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JITP is the official source for material related to Integral Theory and its application. The journal publishes peer-reviewed articles, case studies, integral research, critical dialogues, book reviews, and conference reports. JITP embraces a post-metaphysical and post-disciplinary perspective that is dedicated to articulating the ways ontology, epistemology, and methodology interact and co-arise across various scales of time and space. JITP is managed jointly by Integral Institute and MetaIntegral Foundation.

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Integral Theory is a meta-framework that draws on the key insights of the world’s knowledge traditions. The awareness gained from drawing on all perspectives allows integral practitioners to bring new depth and clarity to every level of human endeavor—from unlocking individual potential to finding new approaches to global-scale problems.

Articles published in the *Journal of Integral Theory and Practice* (JITP) represent explorations in several modes of discourse: philosophical, theoretical, pragmatic, experiential, and critical. JITP is committed to the refinement, development, and expansion of Integral Theory.

**Instructions for Authors**

JITP follows American Psychological Association (APA) style guidelines. Visit [metaintegral.org/JITP](http://metaintegral.org/JITP) for full submission guidelines and a glossary of Integral Theory terminology. An abbreviated outline of the manuscript review process is listed below.

In light of the fact that both Spiral Dynamics and the Integral model sometimes use a color scheme to describe levels of development, we request that authors specify which color scheme they are using (e.g., orange altitude vs. orange vMeme). Altitude can be used to refer to any developmental line (e.g., orange cognition), while Spiral Dynamics, in the context of Integral Theory, specifically refers to levels of values development.

**Review Process**

**Initial Review**

Authors must submit articles to Lynwood Lord at lynwoodlord@metaintegral.org. In cases where authors do not adhere to JITP submission guidelines, manuscripts will be returned with a request that all components be provided. Theoretical changes, copy editing, and structural suggestions may be suggested at this stage.

**Peer Review**

The editorial team then assigns manuscripts to external reviewers. Information from submitted manuscripts may be systematically collected and analyzed as part of research to improve the quality of the editorial review process.

Authors are expected to revise their article in light of peer-review comments and provide a revised draft within one month. Changes should be made using the track changes feature in Microsoft Word, so our editorial team can quickly identify edits.

**Theoretical Review**

Once a draft with peer-review comments incorporated is received, a theory call will be scheduled with Ken Wilber, Editor-in-Chief. Wilber will offer constructive criticism and theoretical clarifications. This is a good opportunity to learn and refine your understanding of Integral Theory. The call will be recorded and a link to download the audio will be provided within a week.

**Editorial Review**

Accepted manuscripts are edited in accordance with JITP editorial style.

**Author Review**

Authors will be e-mailed a proof and will have one week to suggest changes.

**Critical Presentations**

Authors are encouraged to explore hypothetical and critical views in relationship to Integral Theory. When presenting hypothetical material (e.g., the possibility of a new line of development in one of the quadrants), authors should make it clear that a suggestive addition that is not currently part of Integral Theory is being offered, and then provide as much evidence, argumentation, and supportive material as possible to substantiate their position. When presenting critical material, authors must represent the components and claims of Integral Theory within an academically acceptable range of interpretation. JITP views the process of hypothetical and critical engagement as essential to the development of Integral Theory.
EDITORIAL INTRODUCTION
Sean Esbjörn-Hargens and Marcelo Cardoso

The idea for this special issue on Integral Business emerged in October 2010. We were both engaged in the application of integral principles to a number of projects and initiatives at Natura, a Brazilian-based cosmetics company. We had discussed many times how fields of integral application such as Integral Education, Integral Sustainability, or Integral Medicine have numerous books and articles that serve to illustrate an integral approach in those contexts. In comparison, we noted that Integral Business as a field was practically nonexistent. Very little has been written and there were no clear examples of integral businesses to point to. We were struck by the fact that we knew many organizational and business consultants using an integral approach as part of their “tool kit,” but there were only a few business leaders we could think of that were integrally informed.

Given this reality, and the fact that we felt Natura was doing groundbreaking work in a business context, we decided to have Natura sponsor a special issue of JITP devoted to Integral Business. The issue you are reading now is the result. True to our initial intentions, we wanted the issue to not only showcase some of the exciting applications occurring at Natura, but also to serve as an opportunity for us to pull together other examples and voices of Integral Business from around the world. Thus, we wanted this special issue to serve as a catalyst for an emerging field. We received so many great submissions that we decided to make a double issue so we could publish the articles together, and in so doing help launch the field of Integral Business.

This double issue contains thirteen contributions, including nine peer-reviewed articles, two essays, a book review, and a conference report. These various articles serve to showcase a wide range of content that includes case studies, field reports, original research, and innovative models of doing business. Furthermore, the issue touches on a number of topics important to Integral Business, including investing, consulting, management, technology, organizational transformation, leadership, corporate education, sustainability, and power dynamics. So while much remains to be said about Integral Business, we feel that this issue does a great job of starting the conversation and provides a solid base from which to begin to explore how we might apply integral principles to business.

It has now been almost four years since we met and began our journey together. Our connection was immediate and we have shared much purpose and passion for seeing integral applied in the world. Our relationship has been deeply meaningful to both of us and has supported each of us in numerous ways over the years. The following two sections provide some background to how each of us became involved with this special issue.

The Natura Context
Natura played an important role in supporting the publication of this issue and has taken a strong leadership role in forming the field of Integral Business. We want to take a moment to provide you with the history and context of the company’s adoption of Integral Theory. This will not only set the stage for the issue but will provide you with a sense of one of the most extensive and arguably exciting examples of Integral Theory applied to business to date.
Natura was founded in 1969. Luiz Seabra, the initial founder, was inspired by individuals such as Plotinus, Montaigne, and Teilhard de Chardin, so from the very beginning the company had an affinity for “integrality.” In 1992, the company enacted its current motto of *Bem-Estar-Bem* (Well-Being-Well), which emphasizes the well-being of both individuals and collectives. In 2011, during company planning for the year 2030, “integrality” was identified as a core dimension to be developed as part of an ongoing strategy to differentiate Natura in the marketplace. Natura has been a global leader as a triple-bottom-line company and now it is positioning itself to be a trailblazing integral company.

Natura is Brazil’s leading cosmetics company, in a country that is the second largest cosmetics market in the world (and first in fragrances). Natura has over 7,000 employees and approximately 1.4 million women are employed as part of a “door-to-door” direct sales force. The company has an excellent reputation. In 2011, there were 14,000 applicants for 35 spots in their Trainee Program. Natura is included as a case study in many major universities in the United States and Europe (e.g., Harvard, University of Pennsylvania, Northwestern, London Business School, INSEAD). Natura is a public company valued at $16 billion and had a 20% growth rate for the first decade of 2000.

**Natura Embraces Integral Theory**

In 2002, I (Marcelo) flew to the United States and London to meet with integral practitioners like John For- man, Steve McIntosh, and Don Beck to learn more about how Integral Theory was being applied to business. Unfortunately, as mentioned above, the field of Integral Business did not really exist, and so there was not much anyone could offer in terms of guiding me in my desire to further apply integral principles to business. Even so, I continued to apply Integral Theory, first to a theme park where I was CEO, and later to a consult- ing firm called DBM, where I was President. My work at DBM and the results we were getting caught the attention of Natura leadership. In 2008, I was hired by Natura to be a member of its executive leadership. For five years I served as the Vice President of Organizational Development and Sustainability. Recently, I took a Senior Vice President position with a leading healthcare company in Brazil, where I will continue to explore Integral Business.

During my time at Natura, I brought a number of integral experts to the company as consultants or in- volved them with various projects. This list includes: Robert Kegan, Susanne Cook-Greuter, Beena Sharma, Brian Robertson, Diane Hamilton, Terry Patten, Barrett Brown, and Nomali Perena. I also drew on the local integral expertise of Frederico Porto, Moses Silbiger (a Brazilian who graduated from JFK University’s Integral Psychology graduate program), Ari Raynsford (a Brazilian who has translated three of Ken Wilber’s books into Portuguese), Del Mar Franco (my wife, who is an integral psychologist and runs the Institute de Evoluir), and many others.

These local and international integral experts were responsible for helping to train over 300 people at Natura in Integral Theory and practice. At least 50 of these trained individuals have made a commitment to embody and practice Integral Theory in their personal lives. In addition to exposing many of its employees to integral principles, Natura has also been instrumental in exposing important strategic consulting firms to Integral Theory. These firms have been asked to incorporate integral principles into their frameworks and proposals (e.g., Boston Consulting Group, which incorporated integrality as a recommendation to Natura’s innovation department, and Accenture, which helped with the company’s education architecture).

Also, an important outcome of the process of applying Integral Theory to business in general and at Natura in particular has been the growth of the integral movement in Brazil. One clear sign of this is exemplified in the founding of Integral Institute Brazil, which I did with Ken Wilber’s blessing and the assistance of many integral practitioners here in Brazil. Launching this international branch of Integral Institute has served to bring the Brazilian integral community together in a powerful way and has inspired us to contribute to the worldwide integral movement.
**Natura Becomes a Leader in Integral Business**

In terms of my (Sean) own involvement with Natura, I was first hired by Marcelo in August 2009 to present for a day on Integral Sustainability to a group of 25 employees. For the next year I served as an executive coach to him. In September 2010, Natura sent seven project team leaders to the Integral Incubator in Boulder, Colorado, and later sent key employees to workshops in Holacracy and Robert Kegan’s work in Immunity to Change. In October 2010, I returned to Natura for five days and met with these seven leaders as well as others involved or interested in applying Integral Theory to their departments or projects. During this visit Marcelo decided to hire me as a consultant so that I could support Natura in becoming a leading example of Integral Business in action.

As a leading global company in the realms of sustainability, cosmetics, and social justice, Natura has increasingly drawn on Integral Theory to operationalize its motto of “Well-Being-Well.” Together we worked on over a dozen integral projects occurring at Natura in various departments at different scales of application. As a result of all these integral projects happening, concurrently there was the need for coordination and clarification within and across these efforts. Thus, following my visit in October 2010, Natura contracted with me to serve as an “integral synergy person” who could oversee the integral initiatives at Natura and provide guidance, feedback, direction, and evaluation. Over the next 16 months I took a number of trips to Brazil, Mexico, and Denver, Colorado, to support these projects.

My role was to supply expertise in Integral Theory and its application in multiple contexts and at various scales. In addition, I was to identify the threads between and across efforts and begin to weave them into a strong corporate strategy of integrality expressing “Well-Being-Well.” In addition, I was expected to support Natura in developing and using Integral Business principles in other parts of the company. Our goal was to develop an Integral Business strategy to give Natura market differentiation and continue to deepen their brand loyalty with current customers and consultants. The vision was that by being an Integral Business, Natura could maintain their edge and their profit margins while allowing them to even more fully step into Well-Being-Well and be a global example of an integral company. I focused on five levels of organization:

1. **Integrity Strategy**: Helping develop a company-wide strategy of integrity in the context of “Well-Being-Well”
2. **Executive Committee Level**: Keeping members of the team updated on individual projects and informed of the overall strategy of integrity
3. **Individual Project Leadership**: Supporting the leadership in understanding and applying integral principles
4. **Individual Project Members**: Supporting project members in understanding and applying integral principles
5. **Integral Knowledge**: Supporting the spread of integral understanding within the company so that other interested individuals could begin to use integral principles in their own efforts

The following list represents a high-level overview of the main integral projects at Natura that we worked on for almost two years, many of which are still underway in one form or another:

- Branding
- Corporate Education
- *Girassol*: Mexico Market Strategy
- High-potential Employees
- Integral Coaching Training
In addition to these projects, we identified some “priority people.” These individuals were singled out to receive integral support and mentoring regardless of what project they might be working on.

Over the past two years, Natura has engaged in a massive effort to incorporate Integral Theory into over a dozen areas within their company. This has resulted in 400 pages of integral analysis and application produced in the form of 37 reports. Never before has a company this large actively applied integral principles across so many departments simultaneously and successfully. A lot of groundwork has been laid—over 300 Natura employees have learned about Integral Theory and around 100 of these have actively engaged in applying these principles themselves to the projects they are involved in (and as Marcelo noted above, 50 have made a strong commitment to apply these principles in their own lives). A lot of work is needed to maintain the momentum and various trajectories set in motion during this period, but in two years Natura has positioned itself as one of the most exciting examples of Integral Business on the planet. Thus, it is not surprising that *Forbes* magazine recently awarded Natura the honor of being named the eighth most innovative company in the world. (Google placed ninth!)

**In This Issue**

We open the issue with Dean Anderson’s “An Integrated System for Organizational Transformation.” Anderson, more than any other business consultant, has developed a unique integral method for whole system change. As he states, “organizational transformation has the highest probability of success when guided by an integrally informed, comprehensive, aligned, and integrated transformational system driven by an end-to-end change process methodology” (p. 2). He makes a solid case that to change an organizational system you need an integral approach that is multi-dimensional, long-term, and engages all members of the system in a powerful way.

Next we have Mariana Bozesan’s two-part article, “Demystifying the Future of Investing.” The first part of her article focuses on the perspective of an emerging kind of integral investor, and the second part introduces a new model of integral investing. Together these two articles serve as an exciting window into what an integral approach to investing consists of and who is already engaged in this kind of approach. Bozesan has researched this topic extensively for a number of years, employing a new method she calls “heuristic structuralism” to engage 132 global investors. Furthermore, she is well positioned in the private equity and philanthropic landscape to have a very grounded sense of where things are at and where things are headed. Her integral approach to investing is captured succinctly in the illustrations in Part 2, especially Figures 4 to 7. These illustrations do a great job of showing the way integral investing transcends and includes current approaches. What she accomplishes in these two articles is in my opinion quite stunning—after all, she is aiming Integral Theory right at the heart of capitalism—with revolutionary implications.

Following Bozesan’s contributions we have the first of two articles on integral management. The first one is Marco Robledo’s “Integrating Management Theory: Using the AQAL Model for Multiparadigm Management Research.” In this article, Robledo uses the quadrants to frame an extensive review of 50 top man-
agement theories. He then goes on to use Gareth Morgan’s eight metaphors of organization to further classify and understand these theories. Robledo models for us how we might combine an integral lens (i.e., the quadrants) with other lenses (Morgan’s metaphors) to integrate the best of many approaches in a given field. After reading an article like this you cannot imagine trying to make sense of all these theories and include them in any synthetic way without an integral framework.

Next we have Alex Howard and Karim Hirani’s “Transformational Change and Stages of Development in the Workplace: A Heuristic Inquiry.” Howard and Hirani employ the Diamond Approach method of heuristic inquiry to explore how leaders experience their own stage transformations. They identified five themes that shed light on a first-person view of one’s transformation through third-person structures. This is exciting research, as it uses a zone-1 method to explore zone-2 content. It feels important for integral researchers to engage in “cross zone” research like this in order to better understand what we can and cannot say about the boundaries between zone 1 and zone 2. In some ways the boundaries are clear and in other ways they are not clear—research such as this is important for Integral Theory to better understand the power and limits of its symmetrical maps.

In her article, “The Organizational Power Matrix: Toward a Metapraxis of Power,” Cecile Green explores the important issue of power, which is largely absent in Integral Theory. She employs Mark Edwards’ approach to integral meta-studies to frame her development of a metapraxis of power. She makes use of a number of Edwards’ integral lenses to provide insight into power and how an integral approach can better include it. An important part of her work is to create a power matrix by combining two lenses (an internal-external one and an individual-collective one). This is useful for a number of reasons, but what I want to highlight here is how such an approach is important in that it looks very similar to the four quadrants but is different in important ways. I believe it is valuable for integral theorists to work with 2 x 2 matrices that are similar yet different from the classic four quadrants. Doing so will deepen our understanding of the four quadrants and ultimately help us to literally think outside the box.

Shifting from power to patterns, we move to Michiel Doorn, Sven Stimac, and Wouter Schik’s “Process Innovation in the Netherlands: Using Pattern Language for Complex Sustainable Development Projects.” This article spotlights 12 patterns that emerged from the authors’ original research conducted through interviews of people involved in the staging of a large horticulture world expo. Their findings underscore their point that “New, meta-systems-oriented, integrative, dynamic approaches are needed to work with uncertainty and multiple stakeholders” (p. 116). Their use of integral frameworks to reflect back on the project and the research findings shows how Integral Theory can be used for understanding complex projects, and how important it is to integrate integral principles into a project strategy from the outset.

The next two articles showcase Natura. First we have Marcelo Cardoso and Ricardo Ferrer’s “The Integral Management Meta-model: A Management Model for Second-tier Organizations,” the second article in the issue devoted to integral management. The majority of the article is focused on describing the main components of a model that was developed by Integral Institute Brazil based in part on the management system used at Natura. The article suggests ways that we might begin to think about creating new models of management as well as other business realities and organizational dimensions. The article is successful in presenting not only an innovative model of integral management, but it also inspires the creation of other similar models.

Next we have Andrea Vernacci’s Natura case study: “Development of an Educational Architecture Based on the Integral Model.” The approach to corporate education described in this article is based on Robert Kegan’s developmental model. As such, it is an exciting example of how a company is using an AQAL approach to support education across an entire organization (so far, over 30 programs have been developed using this integral architecture). The article contains two short illustrative case studies, which provide a concrete sense of what this approach looks like in action. One of the implications of this article is that other integral fields, such as Integral Education or Integral Sustainability, can be woven into Integral Business.
Typically we think of education in an academic or professional context, but as this article illustrates, corporate education can be approached via the principles of Integral Education.

