Covey
17	The Heart of Transformation	A talk given at the TLL which describes the "change of heart" required for organisational transformation
19	The Fifth Discipline	A description of the five disciplines of a learning organisation, from the book by Peter Senge
23	The TLL Story and Song	Created by the TLL participants



# JOURNAL OVERVIEW



This issue of the Image is taken from the work of the **Transformational Leadership Lab** that was conducted in Bombay, India during the months of October, November and December of 1990. The cover symbol is the work of the participants during the last module. It is an attempt to convey what the TLL was and how it released the participants to be catalysers of transformation in their organisations.

In previous Image Journals we have examined many aspects of transformation of both individuals and organisations. In this issue we explore the dynamics of transformation, especially as they were experienced in the three modules by the representatives of seven companies from India and the facilitation team. The idea of conducting a Transformational Leadership Lab emerged as our work in depth with companies revealed that these organisations were ready to work on the foundational changes needed for organisational transformation. In order for this to be successful it was apparent that a programme where several organisations could share experiences and work out ideas together would be best. It was also necessary for each organisation to have at least two representatives so that they could continue to support each other in the long journey of organisational transformation.

It was clear from the beginning that this work would be substantially different from any of the programmes the ICA had done. Perhaps the biggest breakthrough came when we realised that the programme had to be a Transformational Lab, rather than a Transformational Academy, which was our first design. Our Academy concept was built principally around the knowledge base and access of the ICA facilitation experiences. Across the world the ICA and its affiliated organisations have been working with companies and organisations on

effective means of participatory change processes. We have developed a high competence in this arena and have many programmes in which knowledge and skill can be imparted. But we came to realise what was needed for these organisations was a "joint venture" into the realm of organisational transformation. The ICA needed to be a partner in this discovery process. The programme needed to be a laboratory, where the understanding and process of organisational transformation could be explored from both sides simultaneously, that is, from the "inside", through the eyes and work of the participants, and the "outside", through the eyes and work of facilitators like the ICA.

## This Issue

The first article of this issue, **The TLL Design**, is a description of the three modules of the programme and the rationale for each of the components. A word of acknowledgement is needed here. The design of this programme was truly an international collaboration of ICA locations. The team in Kuala Lumpur built many of the components. The ICA teams in Taiwan, Tokyo and Brazil all contributed ideas and suggestions. But what became clear as we worked on the design was that it had to be tailored to the culture in which the participating organisations functioned. Organisational transformation has common dynamics across the world, but when working on a Lab, the specifics would have to be framed in terms of the local situation.

The three, four-day modules, conducted with one month intervals between modules, had the feel of a research group. It was a genuine exploration into new territory. Like any research, it had its successes and failures, or perhaps better put, "learning experiences". The key symbol of this joint exploration was the decision that each participant would work on a research topic that would be shared with all participants. This research would be an ongoing process for us all. We are featuring one of the research topics in this issue. Mr. Y. S. Bhat, Manager of Quality Assurance from Widia Ltd., has been trained as a facilitator by the ICA. In his research report, **Experiences of Being a Facilitator**, he shares his understanding and learnings of becoming a facilitator within his own organisation. We will continue to include future research topics from the group in later issues.

One of the great joys of designing and conducting such a programme as the TLL is the opportunity to explore and utilise resources from many locations. One in particular that was critical to the individual growth component of the Lab was a set of video tapes by Dr. Stephen Covey, an American consultant. His tapes (and a recently released book) are titled, **Seven Habits of Highly Effective People**. In these



tapes he outlines the self understanding and discipline it takes to make a real difference in an organisation. The first three habits focus on the development of being proactive. It is the internal discipline that enables a person to understand how one is capable of developing a personal vision and how that value-driven vision can be the basis for making responsible decisions. The next three habits deal with our relationship to others. These include very helpful discussions on "deep" listening and how to create win-win situations. The last habit concludes with his recommendations of a personal plan for developing these habits. We are including in this issue an edited version of his first habit, **The Habit of Proactivity**.

A second source of material comes from many of the books that have come out recently about the role of the business organisation in the development of people and society. We would recommend the following books as helpful in the understanding of organisational transformation.

Servant Leadership, by Robert K. Greenleaf  
 Charting the Corporate Mind, by Charles Hampden-Turner  
 Developmental Management, by Dr. Ronnie Lessem  
 Global Mind Change, by Dr. Willis Harman  
 The Knowledge Executive, by Harland Cleveland  
 Mind of a Manger, Soul of a Leader, by Craig Hickman  
 Strategy of the Dolphin, by Dudley Lynch and Paul Kordis  
 Doing Business Boldly, by Daniel Kehler  
 The Fifth Discipline, by Peter Senge

Two articles have been included from books that were part of the TLL. Charles Hampden-Turner's book, Charting the Corporate Mind, outlines how the Japanese way of thinking is the primary reason for their global success. **Strategically Outclassed** is a chapter from his book that describes this thinking. This was one of the papers used in the first module which helped clarify the shift in the "mind" of the organisation that will be necessary for transformation to take place.

The second article is from a book that is the best work available on the designs and parameters of a Learning Organisation. Peter Senge, from M.I.T., who has written **The Fifth Discipline: The Art and Science of The Learning Organisation**, defines a Learning Organisation as that which incorporates five disciplines into its daily operation and structure. Part of his opening contextual chapter that describes the five disciplines has been included.

Next is an article that is essentially the contextual talk given in Module II. **The Heart of Transformation** is the context for what an organisation does to have a "change of heart", that is, to take the new paradigm into its culture.

Finally, the **Song-Story-Symbol** that was part of the final exercise of the TLL is included. The participants wrote a song and story that communicates their experience in the Lab and built the symbol which is on this issue's cover. Although most meaningful to those who actually participated in the Lab, it will give you a sense of how the group experienced the Lab in a poetic manner.

#### Past Image Issues Information

There have been requests for some of the past issues of the Image Journal. Copies of Issues Two through Nine are available. The cost of each copy, including mailing expense is Rs. 20 for requests in India and \$3.00 for requests from outside India. Cheques should be made payable to The ICA: India.

Issue No.	Topic
2	The Journey of Transformation
3	Developing Human Potential
4	Creativity and Innovation
5	Transformational Processes
6	Service
7	The Learning Community
8	Implementation
9	Vision

The next issue, No. Eleven, will be "Whole Systems Transition", a report of the Human Capacities Academy conducted by Dr. Jean Houston and Ms. Peggy Nash Rubin in India, during January 1991.





# THE TLL DESIGN

## Organisational Change Process

The Transformational Leadership Lab is based on a "whole systems" understanding of change. Transformation is neither a single occurrence nor isolatable in a single system. It is continuous and involves the whole organism and/or organisation. In order to appreciate the design of the TLL the following brief overview on the journey of transformation will be helpful.

### Individual Change Process

To understand transformation is to know the journey one takes in a radical change process. The first thing that happens is that an idea or experience is assimilated into the existing pattern of interpretations and values. This "pattern" is our way of making sense out of what happens to us. It is a complex combination of interlocking and connecting thoughts, images and memories. It is built up over long periods by our education process and our culture. For most ideas or experiences we have a well-prepared system to assimilate them into our understanding. But what happens when it "doesn't fit" our normal explanations or fundamentally challenges our deep-felt value system? Either we reject it or we have to make a radical shift in our patterned understanding. This radical shift is transformation, provided it is in the direction of a more holistic perception and a more integrative pattern.

Once this new understanding has been cognitively integrated, it must then be emotionally reconciled. This is the matter of the "Heart". Our minds can often be changed, even radically; but our pattern of behaviour is not a series of thoughts. Our emotive response is not rational, it has its own way of understanding and directing behaviour. Therefore, this "transformation of the mind" must be followed by "transformation of the heart". This "heart surgery" is a delicate and often painful process. But for lasting change to take place, it must be done.

The final step in this "whole systems" transformation process is to commit the body to act on the new understanding and resolve. This means finding new ways to act and new skills to enable the ideas and commitment to take form. It means having new ways of evaluating our actions. It also means seeing how our actions are supporting and aligning themselves with the larger patterns that have become our operating paradigm.

Although this process is presented as a three step flow, it is much more complex. There are constant feedback systems between all three dimensions, mind, spirit or heart and the body. Each of the three aspects can be operating on separate dimensions of transformation. It is often a very chaotic and confusing experience.

The same three step process that is described above for an individual is also applicable to an organisation. An organisation has a collective mind. It has a set of understandings about itself, its market environment, its operation and the greater world of which it is a part. These understandings are the result of years of experience and have patterns that often form the basis for educating new entrants into the organisational environment. But these assumptions, many of which are deeply held and cherished, can be radically called into question by the rapidly changing world in which we live. The organisation that is transformed by this process is called a **Learning Organisation**.

One complicating factor for the collective corporate mind is whether it operates as an integrated system, or it has poorly connected feedback and dissemination systems. If the latter is the case, the organisation will not be of one mind and will find it very difficult to change its way of understanding. This capacity to rapidly respond to change is often understood in terms of alignment. The more aligned the organisation is, the easier it is for a new understanding in one part of the organisation to reach and alter the understanding in another part of the organisation.

The change of heart for an organisation is the process whereby the organisation shifts its values to become a **Caring Organisation**. It is the development of attunement between the members of the organisation so that there is a resonance of mutual concern. This is the process that enables an organisation to actually embody the often professed belief that "people are our most important asset". The aspects of this are spelled out in more detail in the article titled, *The Heart of Transformation*.

The change of the "body" of an organisation is reflected in its sense of mission and service. It becomes a **Serving Organisation**, responding to genuine needs of society. This serving modality becomes the operational norm for all actions. In both internal and external relationships a sense of stewardship permeates the actions.

