



Governing the Integral Enterprise.

Background:

The intention of this paper is to provide an overlay to the Integral four-worlds technology by Trans4M covered in their book “Transformation Management: towards the Integral Enterprise.” It seeks to ask questions rather than provide answers to help draw out inspiration and possible solutions from your local roots and its culture. If an Enterprise is to effectively evolve and transform through its very being and becoming into knowing and doing as a virtuous circle, the vehicle for such is its governance system.

Also, it aims to provide some insight to a hereto missing, or oft neglected area of enterprise management from which most institutions and even nations too often succumb, namely the erosion of the original Integral impulse. Be it through ideology etc. which over time which is over by many of the possible competing claims, psychopathologies and power complexes which human beings are virtually pre-programmed to exhibit and evoke.

The Integral community in which we operate is not short of intellectual and explicit knowledge. What sometimes is required to catalyse and implement such knowledge is the ability to create a practical bridge that can translate between tacit and explicit knowledge into pragmatic solutions. With the book “Transformation Management” as its fundamental basis, this paper is almost exclusively going to focus on such additional tacit knowledge but also it will seek to evoke your existing implicit and intuitive knowledge which already exists but may not as yet have been stirred.

Going deeper, we can also draw on work by the quantum physicist, David Bohm, who in his book “Wholeness and the Implicate Order”, argues that reality is the interplay of two orders—the explicate (manifest) and implicate (latent)—that operate simultaneously and interactively. If we apply this conceptualization to governance and engagement. In the explicate order—largely transactional and instrumental in nature—people work together on projects to achieve valued goals and a firm's operations provide the scaffold of support. However, there is also an implicate order, often deeply held but difficult to express in conventional governance structures. This implicate order influences and is simultaneously influenced by the explicate order. One way to comprehend the implicate order is to access the highly personal interpretations that emerge from experiencing its engagement. In Integral governance systems, images of participants' memorable engagement experiences are used to explore the implicate order.

Storytelling, metaphor, and isophor (experiencing one thing in terms of another) are shown to be valuable means for unearthing the implicate order of engagement. Bohm asserted that totality could not be “understood solely in terms of . . . objects . . . or events. . . . Total order is contained in some implicit sense, ‘enfolded’ within it”.¹ In *Leadership and the New Science*, Meg Wheatley (1994) urges leaders to think more holistically about leadership and change:

¹ Bohm, D. 1980. *Wholeness and the implicate order*. New York: Routledge. p. 149

“The more provocative view, expressed in Bohm’s work, is that at a level we can’t discern there is an unbroken wholeness. If we could look beneath the surface, we would observe an ‘implicate order’ out of which seemingly discrete events arise”.²

We need therefore to have a mode of governance dialectic that can oscillate between the explicit and implicit forms of intelligence and knowledge creation to fully bring forth the Integral perspectives.

Whilst the intellectual Integral impulse is often initially strong, individually and collectively, it often diminishes over time or becomes subjugated to the prevailing enterprise culture and governance system. Regardless, the only way such Impulses can be maintained is if the governance system within which it operates is at least equally aligned.

Since time immemorial, human beings have endeavoured to manage themselves in accordance with natural principles in alignment with their culture. However, from an historical perspective, we see that virtually all such have over time become “diseased” and faltered. If you were to assign a correlation factor to such demise, the single most important would undoubtedly be “Governance”, here meant in its broadest context. It seems that the human psyche is highly susceptible and subject to afflictions such as hubris, psychopathology in relation to power and prestige and other ego-driven characteristics, all which not only undermines the Integral impulse, left untethered, it can and has destroyed many organisations. A topic in itself on which much history has been written and has left many enterprise corpses along the way.

Integral Governance:

What I’m proposing here is that there is little point in using much energy and effort in creating an Integral enterprise impulse without at the same time seeking to evolve the governance structures and culture within the organisation. This oversight, alas, we often see happen even the most well intentioned enterprises seeking Integral transformation.