Our next section includes two Perspective pieces. First we have Brian Whetten’s essay on “Integrating Money and Meaning: The Role of Purpose and Profit in Integral Business.” This article is important for anyone aspiring to be an integral entrepreneur. Drawing on many years of experience, Whetten makes the astute observation that many integralists have a hard time making money. Likewise, making money is often pursued in a way that lacks meaning. The real challenge, as Whetten points out, is having your cake and eating it, too (i.e., by “integrating money and meaning”). This dual mission becomes a defining opportunity for the field of Integral Business. Throughout the article, Whetten provides insightful points about how integrating profit-driven and purpose-driven approaches is at the core of Integral Business.

The second perspective essay is Brad Richardson’s “Holarchies and Technology Evolvability.” In this article, Richardson explores the ways that technologies evolve in an analogous fashion to natural evolution. He then looks at the way holarchical frameworks are used in technological architectures. From here he highlights how Integral Theory could provide the basis for creating a common language/framework for the holarchical design of technology. Richardson’s piece successfully brings a technological perspective to the Integral Business conversation, helping expand it beyond the parameters it normally is situated within.

The book review in this issue comes from Jordan Luftig and showcases *The Opposable Mind: Winning through Integrative Thinking*, by Roger Martin. Martin’s book is important to note of for several reasons. First, it is published by Harvard Business Press and as such represents a very mainstream publisher showcasing “integrative thinking.” Second, Martin is a well-known figure and has successfully designed an integral curriculum at a progressive mainstream business school (the University of Toronto’s Rotman School of Management). There is much for us to learn in this achievement. Third, the version of integral presented in this book is quite simple, and compared to Integral Theory seems like Integral 101. This is important for two reasons: 1) we do not have to lead with the entire Integral model in order to have impact and relevance, and 2) if a simplified version of integral thinking has been this successful, then imagine what a more comprehensive view of integral thinking could do. So take a look at Luftig’s review—he does an excellent job of summarizing the book and exploring its contributions and limitations.

Finally, we have a conference report from Natura, “The Integral Week at Natura Cosmetics,” by Helder Kamei, Patricia Tobo, Gilson Paulo Manfio, and Claudia Negrão Pellegrino. This report does a great job describing a two-day integral fair and subsequent three-day incubator that focused on integral workshops. Combined, these two events served to highlight the leading role that Natura is playing in bringing integral principles into their day-to-day business practices.

Our hope is that the contents of this issue serve to launch the field of Integral Business in a way that has yet to happen to date. We feel the material in these pages opens up the conversation in a robust way and points to many key areas to further explore and develop. We also want to acknowledge how incomplete the task of defining and developing Integral Business is. There is much work to be done and what is represented in this issue is a small step (hopefully) in the right direction. May this issue serve to inspire many to join us in exploring and developing the emerging field of Integral Business.

We want to thank Natura for not only sponsoring this issue but also being willing to be a global leader in exploring how might we best apply integral principles to business. Natura’s boldness and support in this endeavor has been truly remarkable. In addition, we want to thank Ken Wilber, who has been our mentor and guide during the entire journey. His advice and feedback proved to be essential on numerous occasions. Also, Beena Sharma, Barrett Brown, Nomali Perera, and Diane Hamilton deserve special mention as key integral practitioners who each made substantial contributions to the use of Integral Theory at Natura.

In addition to this special issue, there are other signs that Integral Business is emerging as a distinct field. For example, Barrett Brown and I (Sean) are keynoting and delivering a four-day seminar at a business
conference in Russia in August 2013. Also, Meridian University (www.meridianuniversity.edu) is launching an Integral M.B.A. in Creative Enterprise in October 2013, as well as an integral M.A. and Ed.D. in organizational transformation. These are just two signs out of many that indicate that the time for Integral Business is upon us now. We feel the material in this issue opens up the conversation about Integral Business in a robust way and points to many key areas to further explore. We hope you enjoy reading the issue as much as we enjoyed envisioning it and putting it together.
I have a dream that one day business will be the prime catalyst of good on the planet, a change agent promoting the well-being and right livelihood of people and the preservation of our natural environment. I do not carry this dream as a misplaced Pollyanna fantasy, but rather as a realization that this is how it must become with business. Business is too big a force, currently promoting both the benefits and limitations of its primarily orange altitude worldview. While the benefits of the technological innovations and employment opportunities that business brings are significant, so are the limitations of its all too frequent economic and emotional mistreatment of people and decimation of the environment. The paradigm of business must evolve, and do so rather quickly. We simply cannot have it continue in its current state—it is not sustainable for people or the planet.

Throughout human history people and societies have continually been primed for breakthrough, while simultaneously needing to resolve significant problems to avoid breakdown. This is the evolutionary path: at every moment, in every breath, we have the potential to transcend and include, or drop into further contraction and constraint. On a macro level, at the edge of each stage of development, things have both never been so good, or potentially so bad. And so it is now.

The difference here in the second decade of the 21st century—and it is a very significant difference—is that our potential for creation and destruction has never been so great. Our technological advancements make it possible for the first time in history for us to destroy our natural and social environments through pollution, war, and economic disaster. Yet, at the same time, we have also never been so connected and able to draw people and resources together for the good of the whole.

It is a precarious and chaotic time we live in, and business will play a key role in whichever near-term direction we go. We know that evolution will continue unfolding. What we do not know is what turns evol-
tion may take in the short term: toward destruction and demise or toward greater co-creation and a breakthrough to a wider and deeper embrace. My core purpose in writing this article is to promote the latter.

Transforming business and organizations will have a very significant positive impact in the world. A transformation in business to a green-altitude worldview will lessen the threat of environmental disaster as business leaders do what is natural to them from an expanded perspective (e.g., lowering their carbon footprint, developing sustainable manufacturing practices, pursuing zero waste). It will promote the quantity and quality of social democracy across the globe. The more leaders transform their command and control styles and use of dominator hierarchies, the more they will influence other institutions to do the same. Business is always at the cutting edge of innovation, and as business becomes more customer-focused, collaborative, and inclusive, so will education, politics, medicine, and governments. Business captures the attention of the planet’s first-world population like no other institution. People spend more of their time at their jobs than in any other waking activity. What is modeled at their places of employment has a profound impact on people’s worldviews and behaviors, as well as on the larger cultural and systems.

Organizations and their transformation are the best practice fields we have for planetary change. Where else than in business and the military do we find such scale, resources, and motivation for innovation? It is important to recognize that organizations today—and the people that lead them—are the power centers on the planet. The path of global change is not around organizations, but through them, in partnership with them. Bringing Integral Theory to business and developing organizational leaders to become conscious leaders of change is more than just a good idea; it is a primary strategic lever for planetary transformation.

Integrally informed business consultants, trainers, and coaches have a tremendous opportunity to shape the path of business. Through their relationships and work with business leaders, they have the power to influence thinking and raise awareness. But let’s not go jumping into this endeavor with adolescent enthusiasm. We can easily do as much harm as good by making predictable missteps fueled by our enthusiasm and passion. We need our commitment for making a difference in the world, but we also need pragmatic skill in doing so, especially in regard to the nuanced task of getting business leaders to be interested in integral awareness, methods, and outcomes.

A key strategy for global change is to get more second-tier people into positions of power. The challenge is that people at teal and turquoise altitudes generally are not all that interested in becoming CEOs of a large corporation or the director of a government agency, nor were they at age twenty or thirty as they were intuiting and crafting their career paths. The solution? Develop the people currently in power and equip them with a system of insights, methods, and tools for change so they can become capable of leading transformation from an integral perspective.

How to do this has been my career pursuit for over three decades. As an organizational transformation consultant, I have worked intimately with senior leaders of Fortune 500 companies, government agencies, the U.S. military, and global non-profits, helping them build transformational change strategies, transform themselves, their teams, and organizational cultures, and develop their organization’s change capability. This work has embraced personal change, team development, and organizational change as an integrated pursuit, where the goals are to consistently produce breakthrough business results as well as generate shifts in individual mindset and collective culture. We have had some extraordinary successes, some downright failures, and many outcomes somewhere in between as leaders dabble in what is required but do not fully engage in it.

I write this article to share some of what I have learned in this journey of transformational consulting in the hope that it might serve in your work helping leaders and their organizations transform. First, I will describe the three different types of change occurring in organizations and define transformation as a specific type. In this context, I will then outline the essence of my message, which is my belief that organizational transformation has the highest probability of success when guided by an integrally informed, comprehensive, aligned, and integrated transformational system driven by an end-to-end change process methodology. Below I will explain what I mean by that long statement and why I come to that conclusion. I will ground this
theoretical discussion by outlining key aspects of the “integrally informed, comprehensive and integrated transformational system” that Linda Ackerman Anderson and I have developed over the past 30 years at Being First, our consulting firm. Then I will outline critical points about how best to work with first-tier organizational leaders, as that is our primary audience for this work.

Throughout the article, I will share key insights—do’s and don’ts if you will—about how to bring Integral Theory in action to business and leadership, and how to transform large organizational systems, including culture. For this I will draw from my own client experiences and from the application of my firm’s “integrated system of transformation” (see Appendix A).

My goal is to both widen and deepen the perspective that integrally informed change consultants, executive coaches, corporate trainers, and leaders themselves have about what it takes to transform large organizations successfully. My hope here is that more of us will either take on the task of developing integrated systems for organization transformation, or network with each other to produce integrated offerings. Piecemeal or partial approaches will not be effective enough to meet the challenge before us, given its level of urgency and magnitude.

What is Organizational Transformation?

First, a quick introduction to the three different types of change that are occurring in organizations today: developmental, transitional, and transformational (Fig. 1). Understanding the distinctions between these types is critical because each requires different change strategies and approaches, a different level of integration, and different change process methodologies.

Developmental change is the incremental improvement of current structures, systems, processes, or technology, while transitional change is the dismantling of existing structures, systems, process, or technology and the simultaneous creation of new ones. Both are Right-Hand quadrant activities. Developmental change usually gets accomplished through current operational structures and processes, while transitional change often requires a parallel organizational structure to execute. The existing hierarchy runs the ongoing business and another governance system is built to lead the change, led by a change sponsor, change process leader, and change leadership team.

Both types require individual behavior change and skill development (Upper Right), with transitional change requiring more because it puts in place a new state, rather than simply improving an old state. But neither demands Left-Hand quadrant attention to mindset or culture.

Virtually all leaders can succeed with developmental change as it requires minimally an Expert worldview (amber–orange altitude). Transitional change requires minimally an Achiever worldview (orange altitude), and ideally an Individualist/Catalyst worldview (green altitude), because of the often complex system dynamics that require project integration of multiple, interdependent sub-initiatives. In transitional change, there is often more need to attend to deeper human dynamics because the new state often triggers stakeholder fear and anxiety, requiring greater attention to managing states through two-way communications, greater employee engagement, and training. In both types, traditional project management methodologies are adequate to manage the process of change, and traditional change management tools are often adequate to manage the people components to minimize resistance.

Organizational transformation is an entirely different beast. It is by far the most complex type of change, and the only type that can potentially deliver a substantial breakthrough. Transformation occurs when the environment or market is demanding a quantum shift in structures, systems, processes, or technology to either meet a challenge or capture an opportunity. In such cases, mere improvements to existing Lower-Right systems or even the creation of new ones modeled in the existing paradigm are not adequate. The Lower-Right solution requires a breakthrough to a higher altitude where a new set of design principles emerge. These principles usually are aligned with the level above the current altitude of the organization’s culture. In other
words, the market itself “requires” the organization to evolve in order to stay relevant.

For example, I recently worked with a military organization. Its senior officers were forecasting security challenges 20 to 50 years into the future. When we asked them to identify the concepts that would generate the solutions to the risks they identified, they included these principles:

- Global mindset
- Cross-boundary collaboration
- Present time adjustments to emergent circumstances
- Networking manpower
- Seeing into the future
- Thinking out-of-the-box
- Sharing power
These are not amber- or orange-altitude principles. They are green–teal, which of course is the next evolution for most military organizations.

When transformation is called for, a shift of leadership mindset is often required to even see the Lower-Right solution, let alone deliver it. Leaders must expand their worldview—at least through temporary state changes—so they can perceive the complexity they face from a higher perspective. Furthermore, implementing the Lower-Right solution in transformational change requires a shift in culture. The old cultural norms and ways of working and treating customers have become outdated and ineffective. Recognition of this fact is often the trigger for transformation. New norms like working across boundaries, collaborating across the supply chain, and sharing information and decision authority become essential. Without a commensurate “up-leveling” of the culture, the Lower-Right systems might get implemented, but never fully deliver the return on investment intended because the culture will not fully assimilate the new systems or processes, nor allow the new ways of being, working, and relating required to operate them effectively.

With the military officers, we asked if the principles they identified as requirements for their success were the foundation of their current leadership mindsets, behaviors and style, and the organization’s culture. The answer was a resounding, “No.” Most of the officers immediately saw that they needed to shift their own mindsets and behaviors in order to change the culture. We did not have to convince them of this fact; their own assessment of their future made it evident.

The inherent challenge in leadership across industries, government, and large non-profits is that most organizations require full-on transformational change, yet the worldviews of Achiever and Expert-level leaders do not allow them to see the people and process dynamics required to be successful. First-tier leaders consistently apply developmental and transitional change solutions to transformational challenges, which rarely ever work. Their “flatland” reliance on Right-Hand solutions to the AQAL nature of transformation is the primary cause of the well-documented data that 60% to 70% of all organizational change efforts fail. The bottom line is simply that transformation requires an AQAL approach, and is generally successful in direct proportion to the degree that it is planned, designed, and implemented from an integral perspective.

Making these distinctions about types of change to your clients is an important first step in initiating any large systems transformation. It is a very effective way to establish the case for including overt and proactive attention to mindset, behavior, and culture.

**Integrated Systems for Organizational Transformation**

Above, I stated that “organizational transformation has the highest probability of success when guided by an integrally informed, comprehensive, aligned, and integrated transformational system driven by an end-to-end change process methodology.” Let me explain this point of view. First, what I mean by “integrally informed.”

**Integrally Informed**

Transformation requires us to bring integral awareness to leaders and awaken it where possible. But we do not need to introduce the five elements of Integral Theory to leaders in order for them to successfully transform their organizations. For 30 years, I produced significant transformational results without using any integral models at all with my clients. However, everything my organization has ever done has been “integrally informed,” meaning that it generates from integral awareness within us. I am not speaking of a cognitive understanding of Integral Theory, but as an embodied presence of awareness. With that awareness, Being First has naturally addressed such integral notions as distinctions between the interior and exterior facets of reality, states of consciousness as they relate to high performance, levels of organizational systems, integration, co-creativity vs. command and control, being and ego, body-oriented self mastery techniques and processes, 3-2-1 (under a different name), accessing presence, and so on.
Operating from and assisting leaders to access integral awareness is “the change that changes everything.” That is the critical distinction about bringing leaders to an integrally informed system. Integral models are beneficial and useful to those ready for and open to them, but it is important not to confuse what are useful tools with what is causative and transformative. The key ingredient in successful organizational transformation is helping leaders see from a higher perspective, which can be done with or without a specific integral model. I make a point of this here, and will reinforce it below, because in one’s enthusiasm for all things integral, integrally informed consultants and coaches often make the mistake of putting models and theory ahead of what is really needed to transform the organizations and the first-tier leaders they serve.

Comprehensive, Aligned, and Integrated Transformational System

A comprehensive, aligned, and integrated transformational system must address all key components of large systems transformation as one integrated system that is aligned to the principles of the next level up the spiral of development.

There are many pieces to the puzzle of organizational transformation, many topics and needs to address. Most practitioners specialize in one or two topics, which is fantastic, but it is insufficient to drive large-scale organizational transformation. We have to understand that organizational cultures are fierce in their guardianship of the status quo. When we deliver interventions for change that are isolated pieces of what is actually required for sustainable enterprise-wide transformation, like a training program, string of coaching sessions for an executive, or a consulting intervention about Lower-Right content, the organization’s culture tends to assimilate the positive effects without much long-term impact. This is not to say anything about the quality of any isolated intervention. In fact, there is great transformational work occurring in organizations across the planet done by brilliant practitioners. But the point is simply this—transforming organizations requires a multi-dimensional “campaign,” sustained over time, where as much of the organization as possible is impacted by and called to participate in the transformation and to integrate the new paradigm's principles and values. Piecemeal interventions do not do this. A comprehensive, aligned, and integrated approach is required.

The energetic—or the essence of the process of transformation—is similar at all levels of scale, so we can learn much about the requirements of organizational transformation by deeply understanding the support systems for personal transformation. To get our arms around this idea of a comprehensive, aligned, and integrated transformational system, think of individual transformation as a metaphor for organizational transformation.

Imagine someone at orange altitude who has just gone to a personal growth workshop. They enjoyed the material, connected to the experience and techniques, and have decided to make some changes in their mindset or behavior. After the workshop, they “re-enter their life,” where they find the same behavior patterns, habits, ways of thinking, friends, eating and exercise routines, hobbies, and interpersonal relationships—all of which have been generated as a result of their altitude across all lines of development, and the choices they have made and are making in real time.

When they return to “real life,” nothing has yet changed. The workshop attendee assimilates the impact of the workshop within their current reality, but only a ripple of potential lasting change gets absorbed in the ocean of their current life structure. The aspects of their current reality that are not aligned to the breakthrough they seek and the evolved principles they choose to live hinder growth. For lasting change to occur as a result of the workshop, the person must come out of the workshop and make changes in many of their life processes and structures. The probability of sustained personal change will increase the more they alter their diet, exercise more, meditate more, take up embodied practices like yoga or tai chi, engage a coach or therapist, find more awake friends and social circles, reduce the hours they watch television, or begin reading books on consciousness and personal change. It is the same with large systems.
In organizations, the current culture and systems and the level of awareness and behavioral style of the critical mass of leaders (and staff) are the anchors of the organization’s current way of being, working, and operating. They are forces that maintain the status quo, but they are also potential springboards for breakthroughs if they are understood and engaged properly.

