

New Paradigms for Business

The world of business in the 21st century is remarkable for its unprecedented levels of uncertainty and unpredictability. The very assumptions that underpin traditional management practices are faltering, including the notion of control and the concept of planning.

Like all great evolutionary leaps through the ages, it is those who are willing to *turn from the known to the unknown* who will define the future...

Introduction

Our paradigms influence the way we see the world. A paradigm can be defined as a set of assumptions that underpin how we operate. But what happens when our paradigm no longer accords with our experience? We can find ourselves in a **paradigm vacuum**, knowing that we are no longer comfortable with the old set of assumptions, but not sure what to embrace in its place.

There are signs that the world of business and organisational management is currently experiencing such a paradigm vacuum.

The purpose of this paper is to explore the following issues:

- ◆ The journey that has lead to this point.
- ◆ A new paradigm for business.
- ◆ A new paradigm for leadership.

The paper will suggest possible reasons for some emerging trends in business and attempt to stimulate deep thought about the leadership challenges of the 21st Century. In doing so, it will also give the reader some understanding of concepts that sit behind the work that **reinvention**® often undertakes with organisations and individuals.

Organisational History

The 20th century commenced with a neat set of assumptions about the organisation, which can be described by Diagram 1 shown below.

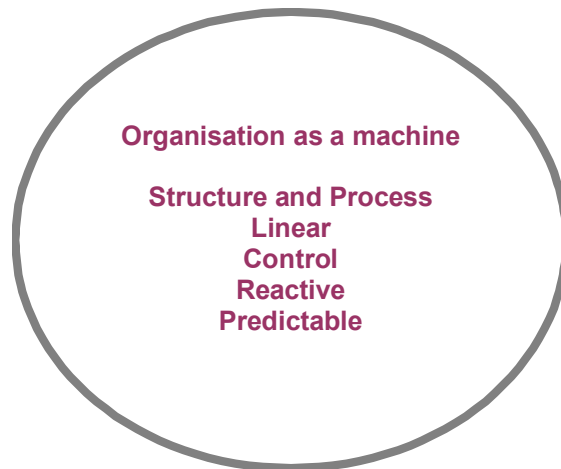


Diagram 1: Paradigm 1 - 20th Century assumptions about the organisation

This paradigm finds its roots back as far as the 17th Century. Findings by scientists such as Isaac Newton contributed to the idea of a physically determined universe, sometimes called “the billiard ball view of nature: A billiard ball will only move when acted on by another force such as another billiard ball hitting it. If we could measure the exact velocity and angle of the first billiard ball, we could predict the movement of the second”¹.

This has contributed significantly to a **reductionist view** of the world, where the underlying assumption is that things (and people) are the sum of their parts, and that focusing on the behaviour of the parts will result in an understanding of the whole. Evidence of Paradigm 1 continues to be seen in a broad range of fields including science, economics, politics, psychology and organisational management.

As a result of much personal experience to the contrary, many people would state that they no longer subscribe to this paradigm, however closer examination of the practices still employed in organisations tells a different story.

¹ <http://www.philosopher.org.uk/>

The Paradigm Vacuum

The paradigm vacuum for organisational management had probably commenced in earnest by the 1980s. It was around this time that a number of significant challenges to the old paradigm were emerging. Many were economic such as the flow-on effects of the 1973 oil crisis, many were technologically driven such as the emergence of rapid global communications, and some were people driven such as the changing demographics of the workforce resulting from a new generation of women staying in employment.

This period contributed to significant realisations that the existing paradigm **no longer offered effective explanations and solutions** to actual experiences. In theory, Paradigm 1 was rejected, but in practice it has not been so simple.

The vacuum arises in the space between the intention to reject an old paradigm, and the practical adoption of a new paradigm. In this space, a number of things can be observed:

- ◆ Practices built upon the old set of assumptions are not fully dismantled;
- ◆ A new set of assumptions might be identified, but the way to apply them is unclear; and
- ◆ Experimentation with new practices is widespread.

The vacuum experienced over the last few decades in organisational management has contained these three observations. As a result, we have seen, arguably, the highest number of management fads and the most rapid rate of adoption (and rejection) of new concepts in history. At the same time we have also seen climbing levels of stress and frustration amongst workers and managers, and diminishing returns for increasing workloads.

The ingredients that are required to move beyond such a vacuum and engage wholeheartedly with a new paradigm include:

- ◆ The description of a new paradigm;
- ◆ An understanding of how to operationalise the new paradigm; and
- ◆ A willingness to let go of the comfort zone represented by the old paradigm.

The experimentation undertaken throughout this vacuum represents an attempt to bring these ingredients together and there are undoubtedly organisations that have engaged effectively with a new paradigm. However, these would still tend to be exceptions rather than the norm.

A Paradigm for the 21st Century

If assumptions are influenced by the knowledge of the day, where do we look for the new knowledge that will help sketch a new paradigm for the organisation? Once again, science offers us some interesting answers. Coinciding with the dawn of the paradigm vacuum in organisational management during the 20th Century was another paradigm shift; **the new sciences** of quantum physics, chaos theory and complexity science were emerging.