Governance itself, as a living organism, can have its own mode of operation and dynamic, sometimes substantially different to the overall enterprise culture. Not only does such misalignment drain vital resources and energy, given the susceptibility to power complexes, like a virus, it can and often will, infect a governance system which undermines its collective intellectual knowledge and decision making capacities. Like any living system, it’s only as strong as its weakest link and unless a governance system is at least equally integrally informed and therefore can also govern itself, the enterprise will never fulfil its intended transformation.

The governance system therefore is akin to our natural immune system which it may lie outside our Emotional, (our South) and Consciousness/Soul states (our East) Mental (our North) Physicality (our West) capacities. The immune system connects the balance and integrity of each one and be activated through signals as facilitated through the endocrine chemical messaging system. Our immunity is also the system which protects against disease and has the capacity to develop new antibodies against incoming bacteria and viruses.

As such it’s a self-regulated system that has inbuilt correction mechanisms that operate outside of our awareness. Using this metaphor of our immune system, a governance system needs to equally be able to replicate itself if our DNA (VMemes) is supposed to be or become Integral.

² Wheatley, M. 1994. *Leadership and the New Science: Learning about organization from an orderly universe*. San Francisco: Berrett-Koehler. p. 42

So what are some of the key principles and characteristics of the components parts of a living system that can help inform our Integral governance design:

As we have seen, healthy, mature living systems are dynamically cooperative because every part or member at every level of organization is empowered to negotiate its self-interest within the whole. There is equitable sharing of resources to insure health at all levels, and the system is aware that any exploitation of some parts by others endangers the whole.

Clearly, internal greed and warfare are inimical to the health of mature living systems, and humanity is now forced to see itself as the single, global living systems it has become, for all its problematic, yet healthy, diversity.³

In her book *EarthDance*, Sahtouris⁴ sets out the main features of living systems, as:

1. Self-creation (autopoiesis);
2. Complexity (diversity of parts);
3. Embeddedness in larger holons and dependence on them (holarchy);
4. Self-reflexivity (autognosis—self-knowledge);
5. Self-regulation/maintenance (autonomics);
6. Response ability—to internal and external stress or other change;
7. Input/output exchange of matter/energy/information with other holons;
8. Transformation of matter/energy/information;
9. Empowerment/employment of all component parts;
10. Communications among all parts;
11. Coordination of parts and functions;
12. Balance of Interests negotiated among parts, whole, and embedding holarchy;
13. Reciprocity of parts in mutual contribution and assistance;
14. Conservation of what works well;
15. Creative change of what does not work well.

There are three main operating principles (Berry & Swimme.1994) that exist in all natural systems that, in turn, permeate our world:

- The capacity to self-organise.
- The ability to collaborate.
- The ability to operate interdependently.

Linked and fused to these operating principles are three interdependent energies that emerged from within life forms more than 13.8 billion years ago:

- Differentiation or diversity, as each life form is distinct or different.
- Subjectivity, interiority, or essence that comes from seeking and getting in touch with the true core of the self and everything that exists.
- Communion, or community and interconnectedness, to all things as fuelled by the gravitational pull of our emergent love.

³ Sahtouris, E. (2005). *The Biology of Business. New Laws of Nature Reveal a Better Way for Business.* p 4

⁴ Sahtouris, E. (2000). *EarthDance: Living Systems in Evolution*

'By far the greater part of violence that humans inflict on each other is not the work of criminals or mentally deranged, but of normal, respectable citizens service to the collective ego. One can go so far as to say the on this planet 'normal' equals insane. What lies at the root of this insanity? Complete identification with thought and emotion, that is to say, ego'.⁵

Exploring a Four-World design:

We will look in brief at 4 of the main interlinked and interlocking enterprise structural aspects of any organisation that need to be or become re-designed so the DNA (VMemes) can include the Integral dynamic. Now we also need to broaden the definition of Governance to include those structures from which the narrow definition of governance gets its directional signals and instructions.

We can now see the linkages to Governance from the main 4 Integral drives as outlined in the main book "Transformation Management":

Functions of Living Systems				Shared Functions
	Self	Organisation	Society	
South Humanism	Communication	Marketing	Markets	Community Building
East Holism	Consciousness	Human Resources	Labour Force	Conscious Evolution
North Rationalism	Competence	Operations	Science & Technology	Knowledge Creation
West Pragmatism	Capacity	Finance	Capital	Sustainable Development

These 4 specific governing areas within the Enterprise are: Ownership (our South), Culture, (our East), Constitution (our North), and Governance System (our West).