When delivering a transformational training program to a company’s manufacturing department, or providing integral coaching to the Vice President of Marketing, or teaching a team about vertical development, polarity management, stress management, personal change techniques, team development, or any other useful content, you do so within the limitations and possibilities of the organization’s current culture, systems, mindset, and behavior. Unless the interventions delivered are reinforced systemically over time, they are assimilated by the organization as beneficial ripples in the ocean of its current reality. In other words, they have local impact for a short time, but the system itself changes little. For organization-wide transformation, a more integrated campaign must be waged over time.

Just like with an individual, an organization’s transformation occurs to the degree to which key aspects of its current reality are realigned to its new altitude. Consequently, an integrated system for organizational transformation must provide many types of interventions to drive those systemic changes, such as: 1) consulting interventions, 2) training programs and other development opportunities, 3) coaching over time, 4) assessments, and 5) change methodology, tools, and methods, all applied in an integrated way to transforming systems, culture, mindset, and behavior at all levels of the organization.

The consulting interventions might include focus areas like strategic planning, operational excellence, business process redesign, organizational structure, business systems, team development, and human resources systems like hiring, training, and succession planning. Training areas can include leadership development, communications, change management, conflict resolution, polarity management, creative thinking, sustainability, and innovation, all applied to relevant organizational needs. Coaching can take on any area of need for people at any level, with the caveat that the more integrally informed an organization is, the more impact it will usually have. Assessments can run the gamut, including assessing organizational culture, leadership style, level of vertical development, team norms, stakeholder engagement, change readiness and capacity, or morale. The change methodology, tools, and methods should be a process model, not a framework model, which I will describe below.

These interventions must address all quadrants, and must attend to individual leaders and staff, interpersonal relationships, teams, and organizational systems and culture. The intervention options must be tailored to be relevant to the organization and its transformation, and must be customized to key stakeholder groups, such as executives, senior leaders, middle managers, change sponsors, change project team members, supervisors, and staff.

To optimize transformational impact, any integrated system must provide personal transformation processes, tools, and techniques that attend to both mindset and awareness (Upper Left) and behavior and skills (Upper Right). This should include embodied practices that deliver real-time shifts in states of consciousness so people, especially leaders, have direct experience of managing their internal states and the positive benefit such practice has for their role. For this reason, states is the most important element of Integral Theory to initially introduce to organizational leaders. I have done this very successfully using optimal performance, flow, and “zone” concepts as easy entry points. Sports analogies are usually well received by first-tier leaders.

A leaders’ personal presence and modeling is their most powerful transformational tool. Any application of shifting internal states should be applied to transforming their leadership style to consciously model the desired culture the organization’s transformation calls for. How they “be” influences everything they do, as well as their impact on others. The more they connect and operate from Being, the more positive impact they have. From higher states, they can see new solutions, intuit new directions, and are able to better sense what is needed in their people and the organization. Unless they elevate their awareness and way of being,
working and relating, they remain models to everyone else that “nothing is really changing” and that the transformation is really “all talk and no walk.” Consequently, some kind of awareness and behavior development for leaders is essential for organization transformation.

An integrated transformational system must also provide training and development in interpersonal skills, most importantly conscious communications. By learning to self-disclose and speak authentically about interiors, and to actively listen to enable others to feel heard, leaders become equipped to effectively deal with resistance, build commitment, communicate complexity, demonstrate authenticity, express their passion, and resolve conflict. Most importantly, by modeling attention to their own interiors, they invite others to do the same. The more this introspective way of being becomes a leadership norm in an organization, the more it begins to happen by osmosis in various parts of the organization.

An integrated system must also include developing teams in conscious ways, so openness and trust can flourish in a field of deep collaboration and connection. Typical Right-Hand organizational development practices like clarifying roles, operating norms, and decision-making must be included, but expanded to touch more completely the interior of the collective expression of the team. One very effective way to do this is through team learning. Start with sharing learning about external domains, and then migrate to discussing what team members are learning about internal domains as you provide relevant personal development experiences. In general, as team members expose what they are learning, they begin to let go of the “I am right and you are wrong” attitude that permeates most organizations. When teams deepen their self-disclosure and members begin to include what they are learning about their interiority, trust skyrockets. This behavior is a foundation of conscious organizations and can be developed rather quickly if, and only if, a structured and sustained development experience of support is provided for the team over time.

An integrated system must also provide for how the organization will transform its culture and systems. The point here is not to dictate what interventions are required in an organization’s transformation. Rather, I wish to demonstrate that many interventions will likely be needed, and to suggest that “one-off” interventions will have minimal enterprise-wide impact. The more interventions that are included and aligned to a consistent transformational message of second-tier principles, the more an accrued impact will be absorbed by the overall enterprise. This builds momentum as one intervention after another reinforces the direction of the transformation, until finally there is a pop, and “things are different around here.”

Using a comprehensive, aligned, and integrated system for organizational transformation is a huge challenge. Individuals govern their life process through their personal choices—they can choose to change the structures and processes of their life to generate the conditions for sustained personal growth. For large systems, though, no one person has that power, not even the CEO. Business unit presidents, executive vice presidents, directors, and managers tend to all do their own things. Their activities are meant to be aligned to a common vision and strategy, and systems like strategic planning, operational planning, and performance management are put in place to foster that alignment. But because roughly 75% of leaders are first-tier, they orient “down and in” to their own silo or area of influence where they do their own thing. They generally do not have an “up and out” worldcentric perspective that would cause them, of their own accord, to highly value integration and alignment with each other or a common direction and approach.

Mindset is to an individual what culture is to an organization—its interiority. To further highlight the challenge of organizational transformation, consider this: all meaningful transformation is generated from a vertical shift in worldview up the spiral of development. This is true within any holon at any level of scale, including individuals, relationships, teams, organizations, or the planet, just as it is true within any one line of development.

Individuals realign their life processes and structures when they see and commit to the principles that are inherent in the next level of their development. In a personal growth workshop, when a person integrates a new realization that he or she needs to realign the four quadrants of his or her life to green or teal altitude,
then doing so can bring tremendous sustainable growth. But how do large systems do that? In an organization of 50,000 employees, or even 50 or 500, how do you get all of them, or at least a critical mass, to see and align to green principles when their culture resides, and has likely been successful, at orange altitude? It is one thing to understand the need for a comprehensive, aligned, and integrated transformational system, but the real key is understanding how to implement the system.

**Driven by an End-to-End Change Process Methodology**

Life molds us as we learn from experience. Organizations, like people, go through change no matter what they do or how aware they are. But in general, for most people and organizations, change does not carry them to the next level of vertical development. Instead, they reside for their entire adult lifespan in the same paradigm and level of awareness. Waking up and choosing to grow vertically is life’s greatest challenge—tough for individuals, yet extraordinarily complex for organizations.

I believe that using an integrated system of transformation, driven by an end-to-end change process methodology, is the most effective path for organizations that choose to consciously pursue their development. Change process methodologies organize, accelerate, and focus organizational development toward a chosen breakthrough. They are the answer to how organizations can wake up and consciously evolve.

Organizational change process methodologies guide the design and implementation of the myriad tasks of a complex transformational change process. When a workshop attendee chooses to focus all aspects of his life in a direction of conscious change, he can do so because he has control and decision authority over that personal pursuit. Organizational change methodologies provide this same function to large systems. They support the many often separate areas of a business to align in a common focus for change, organize the activities of the change, and enable the organization to consciously pursue its change while it continues its day-to-day operations. This essential function of organizational change process methodologies is mostly overlooked, often not understood, and rare in the market of organizational consulting. There are very few organizational change process methodologies in existence today, and even fewer that are integrally informed.

There are two types of models for organizational change: framework models and process models. Frameworks are useful for diagnosis, discernment, and assessment, but have limited application to guiding large systems transformation, yet most consultants use framework models. Process models are required for effective organizational transformation.

A framework model is static, depicting buckets of work as a snapshot in time. A process model denotes action over time. A well-known framework model in leadership is the McKinsey 7-S Framework (Fig. 2) that was developed in the 1980s by business consultants Robert Waterman, Jr., and Tom Peters. It depicts seven areas of organizational work. This model can be extremely useful for diagnosing issues or establishing whether you are attending adequately to all 7 S’s. The AQAL model is another example of an extremely useful framework, providing tremendous discernment and distinction of the overall system of life. Framework models are not bad or inaccurate; they are just not ultimately useful for change leaders to guide the process of change as they provide no guidance about what to do when, how, or why. Leaders need a navigation system that guides them to address the required change tasks in all quadrants. This is where integrally informed process models shine.

Process refers to action occurring in space over time. Process exists at all levels of reality, from the microscopic to the macroscopic, in all quadrants, levels, lines, states, and types. All life is process; change is process. That right there is enough for second-tier leaders and consultants to realize that leading organization transformation requires a process orientation.

A good process model guides activities toward a desired outcome. It establishes direction, builds momentum, and articulates sequence and order of activities. Project management methodologies are process models, but they only attend to Right-Hand realities. Transformation requires a process model that attends to
the organizational and technological as well as the human and cultural. It must call forth a vision of possibility that aligns the direction of change to the design principles of the organization’s next level of evolution; it must operate at various levels of reality, guiding strategic decisions as well as pragmatic action throughout the organization; it should encompass all of the activities of organizational change from start to finish (see Appendix B); and it should direct the various interventions in the overall system being used. In other words, it should be all-inclusive.

Figure 3 shows Being First’s change process model, “The Change Leader’s Roadmap” (CLR), which has been in constant action research for more than 30 years. The nine phases of the model were originally outlined by Linda Ackerman Anderson in the early 1980s. Since then, we have worked together to develop it into a process model fit for transformation. In the early 1990s, we abandoned the model for a year and attempted to co-create a fresh approach to transformation. We kept coming back to the fact that these nine phases perfectly articulate the flow of Lower-Right work to be accomplished in a transformation, and that what was needed was to infuse each phase with the mindset, behavior, and culture work required to involve all quadrants simultaneously. Developing this model and the resources to execute it has been a large part of our work over the ensuing decades. I will outline some of the features of the CLR as a pragmatic way of suggesting what we believe is critical in an end-to-end process methodology fit for transformation.

First, the CLR is a “full-stream model.” Its first three phases focus on consciously setting up the change
effort for success, the next three on solution design (including design of mindset, behavior, culture, and systems), and the final three on implementation and continuous course correction. It takes a change effort from the idea stage to reality. The CLR is a thinking discipline, not a cookbook or formula for action. It informs action as a strategic guidance system, but does not dictate it; transformation is non-linear and every change effort is different. Any process model must be flexible and customizable to a particular project and to new information and circumstances as they arise.

The CLR is developed through nine phases with activities and tasks for each phase of change. Change leaders must choose which of its 77 tasks they will deploy as steps in their unique change process (see Appendix B for a sample of 23 tasks). As a comprehensive-thinking discipline, the methodology highlights people and change process dynamics that might otherwise have been missed. It helps people become conscious of what they might need to attend to, and requires them to choose what they will actually apply in their organization’s transformation. By calling participants into conscious awareness of what is required across all four quadrants, the methodology reveals a broader and deeper perspective of their reality. Any process model used to generate conscious evolution in organizations must provide this function. This is a powerful way to make the system conscious of its own change and aware of a more inclusive reality.

Once leaders select the appropriate tasks in their change process, they then have an execution roadmap. But because of the emergent, nonlinear nature of transformation, they must constantly course correct their process plan or outcome as needed given the unique dynamics that emerge along their journey. The CLR

![Diagram](image-url)

*Figure 3. The Being First change process model.*
drives this constant adjustment of their plan and gives them the support to be conscious at a strategic level, and disciplined at an operational level, as they execute their change. This encourages leaders to engage in a second-tier way of dealing in real time with what emerges, rather than following lockstep a preconceived and rigid plan like their amber and even some orange-altitude colleagues would dictate.

A comprehensive process model must provide the resources needed to execute change tasks. The CLR comes equipped with over 2,000 pages of change tools, checklists, assessments, process questions, information sheets, articles, and potential problems for each of its 77 tasks. Each of these is written to meet the leader where he or she is, while offering many second-tier perspectives about how to get the work of the change tasks done. The intent is to deliver both success in clients’ change efforts and simultaneously support them to build their leadership capability by expanding their awareness, methods, and practices.

Success Factors
In applying the CLR, or any enterprise change process model, there are two critical success factors to keep in mind. First, leaders must model in their decisions, behaviors, and actions the culture they are espousing. For the military organization described above, this means that the leaders must go through their own personal change to transcend (and include) their command-and-control silo orientation to more effectively share power and information, collaborate across boundaries, and generate greater innovation and out-of-the-box thinking in their staff.

Such leadership development requires vertically oriented development for first-tier leaders, which means your services must provide the training, coaching, and ongoing development to ensure this success factor is achieved. In Being First’s integrated system, we do not take on a large client unless the CEO or highest-ranking person in the project takes his or her team through a five-day personal and team development process. This is a robust process with interviews, assessments, pre-work, a four-day retreat, a follow up one-day session, and coaching. It can also include ongoing development of the top leaders for up to a year or more with a continued focus on self, relationship, and team mastery. Ideally, as part of the overall change strategy, the program is cascaded down through the leadership ranks. In one client system, we conducted over 50 of these sessions for the top 1,500 leaders over three years. The impact was phenomenal. We know from many years of experience that transformational change efforts succeed and fail to the degree the leaders expand their awareness so they can more completely model the new way of being, working, and relating inherent in their desired culture.

Second, the change process itself must also model the desired culture. This means that the way the change is organized, designed, led, and implemented must reflect the future state rather than the current culture. This reflects the often-stated principle of “start with the end in mind.” The change process should demonstrate that the organization has already embraced the desired culture. For example, if the culture is being transformed from one of command and control, withholding information, and competing across hierarchical and functional boundaries to one of collaboration, support, and shared power, then the change process must reflect that. It should engage staff for their input early, allow people to make as many local decisions as possible, keep people informed and in two-way dialogue about what is happening, and create cross-boundary work-stream teams empowered to generate Lower-Right solutions. If the change is led according to the old culture, people simply will not believe the change effort is real and will not constructively engage in it.

One of the most effective strategies for cultural change is to ensure that the most significant and visible change efforts are designed and facilitated according to the norms of the desired culture. This both overtly and subliminally alerts people to a future possibility that engages their commitment and passion. Where they might otherwise brush off the espoused culture change in disbelief, seeing the new culture in action and having a positive impact in the most important change efforts alters their resistance and worldview.

If you choose to lead or consult to enterprise transformation, then I cannot urge you more to use an
organizational change process methodology to guide your efforts. If you are so inclined to build one yourself, here are eight tips about methodologies fit for transformation:

1. Make it a process model, not a framework.
2. Ensure that it guides both strategic decisions and pragmatic, tactical action toward desired outcomes.
3. Provide in it the tools and resources to execute each critical change task successfully.
4. Make it “cradle to grave” (i.e., your process model should guide the entire transformation).
5. Make sure it prompts leaders to design their change process so it models their desired culture.
6. Make sure it calls for vertical self-development in leaders.
7. Focus it on all quadrants as one integrated change process. Do not separate Right-Hand activities into separate change initiatives from Left-Hand initiatives. All key change tasks should be integrated into one change process so the overall impact tetra-arises.
8. Provide structure and direction, but make it flexible so leaders can customize and course correct their change plan in accord with emerging dynamics.

Bringing Integral Theory to First-Tier Business Leaders

There are a few important factors that must be taken into account if we are to be successful at bringing integral awareness to business. First, most business leaders reside at first-tier levels of development. Using William Torbert’s naming protocol, most are Achievers, some are Experts, a small percentage are Individualists, and very few operate from higher perspectives. Most corporate leaders simply do not have the awareness, interest, and certainly not the passion for what second-tier consultants, coaches, and trainers are excited about. We must be conscious of this and learn how to bring the integral message and practices to organizations in the language and frames of reference they use.

Amber-altitude leaders tend to think and speak with verbiage such as structured, controlled, linear, predictable, certain, methodical, and known. Orange-altitude leaders relate to words such as improved, enhanced, greater, excellence, competence, successful, and champion. Green-altitude leaders relate to key words like team, partner, relationship, connection, integration, long-term, service, and support. If you start using integral jargon, or even everyday language that is second-tier oriented (e.g., flow, co-creation, evolutionary, enlightenment, shadow, consciousness) without any grounded business context, you might as well show yourself the door before someone else does.

As you seek to describe your service offerings, remember that people have various levels of the developmental spiral embedded within them. This means that you can pepper your descriptions with language from each level to provide meaning to leaders at the various levels. Learn to ground Integral Theory in what is relevant and meaningful to your audience. Notice how with the military leaders we used what was meaningful to them—their data about their future—to make evident the need to focus on Left-Hand concerns.

Remember that for the most part, leaders will not care about integral principles unless they serve their agenda. So find out their goals, aspirations, and what keeps them up at night. Learn about their most pressing problems, and then frame your integral offering to demonstrate how it will deliver the solutions they seek. And of course, in the process, you will be providing a bit of awakening to the benefits, experience, and wisdom of higher perspectives. But again, be very cautious about how you use integral terminology and models: it is far better to demonstrate value through action to first-tier leaders than it is to provide intellectual theory.

Very few organizations operate at cultural altitudes beyond Achiever, and many still languish at Expert. So even if you do find a second-tier client, you must ensure that the strategies, methods, and practices offered fit the organization’s culture, not just their personal worldview. Be aware of the organization’s larger cultural
perspective so you do not unconsciously collude with a visionary client and generate change strategies that attempt to move the organization too far too fast. In this scenario, the organization will reject you like an antigen. The organization must be met where it is, not just the individual client who is buying services.