### The TLL Format

The Transformational Leadership Lab is built on the dynamical transformation process of changing the mind, heart (spirit) and body of the individuals participating in the lab and at the same time understanding how that is to be done within an organisation. These processes are "knowing", "being" and "doing" respectively. Each module deals both with the individual and the organisation. In the first we covered the emergence of a Learning Organisation. In



THE TRANSFORMATIONAL LEADERSHIP LAB			
MODULE I - GLOBAL OPERATING PERSPECTIVE			
GLOBAL BUSINESS EDGES	THE CHANGING ENVIRONMENT	BUSINESS MISSION IN THE 90'S	ORGANISATIONAL TRANSFORMATION PROJECT
MODULE II - INDIVIDUAL AND TEAM EMPOWERMENT			
SPIRIT OF TRANSFORMATION	COMMUNICATING IN OPEN SPACE	TECHNOLOGY OF PARTICIPATION	PERSONAL GROWTH LAB
MODULE III - ORGANISATIONAL CHANGE STRATEGIES			
VISION OF TRANSFORMATION	DEVELOPMENTAL MANAGEMENT	TRANSFORMATIONAL STRATEGIES	INDIVIDUAL COMPANY PLANS

the second we discovered the dimensions of a Caring Organisation and in the third module we built the components of a Serving organisation.

The Transformational Leadership Lab (TLL) is designed with several dynamics in mind. First, because it is a Lab, the construct needs to be flexible, open and highly self-directed. The participants, all of us, need to feel that a good deal of "open space" is present. Yet this has to be balanced with a guided flow and structure so that we can not only arrive at helpful insights for our organisational change, but avoid getting bogged down in unhelpful discussions.

The second dynamic is creating a dialogue between resource people and our own experiences. The resource people for the lab are the authors of articles and books and the participants in videos and movies.

The third dynamic is the balance of physical, mental and spiritual activities. We tried to have all three present in each module, but with a greater emphasis of mental activity in the first (Mind) module, spiritual exercises in the second (Heart/Spirit) and physical activity in the third (body) module.

#### Module I-Global Operating Perspective

Each module follows a similar rationale. It begins with a conversation on anticipations followed by a presentation of the overall context for the transformation dynamic of that module and the outline of the specific four day programme. At this point there is an attempt to integrate anticipations and concerns

into the design. In all cases there were substantial shifts made in the designs. This enabled the participants to understand they were "co-designing" the programme. Each module ends with an in-depth evaluation of each of the components and suggestions for the next module.

The function of the first day is to establish the context of the module. For the change in Mind and the grasping of the new operating paradigm for business, the participants first share in small groups their own experiences and perceptions of the dramatic changes affecting their organisations and markets. These small group discussions are combined in a whole group session into a series of long-range trends. The video "Thriving on Chaos", by Tom Peters gives additional global perspectives to today's rapid change and confirms much of what participants are saying about their own experiences and insights.

The next three days all begin with an early morning session of viewing Dr. Stephen Covey tapes of Seven Habits of Highly Effective People. These talks provide for deep introspection of one's own life and direction. An hour is devoted to each video and another hour at the beginning of the morning session for group reflection. To give you a feel for what he covers in the tapes you will find an edited version of his first Habit, The Habit of Being Proactive, in this issue. In the evaluation of the entire Lab, these tapes received the highest rating for usefulness.



The second day of the first module is devoted to getting "inside" the paradigm shift. Three aspects are covered. The "macro" change in thinking as explained by Willis Harman in his book, Global Mind Change, the change in marketing and product development as disclosed by Charles Hampden-Turner in his article, Strategically Outclassed, and the change in thinking in the operating of a business as outlined by Dr. Stanley Davis in his book, Future Perfect. Each group takes an article and digests the thinking and responds by outlining its applicability to the Indian scene. These are shared with the whole group in turn and a composite picture of the new paradigm is created. In the light of needing to develop Learning Organisations, the afternoon is spent on discovering our own "learning styles" and how we could integrate multiple learning styles into our organisational teams.

The day ends with the showing of a current movie that illustrates the struggle of incorporating Japanese work ethics and style into an American auto factory. A comedy, called Gung Ho, shows the struggle and benefits of combining East and West ways of working in a very amusing and helpful way.

The third day is focused on sharing work done in the participating organisations that are developing systems of a learning organisation. It is a time for sharing approaches that work and what additional change processes will be necessary. A fine video from the BBC on The Future of Business gives additional images and ideas of how the new organisation is emerging and some of the fundamental changes in thinking that will be necessary for the leaders of business.

The fourth day has the group defining the dynamics and parameters of increasing the "learning curve" of an organisation. Finally, the module concludes with each person selecting a research topic of organisational transformation that will be worked on over the next several months.

### Module II - Individual and Team Empowerment

The second module is designed to enable the participants not only to discover how transformation happens in creating a Caring Organisation, but to experience it also. The space and time designs are shifted to allow them to learn how these two factors alter the dynamics of group work. The seating is team oriented and the walls are used to create "working decor" and symbols of team effort and motivational messages. The early morning seminar is a continuation of the Covey videos, but the habits covered are those dealing with how to effectively create win-win situations with colleagues.

The time design is radically open for group work. The method used is one created by Harrison Owen, who developed the technology of "Open Space". For

two days the participants use this method to present ideas and generate working discussion groups around topics they have "sold" in the marketplace of ideas. Groups form and dissolve, people shift from one to another as the free flow of ideas and work function. It seems slightly chaotic, but the process works well if good facilitation techniques are used with the groups.

The last day is quite different. A personal growth lab enables each person to have a guided experience into his own life purpose and mission. Various tools are used including a video called, The Global Brain, guided visualisations, readings, worksheets and background music. The seating is such that although the group is together in one room, each person has his own private working space.

### Module III - Organisational Change Strategies

This module is about "doing". It is putting into place the work of the first two modules. It is about working through effective change strategies for their own organisations. The flow of the four days is built around the parts of the LENS process. The first day is learning how a vision is articulated and communicated. The second day is on contradictional thinking. The third is on strategic thinking and action. The fourth day is devoted to how holistic thinking and acting can result in a new way for companies to operate, especially through the recovery of ancient Indian understandings.

Each day starts with yoga. The work sessions are divided into three parts. First is the explanation of the change action (Vision, Contradiction, Strategy). Second is an in-depth working through the method that enables an organisation to utilise the instrument. The last part is a practice session with reflection on learnings of the method. In each of the four days, methods are presented and practiced. They are the Vision Method, the Dilemma Method, Strategy and Maneuver Method and Motivity Method.

The programme ends with participants creating a symbol of the TLL, a song and the story of our journey together in the lab. Finally, a closing plenary symbolises the new related network that has emerged. The group commits to meeting again in six months at one of the participating companies at which time further sharing will be done.

### Final Reflections

The participants found the Lab both beneficial and profound. It produced a commitment by all attending to not only keep in touch, but to be a demonstration of change agents within their organisations. It is the feeling of those that facilitated the process that this is a very powerful tool and needs to be shared and repeated with many more participating organisations and in many other countries.



# STRATEGICALLY OUTCLASSED - C. Hampden-Turner

The Pursuit of Knowledge Intensity  
and Integral Value

One of the most consistent biases in the conventional wisdom of Western economics is that the value of a particular product is "nothing but" the price which consumers will pay for each additional unit of that product. An impersonal market mechanism decrees where the demand curve meets the supply curve, and their conjunction decides the amount purchased and at what price.

According to this view, values are purely subjective and entirely relative to personal idiosyncrasies until the aggregate behaviour of consumers gives these values an objective price in the marketplace. There is no *a priori* strategy, however artful, that is not abrogated by the will of customers.

Even today, governments dabble in the dubious practice of "picking winners" and targeting certain products and key industries for special favors. What gnostic wisdom is this which settles on the minds of unelected bureaucrats? What dogma of Immaculate Perception informs them of what we will in future buy? It is certainly easy to stomp all over the idea of targeting, but it is difficult to see how the otherwise brilliantly successful economies of the Pacific Rim could be so "foolish," or why the "wise" advocates of total consumer sovereignty in the United States and Britain should be presiding over such calamitous deficits in their international balance of trade. Could there be elements in Asian calculations which elude us?

Nothing better illustrates our total incomprehension of Asian strategy than the imputation that they are "picking winners." This vision of a horse race, with every product racing against every other product, is how we think, in bits and pieces, and in aggregations of individualists. Unlike us, they look out upon a world of complementarities and connections. For them the economy is a whole organism.

Wealth creation involves a configuration of values. Products have at least two sources of value, their unit value, the price that product fetches on the market, and their integral value, the value of that product to other products, present or future, and the value inherent in teaching or developing those who invest, apply, manufacture, market, consume, and use that product. It simply is not true that, say, a case of plastic cocktail swivel sticks worth fifty dollars is as valuable to an organisation or an economy as a battery-operated radio and cassette player worth fifty dollars. This is because the latter product is higher in knowledge intensity, that is, more learning goes into every phase of its development and use. The finished product is itself a major means of disseminating information even in the absence of electricity and is crucial to communication in much of the third world.

Asians are not "picking winners" so much as picking teachers, products that will supply the knowledge and skills to make other products and develop the economy's human resources at the same time.

In other words, products have widely differing capacities to elicit greater potentials from their makers and consumers. Asians are not "picking winners" so much as picking teachers, products that will supply the knowledge and skills to make other products and develop the economy's human resources at the same time.

Take the case of microchips. The Japanese call these "the rice of industry" and they speak of "food chains" with certain key products nourishing the rest. A microchip can put a brain into anything from a road system to a child's toy and makes tens of thousands of otherwise inanimate products intelligent and responsive. All this occurs naturally to a people who see kami in rocks and trees, mountains and rivers. Microchips animate the physical universe, creating a multitude of purposeful objects. The point is not that microchips, machine tools, or robots are winners, although this happens to be true, but that incalculable benefits accrue to the entire economy by making these products as well and as cheaply as possible. The decision to target them is not, therefore, predicated on the gamble that they will win, but on the certainty that every degree of improvement in such linchpin products would repay this effort many times over in the sheer variety of products enhanced. We are back again to the judo of Jigoro Kano, where minimal effort is designed to produce maximum effect.

The strategy of systematically increasing the knowledge intensity of one's products has a corollary. Low-knowledge products must be phased out, preferable before low-wage competition from the developing world causes them to collapse, with all the accompanying dislocation and distress this causes. Indeed, buying simple manufactures from newly industrialising countries assists their economic development, while trying to go on making mass-market boots, shoes, and textiles tends to impoverish whole areas of advanced economies. Japan's relationship to its co-prosperity sphere is much stronger as a result of this strategy than is the U.S. policy of trying to keep Latin American peasants on the land producing cash crops and raw materials.