We now will deal with these briefly in turn:

Ownership (our South):

Whilst there are many structural forms of Enterprise ownership, they all have the common function to differentiate between and separate control and its generative economic share/distribution.

The format how this dynamic is structured is possibly the most important driver of organisational culture and any actual integral outcomes. Control is highly correlated to ego-driven psychopathology and the evocation of power complexes, regardless of how integrally evolved the participants feel they are. Enterprise economics is of course also correlated to the nature of capital and how the culture of money has evolved and been aligned.

Each enterprise will need to look deeply at each of these to understand their misalignment with Integral principles and intentions. The core question is how this structural aspect can not only carry our collective calling over time but also change with conditions and through such, strengthen. The very nature of ownership also changes with time as the competing claims and demands change.

⁵ Tolle, E. (2006). *A New Earth*. p. 73

An Enterprise which has in multiples paid back its founding fathers their original capital investment may now have a more mature culture. An Enterprise who has been inherited inside a family over generations may have taken on a different attitude towards its stakeholders and loosened its roots of origin. As an organisation goes through its natural life-cycles and varying demands for capital, the nature of ownership which goes beyond its shareholders becomes a primary impetus and driver behind the evolution of its culture.

*'Power over others is weakness disguised as strength'*⁶

Culture (our East):

Within this context, we mean the Enterprise governance culture and how its decision making capacities and structures. Often related to ownership but also to other prestige related hierarchies such as academic achievements / tenure, age & time in office, accounting principles between departments, family or historical relationships, etc.

Culture, as a collective, needs to be understood through its psychology and levels of consciousness in relation to the Integral intentions and strategy. This is the area where most often the power complexes can be or become manifest without much awareness of any negative change. As potentially separate but related to the overall enterprise culture, how can we transparently, openly and with vulnerability within our dialectic discourses, manage to integrate all our capacities of our context? Whilst some of an organisations culture is visible, most lies implicitly behind most people's awareness and can only be understood through the use and application deliberate methods and methodologies that works with extracting cultural codes. If an organisation, as grounded and rooted in local culture, is designing its governance system, to what extent can such be equally influenced, grounded and rooted in its local cultural context whilst also be aligned with its global and more external needs and demands?

Like a double sided mirror, culture not only shapes and influences governance, governance itself is shaped and influenced by its culture and as such the two in oscillation are inseparable.

The binding mechanism and agent for such is the ability inside a governance system to create trust around a core idea and mission.

*Core ideology provides the bonding glue that holds an organization together as it grows, decentralizes, diversifies, expands globally, and attains diversity within.'*⁷

Whilst trust is often dependent on individual capacities, capabilities, competencies and character, at the collective level, for these functions to be present, they need to be structured and organised inside the holding vessel of governance to allow a dialectic to emerge that can include vulnerability.

*"Trust is the stacking and layering of small moments and reciprocal vulnerability over time. Trust and vulnerability grow together, and to betray one is to destroy both."*⁸

Constitution (our North):

The Enterprise constitution sets out the organising and operating principles of any organisation. It maps out how the organisation is structured and governed. It outlines its main activities and explains the roles, responsibilities and powers of the board, directors, management and members.

⁶ Tolle, E. (2010). *The Power of Now*. p. 45

⁷ Collins, J. & Porras, J. (2005). *Built To Last: Successful Habits of Visionary Companies*. p.221

⁸ Brown, B. (2018). *Dare to Lead: Brave Work. Tough Conversations. Whole Hearts*. p. 34

In many organisations, the constitution is rarely known or understood to its members apart from possibly the most senior. More commonly, this is a document which is exclusively kept for regulatory and legal reasons. It's often a generic document which may have been modified initially by the owners to suit the business but now long forgotten and has not seen the light of day since the enterprise was founded. Setting out the framework and conditions that drives the culture, it's for each organisation to understand a constitutions capacity to influence and shape the Integral impulse to create knowledge.