I am currently working with a CEO that operates from green-teal altitude, yet his Board of Directors hovers between amber and orange altitudes. His big vision must constantly be tempered, reframed, and made digestible in small bits or he generates fear and resistance in the Board. Of course, the worst-case scenario is that he gets fired, which would leave the organization without his green-teal perspective and likely stifled into the future by the Board’s limited worldview. A very important aspect of my service to him and his organization is seeing the bigger picture of diverse worldviews, and helping him design a transformational strategy that will bring his Board along with him. Without maintaining a deeper, broader awareness, I could easily get caught in the excitement of working with this visionary leader and co-create with him a very progressive change strategy that simply would not produce much of anything but resistance and political turmoil.

The strategy of tailoring to the perspective of the audience does not mean “coming down” to their altitude, but rather, framing your second-tier message so they can hear and apply it from where they reside. Doing this is an art form. We have developed our integrated system and the CLR from a second-tier worldview, yet its form is digestible by amber, orange, and green altitudes as well as individuals entering or residing in second-tier. Like little patches of Velcro, there are hooks of relevance for first-tier perspectives throughout our system’s training programs, interventions, and change methodology. For example, we have a tool for Stakeholder Engagement. It asks application questions such as, “Will you engage stakeholders in rote tasks [amber], ask for their advice [orange], give them a say in decisions [green], or enable them to create their own custom paths to desired outcomes [teal]?” This simple hierarchy of questions reframes the user of the tool’s perspective, calling forth contemplation of human and systems dynamics from a wider and deeper frame of reference. The questions generate dialogue among leaders about which level of stakeholder engagement is appropriate given the outcomes they are pursuing. The use of the tool influences an orange leader’s mindset and behavior, and over time can impact the culture and organizational systems regarding employee communication and engagement. The guideline here is straightforward: the structure of your service offerings can and should coax leaders to higher frames of reference by providing a full spectrum of possibilities.

Another guideline is to craft your offering for one level above the audience’s altitude, while framing its benefits to their perspective. Keep in mind Einstein’s famous quote, paraphrased here as, “You cannot solve a problem from the same level of consciousness that created it.” Meaning, the solution comes from (minimally) the next level up the developmental spiral. It is usually very easy to demonstrate to first-tier leaders how they must expand their mindset up a level to solve their current challenge, even if they have not yet been introduced to the concept of levels or vertical development.

Conclusion

I hope this article has inspired you to use an integrated transformational system and a change process methodology to guide your organizational transformation efforts. If you are a consultant, I hope you will consider working with other integral practitioners to combine your expertise to provide a more complete, integrated offering to your clients. If you are a leader, I hope you will take an integrated, process orientation to transforming your organization. The more complete and integrated the offering, the more impact you will have, whether you are a consultant, coach, trainer, or leader.

Transforming organizations is hard work. It always includes the challenging yet rewarding journey of personal change, while adding the complexities of the collective at scale. Organizational transformation is a noble undertaking, and the world needs the brave and courageous souls who choose to attempt it. Thank you for being one of them.
Appendix A

The Being First Integrated System of Transformation

The Being First System is founded on six foundations that inform our body of work: 1) pursuing breakthrough results; 2) taking a conscious approach; 3) pursuing vertical development; 4) taking an integral worldview; 5) taking a process orientation, and 6) leading co-creatively. These foundations influence everything we do and shape our value proposition.

Pursuing Breakthrough Results

Seeking breakthrough establishes a pull toward something greater that requires going beyond the current, traditional, or conventional way of approaching things. This generates an overall context of meaning for leaders to turn into and explore the post-conventional. If a leader is interested in breakthrough results (greater profitability, better customer service, successful strategy execution), and those at the Achiever level are, then it is relatively easy to demonstrate how increasing conscious awareness and transforming culture will help deliver those results.

Conscious Approach

We describe two fundamental ways humans operate—consciously or on autopilot. We overtly make increasing conscious awareness an objective and establish a foundation that leading transformation successfully requires becoming conscious of what is currently unseen: deeper human dynamics and broader systems and process dynamics. This opens the inquiry into states of consciousness as they relate to breakthrough, where we introduce leaders to flow states and an embodied self-mastery process for generating greater personal awareness, performance, and outcomes.

Vertical Development

We outline stages of ego development and use this understanding to create more pull for intentional and sustained self development. We use levels as a means to discuss “how we are seeing things, and how we need to see things to solve the challenge of change we face.”

Integral Worldview

We introduce states first, then the four quadrants and orient leaders to designing change processes that address dynamics in each quadrant. We discuss levels, sometimes lines, but seldom types. None of this is done in the context of learning Integral Theory. Rather, it is all delivered in common language for direct application to the leadership of change, personally and organizationally.

Taking a Process Orientation

Change is process, actions over time to deliver a result. We orient leaders to consciously designing and facilitating their organizational change processes. We highlight that transformational change is non-linear, requiring constant learning and course correcting. This perspective, combined with a conscious, integral worldview, assists leaders to apply a teal-altitude orientation, even though most do not reside there. We have very overtly built this orientation into our change process methodology. As their guidance system for designing and implementing transformational change, this methodology supports them to perceive “process” from second-tier perspectives.

Leading Co-Creatively

This orientation challenges leaders to move beyond command and control to become leaders of the enterprise for the sake of customers, employees, and shareholders, and not just be leaders of their own silos. It compels
them to work across boundaries (hierarchical and functional) in support of what is best for the larger whole. It promotes “working with” rather than against, and establishes inclusion and participation as objectives beyond the typical “rule from above” style seen in most organizations. This again is a structure to support them to elevate to second-tier considerations of how they lead.

We integrate five areas of services that include training and development, consulting interventions, assessments, coaching, and change methodology:

1. Conscious Leadership
2. Transformation Change Capability
3. Self Mastery
4. Engaged and Energized People
5. Co-Creative Culture
Appendix B

Sample List of Key Change Leadership Tasks

1. Developing change strategies
2. Building and course correcting change process plans
3. Establishing change governance structures, roles, and decision-making
4. Building a case for change
5. Establishing the vision and desired outcomes for change
6. Designing the future state
7. Identifying human and organizational impacts of the change
8. Launching change initiatives
9. Developing change project teams
10. Creating project integration strategies and infrastructure
11. Developing plans for how to keep the business running successfully while it undergoes system-wide changes
12. Creating stakeholder engagement strategies
13. Developing communication plans
14. Doing a political analysis
15. Establishing design requirements for the future state
16. Building change capacity (i.e., stopping or modifying work activities to make room for change)
17. Assessing culture
18. Assessing change readiness
19. Building change infrastructures that support change execution
20. Doing an impact analysis
21. Creating implementation plans
22. Developing change leadership capabilities in leaders and internal change consultants
23. Developing an enterprise change agenda
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DEMYSTIFYING THE FUTURE OF INVESTING

Part 1: An Investor’s Perspective

Mariana Bozesan

ABSTRACT This two-part article proposes using Integral Theory as the foundation of a more sustainable investing practice, named here integral investing. This evolving investment concept, which crystallized over the past two decades in my personal investing practice, is a condensation of several papers presented at various finance, economics, and sustainability conferences. Part 1 supports the proposal through investigations performed on 1) current investing structures, 2) global initiatives and trends, and 3) 132 leading-edge individual investors who have apparently evolved to later stages of human development. This research is revealed using Joseph Campbell’s conception of the hero’s journey. Based on the Integral framework, Part 2 of the article introduces a possible path toward a more sustainable investing practice that is based on evolution and the essence of all existence, considering interior as well as exterior realities. In this model, financial returns must be inseparable from a deep impact on the social, environmental, cultural, and behavioral aspects of reality as well as human development and evolution.

KEY WORDS AQAL model; finance; investing; business; philanthropy

One of the predominant beliefs in the fields of economics, business, and finance is that we can only achieve what we measure. Hence, the main measurement criterion has become profit. The result is that we now collectively focus on increasing profits at the expense of people, the planet, and everything else involved. However, as the ongoing financial, economic, and environmental crises have demonstrated repeatedly, profit-only is a terribly misguided measurement principle because it is not sustainable in the long-term. Yet, there is reason for hope. Global impact investing conferences such as TBLI (TBLI Group, 2012), SOCAP (2012), and the Rio+20 United Nations Conference on Sustainable Development that took place from June 15 through June 22, 2012, in Rio de Janeiro. However criticized by the media, Rio+20 could become a turning point in the future of sustainable economics, finance, and business. Its 745 voluntary commitments (Rio+20, 2012), 200 of which were made by the business and financial community (The Global Compact, 2012, p. 5), include 1) the Natural Capital Declaration (The Natural Capital Declaration, n.d.) sponsored by 37 banks, investment funds, and insurance companies and which is aimed toward the integration of natural capital elements (e.g., soil, air, water, flora, fauna) in their products and services; 2) the Sustainable Stock Exchanges Initiative (Panwar & Blinch, 2012), a commitment by five major stock exchanges, which collectively list more than 4,600 companies, to promote sustainable investments through a global call for sustainability disclosure and performance by the companies listed on their trade floors; and 3) AVIVA’s Corporate Sustainability Reporting Coalition (CSRC) (Aviva, 2011) of more than 40 like-minded organizations, including institutional investors managing approximately S2 trillion. This coalition is supporting the Report or Explain Campaign of the Global Reporting Initiative by integrating environmental, social, and governance (ESG) criteria into their buying, selling, or holding investment decisions. It is also demanding that the United Nations member-states develop national regulations that mandate sustainability reporting as an integral part of their annual reports and a mainstream practice for all companies.

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It would be easy now to join those who stand on the sidelines and criticize not only the Rio+20 outcomes, but also other efforts geared toward developing more sustainable structures for our economic, business, financial, environmental, or political organizations. This is not the intent of this article. Its aim is to make a constructive contribution toward a more sustainable infrastructure in the investment industry via the application of the Integral model. The intention is to provide an integrated path toward an investing infrastructure that has the potential to aggregate sufficient capital and inner strength to address current global challenges. By using Wilber’s (2000) integral approach in investing, we could begin to notice what is missing in the industry and why it cannot be sustainable in its current structure. This could be the case whether we consider traditional or more progressive forms of investing such as impact investing, triple bottom line investing, mission-related investing, sustainable and responsible investing, value investing, blended value investing, or even venture philanthropy. Even without digging deeply into Integral Theory, it is easy to notice that evolutionary aspects are completely missing in investing paradigms. By using an integral lens (Wilber, 2000b), we will see that behavioral dimensions are also missing along with other interior human intelligences as well as cultural aspects. These dimensions are permanently co-arising and deeply influence human behavior (Wilber, 2000b) and investment decisions whether we take them into consideration or not. Therefore, this article proposes applying the Integral model in investing and introduces the term integral investing to name the overall holding tank for this evolving concept. Integral investing does not imply that its players must all be second tier in order to qualify. Instead, it proposes the application of Integral Theory at each and every stage of development in order to inform and encourage a broader view of reality in investing. What this article will, moreover, suggest is that the current transformations in this industry appear to be, at least in part, also driven by certain individual investors who seem to have evolved to later stages of development.

Before emphasizing the interior aspects that might be driving this probable trend, let us see how this movement looks like from the outside. A case in point is a study (Wright, 2011) performed by the Center for Venture Research at the University of New Hampshire. It showed that the angel investing market increased by 4.7% in the first half of 2011, which could mean that private equity investors have increased their individual desire to invest in both seed and start-up companies. The interesting part is that according to statistics revealed by Dow Jones LP Source (O’Dell, 2011), this trend is counter to early stage venture capital funds that currently struggle to raise money because, as stated in a study by the Kauffman Foundation (Mulcahy et al., 2012), “the VC model is broken, despite occasional high-profile successes like Groupon, Zynga, LinkedIn, and Facebook in recent years” (p. 2). This means, furthermore, that an increasing number of money owners are getting more directly involved with their investments rather than relying on their money managers. More importantly, following a Eurosif (2010) study, high net-worth individuals seem to care more about sustainable development and investing in this industry than money managers. This trend is also confirmed by the 2010 Global Wealth Report of the Boston Consulting Group (BCG), which indicated that the changed investment habits of individual wealth owners also has to do with their lack of trust in institutional wealth managers. Having been active as a private equity investor over the past two decades, I concur with the above assessments. Moreover, my own investment practice and research (Bozesan, 2010, 2011a, 2011b) performed on high and ultra-high net worth individuals also confirms that an increasing number of private equity owners are becoming more intimately involved with sustainable investments than in the past. As they turn into more sophisticated investors, these money owners begin to bypass institutional investors—money managers—much more often than before the 2008 global financial crisis. We will see later when we do the numbers that this trend could have quite an influence on the investment industry, which can also be seen from the Rio+20 declarations mentioned earlier.

As an integrally informed investor who can relate to these movements, I have decided to use the Integral model as an integrative container and evolutionary path to consider the future of investing. Part 1 of this article focuses on the hidden determinants that trigger new investors’ behavior. It elucidates the profound
motivations behind the inner transformation, change of mind, attitude, and behavior of the researched private equity investors. It proposes that the current crises in economy, finance, ecology, climate, water, healthcare, education, security, energy, natural resources, poverty, and biodiversity could also be in part condensed to and addressed by one common denominator, namely a consciousness crisis. This consciousness crisis appears to be tackled by different investors—private or institutional—from their own cultural, social and environmental perspectives as well as their own level of interior human development. Preliminary research (Bozesan, 2010, 2011a, 2011b; Kelly, 2010, 2010a) supports this view and shows that a few but growing number of leading wealth owners seem to have awakened to later stages of consciousness variously called integral (Wilber, 2000, 2000a, 2000b), second tier, yellow vMeme (Beck & Cowan, 1996), or strategist (Cook-Greuter, 2005, 2008). Although the main thread of this article is based on consciousness evolution, it is important to note that its intention is not to imply that later stages of human development are better nor the absolute solution to the current crises. Instead, it emphasizes the importance of vertical interior evolution as well as stressing the healthy horizontal integration of all four quadrants of the Integral model. In fact, it advocates for the healthy horizontal integration of the experiential, cultural, behavioral, and environmental perspectives at each evolutionary altitude.

The reasons for the transformation of some leading-edge money owners are indisputably diverse. Triggered by personal crises but also driven by the major emergencies of our time, a certain percentage of high and ultra-high net worth individuals have, however, begun to act more boldly (Balandina Jaquier, 2011; Bozesan, 2010; Giving Pledge, 2010; Godeke et al., 2009; Soros, 2008; Strong, 2009). They ask and try to answer fundamental questions (Gardner, 2004) that have preoccupied humanity since the dawn of time: Why am I here? What is the meaning of my life? How am I fulfilling my life’s purpose in the face of global crises? The investors’ individual response to these questions influences their investment behavior, culture, environment, and portfolios in a significant way. As a result, a new paradigm in investing, philanthropy, business, and leadership has emerged in organizations such as the Social Venture Network (2012), Investors’ Circle (2012), TBLI Group (2012), and ultra-high net worth individuals such as Warren Buffett (Kelly, 2010, 2010a), Bill Gates (Giving Pledge, 2010), Al Gore (1992, 2006, 2011), or George Soros (2008) who appear to use investing as a self-actualizing and legacy-building vehicle (Bozesan, 2010, 2011).

By addressing the current paradoxes between regular capital and philanthropic capital, traditional business and social business, as well as the fear of the future and the joy of being alive today, within the framework of Integral Theory, this article suggests a way out. The proposed notion of integral investing aims to integrate these paradoxes into one holistic system at every level of development, not only second tier (Wilber, 2000b). Below, I present some of these paradoxical situations from various angles, including the economics perspective, the traditional capital perspective, the philanthropic perspective, and the business perspective.

Joseph Campbell’s (1949/1968) The Hero with a Thousand Faces serves in the second part of the article as an illustrative framework to exemplify the condensation of phenomenological research performed over the past five years on 132 progressive private equity investors, also called high or ultra-high net worth individuals. Triggered by my personal experience, this research serves to corroborate the main thesis of this article that there is a new category of investors emerging called integral investors, integrally informed investors, or more accurately, integrally acting investors. These are wealthy individuals who have seemingly moved to a stage in their development in which their life’s purpose is geared toward serving humanity. The researched investors are leading the field of investing by consciously using their wealth to address people, planet, and profit, as well as their life’s passion and purpose in an equal fashion. They appear to do so by adding interior metrics such as culture, ethics, emotional property, and self-actualization to exterior metrics of behavior, society, and environment.

Based on my research and the trends presented in this two-part article, I propose applying Integral Theory as a “holding tank” for integral investing until it becomes a more sustainable investing concept in the
future. I argue that the Integral model could serve as the necessary integrative framework between traditional
capital and philanthropic capital, traditional investing and impact investing with its other denominations, and
traditional business and social business as capital-absorptive entities, as well as provide a sustainable plat-
form for an integrated investing and reporting standard. Conversely, this article does not provide an exhaus-
tive analysis of Integral Theory (Wilber, 2000) and how it applies to integral investing, but is an invitation to
co-develop a more sustainable investing infrastructure. Moreover, I do not offer a critique of capitalism, but
a potential next step out of crisis from an investing perspective. Also, I do not suggest that only investors at
second tier qualify for integral investing practice, but I do support the application of Integral Theory at every
stage of investing. Furthermore, this article is not an attempt to compare and contrast in detail neither vari-
ous modern models of investing nor their measurement criteria, but is an invitation to transcend and include
those models in order to build the next iteration in investing by using Integral Theory. This article does not
postulate that integral investing is the next revolutionary approach to investing, but it does deliver phenom-
енological research data that suggest that there are people who care to use their talents and wealth to create a
more sustainable world. Finally, the article does not attempt to deliver integral measurement criteria, interior
or exterior, but it requests the development of such important indicators across all asset classes (not just in
early-stage venture capital, which represents my own area of expertise).