Their message undermined the simplicity of the reductionist view by revealing that these linear and measurable relationships between components could **not be viewed in isolation** from the nature of the broader system within which they occurred. The relationship between two billiard balls is not defined simply by the velocity and angle of the first ball, but is influenced by the skill and state of mind of the person holding the billiard queue, who is influenced by the noise of the environment, which is influenced by the numbers of people who are there, which is influenced by the time of week and even the weather!! And it can go on.

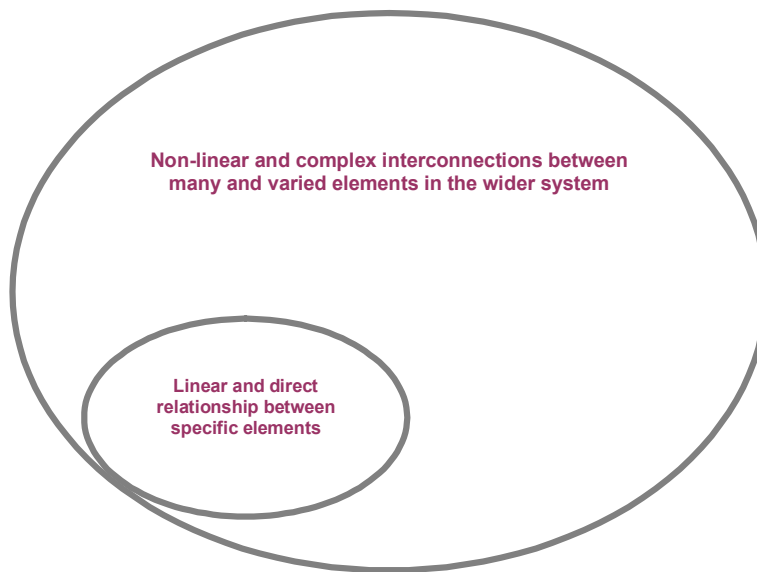


Diagram 2: The Relationship between the New Sciences and a Reductionist view

The new sciences enabled these more complex non-linear relationships to be articulated, understood more fully, and even measured to some degree. They do not say that earlier physics is wrong, because it can still explain some relationships between parts. But extrapolating this knowledge to then assume that the behaviour of the parts explains the whole is replaced by the realisation that the behaviour of the **whole is more than the sum of its parts**.

This goes some way to explaining the nature of uncertainty and unpredictability that characterises the modern business world regardless of how many controls we seek to apply to it. In identifying a set of assumptions that can underpin a new, more expanded paradigm for organisations, we can turn to those articulated by these new sciences.

Diagram 3 shown below describes the assumptions that align with descriptions of living systems, which in science are called **complex adaptive systems**. This encompasses all the elements of the new sciences, and applies to systems such as ecologies, species, human social systems and the universe itself.



Diagram 3: Paradigm 2 – 21st Century assumptions about the organisation

The assumptions within this paradigm have gradually been embraced in many fields over the last few decades, and many people would indicate that they subscribe to this paradigm of an “**Adaptive Organisation**”. However it is not genuinely the paradigm in use in the majority of businesses and this continues to contribute to the sense of vacuum.

Relationship between Paradigm 1 and Paradigm 2

Just as the definable aspects of velocity and angle for the billiard ball are subsets of the more complex system within which it operates, in the organisational context, Paradigm 1 remains as a subset of Paradigm 2 as shown in Diagram 4 below.

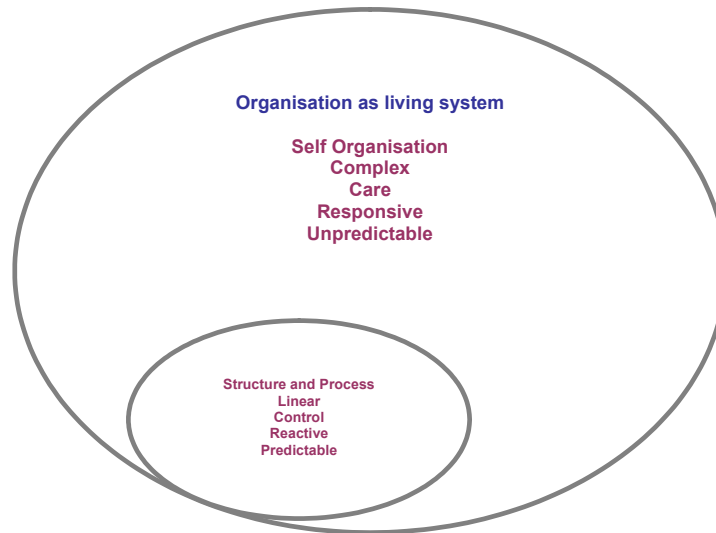


Diagram 4: Paradigm 1 is a subset of Paradigm 2

Consider the situation of a company that makes car components. Clearly there are aspects to this business that require structure, process, predictability and control. For example the manufacturing tasks might require the application of clear process and controls, which is an appropriate response to the particular needs. However, to assume that the behaviours and the needs of this part of the business predict the behaviour and needs of the whole organisation is to apply a Paradigm 1 response as a default and without awareness of the complexity of the whole.