## Market Share and Profitability

There are quite different attitudes in Asian capitalism toward the relative values of profiting and



the gaining of market share. Newspapers in Japan report what corporations have done for their customers, the share of the market, and the degree to which its size has been increased. The profit, what has been accomplished for shareholders or retained by the corporation, is far less emphasised. This becomes very important in the light of the Asian competitive practice of going primarily for growth, by dropping prices and going flat out for an enlarged market and a larger share of that market. To this end profit margins may be shaved wafer thin or they may be foregone entirely. The West refers to this as "predatory pricing," "dumping." The resulting calls for "a level playing field" assume that the Asians are playing the same game as the one we play. But are they? It is similar in some ways to a contest between a heavyweight boxer and a judo champion. The argument on roles is illusory. Each is fighting according to the rules of his own culture.

The Asians stand poised between the axes of profitability and market share. But they then "move to the right," going all out for market share and foregoing profits for the short term. This has a disastrous effect on their opponents' profitability. If you are losing market share to a lower-cost competitor, your profits are likely to be squeezed severely. Hence the "move to the right" *imposes upon your opponent a severe dilemma between falling market share and falling profits.*

Now the style of Western corporations is to maintain high margins at all cost. This is partly cultural - profit is perceived as the supreme value - and partly structural; Western corporations need to pay dividends to shareholders, many of which are pension funds. In contrast, Asian companies are more "highly geared." They have more debt compared to equity, and their shareholders are more interested in growth than in dividends. This means that in a contest for market share by cutting prices, the Asian corporation is likely to hold out longer than the Western one.

Another reason why Asian competitors may be prepared to absorb losses in the sale of a particular product is because they are focused on its integral value, while we are concerned exclusively with unit value. It may pay a corporation to take temporary losses on its metal ceramics as a product, if those same ceramics are a "strategic" ingredient in twenty other products still being profitably sold.

But it is crucial to grasp that *the sacrifice of profitability is only short term.* The idea is to make the competitor withdraw from the contest and this is what will typically occur. In the end, the Asian competitor has both the market share and the profitability, while the Western corporation is left defending a few profitable niches.

Yet we should not leave this strategy without noting its devastating effect on Western industries. It has all the momentum of a scythed chariot cutting up an opposing army. Because it relies on indigenous Asian advantages in the way corporations are financed and the different position of shareholders, it may be unstoppable. What has happened - and we must not ignore this - is that the Japanese have gained every market they have targeted and held it until, starved of profits, Western corporations retreated. It is as if an invading army held all the crossroads, and all the strategic hilltops and passes in between, so that we have had to retreat to scattered niches that could be defended more easily and at higher gain.

### Process Innovation and Product Innovation

Another repetitive pattern often seen is that Asians innovate in the process of production some years before they innovate in the products themselves. This leads to the famous "copy-cat" accusation that lulled so many Western economies into believing that competition from the Far East was creatively sterile. In fact, imitation is a form of study and learning. It is also a sensible precaution when approaching an almost totally alien culture where the preferences of consumers are mysterious to you.

And then comes the surprise. Having tracked Western products for several years and innovated significantly in the manner of their making, the Asians suddenly leapfrog Western technology to create innovative products, while we fall over ourselves and gasp in surprise. How could they? All too easily, *since process innovation lies at the roots of product innovation* and what looked like a "cheap imitation" was the result of a radically reorganised factory and redesigned production techniques.

The West is rarely strong on process innovation, although there are an increasing number of exceptions. It is too collectivised and is incompatible with troubled labor relations. Process innovation is "bottom up" rather than "top down." More consistent with Western individualism is the creative unit invented by the creative individual and then manufactured as cheaply as possible by the vulgar masses, if necessary in low-wage countries abroad. None of this helps process innovation or rapid learning.

### The Kaisha With Stabilisers

No one surveying the contemporary business scene could describe it as stable or placid. As international competition heats up corporations are subjected to ever-greater turbulence and shock waves. A major competitive advantage consists of navigating environments of such high turbulence that competitors are severely distressed, or swamped while the victorious corporation rides the waves with comparative ease.



Severe turbulence will typically trigger disputes within Western corporations. A major downturn in sales can lead to massive layoffs and redundancies, along with the possibility of strikes and the certainty of disaffection among its victims, usually blue-collar workers and last-hired staff. The lowest paid tend to be the victims because more senior personnel are protected by contracts and severance payments, by the scarcity of their skills and the value of their information to competitors. But, above all, they are protected by the doctrine of individual self-interest and the belief that this is somehow praiseworthy. Those with the power to protect their own positions will do so, even if this involves shifting the penalties for their own misjudgment or the collective misfortune, so as to inflict these exclusively on subordinates. Because of their treatment of employees, the employees, not surprisingly, have little or no company loyalty.

**Western corporations, compared to Asian ones, chronically underinvest in human resources and corporate learning.**

Even where laid-off workers are rehired when business turns up, they will have been with the company only a few years before the next downturn comes and they are again on the street. "Last hired-first fired" gives them a shuttlecock existence as the corporation's most expendable people. Resentment and cynicism are inevitable. Moreover, by the most elementary canons of justice, those punished in a downturn are the least responsible for managing the company more effectively, while those protected by their own power from any penalties are the most responsible. Horrendous examples abound. Thus GM managers, in the midst of negotiating a large give-back of wages and fringe benefits from their work force, awarded themselves a bonus from what they had extracted. There comes a reckoning. It takes myriad forms: chronic absenteeism, high sickness benefits, industrial unrest, poor quality, petty grievances and legalisms, stealing, sabotage, and lethargy. Above all, workers learn only what they as individuals can sell in the open market into which they are periodically pitchforked. They do not learn how to cooperate, how to marshal several skills and accumulate information in stable networks, or how to make teams work by choosing from their skills repertory the ones most appropriate to the situation.

They do not learn how to manage themselves in a way that makes first-line and even second-line supervisors obsolete, how to solve problems on the

spot and create their own solutions, and how to make the highest quality a value which the entire group supports and pursues free of inspection. As the world rapidly complexifies, only subtle minds communicating subtle information to intimately experienced co-workers are able to master this burgeoning complexity of knowledge.

The Japanese kaisha achieves these goals by stabilising its social system in the midst of great turbulence. It does this primarily by paying as much as 30 percent of the staff remuneration in year-end bonuses. This not only helps maintain a high savings rate - so much money being difficult to spend immediately - but it reminds all staff that their jobs are closely tied to the success of the corporation as a whole. Everyone is in the same boat.

But more important still, it means that in a downturn or setback *everyone's salary is reduced in proportion to their status in the company and their degree of responsibility*. Those who might have seen it coming fare commensurately worse than those innocent of such awareness. In the kaisha ill-fortune is not compounded by injustice and victimisation.

The philosophy is one of optimal balance and resilience. Those with most money and greatest responsibility take the first shock of recession. Those protected rush to shore up the corporation that protected them.

### Stakeholders United

The Asian corporation is more often "owned" by its employees and stakeholders than are corporations in the West, a fact that makes long-term commitment and dedication to the interests of the corporation and its employees far stronger and far more enduring. The difference is one of structure as well as style.

The legal convention in both regions is clear. In the West, governed as it is by the norm of self-interest, a board is appointed to make sure that top executives run the company in the interests of shareholders. These are the checks and balances familiar to American civic culture. No group's self-interest may be unlimited, and so the board yokes the managers of the company to the interests of the absentee owners. Since these shareholders are not a deliberative body but an aggregate of scattered interests, each aiming to maximise his investment, their rights are not really negotiable or capable of being qualified by offsetting considerations. The question of whether they might be prepared to postpone short-term profitability for longer-term gains cannot really be posed to them and much less answered.

The result of such arrangements is that the share price becomes the most important indicator of a company's success, and this is substantially affected by the size of dividends. In order to tie senior managers to the interests of shareholders, they will often have a



profit-sharing bonus plan, sometimes with the option to buy stock at a lower price than recently attained and so pocket the difference. All this gives Western managements a strong incentive to improve and maintain earnings.

It is the triumph of sectional self-interests over the integrity of the organisation as a whole. Senior managers and their subordinates are trapped in a perpetual internecine struggle to use the organisation for the greater relative enrichment of one faction or the other. Such an organisation hesitates to invest heavily in its human resources, especially if the alternative is to give more money to shareholders now, and if an acquirer is in danger of making such an offer. Money spent training workers could increase their bargaining power and their wage demands. If disaffected workers leave or are laid-off in the next downturn, the corporation could find that it has trained those now working for a competitor. For all such reasons Western corporations, compared to Asian ones, *chronically underinvest in human resources and corporate learning*.

The kaisha has quite different priorities. It pays only about 2.0 percent of its earnings on average in dividends, which frees up the rest for rapid reinvestment and "doubling" strategies. It has less equity in its total financing and most of its shareholders are looking for growth rather than dividends. Board members are typically career employees representing all sections of the work force.

Surveys which compare the attitudes of U.S. and Japanese executives reveal that share price is not a major objective for the Japanese while American managers placed it second, just behind return on investment. Because share price, dividend payments, and short-term performance are not the preoccupations for Asian corporations they are for Western ones, the money is freed for heavy investments in human resources, which will stay with the kaisha long term because all staff are identified with the growth of "their" corporation. The dynamics which divide Western corporations into pro-shareholder and anti-shareholder factions are not salient here. The kaisha is a celebration of *wa* or harmony.

### The Revolution In Flexible Manufacturing

This brings us to the final Asian strategy, devastating in its impact, barely credible, and reminiscent of the martial arts in its virtuoso weaving between "opposites" which are regarded in the West as alternatives. The strategy consists of both the economies of scale with a high volume of standard components, and economies of scope or flexibility.

One ingredient is the kanban system, (Just In Time - JIT). Suppliers bring the parts needed for different products right into the plant, minutes before

they are needed. Typically, there is only one source for these parts leading to lower costs, based on the understanding that the supplier will not blackmail the producer, and the producer will not switch between suppliers and "motivate" them with sticks, carrots, and rival suppliers. If the suppliers do their job right, overheads due to inventory, ordering, and dispatching are cut way down.

The second major ingredient is the reduction in changeover costs. Traditionally, setting up a machine takes time, and resetting it for a product of different dimensions will add to the cost with two shorter runs instead of one long run. But if the changeover process is fast enough, with flexible tools that can be reset in seconds, or several tools run by one operator, then short runs can save on handling and storage costs. The economic order quantity may then be in the vicinity of 50 to 100, with costs increasing over that number and under that number. It follows that variety can lower costs by making many short or medium runs more economic than few very long runs, or than a job-shop that supplies individual orders and small batches.