Such knowledge is in reality not generated based on a pre-determined formula. How we can make a constitution not only a living documents but also the organisational RNA that creates the blueprint for the cultural DNA (VMemes) to be collectively co-created. If the constitution as a living document is to be driven by the organisational culture, it needs to contain the necessary VMemes that can help drive Integral transformation. Any constitution as such, needs to move from the background to the forefront of the organisations claim to transparency and inclusivity. In management meetings, during discussions and debates, referencing its constitution should be commonplace for those seeking direction and clarity of alignment in decision making.

*'In the act of creating, people argue. They have heated dialogue. They get upset! Without real exchange, you can't create knowledge. Knowledge creation is a human activity.'*⁹

Governance System (our West):

Charged with the function of directing the Enterprise, governance links all of the above into a single process and capacity to generate decisions that drive our defined contributions.

As the fulcrum of operations, this is "where the rubber meets the tarmac" and is therefore culmination and result of all our other previous structures and processes. This includes our capacities to integrate stakeholders and communicate directives and instructions throughout the organisation.

Core questions relate to how we define and design stakeholder contribution and how such are in turn aligned with the other three worlds. The governance system itself is the crystallisation point of all that has gone before and as such is where we will focus most of our attention and efforts in shaping its nature in alignment with our Integral transformation principles.

We will now in brief look at a structural outline what some of the ingredients may be as to how the Integral impulse can be designed and integrated into the Enterprise.

Integral Design

A word on "Drivers". Drivers are a combination of call, context, co-creation and contribution as defined and crystallised in a core statement and concept that when aligned become the key impulse for the envisaged decision and/or defined change and development. With "Aligned" we mean consistent, clarified and in-line with Integral 4-worlds principles.

⁹ Nonaka, I. (1991). 'The knowledge creating company'. Harvard Business Review, 69, 96-104; Nonaka, I. Takeuchi, H. (1995) *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation*

Ownership (our South):

The Integrally driven Enterprise now seeks to ground itself mutual exchange and an economy of reciprocity with an emergent function towards justice and reconciliation.

Its navigation is towards new forms of participative social business structures as governed by more democratic processes based on humanistic principles.

The organising principle for “ownership” takes on a broader perspective, as grounded and rooted in a defined community and pool of stakeholders including nature. As ownership takes on a participative nature based on reciprocity and mutual being, economically and financially such needs to be aligned with outcomes and benefits. New drivers may need to be designed that incorporate the envisaged and integrated stakeholder structure. Stakeholder management now incorporates control functions in balance including mechanisms to re-balance if control becomes challenged.

Culture (our East):

The main drivers behind the Integral culture drive Enterprise is its grounding in its spiritual consciousness that can now evolve into a shared and co-evolved context. This is foundational to deal with the increase in complexity based on developing the art of co-evolution with stakeholders. The culture of governing the Enterprise is now rooted through Anthropology & PAR in its indigenous wisdom traditions, in my case, Nordic/Scandinavian e.g. Viking, where we may find the operational structures and architecture for a working community with a reciprocal economy that can help design a governing system.

Some Enterprises may at earlier stages and initially have evolved into adopting core elements of Sociocracy3.0 and Holacracy which underpin tasks, roles and decision domains. This is where consensus decision making is central, as is individual action to drive and optimise knowledge co-creation and outcomes for all stakeholders. This will include growing individual and team capacity:

The foundations of the Commons principle and Consensus approach enables inner- and inter-personal tensions to be harmonised as capacity building drivers. The combination of these three essential elements gives powerful processes to drive it progress and minimise the disruption caused by tensions. These processes span four arenas (holons), from smallest to largest:

- Inside individuals, tensions between past and future, ideals and their nature.
- Between individuals, tensions between the inner world of each.
- Between roles in an organisation. (At an abstract level, i.e., excluding the human aspects of any tensions belonging to any of the above.)
- Between categories of stakeholders in the company

Core tenets of a Consensus policy applicable to an Enterprise may incorporate:

- Agreement Seeking: It attempts to generate as much agreement as possible.
- Collaborative: Participants contribute to a shared proposal and shape it into a decision that meets the concerns of all committee members as much as possible.
- Cooperative: Participants should strive for the best possible decision for the committee and its members, rather than competing for personal preferences.
- Egalitarian: All members should be afforded, as much as possible, equal input into the process, with the opportunity to present and amend proposals.