The greatest challenge for leaders is to understand the significance of the **context of Paradigm 1 and 2** and to ensure that the application of Paradigm 1 does not become the default response. This is further explored in the next section.

A New Paradigm for the Leader

Most current leaders have been exposed to environments where the assumptions of control, structure, linearity etc were taught and reinforced. Although many have an intuitive sense that this is not an effective paradigm for the broader challenges of organisational management, there are often very ingrained beliefs, preferences, assumptions, habits and responses that result in a default response of Paradigm 1 behaviours, even if only very subtle.

Leadership development is now one of the top priorities for many organisations, a recognition of the extent to which the leader defines the culture and influences the organisation's success. However, there has been a similar journey of discovery about leadership paradigms over the last few decades as that explored in this paper for organisations.

When faced with the features of a complex living and adaptive system, how does a leader determine their response time after time?

Influenced by reductionist views, the study of the mind and human behaviour during the 20th Century was dominated by the assumptions shown in the Table 1 below.

Old paradigm

I am the sum of my thoughts, feelings and beliefs
My mind controls me
I can learn how to control my behaviour
If I think or feel this, it must be true

Table 1: 20th Century assumptions about the individual mind and behaviour

Consequently, most individual training and development focused on behaviour change at the point of action, ie. recognise I am about to do something that might not be the best response and select another response that might be better.

Emerging views about the mind and human behaviour are now being significantly influenced by spiritual and philosophical **traditions that propose a theory of the mind**. As an example of this, a public conference between high profile western neuro and cognitive scientists and Buddhist practitioners including the Dalai Lama of Tibet was held in September 2003. Such meetings have been occurring in private since 1987 and current research in mainstream scientific arenas is starting to reveal the impact of these dialogues.

Preliminary research on the impact of long term meditation was presented at the conference. It indicates the capacity for people to **train their mind** to manage their mental and emotional response to stimuli at its source, rather than simply change their behavioural response. This means that the very beliefs, preferences, assumptions and habits that motivate an individual to respond to a situation in a particular way can be transformed before they compel such action.

Where 20th Century training has encouraged the individual to attend to the point of action, emerging practices encourage the individual to attend to an earlier point in the chain reaction that leads to action – our own mind. Such practices are able to be interpreted from these age-old traditions and applied as simple secular lessons that empower the individual to **transform their behaviour rather than seek to control it**.

The assumptions that underpin a new paradigm for the individual include those shown in Table 2 below.

New paradigm
Attaching to my thoughts, feelings and beliefs limits me
I control my mind
I can learn how to transform the thoughts and feelings that drive my behaviour
If I think and feel this, it might be filtering the truth

Table 2: 21st Century assumptions about the individual mind and behaviour

The Next Steps

As we have seen in an exploration of organisational paradigms, there has been a gradual shift towards this new paradigm for the individual. Many more leadership programs are emphasising self awareness, and mindfulness practices including meditation are becoming very popular. But a more **intentional engagement** by leaders will be the key in turning the corner on the engagement with the new organisational paradigm. Until this occurs, there will still be a tendency to apply Paradigm 1 assumptions as a default response, even if unintentionally.

reinvention® proposes that Conscious Leaders create Adaptive Organisations.



Diagram 5: The relationship between the leader and the organisation

To some extent, most individuals have some personal experience of the deeper levels of consciousness that are achieved when assumptions, habits, expectations, and beliefs are suspended. However most have never had the opportunity to explore how to further develop this capability. For those leaders who more actively engage with development in this area, our research shows that they **more naturally personify** the attributes shown in Diagram 6 below.



Diagram 6: Attributes of the New Leader

Their organisations start to look more like the Adaptive Organisation, revealing the features of living systems such as those shown in Table 3 below.

Paradigm 2

Purpose – focus on why you exist
Unlearning – let go of old knowledge and see what is emerging
Discipline – adopt clear and simple rules that enable self-organisation
Messiness – experimentation, redundancy, tension and diversity
Cooperation – contribute to health in other systems with which you are connected
Reciprocity – mutually beneficial interactions that cannot be compared by any objective measure
Webs of connection – connect with those who emerge in your path and assess the relationship for its contribution to purpose

Table 3: Features seen in Adaptive Organisations

Final Word

“Ever since Isaac Newton and Rene Descartes, scientists have assumed the cosmos is like an immense mechanical construct whose components can be examined piece by piece. If this is so, then, in principle, we can learn about parts of nature and eventually acquire enough knowledge of the fragments that we could put them together to recover a picture of the whole.”²

Just as this paradigm has been successfully challenged in many fields of science, we must be prepared to take the leap of faith into the unknown in the world of organisational management. The journey so far has been more a case of “moving away from”, rather than “moving towards”. While the journey should be a case study for evolution itself and therefore be necessarily messy, as business leaders we must consider how actively we are embracing these features. Are we accepting of **questions rather than answers, ambiguity rather than prescription, exploration rather than prediction?**

Like all great evolutionary leaps through the ages, it is those who are willing to *turn from the known to the unknown* who will define the future...

² A David Suzuki Collection: A Lifetime of Ideas