Western corporations, thinking in terms of units, atoms, and individuals, have traditionally put one worker to one machine, and since machines could be more easily manipulated and improved than could people, it was up to the individual to *serve the machine* by maximising throughput and utilisation. The objective of multimachine manning is precisely the opposite - to have several different machines optimising the workers' productivity, that is to *serve the worker* and enhance his/her skills. The machines can all be adjusted in their cycle times so as to be attended to in sequence. The worker moves from one to another to another *harmonising their functions to his/her own rhythm*. Such machine combinations result in a very wide skill repertory. Each "polymachinist" is extraordinarily flexible in what the combination of machines can accomplish, provided the development of these skills is encouraged. Conversion to multimachine manning is credited with raising productivity between 30 to 80 percent.

The kaisha typically uses a "pull" system. The finished product is envisioned and every step toward its final synthesis and assembly is mapped so that the "branches" converge upon the "trunk" at just the right time. The West typically uses a "push" system, with production parts fabricated and pushed into inventories, whether or not they are needed. Once again, the Asians think from the whole back to the parts from which it is derived. The West tends to start with parts and push toward assembly. The answer for Western corporations is to learn by conscious deliberation and reflection - strategies which have come more easily and naturally to the Pacific Rim.



# TRANSFORMATION RESEARCH

In the Transformational Leadership Lab, each participant chose a research topic on transformation. The objective is to begin an ongoing process of shared research. Each participant completed an initial summary of progress at the end of the three modules. This Journal will be one instrument of interchange for the participants. Each issue will include a report of this action research. In this issue, we are including the reflections of Y. S. Bhat.

Ajit Khare - Widia Process of a new organisational structure for T.Q.M.

Y. S. Bhat - Widia The facilitator phenomenon - experiences and reflections.

M.N. Subramanyam - Greaves Foseco What managers expect GFL should do to be a fast learning organisation?

C.K. Srinivasan - Greaves Foseco Managerial staff expectations for making career until retirement.

Sangram Tambe - Ciba-Geigy Pushing decision-making close to the action.

Ulhas Deshpande - Ciba-Geigy Getting employees understanding of long term needs of management.

Krishnamurthy Iyer - Crompton Greaves Small group involvement.

K.S. Natarajan - Crompton Greaves Proactive change amongst first line executives.

T. Sengupta - Voltas Change in Work Culture.

P.F. Sethna - Voltas Trust Building: Unifying Objectives between Managers and Workforce.

Richard West ICA as a Learning Organisation.

Dileep Nath Helping an entrepreneur set up a business.

H. Taba and M. Theophil - Orientations Traditional Indian Systems and a Learning Organisation.

Cyprian D'Souza 'Core' dynamics for a Learning Organisation.

Vinod Parekh How ancient scriptures can be made 'Mgmt-user-friendly.'

Judy Gilles Human Capacities processes to sustain Learning Organisations.

Jack Gilles What are the 'Disciplines' of a Learning Organisation.

## Experiences of Being a Facilitator Y. S. Bhat

In the year 1983 there was a change in my job responsibility at Widia from Production to Quality Assurance. As a part of my new role I started reading about the Japanese revolutionary approaches with respect to concepts of quality and implementation of the concepts. Their efforts towards continuous quality improvement made me sit up and start reflecting on the whole process. The ideas of small group activities, team working, and facilitator guiding and steering the small groups

excited me considerably. Reading about these concepts was a good food for thought; but how to put these concepts into practice, how to experience them myself was another issue altogether.

I learnt that there were quality circles working in some organisations in and around Bangalore. I started my dialogue with some of the people who had initiated these activities in their organisation. My main objective was to get as clear a picture as possible on what exactly was the role of a facilitator. The answers I got were unspecific, vague and confusing. Some advised me to read some books. Some advised me that I must experience the role of a facilitator in order to know what exactly does a facilitator do; some advised me to come and watch facilitators facilitating some group activities. I accepted these invitations and was an observer on a few occasions when group discussions were being facilitated. But what happened on such occasions was not very encouraging; my picture of a facilitator became more confusing. I was at a loss to proceed further in this matter.

Further for me, Widia came in contact with I.C.A. in August 1987 and we had the first practical experience. It was exciting and refreshing. Our Chief Executive was sold on this idea.

Hence I began my personal introduction to the actual playing of the role. The Chief Executive developed the concept of a 'link man', someone who had a 'people' background, who could operate between departments, linking problems and people with the objective of reaching acceptable and implementable solutions to problems and issues. I was selected to play such a role at Widia beginning in 1988. Three years have passed and I continue to enjoy every second of this role.

## Role of a Facilitator

Different organisations have different perceptions of the roles to be played by a facilitator within the organisation. Yet in almost all organisations the role starts off as a part time job. Often facilitators are randomly selected off the organisational structure with the assumption that they will fit smoothly with the different functions in the organisations. On many occasions this approach has failed to bring about the desired result. Sometimes organisations create the role of a facilitator just because other organisations have such jobs and the concept sounds good, without fully knowing what to do with them.

A question is frequently asked - what is the starting point for the role of facilitators? Since recruiting departments have not yet clearly defined the job requirements of a facilitator, facilitators are not recruited through ads and interviews. Quite a few facilitators have started off by participating in



Quality Circles, Cross Functional Problem Solving Teams or similar small group activities. In fact the most commonly known facilitators are those who successfully conduct Quality Circle activities. In this case the facilitators tended to come from front line Engineers or Supervisors, since the Quality Circle activities were mostly at operational level and non-cross functional. When it came to the question of implementing the solutions, these front line facilitators often had difficulties with middle managers and did not know how to deal with middle managers' "inertia".

As the Quality Circle movement grew, the activities spread to office work and cross functional technical issues, from mere operational issues. This necessitated the need for facilitators who were drawn from a higher level on the organisational hierarchy. These facilitators had better managerial skills compared to their counterparts of the earlier days. They had the patience and maturity to handle dicey situations, touchy subjects and above all reluctant participants.

#### Activities of Facilitators

The range of activities in which the facilitators participate could be very wide. With reference to T.Q.M. (Total Quality Management) the facilitator is supposed to initiate the implementation of the T.Q.M. process and coordinate the activities needed to sustain the process. One essential point is that the facilitators are able to mix freely with people at any level in the organisation and in few cases they may be the most familiar person in the organisation. This ability to move freely among defensive people in the organisation is a great virtue.

Every facilitator is thrilled when he observes a group of people flowering during the project implementation. This is without doubt the most heart warming experience any facilitator can have. Sensing the virtuous feelings of team spirit, enthusiasm, commitment, self satisfaction growing among the group members is one of the most rewarding aspects of the job. He also shares with group members the excitement of the breakthrough when a solution for an issue emerges and gets implemented. It is at this point that the facilitator's conviction that one plus one is greater than two gets reinforced.

Again, effective facilitators are accepted by people at all levels in the organisation. Group members are also able to share confidential matters with the facilitator. "We can tell you - you are a facilitator" - is a sentence I have heard frequently. On many occasions I have become the instant person for groups, partly because of my ability to make things happen and partly because others feel that I have nothing else to do.

It is often remarked that the best contributions that an effective manager can make to any organisation is that of being an active catalytic member of the learning and teaching community in the organisation. Living the role of a facilitator in an organisation is perhaps the most effective way of doing so. A facilitator has to be a good story teller. People of all ages at all levels love to listen to stories. The facilitator's story bank should be inexhaustible. Hence the need for heavy homework, reading, reading and more reading.

#### Yardstick for Facilitators

The yardstick for the facilitator is success in making others succeed. It is here that the facilitator develops one of the most difficult to acquire management skills - empathy for others. Another essential skill that a facilitator has to acquire is that of doing a conversation for possibility when the group starts a conversation for no possibility. Groups tend to adopt the path of least resistance giving a number of valid reasons why there is no possibility of finding a solution for an issue. At such moments accepting the group's reasons without counter arguing, the facilitator has to convert the situation into one where the group can do a conversation for possibility - creating the spark that lights a possible solution.

The facilitator's role can result in a high level of frustration and is not for persons with high blood pressure. He will feel that there is so much to do, yet the speed of the progress has to be kept to the pace of the slowest mover. Lack of commitment from the top is the killer for the facilitator. It implies that he has to continue to be a champion and uphold the cause even while he is being let down from the top. Another type of deep agony occurs when after an excellent group activity with apparently implementable solutions, the project itself gets shelved - particularly when reasons for doing so are unexplained.

There are strong feelings of living in a vacuum - no job descriptions, unclear instructions, no other experienced peer in the organisation to bail you out when your feelings are sinking. As it has been often remarked it is like playing in a football game with rapidly shifting goal posts, or running a marathon race that has no finish line.

So it is difficult to describe what facilitators do and why they do whatever they are doing. But one thing is certain - they have come to stay as part of an organisation's operations. Maybe in the future the organisations will be poorer without them.

*Y. S. Bhat is Manager for Quality Assurance at Widia India Limited, Bangalore.*



# THE HABIT OF PROACTIVITY - Dr. S. Covey

Let's begin with the habit of Proactivity, because it is the foundation of all the habits. In fact the undergirding support to all the other six habits is proactivity. In a sense, it's a habit of personal vision. It has to do with how you see yourself. It's the paradigm or map you have of yourself. Let me give a couple of illustrations of what a proactive person is like; then contrast a proactive person to a reactive person.

How many feel better when the weather is great? How many do better when they feel better? It's like most of us, that means we are reactive to the weather. Do you get me? The weather is affecting our attitudes and our spirit, and that affects the quality of our work. A proactive person would carry their own weather with him (or her). Proactive people carry their own weather. It makes no difference what the physical environment is like; if they are highly proactive, they are driven by their values. If their value is to produce high quality work then it's not a function of whether the weather is conducive to it or not. Now that's what we can call the physical culture.