- Inclusive: As many stakeholders as possible should be involved.
- Participatory: The consensus process should actively solicit the input and participation of all decision-makers.
- Epistemic: The consensus should track the truth to the greatest extent possible.

Moving beyond such adaptation but to transcend and include them, Integral drivers may include:

- Working transparently with its organisational culture through one of the many culture scans and models available.
- Working tactically and strategically with such diagnostics, understanding gaps (Local-Global, Global-Local)) and evolving organic cultural developmental objectives in alignment with transformation management.
- Evolving representative management functionalities and accounting methodologies to include the role of e.g. a CCO, (Chief Culture Officer)
- Organisational culture is agenda item in management forums and reporting requirements.
- Meetings may now start with a check-in around culture alignment.

Constitution (our North):

Proving the framework and now, Integral map and navigation system for the Enterprise, the evolved constitution as the living document of the Enterprise will be aligned towards Integral drivers and requirements, both internally and externally. This includes details of inclusion and power sharing of all its stakeholders, in particular, representation from its community and if possible, customer base. The main task of the Integral constitution is to effect and help navigate the knowledge creation Enterprise, grounded in a fully networked and open society. This constitution is transparent and openly shared with all stakeholders.

Management seeks input and insights from stakeholders to its effectiveness and change directives. The constitution may now contain structural and strategic mile-stones and deliverables to stakeholders for which its management is accountable. The Enterprise will seek culturally aligned input and insight from key community members in areas of particular importance and relevance for its sustainability and to thrive e.g. the arts, family health & care etc. The constitution lives and breathes its intentionality in combination and alignment with the effective social charter and commitments entered into how such are delivered and implemented. The constitution now, in effect, is the “Magna Charta” of the enterprise towards the rest of the world.

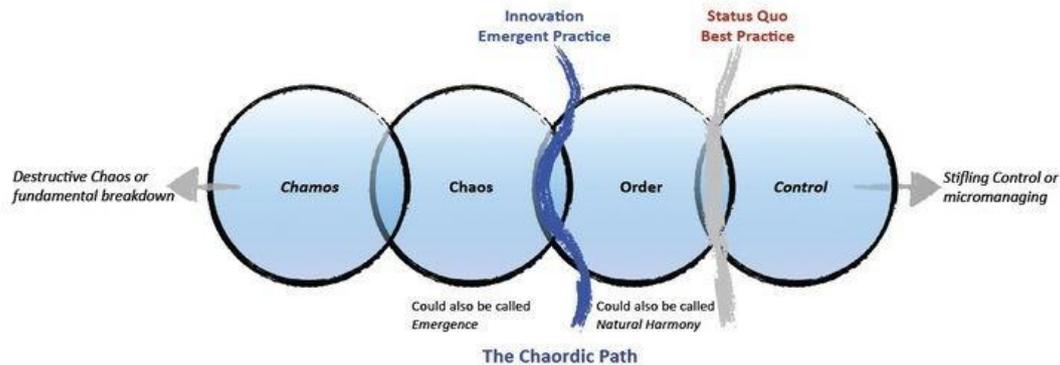
Governance System (our West):

‘A group experience takes place on a lower level of consciousness than the experience of an individual. This is due to the fact that, when many people gather together to share one common emotion, the total psyche emerging from the group is below the level of the individual psyche. If it is a very large group, the collective psyche will be more like the psyche of an animal, which is the reason why the ethical attitude of large organizations is always doubtful. The psychology of a large crowd inevitably sinks to the level of mob psychology. If, therefore, I have a so-called collective experience as a member of a group, it takes place on a lower level of consciousness than if I had the experience by myself alone.’¹⁰

¹⁰ Jung, C.G. (1999). *Jung on Death and Immortality*. p.47

The Integral Enterprise now is grounded in its culturally aligned life instincts aiming for restorative balance and driven by the emergent impulse of abundance and money as a cultural and social facilitation agent and artefact. We navigate through capital as a restorative resource from a four-world perspective, investing in social/natural, cultural/human/spiritual, Intellectual/manufactured, Financial/Economic capital, seeking flow that create a life-affirming environment based on reciprocal alliances.