A World of Polarities and Paradoxes
From Modern Economics to Financial Disaster
Adam Smith (1723–1790) is considered to be the father of classical economics (Camerer & Loewenstein,
2004; Mankiw, 1998). As we undergo one of the greatest economics crises in history, Smith’s name keeps
coming up as his ideas are often unjustly accused to be one of the sources of today’s economic problems.
These accusations are due, in part, to Smith’s often-misinterpreted terms such as “division of labor,” (Smith,
2008/1776, p. 13), “the invisible hand” (Smith, 2008/1776, p. 456), and “own interest” (Smith, 2008/1776,
p. 456). Smith was a key figure in the Scottish Enlightenment era of the 18th century. The Scottish movement
followed the European enlightenment movement that was ignited in the second half of the 17th century by a
cultural elite, including philosophers such as Baruch Spinoza, John Locke, and Voltaire, but also mathemati-
cians and scientists including Émilie de Châtelet, Isaac Newton, and René Descartes (Du Ry & Holle, 1979).
The Enlightenment unleashed the next wave of human evolution and marked the beginning of modernity with
its important differentiation of humanity’s indivisible value spheres—Art, Morals, and Science (Lovejoy,
1942; Wilber, 1998). It followed the previous evolutionary stage with its rigid social hierarchies, guilt-based
obedience to the ruling class and higher authority, as well as its absolute order (Beck & Cowan, 1996). The
enlightenment era was driven by reason, the promotion of individualism and intellectual interchange, intoler-
ance toward abuse, the separation of church and state, as well as the need for social reform, civil liberties, free
trade, and aspirations for a better life now (Du Ry & Holle, 1979). Being a representative of his time, albeit a
most advanced one, Smith cared greatly about human interior dimensions such as reason, happiness, values,
and morals, which were at the foundation of the enlightenment era. Hence, in 1759 he wrote a lesser-known
book entitled The Theory of Moral Sentiment in which he outlined in detail the role of gratitude, justice, mor-
als, happiness, as well as good conscience and ethical behavioral principles. Consequently, his seminal work
on economic theory, named An Inquiry into the Nature and Causes of The Wealth of Nations, which was
published in 1776, included these interior dimensions. However, the economic models that resulted from it
have not adopted Smith’s “moral sentiments.” In fact, the opposite turned out to be true and as more wealth
was created also more financial inequality ensued.

With its accentuation of the scientific paradigm, the neoclassical economics model of the 20th century
ignored Smith’s more holistic approach all together because it, erroneously, seemed difficult to prove in a
INTEGRAL INVESTING, PART 1

scientific manner. This happened because at that time neither scientific psychology (Camerer & Loewenstein, 2004) nor behavioral economics (Tversky & Kahneman, 1974; Kahneman & Tversky, 1982) existed as academic disciplines. Henceforward, the interior human dimensions became less important and neoclassical economics began to focus more on profit and utility maximization. The result was the ultimate “rejection of academic psychology by economists” (Camerer & Loewenstein, 2004, p. 5). Deprived of explicit concern for human values, neoclassical economics navigated toward the “false and misleading” assumption that “financial markets tend towards equilibrium” (Soros, 2008, p. vii). Ultimately, it all led toward “the commodification of life, the leveling of qualitative distinctions, the brutalities of capitalism, the replacement of quality by quantity, the loss of value and meaning” (Wilber, 1998, p. 11). The self-interested *homo economicus* (Aspromourgos, 1986) with profit as its only measurement criterion was born. The financial crisis of 2008 was the culmination of this application.

**From Massive Wealth to Massive Inequality**

The 2010 Global Wealth Report of the Boston Consulting Group (BCG) indicated that “global wealth staged a remarkable comeback in 2009 after its steep decline in 2008” (Becerra et al., 2010, p. 5). Consequently, the total Assets under Management (AuM) increased by 11.5 percent to $111.5 trillion and will presumably continue to grow by approximately 6% per annum until 2014. Regrettably, the recuperated wealth after the financial disaster of 2008 occurred without major changes within the operational structure or philosophy of our financial or economic systems. While the rich became richer, the income inequality between the wealthy and the less fortunate has worsened. For instance, a report by the United States Congress Joint Economic Committee (Maloney & Schumer, 2010) stated “the share of total income accrued by the wealthiest 10 percent of households jumped from 34.6 percent in 1980 to 48.2 percent in 2008” (p. 2). Remarkably, between 1980 and 2008 the share of the 1% richest American households grew from 10.0 percent to 21.0 percent, which made the United States one of the “most unequal countries in the world” (p. 2). In 2009, the trend continued in North America, with “the United States having by far the most millionaire households (4.7 million), followed by Japan, China, the United Kingdom, and Germany” (Becerra et al., 2010, p. 5). “While the rich became richer, middle class Americans have been left behind,” (p. 3) the report affirmed. As the income for the top 20% of Americans grew over 70.3% between 1967 and 2008, the income growth for the middle quintile was much slower and increased by 25.7%. More worrisome is, however, the resemblance with the Great Depression, because analogous to 1928, the time before the Great Depression, income inequality peaked, the U.S. Economic report stated (Maloney & Schumer, 2010). The development toward income incongruence has been affirmed also through other research (e.g., Davies et al., 2007) published by the Center for Global, International, and Regional Studies. The richest 2% of the wealthiest individuals own more than 50% of the global wealth, stated the study. However, the picture gets worse because according to Nobel Prize laureate Joseph Stiglitz (2011), the richest 1% in the United States actually control 40% of the total income. Yet, the general tendency of the poor to become poorer and of the wealthiest to increase their wealth continues (Becerra et al., 2010). This has been confirmed not only by studies performed in the United States (Maloney & Schumer, 2010), but also in Germany (Boeckler, 2009), Japan (Tachibanaki, 2009), and the United Kingdom (Hughes & Church, 2010) to name a few. I dare say, the Occupy Wall Street movement, the Spanish Indignados drive, and the Greek protests were a clear expression of the growing income inequality in the Western world.

**From Traditional Philanthropy to Wall-Street Investing**

Philanthropy has traditionally addressed income inequality, and the Giving Pledge (2010) may very well be the current response of ultra-high net worth investors to humanity’s quest for solutions in the midst of today’s challenges. The Giving Pledge was launched on August 4, 2010, when “forty of the wealthiest families and
individuals in the United States have committed to returning the majority of their wealth to charitable causes” (Giving Pledge, 2010). As a philanthropist, I am very much in support of the Giving Pledge, yet we can only “return” what we have borrowed or taken away in the first place. The sad paradox is that we are currently collectively living beyond our means—whether we are rich or poor. This is so not only because most of the governments in the Western world are in debt. Rather, it is because we have borrowed from our children’s future and nobody knows when or if we will be able to pay it all back (Sachs, 2008; Stiglitz, 2011). The truth is that we can only pay it forward. And it can be done once the necessary mindset for change is in place. Human ingenuity has shown the way out of crisis numerous times in the past. For a while, it changed everything for the better, for instance, through the ratification of the ozone layer protection act, the eradication of smallpox and polio, as well as fighting AIDS, tuberculosis, and malaria (Sachs, 2008). Having been a philanthropist for nearly 40 years, I have had the privilege of witnessing the sustainable impact of my own philanthropic work firsthand on a daily basis. In my view, there is nothing more rewarding than looking into the eyes of a grateful person whose life I have influenced for the better. However, as an investor and businessperson, I must challenge us to acknowledge that philanthropy is not sufficient to help us overcome the numerous crises plaguing us in this century. Why? Because philanthropy, with its outdated legal and management structure, its narrow-mindedness and inward focus, caution and risk aversion, independence and control, inertia and competition, as well as our old and deeply ingrained understanding thereof, is not well equipped to address the challenges at hand in a professional, timely, and efficient manner (Fulton et al., 2010). Without adequate leadership as well as major legal and structural changes, the current inconsistencies between making philanthropic grants to improve the world and making investments that hurt it will continue. How is that possible?

What is generally not known is the fact that only approximately 5% of the annually allocated capital of most philanthropic organizations is program-related and dedicated to support their philanthropic mission. The remaining 95% of the funds are usually managed by a separate legal entity, often called a trust. The trust manages the endowment assets and has, of course, the responsibility to preserve and increase the endowment over time. Therefore, the capital of the trust is often invested on Wall Street and other capital markets. However, more often than not, the trust managers are measured only by the financial success of the respective foundation and not by the success of its philanthropic mission. As a result, the largest part of the philanthropic capital turns into regular capital. It is, hence, invested into companies that manufacture products, and provide services that sometimes work against the philanthropic mission.

So was the case with the Bill and Melinda Gates Foundation, one of the largest philanthropic organizations worldwide. Although its founders authentically care about their impact in the world and pledged to spend all of their resources within 50 years after Bill’s and Melinda’s deaths, the Gates Foundation has been widely criticized for the mismatch between its philanthropic mission and the investments made by the foundation trust. According to The Los Angeles Times, the Asset Trust of the Gates Foundation invested in 2007 in “companies that contribute to the human suffering in health, housing, and social welfare that the foundation is trying to alleviate” (Piller et al., 2007). It invested in pharmaceutical companies that “price drugs beyond the reach of AIDS patients the foundation is trying to treat” and held major assets for instance in “the worst U.S. and Canadian polluters, including ConocoPhillips. Dow Chemical Co. and Tyco International Ltd.” (p. 3). Moreover, in keeping with the financial website GuruFocus.com (2010), the Asset Trust of the Gates Foundation had also purchased 500,000 shares (or approximately $23.1 million) of Monsanto. According to Dr. Phil Bereano, University of Washington Professor Emeritus, a recognized expert on genetic engineering:

> The [Bill and Melinda Gates] Foundation’s direct investment in Monsanto is problematic on two primary levels. First, Monsanto has a history of blatant disregard for the interests and well being of small farmers around the world, as well as an appalling environmental track record. The strong connections to Monsanto cast serious doubt
on the Foundation’s heavy funding of agricultural development in Africa and purported goal of alleviating poverty and hunger among small-scale farmers. Second, this investment represents an enormous conflict of interests. (AGRA Watch, 2010, p. 2)

Therefore, as the rules of the money game are constantly shifting, the players are challenged to become experts in both philanthropy and capital markets, which, of course, is difficult. However, even if they became experts, it would not suffice because investment products are often rather obscure, intertwined, and multi-layered. For example, investors who care deeply about high ethics and morals may choose investment products offered by Catholic banks such as the Pax-Bank. According to its mission, the Pax-Bank does not invest in “alcohol, gambling, tobacco, pornography, military, and nuclear power products” (Oppong & Wensierski, 2010, p. 1). However, in the Liga-Pax-Rent-Union Fund, one could not only find tobacco companies, but also the financier of Urenco, a uranium processing company, better known through their uranium exports to Russia. Furthermore, Liga Bank’s Unirak Fund invested in tobacco, military, and ironically even in contraception pill manufacturers (Oppong & Wensierski, 2010, p. 2), which are usually not high on the investment list of Catholic churches. Also, the Ethics fund of the KCD Union, a fund of the Catholic KD-Bank from Dortmund, Germany, contained investment products in British Petroleum (BP) and Statoil. Another Catholic bank, the BKC Bank from Paderborn in Germany, is offering its investors specific products that—according to their investment thesis—have been analyzed according to specific sustainability criteria in addition to being in line with the Catholic ethics codex. Yet, asset owners can invest for instance in Uniprofirente, an investment plan, that offers products including tobacco and defense companies that manufacture submarines and other weapons (Oppong & Wensierski, 2010). Such situations are unfortunate and more often than not they are unintended. This is not only true for Catholic funds but also for instance the Gates Trust Foundation, which is constantly making adjustments to their investment thesis and portfolio to make sure it is in line with their philanthropic mission. The integration between a foundation’s mission and the investing thesis of its endowment is currently being addressed not only by the Gates Foundation but appears to be of general concern, as demonstrated by the following Monitor Institute papers entitled “From Blueprint to Scale” (Koh et al., 2012) and “What’s Next for Philanthropy” (Fulton et al., 2010).

The examples above show the constant struggle in an industry that is currently transforming and is thus under enormous pressure. Investors who care deeply about sustainable investing, which will be discussed in more detail below, know how difficult it is to make sure all investments are always in line with one’s philosophy and mission. Therefore, the first step toward eliminating inconsistencies is to ensure that the same mission and vision unite both arms of a philanthropic organization—the program-driven one and the trust. Consequently, investors and their wealth managers must stay alert, informed, flexible, and be ready adapt their investment portfolio on an ongoing basis. Contrary to current evidence, research on leaders in philanthropy, investing, and business indicates that it would be a big mistake to assume that greed or a lack of awareness are the main driving forces for all philanthropists or investors today (Bozesan, 2010). In fact, the opposite is often the case and we are currently witnessing several significant trends toward addressing these inconsistencies and toward integrating the traditional objectives of regular capital and philanthropic capital. This is occurring, as we will see, by introducing more integrated measuring criteria such as the parity between people, planet, profit, passion, and purpose.

From Traditional Investing to Impact Investing

Investing refers conventionally to the use of money to purchase shares in a company, a financial product, or other item of value such as real estate, commodities, or art. The intention is to make a profit and to maximize one’s investment (Mankiw, 1998). In other words, making an investment means to use money to make more money or a profit. From a business perspective, investing refers to the purchase of certain goods and/or ser-
vices in the hope of improving future businesses, which requires profits, of course. Profit is defined as total revenue minus total cost and it is essential for any economy because it can, 1) facilitate additional growth, 2) afford more investment opportunities in research and development for enhanced infrastructure, products and technology, 3) bring extra incentives to shareholders who are an important source of additional capital, 4) provide prosperity to nations through government taxes, and 5) be saved for times of crisis. Profit is, of course, a priori neutral. It is just another word for capital that can be invested to do good or not. In light of the worst economic, financial, environmental, social, and geopolitical crises in history, all industries that are profit only—oriented are currently taken under attack, as they should be. Although apparently easy, assigning blame does not solve the problem; it exacerbates it by polarizing the issues and not providing better solutions.

A rather progressive solution to traditional investing appeared in 1985, a year that is seen, according to Robeco and colleagues (2009), as the official birth year of “Impact Investing,” also known as Socially Responsible Investing (SRI), Sustainable and Responsible Investing, Program-Related Investing (PRI), or Triple Bottom Line Investing (TBLI)—all of which are somewhat different from each other but have basically similar intentions. The Canadian VanCity Credit Union responded then to investors’ requests by “introducing the first ethical mutual fund in Canada” (Robeco et al., p. 5). It offered investors the opportunity to make a profit in addition to having a social and/or environmental impact. Through this fund, people could invest their money in companies that care about people and planet as well as profit. For the first time in the history of investing, a fund was created that added ethical, social, and environmental criteria to its rating benchmarks. The transition from traditional investing with its profit-only orientation to impact investing with people, planet, and profit as its success metrics was made. Impact investing is becoming mainstream within the investment world (Robeco et al., 2009) and has been popularized lately through a book by the same title written Antony Bugg-Levine and Jed Emerson (2011). The increasing importance of impact investing can be demonstrated also through the amount of money being invested in what is now considered to be a new asset class. According to a study performed by Robeco and colleagues (2009), the global AuM invested in the impact investing market had reached 5 trillion (US$) and represented already 7% of the total global AuM at the end of 2007. While the total AuM growth remained globally at 10% per annum, the impact investing AuM has been growing since 2003 on average by 22% per annum. In line with the same study, the impact investing market is expected to become mainstream in 2015 with AuM of 15% to 20% of total global AuM (26.5 trillion, US$) and total revenue of US$ 53 billion (Robeco et al., 2009). This is already the case. As per a study by the Global Sustainable Investment Alliance (GSIA, 2012), global sustainable investments using some kind of ESG criteria reached US$ 13.6 trillion (21.8 % of total AuM worldwide) in 2012. These numbers reveal that an increasing number of investors care to use their money to address social and environmental issues in addition to wanting to make a profit. Yet, what seems to be preventing more capital flow in this direction is the investors’ general fear of losing it (Becerra et al. 2010), which is in part due to individual interior aspects discussed below but which also has to do with ignorance. Bank Sarasin (Plinke, 2008), for example, shows that fulfilling sustainability requirements does not have a negative impact on the financial performance of share portfolios. This challenges the widely held opinion that applying a sustainability filter actually restricts the optimal selection of investible stocks and therefore has a negative effect on the risk/return profile of sustainable portfolios. It also refutes the argument that environmental and social initiatives adopted voluntarily by companies are incompatible with market rules and tend to destroy value. (p. 5)

By choosing equity investments in companies in which corporate management proactively promotes an ethical culture and mitigates ESG risk factors, investors can actually increase the expected financial return
of their portfolio by 0.3% points at similar levels of expected risk (Hoerter et al., 2010). Hence, the better the risk mitigation criteria the higher the number of impact investors and the higher the capital flow toward impact investing. However, the current risk mitigation criteria are mainly directed toward exterior metrics, as will become more obvious in the discussion from Part 2 of this article. What I argue for in this article, and attempt to demonstrate through the research shared through the hero’s journey, is that how money is being invested depends also on the interior level of development of the participating agents, which of course, includes a “fear factor.” In other words, the investors’ interior perspective and altitude regarding their social, environmental, and cultural contexts will determine their actions. Therefore, it appears that the current development toward a more integral investing market that counteracts traditional investing criteria also substantiates this hypothesis. However, more research will have to be performed to support this claim further.