Next is the social culture - how we are treated by others. How many feel better when they're treated better? How many have a tendency to become defensive or protective when they are not? That's being reactive to the social culture. That's reactivity. Perhaps the best way to understand the proactive person is to understand the opposite, or the reactive person. Both respond - proactive people respond - but on the basis of values that he or she has selected. The reactive person responds on the basis of feelings. The ability to subordinate a impulse to a value is a rare ability. But it is the essence of the proactive person. You see, most people are driven by feelings, driven by circumstances, driven by conditions in the environment and they become reactive to it. Highly effective people at the very foundation are not driven by those things. They are driven by their value system, that they have carefully thought about, selected and internalised.

Let me relate for a moment the story found in a magnificent little volume, which I commend to your reading. It's called Man's Search For Meaning, written by Viktor Frankl. It's essentially an autobiographical account of his experiences in a Nazi death camp in World War II where he was imprisoned because he was a Jew. The experiences he had in this death camp were unbelievably terrible. In fact, they are almost so repugnant to one's sense of decency and virtue that we would hardly want to talk of them. Hideous tortures, indignities of one kind or another. But little by little Frankl began to realise that he was proactive. He didn't use that word - in fact you can't find that

word in the dictionary. That's why I like it because we can give our own connotation to it. But he called it the 'last ultimate freedom' - the power to chose one's own response in any given set of circumstances. One day when they were torturing him, performing these ignoble sterilisation experiments on his body, he began to sense, "They cannot hurt me. They can hurt my body, they can hurt my temporal circumstance, but I, I live in that body. They cannot hurt me. They cannot hurt Viktor Frankl, the person." His essential identity was preserved.

He used a series of disciplines, - moral, intellectual, emotional disciplines - drawing heavily upon two mind muscles - memory and imagination. Little by little he exercised this very small, embryonic freedom which he had inside until it grew and grew until he developed more freedom than his Nazi captors. Notice how I'm using this language, "he developed more freedom than his Nazi captors". They had more liberty than he. Liberty is defined as a condition of the environment. Freedom is a condition of the person. Liberty means that we have many options or alternatives that we can choose among. Freedom means that we have the internal power to exercise those options. You see in the last analysis no one or nothing can hurt us without our consent.

I know this is hard to buy into. It is our willing permission, our consent to what happens to us, that hurts us, far more than what happens to us originally. Now, things can hurt us physically, temporally, badly. We can sorrow over these things. But to realise the true identity, the character, the foundation of all success in life and with people - the character does not have to be hurt at all. In fact, it is the crucible of fire, that very experience is the grist mill that develops the character, that develops the internal powers, the freedoms to handle difficult circumstances in the future and to inspire other people to do similarly. As I said, this is not easy - it's hard- particularly if you and I have had years and years of explaining our misery in the name of circumstance, or what someone else has done to us.

I remember one time talking about this in a large group of people. A woman stood up in the middle of a speech and tried to give a speech. She got pretty animated about the concept and she became aware of what she was doing, got embarrassed, sat back down, but she couldn't constrain herself. She talked to everyone around her with a kind of excitement. I could hardly wait for the break to find out what happened. I went up to her and after asking her what had happened to her she said, "What you were talking about is really something. I have had a real hard time working as a full time nurse for the most miserable, ungrateful man you can imagine. That's



my professional work. He hardly ever expresses any kind of appreciation, in fact, he hardly acknowledges my presence. He nags and harps. He's really hard on me and the other full time nurses. We all kind of feel the same way. He's just made life miserable for us. I know that it has just worn me out, beat me up and I go home and I know I take it out on my loved ones. I think they understand fairly well, but for you to have the gall to stand up there and suggest that I chose to be miserable! Do you think I could buy into that? I chose it?! I couldn't swallow that bitter pill. It's too big, too bitter. I kept thinking about it and I came to a very important insight. If it was true that I chose to be miserable - in other words I chose my response to a miserable circumstance - it was also true that I could choose otherwise. And that's when I stood up. That's when I wanted to shout at everybody. I felt completely liberated. I felt as if I were being let out of prison. No longer can that miserable character control my life."

It is not what happens to us, it's our response to what happens to us that make us who we are. We're also made by what happens to us, but not as much as by our response. In fact, eventually I am convinced, our response to what happens to us will influence much, not all, but much of what happens to us in the future. It shapes our circumstances, little by little. Slowly, imperceptibly, the vast power to choose our response lies within us. But we have to first have the vision. Are we proactive? Are we fundamentally responsible?

I was with a cousin once that was bitten by a snake. We were walking down a canyon road and there was a rattler there. My cousin had an axe. He was rather foolish in doing this, but he took off after that snake. He came down with the axe, cutting the snake in two and as he cut off the last third of the snake and the first two-thirds bit him right on the hand. Now, a foolish person would perhaps chase that snake to finish it off. You want to get back. Have you ever been hurt by someone and you want to get back. In other words, he'll get his or she'll get hers! Now what's hurting the person? The bite, certainly, but what's really going to do the damage? Poison, coursing through the system, as you chase that snake. The most important thing we can do when something negative, or unhappy, or miserable happens to us is to suck that poison out. That's because the value of health and the value of not aggravating or magnifying the original hurt is a higher value than the value of getting back, getting even. A lot of people don't do that. They get invested in the injury, the harm that's been done to them. They even seek other people to validate them. We get together and we talk about what this other person

did. "Let me hear your experience - you share yours." Little by little you can see a polarisation, a separation take place inside a family, inside a business operation where you have groups talking about other groups. How many of you can identify with this? The damage by far is our response to the hurt done to us.

### Proactivity versus Determinism

There are three fundamental theories widely accepted about determinism. One - genetic determinism - this means, your grandparents did it to you. You inherited tendencies. It has nothing to do with how you were socialised or raised in this situation in your childhood. It was put into the DNA molecules, the chromosomal structure of your genes. A lot of people believe that deeply. Now remember, we're not questioning whether those things influence us. They may give us many of our natural gifts and talents, maybe even our personality dispositions. The question is, do they determine us. Another theory widely accepted we could call psychic determinism. That means your parents did it to you. Or, in other words, your upbringing, your childhood experiences. They essentially laid out your personal tendencies and your character structure. 'The child is father to the man' embodies that philosophy. Your childhood, the first five or six years of your life lay out your character and personality structure that is going to last a lifetime. The child is father to the man. The person who believes it would probably produce the evidence to support the belief. It's called the self-fulfilling prophecy. 'They did it to me! That's the way I am. That's my limitation.' Now look, I'm arguing for my limitation. 'It's mine. Look at the evidence I've got. You agree with me.' Argue for your limitations, argue for your weaknesses and they're yours. They are self-fulfilling prophecies, self-maps, self-paradigms. These are prophecies you make of yourself. Argue for them, they're yours.

Third, 'the environment is doing it to us. Our boss is doing it to us. My spouse. That bratty teenager is undoing me. It's the lack of cooperation of the other departments. Those people don't understand at all what we're dealing with here.' Listen to the language. If you ever wrapped your emotional life around the weaknesses of another person, you have empowered those weaknesses to control you.

The concept of personal vision is that you've got tremendous potential within you and that potential is undeveloped. But you can develop it. You're a self-aware person. You're free to choose your response. Do you really want to develop your potential? This undiscovered world that you



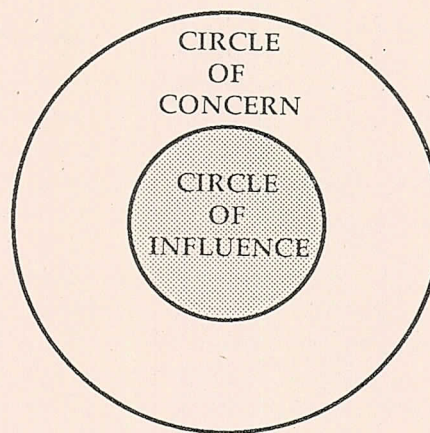
yourself don't know about, and perhaps no one else does either? Start exercising your freedom. Act on the basis of your values, not on the basis of conditions or feelings. Let decisions, choices, not conditions drive us. This pertains to an organisation, just as much as to a person. An organisation can be proactive. Or an organisation can be very reactive and defensive.

One of the best ways to discover whether someone is proactive or reactive is to listen to language. It's like a fingerprint or a barometer, a measurement instrument. It's the language of the soul. You tell me if this is reactive or proactive - "He makes me so mad." Obviously, he makes me so mad means I've just transferred responsibility. My emotional life is now governed by him. "It bugs me so! He just undoes me!" Do you see how that person has empowered that other person to control him? "I can't do it. I just don't have the time." Everyone has the same amount of time, right? It's a reactive statement because something outside of me, time has control over me. "I must, I just have to. Some things you just have to do." Have to go on this debate trip, my daughter said. "Honey, don't you choose to go?" She said, "If I had my choice, there'd be no way I'd go." I said, "What will happen if you don't go?" She replied, "I'll let my partner down, and the team." "How do you feel about that?" I asked. "I don't want to do that," she replies. So you choose not to let them down. You pick up one end of the stick, you pick up the other. You can't choose the consequences of your actions, but you can choose your actions. So if those consequences are in harmony with your value system, you choose to go on the debate trip. Or else choose not to go.

Listen to language of people, listen to your own and just see where the locus of responsibility falls. Is it outside the self, or inside? I suggest that for highly effective people it falls inside. They're inner directed, not outer directed.

### The Circle of Influence

I'd now like to teach another idea that to me is so exciting. The idea can be visualised. It's a good way of putting everything we've been talking about into a diagram. There are two circles - an inner circle we call the 'Circle of Influence' and an outer circle surrounding the inner circle which is called the 'Circle of Concern.' The Circle of Influence means those are things you can do something about; you can have influence upon them or control over them. The Circle of Concern, the outer circle, represents things you can do nothing about; you have no control and no influence. Where does the proactive person focus? The inner circle, and it gets



larger and larger. Where does the reactive person focus? The outer circle - things outside themselves over which they have no control or influence. What happens to the inner circle? It gets increasingly small; it shrinks and withers.

It's a great little diagram because you can use it to motivate yourself by. You can say, no matter what the circumstance is, I'm going to give my energies to the inner circle. If the two of us talk about our supervisor and we're continually bad-mouthing her, putting her down, coming up with explanations and validating each other. What do you know that I'm doing when you and I have a falling out? You know my nature. You see our whole focus is outside our circle of influence. It's on her, it's on our concern. She's the problem. It's her way of doing things; it's her negative energy. Eventually you and I will have the same problems; it just takes another storm of life to descend upon us. So consequently my circle of influence has just withered away. That's exactly what happens when people get their energy focused on other people's weaknesses. Unknowingly, even though at the moment it may seem to unite you with the people that you're collaborating with, unknowingly like the construction people say, 'it's bad mud', it's a bad foundation on which to build our own relationship. So my circle of influence gets smaller and smaller.