The Governance system now in effect is self-organising and rooted and guided in seeking to balance chaordic practices and principles. One such core principle is that based on a common purpose and sense of ownership, we all act together to evolve the financial and economic framework into a restorative Enterprise.



The actual governance meeting format may now take the following tone and require the following ingredients to be present:

- A short (1-3 minutes) meditative silence to evoke the Integral GENE-i-Us. (Culturally aligned)
- Each member check in to a meeting stating how they feel in relation to their alignment of the four C's and CARE.
- A meeting may have a stated meta-theme, emphasis and focus based on each of the components of the GENE.
- Individual check out of meetings can include perceived gaps and improvements between the four C's and CARE.
- Check out of meetings can include calibration towards the meetings progress and alignment to the living constitution.

“Nearly all arguments are caused by people confusing different levels of abstraction or by supposing two objects to be the same when they are different”¹¹

The dialectic format of a meeting now contain and respect the following ingredients:

- Multiple concerns and information are shared until the directional sense of the committee is clear.
- Discussion involves active listening and sharing information.
- Norms limit number of times one asks to speak to ensure that each member is heard.
- Ideas and solutions belong to the committee; no names are recorded.
- Ideally, differences are resolved by discussion. The rotated committee chairperson identifies areas of agreement/disagreements to push discussion deeper.
- The chairperson articulates the sense of the discussion, asks for other concerns, and proposes a record of the decision.

¹¹ Falconar, T. (2000). *Creative Intelligence and Self-Liberation. Korzybski, Non-Aristotelian Thinking and Eastern Realization.* p 6-7

- The committee as a whole is responsible for the decision which belongs to the committee.
- The chairman can discern if someone disagreeing with the decision is acting without concern for the committee or selfishly.
- Ideally all dissenters' perspectives are synthesized into the final outcome for a whole that is greater than the sum of its parts.
- Should some dissenter's perspective not harmonize with others, he/her may stand aside to allow the committee to proceed, or may opt to block. Standing aside implies silent consent. Some committees allow blocking by one individual to halt or postpone the process.

For each major decision the following possible decision making guidelines may be applicable depending on the type and nature of decision:

- Always seek first to find unanimous agreement. If this is not possible/applicable, then;
- Seek unanimous consent. If this is not possible/applicable, then;
- Find unanimous agreement minus one vote or two votes. If this is not possible/applicable, then;
- Find unanimous consent minus one vote or two votes. If this is not possible/applicable, then;
- Decide on a super majority threshold (90%, 80%, 75%, two-thirds, and 60% are common). If this is not possible/applicable, then;
- Simple majority (weighted or unweighted by the representative parties). If this is not possible/applicable, then;
- Person-in-charge decides If this is not possible/applicable, then;
- An alternative board may decide.

The above list should be seen as a starting point that can and should be evolved by each enterprise in accordance with their own culture, needs and capacities.

Conclusion:

As Integral Enterprise Transformers, we seek to integrate the Integral four-world technology inside the governance frameworks of our organisations. If we are unable to do so, our Integral impulse will not only be diminished, it risks being and becoming an irrelevance over time as the prevailing culture has not been able to open up and change sufficiently to allow it to take root. The existing culture and its power complexes is what equally needs to evolve if the Integral enterprise is to have any chance of transforming. At the core of such change and development, always, lies the governance system and its structures and procedures. Unless we can equally, and in parallel, transform our governance system accordingly, the organisation will not be able to hold in its core and centre, the Integral impulse for any length of time. This is because, the Integral Impulse, like all things, is not only subject to entropy but more importantly, subject to the human pre-conditions to pathologies the power complex and his/her ego-centricity. Humans are also limited cognitively through information filtering so require a governance system to be able to hold the prerequisite systems and structures stable inside a container in which its now Integral ingredients can be managed. Whilst this paper may be short on academic information, I believe that as possibly practical overlay to the main text in "Transformation Management" some of you may have found ingredients and ideas that can be tested and used within your own enterprises.