From Traditional Business to Social Business

Traditional investors with profit as their single bottom-line investing criterion invest in traditional businesses because they appear to have the highest likelihood of delivering the expected profit maximization. Since the birth of neoclassical economics with its notion of the self-interested homo economicus (Aspromourgos, 1986; Camerer & Loewenstein, 2004) in the beginning of the 20th century, businesses too traditionally measured their success solely on profit and utility maximization. This was in part due to the aspiration to shape the economics of business into a natural science by judging it through the eye of science and reason rather than immeasurable human values, ethics, and morals. The intention was to achieve “congruence with reality, generality, and tractability” (Camerer & Loewenstein, 2004, p. 4). However, in light of today’s increasing financial, ecological, and geopolitical crises and challenges, the individual frustration with the traditional business world has also increased (Kofman, 2007; Ray & Rinzler, 1993; Secretan, 2006). Additionally, the majority of today’s traditional businesses are still operating primarily from outdated corporate values (Kofman, 2006) such as short-term monetary profit-orientation (Collins & Lazier, 1992, pp. 67-69), tough competition (Collins, 2001), hierarchical organization structures (Eisler, 2007, pp. 182-183), dominating management styles (Eisler, 2002), disregard for individual and collective human needs (Toms, 1997), inability and/or unwillingness to look at the shadow side of businesses (Senge et al., 2005, p. 229), as well as fear and mistrust (Secretan, 2006).

These attitudes, actions, and outdated values run counter to or are rejected by the investors researched in this article. Therefore, on the opposite side of the spectrum there are impact investors (Balandina Jaquier, 2011) or venture philanthropists (Ebrahim & Rangan, 2009) who pursue social businesses that implement a variety of triple bottom line (people, planet, and profit) success criteria—namely with ESG (environmental, social, and governance) principles as their metrics (Freireich & Fulton, 2009). The profit-only orientation at the expense of happiness, social inequality, destruction of biodiversity, and environmental degradation is no longer the ultimate goal. These awakened investors demand more sustainable investment opportunities. In line with the hypothesis of this article, the interesting part is that according to research performed by Eurosif (2010a) on high net worth individuals, this trend is “driven by market demand [the private equity investors] rather than suppliers’ push” (p. 14). Therefore, it was only a question of time until a new kind of business had to be born. It occurred with individuals such as Nobel Prize laureate Muhammad Yunus, who in 1974 created the notion of social business. To push the development of such businesses, Yunus founded the Grameen Bank (The Bank of the Villages) along with its microcredit program for the poorest of the poor. Yunus (2007) defined social business as:

A company that is cause-driven rather than profit-driven, with the potential to act as a change agent for the world . . . It has to recover its full costs while achieving its social objective . . . Rather than seeking to amass the highest possible level of
financial profit to be enjoyed by the investors, the social business seeks to achieve a social objective . . . But any profit it earns does not go to those who invest in it . . . Rather than being passed on to investors, the surplus generated by the social business is reinvested in the business. (p. 22-24)

In the meantime, social business has become very popular around the world. In opposition to traditional business that is mainly focused on profit, social business and its social entrepreneurship framework are mainly focused on people and the planet. Unfortunately, similar to the goals of traditional capital and philanthropic capital, or traditional investing and impact investing, the goals of traditional and social business are not integrated and thus stand at opposing ends of each other.

In summary, it seems that the paradigms of neoclassical economics, traditional investing, traditional philanthropy, and traditional business have obviously failed to address the needs of our times. They failed, in part, not only because of their profit-only orientations, which led to extraordinary financial wealth for the top 1% and poverty for 99% of people; they failed not only because tens of thousands of people lost their homes, jobs, healthcare, and our social crises that reached unprecedented proportions; they failed not only because today’s threats and challenges are the biggest in written history and existing structures are not in a position to provide the necessary relief. Rather, these systems failed, in part, because, ironically, they did not bring humanity the joy and happiness it deserved and expected. They failed because they dissociated humanity’s inseparable Great Chain of Being (Lovejoy, 1942), the Beautiful (art), the Good (morals), and the True (science); they failed because they neglected to include, honor, and adopt in their structures the ever-changing aspects of human evolution; they failed because they were not based on the essence of all existence—on interior as well as exterior reality. They failed, ultimately, because they did not honor a reality in which high financial returns must be inseparable from social, environmental, cultural, and ethical impacts, in addition to individual growth.

Investor Evolution: The Hero’s Journey
As with every challenge there is tremendous opportunity and extraordinary hope. Within the capital and investment world, this hope is sourced also in what appears to be a new kind of awakened investors, called here integral investors. They use their wealth to address current challenges by experimenting with more integrated investing models that transcend and include the previous ones. How these individual investors have evolved to become such leading-edge investors represents the core of my research and will be described briefly below.

Research Method, Questions, and Data Collection
This research has been performed over a period of more than five years through interviews with the participants, many of which were recorded. The research method used is called heuristic structuralism (Bozesan, 2010) and was developed by the author as a pluralistic mode of inquiry in which each point of view is respected as a potential source of insight. It is a combination of Moustakas’ (1990) in-depth heuristic method and Wilber’s (2006) Integral Methodological Pluralism, which contains “at least eight fundamental and apparently irreducible methodologies, injunctions, or paradigms for gaining reproducible knowledge or verifiable repeatable experiences” (p. 33).

The data collection occurred from 132 global investors between the ages of 30 and 70 who live in the United States of America, Western Europe, India, China, Bali/Indonesia, Singapore, and Thailand. They are independently wealthy individuals who are active as venture capitalists or angel investors, presidents of Fortune 100 or Fortune 500 companies, serial entrepreneurs, Wall Street financiers, lawyers, musicians, artists, medical doctors, or pertain to the entertainment business. All research participants are active investors and
venture philanthropists who have earned top academic degrees including doctorate degrees, MBAs, or other graduate degrees from some of the most reputable global universities (e.g., Massachusetts Institute of Technology, Karlsruhe Institute of Technology, Indian Institute of Technology, the Sorbonne, London School of Economics, European Institute of Business Administration, Stanford, Yale, Harvard). Prompted by my own experience and transformation, the current research focused on identifying, researching, and analyzing the transformational experiences of individual high net worth individuals prior, during, and after the 2008 financial crisis. Therefore, the main question for this research is: What are the most significant emotional, physical, cognitive, spiritual, or other experiences that characterize the interior transformation of investors that made them become world servants? Secondary questions include 1) the triggers, the context, and process of their transformation; 2) the information about how wealth owners become the integral change agents required for a paradigm shift in investing; 3) the factors that facilitate or inhibit the change of mind; 4) the continuity of transformation, especially as it may occur in a hostile environment dominated by less-conscious investors, peers, money managers, as well as a litigation-friendly environment; 6) how new investing structures can be created in the light of the current global context; and 7) the future of investing, capitalism, business, and philanthropy within the context of global sustainability.

Data Analysis and Synthesis

My phenomenological study indicates that the interior evolution toward later stages of consciousness occurs along multiple intelligences (Gardner, 1993) that include cognitive, moral, kinesthetic, emotional, and psychospiritual lines of development (Wilber, 2000b). In an earlier article (Bozesan, 2010), I relate in more detail how the interior transformation along these lines of development occurred within a smaller research sample. The transformation occurred similarly in the larger group and was led by the cognitive line of development.

The evolutionary journey toward becoming an integral investor is illustrated using Joseph Campbell’s (1949/1968) The Hero with a Thousand Faces. The reason for choosing Campbell’s hero’s journey as a demonstration vehicle over much more appropriate evolutionary models such as Clare Graves’ (Beck & Cowan, 1998), Carol Gilligan’s (1982/1993), Susanne Cook-Greuter’s (2005), Robert Kegan’s (1982), Lawrence Kohlberg’s (Kohlberg & Ryncarz, 1990), or Ken Wilber’s (2000a) has to do with its familiarity to a much larger audience other than academia. The aim of this article is also to address mainstream leaders, including those from finance, business, and even politics. Campbell’s hero’s journey is depicted in most legends, tales, myths, cultures, and in Hollywood movies such as Star Wars, The Matrix trilogy, and Lion King. According to Campbell (1949/1968), there are three major stages of the hero’s journey, namely departure, initiation, and return. These will be applied below to demonstrate the investors’ evolution to later stages of consciousness.

Departure: Investor Awakening

The research participants are high achievers and are characterized by high levels of intelligence, postgraduate education, drive, tenacity, hard work, outcome orientation, and competitiveness. The desire to reach their maximum human potential was powered by their innate curiosity, creativity, and willingness to work hard. Their unique abilities to manifest outstanding material and financial abundance confirmed their original self-reinforcing “outside-in mentality.” Their outer successes appeared to verify that their actions were the unique source of personal happiness and success. This belief system helped them build outstanding reputations, achieve admired social status, accumulate extraordinary wealth, form strong egos, and attain the conviction that one is in control of life. The financial, material, and business success seemed secure—until it was not.

Hence, the departure from their egocentric model of the world occurred when they were stricken by dreadful pain that forced them to realize that they were no longer in control. The source of pain was often physical in nature. It showed up in the beginning as relatively simple dysfunctions such as “back problems,”
“heart hurting,” “migraines,” “colds and sore throats,” weight gain, or food allergies. Other times, the pain was of emotional in nature and was caused by a “terrible financial loss,” a “horrible divorce,” “death of a parent,” being “fired” from a prestigious position, or not being promoted to the desired job. The emotional pain manifested as a “high-degree of anxiety,” “worry and fear,” “heartbreak,” tension between “fear and desire,” “grief,” the “need” to be accepted by the outside world, and frustration. It was fueled by “unhappiness,” lack of fulfillment, “a feeling of helplessness,” “deep sadness and almost shame,” lack of “love,” “unrest,” lack of trust, or a lack of “joy.”

At first, most investors refused to change and tried to resist. They attempted to address their agony using their cognitive abilities and the same skills that made them outstanding achievers. One of these skills was their ability to control people and outcomes. They became “a control freak,” “closed down” their hearts to “never” be emotionally available again, or tried to “wear a coat of armor.” Eventually, the pain increased so badly that they were all forced to face their “worst nightmares,” namely their own shadows. The tipping point for “crossing the threshold” (Campbell, 1949/1968) toward higher levels of consciousness was triggered by their courage and conscious decision to face straight on the challenges at hand. The process of facing the shadow was different for each individual research participant. It ranged from a decision to experience the “dark night of the soul” through holotropic breathwork; to a willingness to face the “worst [emotional] pain” after “chopping wood” for several hours; to meditation or “vision quests”; to beginning to ask essential questions regarding the true meaning of life. The sum result of this journey can be viewed in terms of Abraham Maslow’s (1999) description of transcendent or peak experiences, meditative or contemplative experiences, near-death experiences, out-of-body experiences, experiences of flow, state, or unity consciousness experiences, transpersonal experiences, or other spiritual emergencies. The research participants described these experiences as a “lightning bolt [that] moved through” the body and caused a feeling “so powerfully strong that it was almost to the point where you couldn’t walk.” Or they witnessed their extraordinary states as a “mystical experience,” “divine light,” or “divine intelligence.” One investor described his experience as a feeling in which the “heart was exploding with love” and in which the “body turned into an intense beam of light” that opened the heart completely.

When relating to their extraordinary human experiences, it is important to note that these asset owners are non-religious people, have high scientific educations, and enjoy extremely successful careers. At the time of their first transpersonal experiences, most of them did not have any framework or the proper language to make sense of them. Their entire worldview was shattered as soon as they gave up control and surrendered to the “unknown,” the “unbearable fear,” and to the “terrible pain” they were experiencing. It was the beginning of a “major shift” and a “quantum leap in consciousness.” Neuroscience research (Beauregard & O’Leary, 2007; McCraty, 2001; Newberg & Lee, 2005) indicates that such exceptional human experiences can contribute to achieving higher levels of personal integration and move the participant to later stages of ego development (Alexander et al. 1990; Commons et al., 1984, 1990; Cook-Greuter, 2005, 2008; Damasio, 2006; Goleman, 2000; Goleman et al., 2002; Kegan et al., 1990; Koplowitz, 1984, 1990; Vaughan, 2000, 2005; Walsh & Vaughan, 1993; Wilber, 2000a). Having decided to embark on a healing journey through shadow work, the participants entered the second phase of the hero’s journey, namely the initiation phase.

**Investor Initiation**

The extraordinary human experiences that gave the research participants a flavor of the hidden and much larger dimensions of reality encouraged them to pursue their inner growth with the same devotion with which they developed their professions. They used the best available resources, including teachers, counselors, coaches, and psychotherapists. Their spiritual experiences eased their pain, gave them additional resources, and changed their lives for the better. For a while, they lived like “closet mystics” and “spiritual dilettantes” because they exposed themselves to a host of techniques, philosophies, and teachings. However, after dis-
covering a certain teacher and/or method that worked best for them, they remained with it for a longer period of time, sometimes for several decades. A prominent element common to all research participants was their inner yearning for a “common sense spirituality” that explicated their mystical experiences and transcended traditional religious norms, which all of them refused to accept. In the beginning, their extraordinary experiences conflicted also with their scientific education, which did not have the proper framework to consider them. Yet, the ability of the research participants to experience these peak experiences regularly paired with intense studies of the enormous research data available in this field (Alexander et al., 1990; Commons et al., 1984, 1990; Cook-Greuter, 2005, 2008; Gardena et al., 2000; Goleman, 2000; Goleman et al., 2002; Kegan et al., 1990; Koplowitz, 1984, 1990; Scotton et al., 1996; Senge et al., 2005; Wilber, 2000a) allowed them to come to terms with their newly expanded identities.

One research participant described his initiation phase in the following way:

It was like going through a college program, which is a rapid introduction to something and exposure to something—like turning on a fire hose. This was like drinking out of a fire hose. In this area, MIT and Stanford Business School were like drinking out of a fire hose for academic and business issues. This was like drinking out of a fire hose for emotional, spiritual and consciousness issues.

The transpersonal and “unitive experiences” healed and transformed the research participants in significant ways. Throughout the initiation phase, they learned how to “reconnect to that authentic self”; realized that we are all “part of oneness, a greater whole”; developed the ability to understand their “own consciousness,” the “collective consciousness,” and how we “are part of that greater human consciousness and then beyond”; understood the dimensions and interconnectedness of body, mind, and spirit”; became more “rounded [and] balanced”; and received “structure and specific knowledge” on how to continue to grow on the path to self-actualization. In short, the research participants moved from their previous ego- or ethnocentric orientation toward a more worldcentric or even Kosmocoscentric perspective. Their transpersonal experiences led investors to asking essential questions such as “Who am I?”, “Why am I here?”, “Is this it?”, and “Why do I let the mob psychology [of Wall Street] tell me whether I was having a good day or not?” Their new lifestyle encouraged them to question more deeply the status quo of their lives and the world as a whole. Eventually, they noticed the “collective insanity” of the “money game” and doubted whether the “standard operating procedure” for a successful person was still the game they wanted to play or not.

Eventually, all participants noticed that they were not “manifesting” their raison d’être; the values they had “adopted” were not “self-selected”; and they were “following a script that was not” authored by them. As they “looked into the future” and saw the “endless stream of closing quarters” as the essential driving force in the short-term operating financial world, they detected the “almost mind-numbingly impossible monotony around the[jir future] trajectory.” They felt that rewards “were running out” and the next “gold ring” was no longer tempting. They saw that there were “fewer [attractive] jobs left” in the world and that “maximizing shareholder value” was no longer enticing. Their value system shifted from a need to control the future to being more present in the now. One investor described his transformational shift in the following way:

At the time, I had no clue what was going on. Basically, I was being rewired. Everything I used to think was important was no longer important to me. It was me, me, me and my fabulous career and how do I help create more money for the company, so I can create more money for me and more success for me and more power for me? I was never a bad guy, but it was just a small game. It felt like a big game. I thought it was the biggest game in town. But suddenly when I was rewired, it felt
like the smallest game in the universe. When you really make that shift and you start playing for an idea bigger than yourself and you start sensing into what is that divine creative impulse that’s seated within me that is my gift to the planet? Within that surrendering was recognizing that there’s something unique within me that I was born to become and that by surrendering to that, by paying attention to that, by allowing that to emerge within myself, that I could play a much bigger game, a much more fulfilling game, a much more meaningful game in terms of being able to create from that space in service to a much deeper and broader concept.

All of the investors who participated in this research confirmed that they are “less concerned with material things” than before, although taking care of their own needs is still important to ensure the foundation from which they now act in the world. They obviously do not “need as many things” as they used to need. In fact, “things sometimes get in the way” of what they are “trying to do.” Furthermore, they seem to not “care about showing off” or “accumulating things” anymore. Through their transformation, they also “saw the hollowness” of money and material orientation. They realized there are “a lot of problems that money doesn’t solve” because “it’s not all about the money” but also “freedom of expression and creativity.”

Outfitted with new instruments, skills, and a much deeper understanding about their “unlimited potentials,” the “interconnectedness, the oneness, and the holistic nature of things,” the research participants were ready for the next step in their lives, the return phase.