But what if, on the other hand, you were to say some kind of criticism about her and I was to say to you, "you've got a good point there, why don't we go and talk to her about it? Let's see what we can do to improve the situation." I've just made a huge deposit into the emotional bank account of your trust toward me. Because you know that if someone were to bad-mouth you outside of your presence I would want to go to you. I wouldn't want to bad-mouth behind someone else's back. Go and make reconciliation. That's how the circle of influence gets larger and larger. It's an exciting concept, but also very threatening, very scary. It puts an



enormous amount of responsibility upon us, and that is not an easy thing. But I suggest that's what proactive highly effective people do. They work where they can. That doesn't mean that they are unaware of weaknesses out there. No, they're aware of those weaknesses, but it doesn't consume them, they don't wrap their emotional energy about those weaknesses. They don't empower those weaknesses.

One of the greatest experiences I ever had was in an organisation in which I worked. The president was a very dynamic person. He was a very creative, talented, capable person. Everyone knew it. He had great vision, a futurist kind of person that could read trends and had a brilliant mind. But he had a style of management that was very dictatorial. He tended to treat people like 'go-phers' as if they didn't have any judgement. Go-for this, now go-for that, now do this. He was so brilliant he could make good judgements. The net effect was he alienated almost the entire executive team surrounding him because of the way he treated them. Except for one man who was proactive. Now, how would a proactive person deal with such a leader? Remember a proactive person is value driven, not feeling driven. He can be offended, but not take offense. He took initiative. Proactive people are initiative-seizing individuals.

Proactive people also anticipate; they read the culture. They read the people. What can I do to be effective with that person? What were the president's strengths? Vision, talent, energy, brilliant judgement. So what would a proactive person do with strengths? Utilise them. Run with them. Optimise them. What were his weaknesses, his style? What would a proactive person do with weaknesses? He wouldn't wrap his life around them like others had done and absolve themselves of responsibility in the name of the president's weaknesses. They had stood out in the executive corridors, massaging each other's hearts as they confessed the president's sins everyday.

Except for this one man. He anticipated, empathised, read the situation. He organised his life to run with the president's strengths, make them productive, and his weaknesses irrelevant. He would tend to buffer his people. He was a 'go-pher', too, only he was the best 'go-pher'. He was a second-mile 'go-pher'. He would do more than was expected. The president asked for this information and he would ask himself, "I wonder why he wants it? My guess is that the issues he's dealing with are pretty big issues that he's going to have to take to the board. My guess is he wants it for these purposes, even though he didn't tell me. I'm going to gather this information, give my

analysis and recommendations."

I used to sit with the president and one day he said to me that he couldn't believe what this man was doing. The man would give additional information beyond what he had been asked for. The information would be exactly what was needed. He would offer his analysis of it in terms of particular concerns the president had and his recommendations. The president thought it was tremendous. He was relieved not to have to worry about that part of the business. Then, in the next meeting he would say, go-for this, go-for this, go-for this, but with this man he asked him what was his opinion. What happened to his circle of influence? It started getting larger. "What's your opinion?" More than a 'go-pher'. What did all the minds do in the executive corridor that day? They talked about his proactive person. Why? You see, it is the nature of reactive people to absolve themselves of responsibilities so all they need is more information, more ammunition. The problem was, he was proactive toward them. Little by little his circle of influence toward them also grew larger and larger. He made so many deposits into the emotional bank account of everyone around him that over a four year period no one could make any significant moves in that organisation without that man's blessing. Including the president - why? His circle of influence was so large. The president wasn't threatened by this because this man's strength complemented his strength and made up for his weakness. So he had the strength of two people. That's called a complementary team.

That's what proactive people are like. It's amazing what they do. They're not just aggressive, assertive, driving individuals who just go out and obnoxiously get what they want. Those people aren't proactive. Those people are always taking withdrawals from the emotional bank accounts of other people. Sometimes the best proactive stance is to simply do nothing. Just be silent. Smile because that'll make a deposit. Maybe you simply have to be patient. I remember Gandhi, in the movie, being criticised in the legislative chambers by all his fellow lawyers and politicians because he wouldn't in angry, fiery rhetoric condemn the British empire for subjugating and controlling 300 million Indians. They were criticising him - "what's he doing?" You know what he was doing? He was out in the paddy fields making small deposits into the emotional bank account of all of the farmers and peasants. One day he decided to walk across the countryside and 600,000 people followed him. One day he decided to stop eating and brought England to its knees. Proactive people are smart, they're value-driven.



# THE HEART OF TRANSFORMATION

The first module of the TLL focused on the corporate and individual mind. Over a four day period the emergent new paradigm operating in the world today was explored. The capacity to assimilate this new paradigm into an organisation is one dimension of transformation. The process whereby an organisation perpetually updates and integrates the paradigm in its operations and structure is that of being a Learning Organisation. But there are other dimensions that enable that new understanding to be empowering for individuals within the organisation.

There is an understanding that in systems change the shift to a higher form occurs when the complexity of the system increases. As the system complexifies through more and more change it either can fall apart, or make a quantum jump (transform) to a more ordered system. The higher order system is able to integrate the new understanding through the establishment of new patterns and connections. This insight comes from the work of the Nobel physicist Ilya Prigogine. Many have seen this increasing "chaos" and change stimulus as the principle driving force in the emergence of the new forms of organisations. But what is the mechanism or process whereby this happens?

I want to use some examples from organic chemistry to illustrate the transformation process. To bring about transformation is indeed like a synthesis in an organic reaction. An organisation is in many ways a living system. To change it is like making a biological shift, or evolution into a more complex and higher ordered system. When this change is fundamental, that is, transformational, a new reality is created.

## The Three Factors

In designing an approach to forming a new compound in organic chemistry, three factors are important. One is the amount of energy that will be necessary to enable the participating compounds to react. Another is the catalyst that will enable the reaction. The third is the media, or solvent in which the reaction is to take place.

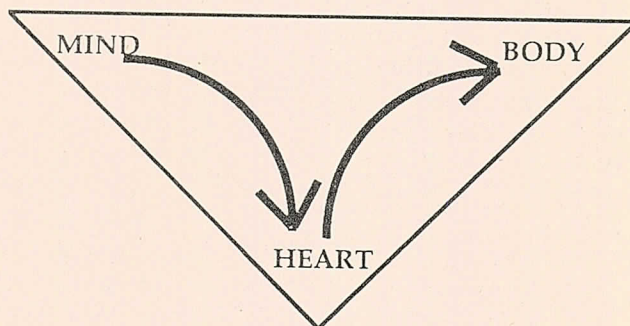
Changing an organisation through external forces alone is like trying to get a reaction by simply putting more energy into the system. You might get transformation, but the side reactions and undesirable effects can be very damaging. This is all too frequently the situation as organisations try to alter their forms and functions in response to the changing conditions. You need energy, but for stability it must be controlled and focused.

Catalysts are critical to the effective controlling and focusing of energy for change. For an organisation, catalysts are the change agents who focus the change process in critical areas. It is an art to create

the demonstration systems and orchestrate the timing of change. Without effective facilitation change will be haphazard and heavy-handed. There may be a consensus on the need to change and even inspired leadership in designing the change, but without facilitators operating at the points of change it will be a difficult and long drawn-out affair.

Jack Welch, the CEO of General Electric, when asked about his past experience said his biggest mistake was to think that changing his organisation could be done through well-publicised directives and could be done incrementally. He found instead that change had to be quantum change, not incremental change. And he discovered that well-intentioned explanations of future change only made the organisation more resistant to change. The 'old way of doing things' dug in and resisted the desired changes.

The equivalent of the media, or solvent, in a reaction for an organisation is its culture and the larger social culture in which it operates. Either the corporate culture enables the change to occur; that is, it is conducive to the reacting parts associating and bonding to each other, or it inhibits the change through a culture that will not surrender the old way to the new. This is also true of the social culture. For instance, Japanese ways of decision making through consensus may not work in another society. Even programmes such as Total Quality Management (TQM) work well only when they are designed and executed with the larger culture question in mind. The required shift in the domain of the culture of an organisation is what I refer to as the Change of the Heart.



## Dynamics of the Heart

One cannot move directly from an understanding to action and expect lasting change. Change must pass through the heart for authentic transformation to take place. This is a three step process. The first step is a re-mem-bering. It is the heart's job to re-member. Whenever we are profoundly awakened to the deeper aspects of life the heart experiences it as something it already knows, but has forgotten. It is a warming, a glow that is experienced as one finds the "Yes" that has always been there. It is like rediscovering a truth



about life that touches the heart and warms it.

The same is true for an organisation. Any profound insight into the deeps is like rediscovering the essence of the organisation. The collective heart is warmed with a renewed sense of purpose and direction. It is like finding the way after wandering in the dark. The path is familiar and right. The spirit is rekindled and the flame provides the light and energy for change to proceed.

The second heart process is that of **re-conciliation**. Having clarity of purpose and direction allows one to see the malfunctionings in the present state of affairs. This is often a very painful part of transformation. It is not easy to see how much we have contributed to the alienation and misdirection of our lives. The heart is wounded and it must be reconciled if healing is to take place. Reconciliation can take many forms, but it always takes courage to face the truth and let others know that you are taking responsibility for your past.

For an organisation this reconciliation can be a humbling experience. Many companies are confessing that they have lost sight of the needs of the customer. They have let the financial goals cloud the need to produce quality products and give responsive service. Many have come to realise that their overbearing and impersonal bureaucracies are alienating the very people they were designed to serve. When this self-analysis is taken to heart by all the members of the organisation transformation is possible. But it can't succeed if the faults are laid at the feet of only certain people and policies. There must be a genuine and courageous reconciliation throughout the entire organisation.