**The Return: Changing the World with Sustainable Capital**

After their life-changing transformations, the research participants viewed their new life purpose in bringing higher consciousness into the domain of investing and business “in a way that creates sustainable change relative to the human beings on the planet and ultimately bringing spirit into manifestation.” Following their transformation, the investors were determined to have an even “bigger impact” in the finance and business worlds than before and in a much more integrated manner. They saw investing, economics, and business as an “incredible laboratory of consciousness” in which the integration of the interior with the exterior dimensions of life is of utmost significance. Various, they regarded “societal analysis [as] a spiritual discipline”; viewed economy as part of a “deep spiritual practice”; wanted to “move capitalism beyond the pure maximizing of profits” by bringing people and the planet at parity with profits; desired to “explore and lead and show different ways of creating social enterprises and different financing mechanisms that are behind that”; believed in “engaged spirituality” in investing and business; wanted to work on “different governance models and different business models” to start integrating their mission with their evolving “human condition”; and continued to make sure they are “taking care” of themselves and their “community at the same time.” In short, they chose to lead a “purposeful life” in which they could use their talents and the process of “consciousness development to make an impactful contribution to ‘integral’ and ‘holistic sustainability’.” There was “no going back” and “change became unavoidable.” Being outstanding leaders in investing, finance, business, and economics, the research participants felt the responsibility to follow their higher calling and have a greater impact in the world. Their calling was in all cases driven by “a purposeful life” in which they needed to leverage their money and “talents to make a meaningful and impactful contribution to the sustainability of the planet.” Using the lens of Integral Theory, I call these investors integral investors.

**Discussion: The Future Agents of Investing**

Through their major shift in consciousness, integral investors realized that their new investing approach must be based on the integration or parity of people, planet, and profit rather than preferring one aspect at the
expense of the other two. They saw that without a full understanding of the problem, no sustainable solution is possible. They understood that reality includes subjective, intersubjective, objective, and interobjective aspects. Through their transformation, these investors noticed how crucial the interior aspects of the individual and the collective are in determining a full-spectrum investing philosophy and portfolios. They saw that we do not only have ecological, financial, water, or poverty crises, we also have interior human crises that must be taken into consideration equally. They realized that their action in the world must be grounded in the quintessence of life as a whole with its interior as well exterior reality as represented in the tetra-arising dimensions of the Integral framework (Fig. 1).

Wilber’s irreducible, all-quadrant, all-levels framework lends itself as a theoretical foundation for integral investing because it provides an integrating platform to address the issues raised. It allows and encourages multiple worldviews and perspectives. And its “content-free framework” permits people to take an evolutionary attitude—and altitude—so desperately needed in today’s global finance, investing, business, and economic systems (Wilber, 2006). This all-inclusive model is described briefly below.

The Upper-Left quadrant refers to the individual interior domain. It is the personal subjective area and the inner life of an individual. It “includes the entire spectrum of consciousness as it appears in any individual, from bodily sensations to mental ideal to soul and spirit” (Wilber, 2000a, pp. 62-63). Here is the home of our individual interiority and contains several lines of interior evolution, including cognition, aesthetic, morals, emotions, self, and ego development. Especially after the 2008 financial disaster, the call for higher
ethics increased significantly. Yet, humans do not grow at will and not over night. According to leading developmental psychologists such as Graves (Beck & Cowan, 1998), Gilligan (1982/1993), Cook-Greuter (2005), Kegan (1982), Kohlberg & Ryncarz (1990), Loevinger (1977), Maslow (1999), and Wilber (2000a), we are subject to an evolutionary process. Those of us who have ever tried to stop smoking, lose weight, or change an unwanted behavior know how difficult the process is. Yet whether we acknowledge it or not, this subjective territory influences each and every one of us individually as well.

The Lower-Left quadrant enlarges the perspective of reality through the interpersonal subjective areas of culture such as beliefs, norms, justness, and goodness. Wilber (2000b) defined this quadrant as “the values, meanings, worldviews, and ethics that are shared by any group of individuals” (p. 63). The cultural context in which investing, businesses, politics, science, and education occur are at the heart of our intersubjective, collective humanity. It gives our existence meaning; we become almost inseparable from it, because it becomes what we perceive to be our absolute reality. Within the parameters of neoclassical economics, the Left-Hand quadrants have been excluded because they are erroneously perceived as being difficult to prove in a scientific manner (Camerer & Loewenstein, 2004). This separation occurred because neither behavioral economics (Kahneman & Tversky, 1982) nor scientific psychology existed as academic disciplines at that time. As a result, the interior dimensions were dropped all together and neoclassical economics was reduced to profit and utility maximization. Moreover, based on the prevalent collective center of gravity at that time, the notion of the self-interested homo economicus (Aspromourgos, 1986) was born.

Whereas the Upper-Left quadrant relates to personal, subjective experience, the Upper-Right quadrant refers to the exterior or more objective states of being. Content associated with this quadrant is more easily measurable with the scientific methods available today and includes “the brain mechanisms, neurotransmitters, and organic computations that support consciousness” (Wilber, 2000b, p. 63). The perspective from this quadrant permits the empirical examination of exterior behavior and the structure of individual phenomena associated with humans, objects, animals, and so on. This is traditionally the home of the natural sciences including chemistry, physics, biology, biochemistry, and neurophysiology.

The Lower-Right quadrant is the area in which institutions, businesses, and geopolitical organizations interoperate in an objectively measurable and systemic way. Similar to the Upper-Right quadrant, this is also the domain in which science has conventionally been active but from the perspective of social sciences and systemic natural sciences. This is the home of economics, business, civil and environmental engineering, ecology, astronomy, astrophysics, sociology, and other systemic and infrastructural contexts. The interobjective perspective that can be taken here permits the configuration and analysis of collective phenomena such as economic and financial systems, ecological and social systems, as well as legal and political systems. However, neither the objective (Upper-Right quadrant) nor the interobjective (Lower-Right quadrant) perspectives alone are able to move individuals or collectives to significant action. Change occurs when individuals and/or collective groups are also emotionally impacted (i.e., when their interiors are touched in a deep way). Hence, we need both the interior and exterior dimensions.

Wilber’s (2000b) four quadrants embody Plato’s (1969/1938) indivisible value spheres of humanity, the Beautiful (Upper Left), the Good (Lower Left), and the True (Upper-Right and Lower-Right quadrants). In addition, the quadrants are also subject to the evolutionary development shown in Figure 1. The individual interior evolution of the researched investors was demonstrated above through the hero’s journey. However, evolution applies to all four quadrants. Thus, depending on their altitude, investors will have different views of reality. In other words, an average investor who lives in a postmodern society such as Western Europe will most likely have a different view of the world than an investor from an emerging economy such as the BRIC nations (Brazil, Russia, India, China). Thus, the application of the Integral model allows for a much more differentiated view of individual and collective investment patterns depending upon the altitude in each quadrant and how well the lines of development in each quadrant have been integrated.
As discussed earlier, individual investors appeared to grow over their lifetime from an egocentric self to an achiever self and an integral or more integrally informed self (Alexander et al., 1990; Beck & Cowan, 1996; Cook-Greuter, 2005; Gilligan, 1993; Loevinger, 1977; Maslow, 1999). Through their newly acquired value system, integral investors seem drawn toward sustainable investing models while making sure that high financial returns are inseparable from high social, environmental, cultural, and behavioral impacts. Furthermore, they appear to have evolved to a more worldcentric understanding of the world in which they view themselves as global citizens (Beck & Cowan, 1996; Cook-Greuter, 2008; Wilber, 2000b). Hence, they use their money and authority to also address world challenges such as the implementation of the Copenhagen Consensus (2009) and the United Nations Millennium Development Goals (2009) (Fig. 2). In fact, they measure their success in life by these criteria as well.

More importantly, they feel that their investing framework must also depart from the austerity of social-only or environmental-only criteria characteristics of the impact investing model. Thus, integral investors insist that their own investing model must also include individual self-actualization, joy, and happiness factors. Patricia Baroness von Papstein (2011), for instance, described her current purpose in life as a “love affair with money [that] is dedicated to playing with paradoxes, to overcoming taboos and preconceptions, and to pushing the limits” toward achieving maximum individual fulfillment while also implementing the Millennium Development Goals. Von Papstein, for instance, is encouraging her fellow investors to fuel their “lust of life toward the global economy” and promises that they will benefit from it “in many tangible dimensions: materially, socially, ecologically, culturally, and most of all emotionally.”

In summary, integral investors intend to fully experience life in all of its magnitude by creating integrally sustainable wealth that occurs at the intersection of “lushness and ingenuity” through “Eros impact” (von Papstein, 2011); by “actively seeking to balance the need for financial return with a yearning to make life a little better for others and the Earth” (Brill, 2010); or by “integrating issues such as climate change into investment analysis [because it is simply common sense” (Gore, 2010). In more simple terms, these integrally acting investors now have the ability to implement the parity of people, planet, and profit along with
their newly detected purpose and passion for life with all of the vertical and horizontal dimensions outlined in the Integral model.

In Part 2 of this article, I introduce integral investing as an investing model based on the essence of all existence (i.e., on interior as well as exterior reality). In this reality, financial returns are inseparable from a high impact on social, environmental, cultural, and behavioral facets of life, as well as human evolution. Moreover, the article argues how Integral Theory could provide the necessary framework for integrating traditional investing and impact investing, regular capital and philanthropic capital, and traditional business and social business into a vehicle for self-actualization and even self-transcendence.

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INTEGRAL INVESTING, PART 1

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DEMYSTIFYING THE FUTURE OF INVESTING
Part 2: An Evolutionary Approach
Mariana Bozesan

ABSTRACT This two-part article proposes using Integral Theory as the foundation of a more sustainable investing practice in the future, named here integral investing. In Part 1, this proposal is supported mainly through research performed on 132 individual investors who have apparently evolved to later stages of human development and are now impacting various industries. In Part 2, I introduce a possible path toward a concept of integral investing that is centered in evolution and the essence of all existence (i.e., interior as well as exterior reality). In this model, financial returns must be inseparable from a deep impact on the experiential, cultural, behavioral, and social aspects of reality as well as human development. The article shows furthermore how this investing concept, once developed, could provide the necessary indicators and means for investing across all asset classes. Such a model could transcend and include current practices and provide the evolutionary integration between traditional investing and impact investing; regular capital and philanthropic capital; traditional business and social business; and interior and exterior aspects of human life, ultimately serving as a vehicle for individual self-actualization.

KEY WORDS business; integral investing; philanthropy; hero’s journey

Part 1 of this article revealed some of today’s contradictions and paradoxes from the perspective of capital, finance, and philanthropy as well as business and economics theory. It showed how these misalignments have contributed to the innumerable crises we currently face due to the dominant role of profit in individual and collective decision-making. Triggered by my personal evolution from a Romanian immigrant to a high-tech and clean-tech investor, the article went on to argue that we are also witnessing an extraordinary evolution of consciousness within a relatively small population of investors. These investors have presumably evolved to later stages of human evolution and are now impacting the investing paradigm by circumventing traditional investment models and institutions. Using Joseph Campbell’s conception of the hero’s journey as a metaphor, the article presented the research results of a study performed with 132 high net worth individuals worldwide. Through ambitious self analysis and heavy shadow work, these investors appear to have grown from an egocentric self to an integral or more integrally informed self (Alexander et al., 1990; Beck & Cowan, 1996; Cook-Greuter, 2005; Gilligan, 1993; Loevinger, 1977; Maslow, 1999). Part 1 of this article showed, furthermore, how peak experiences, meditative or contemplative experiences, state or unity consciousness experiences, transpersonal experiences, or other spiritual emergencies have presumably contributed over several decades to the transformation of these individuals to later stages of development. The presented study corroborated with neuroscientific research (Beauregard & O’Leary, 2007; Newberg & Lee, 2005; McCraty, 2001) that indicated that such experiences can contribute to achieving higher levels of personal integration and move the participant to later stages of ego development (Alexander et al., 1990; Commons et al., 1984, 1990; Cook-Greuter, 2005, 2008; Damasio, 2006; Goleman, 2000; Goleman, et al., 2002; Kegan et al., 1990; Koplowitz, 1984, 1990; Vaughan, 2000, 2005; Walsh & Vaughan, 1993; Wilber, 2000a).

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Through their newly acquired value system, the research participants seemed drawn toward more sustainable investing models. They seemed to want to self-actualize through their investing activities by making sure that high financial returns are inseparable from social, environmental, cultural, and behavioral impacts. Furthermore, they appear to have evolved to a more worldcentric understanding of reality and view themselves as global citizens. Therefore, they use their wealth and influence to also address world challenges such as the implementation of the Copenhagen Consensus (2009) and the United Nations Millennium Development Goals (2009). In fact, they seem to measure their success in life by these criteria as well.

What is significant also is the fact that these high net worth individuals appear to want to depart from the austerity of social-only or environmental-only characteristics of impact investing (Bugg-Levine, & Emerson, 2011). As a result, they insist that their investing model must also include beauty, individual self-actualization, and happiness aspects. This article shows how the researched high net worth individuals use capital to address today’s paradoxes and develop more integrated investing frameworks that transcend and include previous ones. It indicates how these individuals lead the field of investing by consciously using their wealth to implement the parity between people, planet, and profit as well as their life’s passion and purpose.

Integral Investing

A Model for the Future of Investing, Business, Philanthropy, and Human Evolution

Traditional investing is geared toward a profit-only mentality, and therefore investors face the challenge of having to earn superior financial returns consistently. However, over the past few decades an increasing number of investors looked for more responsible investment opportunities, which allowed making a profit in addition to having a social and/or an environmental impact. Impact investing has been made more popular through a book by the same title written by Anthony Bugg-Levine and Jed Emerson (2011), but it is still a very young industry that is measured through environmental, social, and governance (ESG) criteria (Freireich & Fulton, 2009; Robeco et al., 2009). Reason for hope comes from current developments in the investing world and could be derived from the amount of capital invested in a more sustainable and responsible manner. A recent study (GSIA, 2012) shows that global sustainable investments using some kind of ESG criteria reached US$ 13.6 trillion (21.8 % of total AuM worldwide) in 2012. Thus, we can see the following investment strategy splitting: a) negative/exclusionary screening of US$ 8.3 trillion AuM; b) norm-based screening of US$ 3.0 trillion AuM, mostly in Europe (65% of known SRI AuM); c) positive/best-in-class screening 1.0 trillion AuM, mostly in the United States; and d) assets utilizing ESG integration being at US$ 6.2 trillion. Impact investing–theme investments are still fragmented and comparatively small at US$ 89 billion, and sustainability-theme investments are also comparatively small at US$ 83 billion. Furthermore, according to a recent Novethic report (2010), 84% of 251 participating wealth owners who represented US$ 9.7 billion in assets from nine European countries believe that applying ESG criteria maximizes their long-term interests, including their financial goals. If this trend continues and the ESG criteria begin to be adapted across all asset classes, impact investing could become the next evolutionary step in investing (Fig 1).

A major breakthrough toward impact investing seems to be the fact that a majority of investors no longer think that using ESG investing criteria conflicts with their fiduciary responsibilities (Novethic, 2010). For example, 59% of French and 68% of German investors assert that their main interest is in using their money to contribute to the creation of more sustainable development models (Novethic, 2010). Also, it was no surprise that following the 2008 financial crisis and the BP oil spill in the Gulf of Mexico in 2010, a majority of the researched European high net worth individuals (demand side) requested ESG criteria as a financial discipline that should be applied to all asset classes (Eurosif, 2010b). The interesting part is that at the same time, 26% of money managers (supply side) consider impact investing a separate asset class. In reality, however, most investment products do not consider ESG criteria and therefore there are not enough investment
 products available to invest in even if one wished to do so. Therefore, ESG-based products do look like a separate asset class to the uninformed.

Nevertheless, the implication of this discrepancy between money owners and money managers is very significant in that money managers will not and/or cannot apply ESG criteria in all asset classes. On the one hand this is because they do not consider ESG criteria, and on the other hand because there are not enough investment products available that take ESG criteria into account. As a result, traditional investments may continue to prevail in their portfolios, often against the money owners’ declared intentions. As discussed in Part 1 of this article, this is currently changing through various initiatives such as the Sustainable Stock Exchanges Initiative (Panwar & Blinch, 2012), a commitment by five major stock exchanges that collectively list more than 4,600 companies, to promote sustainable investments through a global call for sustainability disclosure and performance by the companies listed on their trade floors; and the AVIVA Corporate Sustainability Reporting Coalition (CSRC) (Aviva, 2011) of more than 40 like-minded organizations, including institutional investors managing approximately $2 trillion, by integrating ESG criteria into buying, selling, or holding investment decisions.

In addition, there are other important distinctions that need to be made regarding triple bottom line performance metrics and how the terms are being used. The first distinction is that only when these criteria are applied with intention can one speak of impact investing. Otherwise, it is considered traditional investing. For example, an investor who invests in photovoltaic solar panels or wind turbines only because they promise a high return of investment is not considered an impact investor or a socially responsible investor. This could explain why in 2009 less than 1% (or €12.9 bn) of all German assets ( Eurosif, 2010a) went into impact investments, whereas in the Netherlands impact investing represented 33% (or €396 bn) of total assets (Fig. 2).

Most investors (asset owners, money managers, corporations, or philanthropic organizations) seek financial market returns not below market returns. “Nevertheless, depending on asset class and degree of emphasis on social and environmental performance metrics [impact investing] can be divided in two general

\[ \text{Figure 1. Evolution from traditional investing to impact investing.} \]
categories” (Eurosif, 2010b, p. 7). These categories are: 1) financial first investors who pursue the optimization of financial returns before having an impact floor. These investors “are not willing to accept lower than market returns as a cost to optimizing social or environmental goods, although they still make a positive impact” (Eurosif, 2010b, p. 7); and 2) impact first investors who seek to optimize social and environmental impact with a financial floor. For greater impact, these investors are willing to accept lower than market financial returns.