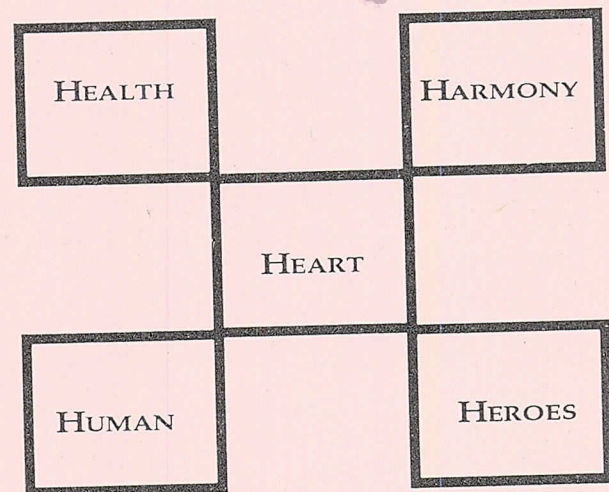
The third dynamic is that of **Re-resolution**. It's not so much figuring out what to do; that comes later in the "doing" part of transformation. By resolution I mean the recovery of the **will** to change. We often want to either rush out and "put everything right", or we collapse before the magnitude of the task ahead. To "take heart" is to see that the journey of transformation is a lifetime commitment. Authentic change, be it individual or corporate, is a never ending journey. What is required now is the cultivation of a discipline that will see us through the journey. It is the establishment of practices, exercises and methods of transformation in a systematic manner that will continue to build the power that comes from the heart.

These disciplines will form the nucleus of the corporate culture. This involves putting into the environment that people work in means of strengthening their corporate resolve. It could be in the form of time allocated for everyone to do physical and intellectual development. It could be in the establishment of ways for everyone to experience

the servicing of customers. It could take the form of promoting risk taking and experimentation. What ever it is, it needs very self-conscious development and execution. When this resolve has the support system it needs for bringing about the "visible" changes, then transformation can proceed.

### The Heart of the Matter

There are five areas that need to be cared for in a healthy "cardiovascular system" of an organisation. At the centre is the **Heart** of the organisation. It is the vibrancy one can sense when one enters the organisation. It pulses with life. There is a rhythm, or beat that seems to dominate the organisation. It is the beat of life that says in a thousand ways, this organisation is on the move! It can be seen in how everyone can tell the story of its life, its direction and purpose. Victories and successes are shared and there is a consistent communication to all about how things are going. It is talking about the future and spreading the excitement of the journey at every opportunity.



The second factor is the **Health** of the organisation. This is beyond the financial well being. It is in the balance of endeavors. It is the resiliency of the systems. Like the lungs, it is pumping fresh, stimulating ideas into the system. It is toning the muscle fibre reflected in the mental stimulation provided for all. It is constantly cycling information throughout the system, seeing to the empowerment and effective utilisation of all parts. It is discarding old and unhelpful procedures and systems.

The third factor is the **Human Factor**. It is creating and sustaining opportunities for genuine growth towards self-actualisation of everyone. Beyond career opportunities and advancement lies the opportunity to provide everyone with ways to move into positions where talents are developed and pride

(Continued on page 22)



# THE FIFTH DISCIPLINE - Peter Senge

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On a cold, clear morning in December 1903, at Kitty Hawk, North Carolina, the fragile aircraft of Wilbur and Orville Wright proved that powered flight was possible. Thus was the airplane invented; but it would take more than thirty years before commercial aviation could serve the general public.

Engineers say that a new idea has been "invented" when it is proven to work in the laboratory. The idea becomes an "innovation" only when it can be replicated reliably on a meaningful scale at practical costs. If the idea is sufficiently important, such as the telephone, the digital computer, or commercial aircraft, it is called a "basic innovation," and it creates a new industry or transforms an existing industry. In these terms, learning organisations have been invented, but they have not yet been innovated.

In engineering, when an idea moves from an invention to an innovation, diverse "component technologies" come together. Emerging from isolated developments in separate fields of research, these components gradually form an "ensemble of technologies" that are critical to each other's success. Until this ensemble forms, the idea, though possible in the laboratory, does not achieve its potential in practice.

The Wright Brothers proved that powered flight was possible, but the McDonnell Douglas DC-3, introduced in 1935, ushered in the era of commercial air travel. The DC-3 was the first plane that supported itself economically as well as aerodynamically. During those intervening thirty years (a typical time period for incubating basic innovations), myriad experiments with commercial flight had failed. Like early experiments with learning organisations, the early planes were not reliable and cost effective on an appropriate scale.

The DC-3, for the first time, brought together five critical component technologies that formed a successful ensemble. They were: the variable-pitch propeller, retractable landing gear, a type of lightweight molded body construction called "monocoque," radial aircooled engine, and wing flaps. To succeed, the DC-3 needed all five; four were not enough. One year earlier, the Boeing 247 was introduced with all of them except wing flaps. Lacking wing flaps, Boeing's engineers found that the plane was unstable on take-off and landing and had to downsize the engine.

Today, I believe, five new "component technologies" are gradually converging to innovate learning organisations. Though developed separately, each will, I believe, prove critical to the other's success, just as occurs with any ensemble. Each provides a

vital dimension in building organisations that can truly "learn," that can continually enhance their capacity to realise their highest aspirations:

## Systems Thinking

A cloud masses, the sky darkens, leaves twist upward, and we know that it will rain. We also know that after the storm, the runoff will feed into groundwater miles away, and the sky will grow clear by tomorrow. All these events are distant in time and space, and yet they are all connected within the same pattern. Each has an influence on the rest, an influence that is usually hidden from view. You can only understand the system of a rainstorm by contemplating the whole, not any individual part of the pattern.

Business and other human endeavors are also systems. They, too, are bound by invisible fabrics of interrelated actions, which often take years to fully play out their effects on each other. Since we are part of that lacework ourselves, it's doubly hard to see the whole pattern of change. Instead, we tend to focus on snapshots of isolated parts of the system, and wonder why our deepest problems never seem to get solved. Systems thinking is a conceptual framework, a body of knowledge and tools that has been developed over the past fifty years, to make the full patterns clearer, and to help us see how to change them effectively.

Though the tools are new, the underlying worldview is extremely intuitive; experiments with young children show that they learn systems thinking very quickly.

## Personal Mastery

Mastery might suggest gaining dominance over people or things. But mastery can also mean a special level of proficiency. A master craftsman doesn't dominate pottery or weaving. People with a high level of personal mastery are able to consistently realise the results that matter most deeply to them - in effect, they approach their life as an artist would approach a work of art. They do that by becoming committed to their own lifelong learning.

Personal mastery is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively. As such, it is an essential cornerstone of the learning organisation - the learning organisation's spiritual foundation. An organisation's commitment to and capacity for learning can be no greater than that of its members. The roots of this discipline lie in both Eastern and Western spiritual traditions, and in secular traditions as well.



But surprisingly few organisations encourage the growth of their people in this manner. This results in vast untapped resources: "People enter business as bright, well-educated, high-energy people, full of energy and desire to make a difference," says Hannover's O'Brien. "By the time they are 30, a few are on the 'fast track' and the rest 'put in their time' to do what matters to them on the weekend. They lose the commitment, the sense of mission, and the excitement with which they started their careers. We get damn little of their energy and almost none of their spirit."

And surprisingly few adults work to rigorously develop their own personal mastery. When you ask most adults what they want from their lives, they often talk first about what they'd like to get rid of: "I'd like my mother-in-law to move out," they say, or "I'd like my back problems to clear up." The discipline of personal mastery, by contrast, starts with clarifying the things that really matter to us, of living our lives in the service of our highest aspirations.

Here, I am most interested in the connections between personal learning and organisational learning, in the reciprocal commitments between individual and organisation, and in the special spirit of an enterprise made up of learners.

### Mental Models

"Mental models" are deeply ingrained assumptions, generalisations, or even pictures or images that influence how we understand the world and how we take action. Very often, we are not consciously aware of our mental models or the effects they have on our behavior. For example, we may notice that a co-worker dresses elegantly, and say to ourselves, "She's a country club person." About someone who dresses shabbily, we may feel, "He doesn't care about what others think." Mental models of what can or cannot be done in different management settings are no less deeply entrenched. Many insights into new markets or outmoded organisational practices fail to get put into practice because they conflict with powerful, tacit mental models.

Royal Dutch/Shell, one of the first large organisations to understand the advantages of accelerating organisational learning came to this realisation when they discovered how pervasive was the influence of

hidden mental models, especially those that become widely shared. Shell's extraordinary success in managing through the dramatic changes and unpredictability of the world oil business in the 1970s and 1980s came in large measure from learning how to surface and challenge manager's mental models. (In the early 1970s Shell was the weakest of the big seven oil companies; by the late 1980s it was the strongest.) Arie de Gues, Shell's recently retired Coordinator of Group Planning, says that continuous adaptation and growth in a changing business

environment depends on "institutional learning, which is the process whereby management teams change their shared mental models of the company, their markets, and their competitors. For this reason, we think of planning as learning and of corporate planning as institutional learning."

The discipline of working with mental models starts with turning the mirror inward; learning to unearth our internal pictures of the world, to bring them to the surface and hold them rigorously to scrutiny. It also includes the ability to carry on "learningful" conversations that balance inquiry and advocacy, where people expose their own thinking effectively and make that thinking open to the influence of others.

### Building Shared Vision

If any one idea about leadership has inspired organisations for thousands of years, it's the capacity to hold a shared picture of the future we seek to create. One is hard pressed to think of any organisation that has sustained some measure of greatness in the absence of goals, values, and missions that become deeply shared throughout the organisation. IBM had "service"; Polaroid had instant photography; Ford had public transportation for the masses and Apple had computing power for the masses. Though radically different in content and kind, all these organisations managed to bind people together around a common identity and sense of destiny.

When there is a genuine vision (as opposed to the all-too-familiar "vision statement"), people excel and learn, not because they are told to, but because they want to. But many leaders have personal visions that never get translated into shared visions that galvanise an organisation. All too often, a

"People enter business as bright, well-educated, high-energy people, full of energy and desire to make a difference, By the time they are 30, a few are on the 'fast track' and the rest 'put in their time' .... They lose the commitment, sense of mission, and the excitement with which they started their careers. We get damn little of their energy and almost none of their spirit."



company's shared vision has revolved around the charisma of a leader, or around a crisis that galvanises everyone temporarily. But, given a choice, most people opt for pursuing a lofty goal, not only in times of crisis but at all times. What has been lacking is a discipline for translating individual vision into shared vision - not a "cookbook" but a set of principles and guiding practices.

The practice of shared vision involves the skills of unearthing shared "pictures of the future" that foster genuine commitment and enrollment rather than compliance. In mastering this discipline, leaders learn the counterproductiveness of trying to dictate a vision, no matter how heartfelt.

### Team Learning

How can a team of committed managers with individual IQs above 120 have a collective IQ of 63? The discipline of team learning confronts this paradox. We know that teams can learn; in sports, in the performing arts, in science, and even, occasionally, in business, there are striking examples where the intelligence of the team exceeds the intelligence of the individuals in the team, and where teams develop extraordinary capacities for coordinated action. When teams are truly learning, not only are they producing extraordinary results but the individual members are growing more rapidly than could have occurred otherwise.

The discipline of team learning starts with "dialogue," the capacity of members of a team to suspend assumptions and enter into a genuine "thinking together." To the Greeks *dia-logos* meant a free-flowing of meaning through a group, allowing the group to discover insights not attainable individually. Interestingly, the practice of dialogue has been preserved in many "primitive" cultures, such as that of the American Indian, but it has been almost completely lost to modern society. Today, the principles and practices of dialogue are being rediscovered and put into a contemporary context. (Dialogue differs from the more common "discussion," which has its roots with "percussion" and "concussion," literally a heaving of ideas back and forth in a winner-takes-all competition.)

The discipline of dialogue also involves learning how to recognise the patterns of interaction in teams that undermine learning. The patterns of defensiveness are often deeply engrained in how a team operates. If unrecognised, they undermine learning. If recognised and surfaced creatively, they can actually accelerate learning.

Team learning is vital because teams, not individuals, are the fundamental learning unit in modern organisations. This is where 'rubber meets the road'; unless teams can learn, the organisation cannot learn.

The discipline of team learning starts with "dialogue," the capacity of members of a team to suspend assumptions and enter into a genuine "thinking together."

If a learning organisation were an engineering innovation, such as the airplane or the personal computer, the components would be called "technologies." For an innovation in human behaviour, the components need to be seen as disciplines. By "discipline," I do not mean an "enforced order" or "means of punishment," but a body of theory and technique that must be studied and mastered to be put into practice. A discipline is a developmental path for acquiring certain skills or competencies. As with any discipline, from playing the piano to electrical engineering, some people have an innate "gift," but anyone can develop proficiency through practice.

To practice a discipline is to be a lifelong learner. You "never arrive"; you spend your life mastering disciplines. You can never say, "We are a learning organisation," any more than you can say, "I am an enlightened person." The more you learn, the more acutely aware you become of your ignorance. Thus, a corporation cannot be "excellent" in the sense of having arrived at a permanent excellence; it is always in the state of practicing the disciplines of learning, of becoming better or worse.

That organisations can benefit from disciplines is not a totally new idea. After all, management disciplines such as accounting have been around for a long time. But the five learning disciplines differ from more familiar management disciplines in that they are "personal" disciplines. Each has to do with how we think, what we truly want, and how we interact and learn with one another. In this sense, they are more like artistic disciplines than traditional management disciplines. Moreover, while accounting is good for "keeping score," we have never approached the subtler tasks of building organisation, of enhancing their capabilities for innovation and creativity, of crafting strategy and designing policy and structure through assimilating new disciplines. Perhaps this is why, all too often, great organisations are fleeting, enjoying their moment in the sun, then passing quietly back to the ranks of the mediocre.

Practicing a discipline is different from emulating "a model." All too often, new management innovations are described in terms of the "best



practices" of so-called leading firms. While interesting, I believe such descriptions can often do more harm than good, leading to piecemeal copying and playing catch-up. I do not believe great organisations have ever been built by trying to emulate another, any more than individual greatness is achieved by trying to copy another "great person."

When the five component technologies converged to create the DC-3 the commercial airline industry began. But the DC-3 was not the end of the process. Rather, it was the precursor of the new industry. Similarly, as the five component learning disciplines converge they will not create the learning organisation but rather a new wave of experimentation and advancement.

### The Fifth Discipline

It is vital that the five disciplines develop as an ensemble. This is challenging because it is much harder to integrate new tools than simply apply them separately. But the payoffs are immense.

This is why systems thinking is the fifth discipline. It is the discipline that integrates the disciplines, fusing them into a coherent body of theory and practice. It keeps them from being separate gimmicks or the latest organisation change fads. Without a systemic orientation, there is no motivation to look at how the disciplines interrelate. By enhancing each of the other disciplines, it continually reminds us that the whole can exceed the sum of its parts.

For example, vision without systems thinking ends up painting lovely pictures of the future with no deep understanding of the forces that must be mastered to move from here to there. This is one of the reasons why many firms that have jumped on the "vision bandwagon" in recent years have found that lofty vision alone fails to turn around a firm's fortunes. Without systems thinking, the seed of vision falls on harsh soil. If nonsystemic thinking predominates, the first condition for nurturing vision is not met: a genuine belief that we can make our vision real in the future. We may say "We can achieve our vision" (most American managers are conditioned to this belief), but our tacit view of current reality as a set of conditions created by somebody else betrays us.

But systems thinking also needs the disciplines of building shared vision, mental models, team learning, and personal mastery to realise its potential. Building shared vision fosters a commitment to the long term. Mental models focus on the openness needed to unearth shortcomings in our present ways of seeing the world. Team learning develops the skills of groups of people to look for

the larger picture that lies beyond individual perspectives. And personal mastery fosters the personal motivation to continually learn how our actions affect our world. Without personal mastery, people are so steeped in the reactive mindset ("someone/something else is creating my problems") that they are deeply threatened by the systems perspective.

Lastly, systems thinking makes understandable the subtlest aspect of the learning organisation - the new way individuals perceive themselves and their world. At the heart of a learning organisation is a shift of mind - from seeing ourselves as separate from the world to connected to the world, from seeing problems as caused by someone or something "out there" to seeing how our own actions create the problems we experience. A learning organisation is a place where people are continually discovering how they create their reality. And how they can change it. As Archimedes has said, "Give me a lever long enough . . . and single-handed I can move the world."

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### The Heart of Transformation (continued from page 18)

in one's own work predominate. It is finding ways for the elders within the organisation to play significant mentoring roles with the young ones.

The fourth factor is **Harmony**. The development of an ecological balance is critical. Beyond good relationships, it is knowing that all of us have multiple needs and obligations that need to be balanced as we work for an organisation. Just as our bodies need to be sensitive to the multiple rhythms we are a part of, so an organisation needs to provide a work life that allows for the other priorities in life. It is making time for celebrations, for marking events in peoples' lives. It is being sensitive to the life of the greater community and actively participating in it. It is being in harmony with the environment and doing no harm to it.

The fifth and final factor is **Heros**. This is taking care of the change agents. Not in making them into celebrities or making special note of their role, but in providing them opportunities to act out their service to the transformation of the organisation. Genuine change agents bear the brunt of the pain of the organisation. For it is they who are constantly living the ambiguity of the future. They can become discouraged and hurt. Find quiet, unobtrusive ways to appreciate their effort. Encourage them to find the deeper spiritual renewal methods that will sustain them in their role.



# THE TLL STORY and SONG

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## THE TLL STORY

The people of the Community were gathered together in a circle. They were celebrating their Festival - the Festival of the Necklace of the Pearls of Many Colors.

"Tell us again," said the youngest member, "of the Great Story of our People".

And Shah-Balam, the Wise Old Man of the community began. "Once upon a time ..... Once upon a time there was a group of Butterflies who came together, each one so clever and concerned, each of whom had heard it told that Butterfly-hood was not the be-all and end-all of their existence. They did not really know then just what this "Be all" and "End all" was. But they were determined to find out. So they flew upwards into that Open Space, where all the answers, so they had heard, were to be found.

Not sure of where it actually was that they were headed, they met a little sea gull, who guided them to fly higher still to meet the Great Garuda.

Some were willing to set off at once; some loudly disagreed. "How can we? Mere butterflies have never been known to fly so high!" they moaned. But somehow they were persuaded and all decided to attempt this feat.

Their efforts were rewarded. They met the Great Garuda.

"Oh, Great Garuda," they cried, "show us the way. Provide us with the ready-made solutions."

"Ha - ha," laughed the Great Garuda, though not unkindly, "not so fast - it's not so simple; you have to work harder than that. You have to go out and get what you want in life yourselves."

And he directed them to the bottom of the deep, deep ocean, to bring back the wonderous "Pearls of Many Colors."

"But how can we get there? Butterflies can't swim!" some grumbled. But they talked it over and together found a solution so simple, yet so profound - to seek the help of those that could - the Fishes.

The Fishes were very willing to cooperate. "That's what we're here for," they said, and in no time at all, down they went, each one coming up with those hidden treasures of the Mighty Ocean. One little fish even brought up two metal balls, and the Butterflies took those too, saying, "These are a different kind of treasure."

So; carrying their precious Pearls and the two metal balls they flew back to the wise Garuda.

There was real jubilation. They were sure that this was IT, but not quite sure how.

The Great Garuda said, "Put all the Pearls into this one bowl." They did so and all exclaimed, "Oh, how beautiful! My, how beautiful!" One dared to ask, "But of what use is it?"

The whole group of Butterflies went into deep meditation over this one together, and from their collective wisdom emerged the answer: "Let's string them together."

But now a new problem broke out. Each Butterfly wanted to be the one to keep the Necklace with himself or herself.

They had, however, learned to work things out together by now, and their realization was, "Why not let everybody benefit?"

So the precious Necklace was brought down to Earth and kept in the Center of the Community Circle, that the Story might be told and valuable lessons gained from it.

## "JAI SANGH HAMARA" (TLL SONG)

Twenty Cocoons Came Together,  
Not Aware of What Lay in Store for Us.  
Looking for a Shift to a Newer Life,  
And Find the Butterfly Within Us.

Jai Sangh Hamara

Bombarded With Tapes and Discussions,  
Having Fun with Iyers, Natarajans.  
Learning Through Sharing Innovations,  
Fueled by Spirited Celebrations.

A Resolve to Keep the Spirit Alive,  
A Resolve to Spread the Brotherhood,  
A Resolve to Change our Way of Life,  
A Resolve to be the Butterfly.

Jai Sangh  
Jai Sangh Hamara



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