Recent research (Balandina, 2011; Eurosif, 2010b; Novethic, 2010) shows that impact investing has received substantial attention also from family offices and high net worth individuals. Balandina (2011) recommends that investors follow their gut feelings in addition to thorough traditional due diligence when making their impact investing decisions. Adding interior measurement criteria would serve not only individual investors but also this entire emerging industry. More research would, of course, have to be performed to know in more detail what the hidden determinants are that drive interest in this industry and which interior measurement criteria should eventually be adopted. However, there is good reason to believe that this development could also substantiate the research described in Part 1 of this article (i.e., it could indicate that an even higher number of wealth owners have adopted worldcentric views). If this were so, it would support the major hypothesis of this article that contends that some investors have become more holistic in their worldview and personality structures. However, neither traditional investing, nor triple bottom line, nor ESG, nor the sustainability index reflect any of the interior aspects discussed earlier. In fact, the people aspect of ESG refers only to governance issues (management, accounting, compensation) and does not include any interior cultural aspects, as can be seen in Figure 3.

Going into further detail about ESG, triple bottom line, or other sustainability measurements would go beyond the scope of this article. However, it is clear that current metrics do not include individual investors’ need for self-actualization, collective interior aspects such as culture with its ethics codes, or the individual behavioral aspects necessary to address current global crises. By applying the Integral framework, it becomes obvious that even the more inclusive impact investing model addresses only one part of reality, namely the
interobjective aspects (systemic, social, and environmental) of the Lower-Right quadrant (Wilber, 2000). Hence, the call in this article for a unification platform within which the next evolutionary stage in investing has room to occur by including and transcending the previous investing stages described above. I refer to this more inclusive investing structure as integral investing (Fig. 4).

The discussion of what constitutes formalized metrics for integrally informed investing is complex, ongoing, and a topic for a separate article. The fact is that we can no longer exclude from the investment performance metrics the interior dimensions such as culture, behavior, and personal development. If we choose

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<th>Environmental Criteria</th>
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<td>• Climate change, water scarcity</td>
<td>• Workplace health and safety</td>
<td>• Board structure and accountability</td>
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<td>• Local environmental pollution and waste management</td>
<td>• Knowledge and human capital management</td>
<td>• Accounting and disclosure practices, transparency</td>
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<td>• New regulations beyond environmental product liability</td>
<td>• Labor and human rights issues within companies and their supply chains</td>
<td>• Executive compensation</td>
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<td>• New markets for environmentally friendly products and services</td>
<td>• Government and community relations</td>
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Figure 3. Environmental, social, governance (ESG) criteria; adapted from Freireich and Fulton (2009).

Figure 4. Evolution from traditional investing via impact investing to integral investing. ESG—environmental, social, governance criteria.
to ignore these interior aspects, we choose to ignore the fact that reality has an interior as well as an exterior. In investing jargon, this means that financial measurement criteria must be correlated with the social, environmental, cultural, behavioral, as well as individual interior development factors (e.g., ego, needs, values, emotions, morals). All four quadrants tetra-arise and thus represent different aspects of the same moment in time and space. Therefore, they cannot be reduced to one another or ignored without repercussions. The integral investing practice advocates and encourages, therefore, a healthier horizontal integration of experiential, cultural, behavioral, and social perspectives no matter which evolutionary altitude is considered.

For now, we still have the task to build an evolutionary bridge between the for-profit thinking of traditional investors, impact investing, and the interior motivation of awakened investors discussed earlier. Current efforts around the adoption of ESG criteria will help to make this transition. Within this context, Bank Sarasin (Plinke, 2008), for instance, contends that fulfilling sustainability requirements does not have a negative impact on the financial performance of share portfolios. This challenges the widely held opinion that applying a sustainability filter actually restricts the optimal selection of investible stocks and therefore has a negative effect on the risk/return profile of sustainable portfolios. It also refutes the argument that environmental and social initiatives adopted voluntarily by companies are incompatible with market rules and tend to destroy value. (p. 5)

By choosing equity investments in companies in which corporate management proactively promotes an ethical culture and mitigates ESG risk factors, investors can actually increase the expected financial return of their portfolio by 0.3% points at similar levels of expected risk (Hoerter et al., 2010). As we have seen from the Rio+20 voluntary commitments discussed in Part 1 of this article, a critical mass of investors appears to have been reached (Aviva, 2011; Balandina, 2011), with stock exchanges (Panwar & Blinch, 2012) requesting public companies to report on ESG criteria or declare why they are not doing so. Through the research presented here, investors appear to proactively want to put their money where their heart is because they have presumably reached a higher level of consciousness. Through their interior transformation, integrally acting investors appear to be able to reduce their fear around the potential risks associated with their investments. Exterior developments seem to support this shift. For instance, “microfinance valuations in the public and private markets are starting to converge with those of traditional financial institutions” (De Mariz, 2011, p. 4). Interestingly enough, the Low Income Financial Index (LIFI) “has largely outperformed traditional banks both globally and in emerging markets. The LIFI index increased 736 percent since its launch in 2003, while world financials’ stock prices decreased 20 and emerging market banks’ stock prices increased 224 percent” (De Mariz, 2011, p. 4). Moreover, according to the 2011 J.P. Morgan report on global microfinance, “the LIFI index has been rather volatile in 2011, but it is still outperforming, up 8 percent YTD, versus 0 percent for World Financials and -1 percent for Emerging Markets Banks” (De Mariz, 2011, p. 4). Through such investors, we finally have the opportunity to also depart from the reductionist model of neoclassical economics with its self-interested homo economicus. Through such agents, the implementation of a more complete, “full-spectrum” economics structure seems possible (Arnsperger, 2010). The impact of such an integral approach for capital, investing, finance, economics, and business could be tremendous and is discussed below.

**Convergence of Traditional Capital and Philanthropic Capital**

The application of the Integral model to investing could lead to the goal convergence between traditional capital and philanthropic capital. From high-risk to low-risk investment products, traditional investors—institutional or private—are driven by profit and have the challenge to earn consistently superior financial returns for their investments. Yet, reality shows that this is no longer possible. As an example, let us take a
look at the early stage venture capital (VC) industry where I have spent the better part of the past 17 years. VCs invest at the highest possible risk and—since the boom of the 1990s—are expected to return a financial profit of more than 20% IRR (internal rate of return). However, the disappointing track record over the past decade (Mulcahy et al., 2012; Preqin, 2010) as well as the financial crisis of 2008 forced significant change to occur. Unfortunately, most people are resistant to change (Gardner, 2004, Senge et al., 2005), and even those who are not have a hard time knowing what and how to change. However, as is obvious in the above discussion Figure 4. Evolution from traditional investing via impact investing to integral investing (Bozesan, 2010, 2011a).3), capital markets appear to be shifting toward a more integral way of investing. Within the VC realm one can observe more and more funds being raised that continue to have a profit-only measurement criteria. The investment thesis is, however, driven by sustainable technologies such as smart-grid, solar technologies, biotechnologies, or sustainable automobile technologies (e-mobility). Such VC funds, although driven by financial-first criteria, are for example Satori Capital (Vanderbeck, 2011), Generation (Gore, 2010), or Yellow and Blue (2011).

On the opposing end of traditional VC is charity or philanthropic giving (Fig. 5). As a philanthropist, I live to make a difference in people’s lives. Yet, we must also acknowledge that without major reformation traditional philanthropy can no longer fulfill the needs of the 21st century. We have reached a critical point where many philanthropic organizations must be willing to remember their declared raison d’être and 1) reconsider outdated risk aversion tendencies; 2) review their need for independence, control, inertia, inaction, and competitiveness; 3) overcome their inability to address the challenges at hand in an effective and efficient manner; and 4) call for major reform, including the alteration of existing legal structures that are sometimes abused by wealthy individuals to bypass taxes (Fulton et al., 2010). As we have also seen earlier, without adequate leadership and major structural changes, the current inconsistencies between making philanthropic grants to improve the world and making investments that hurt it will continue.

Within the context of an integral investing model, tax payers’ subsidized philanthropy is no longer needed or adequate. Therefore, the Giving Pledge of Philanthropy (Giving Pledge, 2010) discussed earlier, the United Kingdom’s Big Society Capital, the United States’ Overseas Private Investment Corporation, the

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**Figure 5.** Convergence of traditional capital and philanthropy.

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Australian Government’s Social Enterprise Development and Investment Funds (Saltuk et al., 2011), the Clinton Global Initiative, along with other venture philanthropy (Ebrahim & Rangan, 2009) initiatives such as the LGT Impact Venture Fund and other private efforts such as KL Felicitas Foundation (Kleissner & Kleissner, 2011) and TONIIC, indicate how traditional capital, government funds, and philanthropic capital could be integrated. I am very much in support of this approach for several reasons. One is related to the individual participants involved such as Warren Buffett, Bill and Melinda Gates, and Charly and Lisa Kleissner, who are professional business people, investors, as well as caring venture philanthropists. Second, I very much appreciate the amount of capital aggregated to support their intentions because financial sustainability is as important as other impact factors. And, third, research (Bozesan, 2010, 2011a, 2011b; Kelly, 2010) indicates that some of these wealthy individuals might have evolved to later stages of human development, which would enable them to become significant agents of change in the world of investing. They are creating mixed structures for investing funds (Godeke et al., 2009) and as a result, the seemingly opposing differences between traditional capital and philanthropic capital appear to be shrinking and their goals appear to converge within an integral framework. This trend toward convergence is further supported in a recent Monitor Institute paper entitled “From Blueprint to Scale” (Koh et al., 2012). The Acumen Fund, for example, is using grants and other philanthropic donations in the proof-of-concept/startup stage and impact investors’ capital for later stages. This hybrid concept has shown to be much better at mitigating risk than using investment funds from the very beginning. A similar evolution toward convergence seems to be occurring in the business world, which will be briefly discussed below.

**Evolution from Traditional Business Toward Integrally Informed Businesses**

In Part I of this paper, I discussed how traditional investors invest in traditional businesses in order to maximize their profit requirements. Therefore, the majority of today’s traditional businesses are operating primarily from outdated corporate values such as short-term monetary profit-orientation, tough competition, hierarchical organization structures, dominating management styles, disregard for human needs, inability to look at the shadow side of businesses, as well as fear and mistrust. These one-sided mindsets and old-fashioned values run counter to and are vetoed by the integrally acting investors discussed in this article. Therefore, it was only a question of time until social businesses were born. Caring businesses, whether they are traditional or explicitly social, are measured by and implemented through a variety of success criteria, including corporate social responsibility (CSR), triple bottom line (people, planet, and profit), or ESG metrics. For instance, businesses committed to ESG publish their CSR measurement reports regularly. The investment ratings of such businesses are produced by dedicated rating agencies such as Oekom Research, SAM, EIRIS, KLD, Calvert, Vigeo, BMJ, or Innovest. These rating companies regularly report how well businesses fulfill current sustainability criteria. As a result, companies may be added or even removed from the various sustainability indexes available worldwide. These indexes include the Dow Jones, the Ethibel, the SAM Sustainability Index, or the Global Challenges Index (GCX) to name a few. For instance, on September 17, 2010, Google was removed from the GCX, the sustainability index of the German Boerse Hannover, because of governance issues. According the Oekom Research report (2010), Google no longer fulfilled sustainability requirements and violated international labor laws.

It is obvious that none of the above metrics includes interior aspects. One of the reasons could be that interior measurement criteria are not widely known and hence there is no general recognition for their important role in this field yet. However, using the Integral framework, it is tempting to see integral businesses, integrally informed businesses, or integrally acting businesses as the next evolutionary step from traditional and social businesses (Fig. 6) (Yunus, 2007).

Research (Strong, 2009) indicates that integral businesses are led by so-called conscious business people, consciousness leaders, or integrally informed leaders (Bozesan, 2010) and their leadership teams. They
appear to act with the intention to achieve parity between people, planet, and profit. In a study (Sisodia et al., 2007) published in the book *Firms of Endearment: How World-class Companies Profit from Passion and Purpose*, it becomes obvious that one of the keys to success for these companies is a focus on culture. The corporate culture becomes their biggest competitive advantage and can even be measured at the financial bottom line. Firms of Endearment (FoEs), as these companies are called, financially outperformed S&P 500 companies by 8 to 1 over a 10-year period (Fig. 7).
Accepting the premise that every interior has an exterior, these companies, such as Stoneyfield Farms, REI, Puma, or Whole Foods, cultivate increased intersubjectivity, trust, integrity, transparency, caring, passion, and fun in addition to being financially profitable. As these types of businesses add more interior aspects to their measurement criteria of success, such as the cultural ones (love, trust, interdependence, loyalty, transparency, oneness) described in Firms of Endearment (Sisodia et al., 2007), they will turn into more holistic business. From a traditional investor’s perspective it is interesting to note that integrally acting businesses appear to be also financially even more successful than the FoEs businesses, which were already three times financially more successful than Good to Great companies (Collins, 2001, 2005). A primary example is Whole Foods (Strong, 2009). Over a period of 10 years, Whole Foods returned 1,800% to their investors (Sisodia et al., 2007) and outperformed significantly all of its competitors including Wal-Mart, Albertsons, and Safeway. Integrally informed companies (Strong, 2009) seem to be run with a high level of integrity, passion, and love for people and the planet. Furthermore, integrally informed businesses appear to be characterized by cultures of interdependency that connect and respectfully honor all stakeholders equally from investors, to partners and suppliers, to customers, to employees, to their communities. Thus, integrally informed companies are able to maximize their long-term shareholder value by simultaneously optimizing the value of all participating stakeholders. More research has to be performed, of course, but the research presented in this article indicates that integrally informed businesses could become the next evolutionary step—an integrative platform between traditional businesses and social businesses.

It is neither the place nor the intention of this introductory article to go into the details of measurement criteria for integral investing, integral capital, or even integral business. However, in summary, it may be noted that the term definitions are evolving along with this new development. The successful adoption of these new and more integrated models will largely depend on various interdependent aspects including: a) specifying and clarifying the risk factors associated with integral investment criteria; b) how much capital will flow how quickly toward impact investing and eventually integral investing; c) how quickly more integral industry standards will be created and adopted by private and public investors as well as businesses; d) how long will it take for integral investing to become mainstream; e) how quickly governments will get in the boat with regulatory and legislative measures for integral investing; f) what is the overall cost associated with the wide adoption of integral investing; g) technology innovation; h) increasing pressure through higher energy prices, as well as environmental and economic challenges; i) increased social awareness and media attention; and j) how quickly we reach a tipping point with a critical mass of self-actualizing, integrally informed and acting investors with a more worldcentric view.

Conclusion

Further research would have to be performed to have more conclusive results, but the data presented is this two-part article support the hypothesis that leading-edge investors are currently transforming to be more holistic in their worldviews and personality structures (i.e., they appear to be evolving to later stages of consciousness and human development). From this changed perspective, the so-called integral investors appear to have moved from an egocentric or ethnocentric to a more worldcentric perception of the world. This enables them to use their wealth to bring beauty and evolutionary aspects to the investing landscape with the intention to address current global challenges and have fun doing it. The joy aspect is significant in that it differentiates integral investors from other investors who appear to be sometimes driven by fear and/or guilt. They are called integral investors because they add interior metrics such as culture, ethics, and emotional property to the exterior ones such as profits, social currency, and environmental impact. Integral investors are people who use their money to self-actualize and become more integrated human beings. They are people who apparently find their true life’s purpose by serving humanity. Integral investors are leading the field of investing by implementing parity between people, planet, profit, passion, and purpose rather than privileging...
one aspect at the expense of the others. These investors seem to be the co-creators of the next paradigm in investing, whether they call it integral investing or not. Its model is based on the essence of all existence—on interior as well as exterior reality—and the understanding that high financial returns are inseparable from social, environmental, cultural, and ethical impacts, as well as individual self-actualization and happiness. Moreover, integral investors view themselves as global citizens who also use their wealth and influence to address world issues such as the implementation of the 2009 Copenhagen Consensus and the U.N. Millennium Development Goals.

The consequences of this research for the future of Wall Street, investing, banking, the financial industry, and business are manifold. They could contribute to: 1) an enhanced understanding of how participants can self-actualize through wealth creation; 2) enhanced risk mitigation skills and portfolio management tools that go beyond regular market offerings in investing, finance, and business; 3) integral metrics and tools to achieve parity of people, planet, profit, purpose, and passion; 4) the need for better reporting and portfolio management tools across the board; 5) better understanding of the real value proposition of investment markets; 6) superior tools to handle generational conflicts within family offices of high and ultra high net worth individuals; 7) enhanced ability to build superior investment strategies based on a integral value system; 8) attracting a healthier flow of investment opportunities; 9) ability to aggregate more capital for the greater good of people and the planet; and 10) freedom to allow the joy of life, happiness, and beauty to become an integral part of measuring investing and financial success.

It is important to reiterate that the intention of this article was not to imply that later stages of human development are better and the absolute solution to humanity’s current crises. Much more important is the healthy integration of all four quadrants no matter which evolutionary altitude is considered. The main lesson learned from this research is that we are all looking at a bright and exciting future if we are willing to grow and reinvent ourselves anew every single day. It is a future in which the new emerging paradigm in investing, economics, and business is but one significant aspect of the overall paradigm change in the world today. From a global perspective, finance and politics are the driving forces of the world economy. Therefore, those of us who actively participate in the investing world in a conscious manner feel not only the need to challenge the way investing is currently being performed, but have the responsibility to change it. Integral investors are paving the way. Having reached later stages of consciousness, they appear to have transcended fear and the feeling of separation from other human beings and the universe. Therefore, they use their wealth to serve humanity out of pleasure, happiness, and the joy of being alive in the 21st century. They are defining a new paradigm in investing, economics, and business out of newly gained feelings of interconnectedness and unconditional love for all life. This worldview is rooted in all aspects of existence, but much more so in interior realities. Will we be able to develop an effective and efficient solution to our challenges and have an impact comparable to that of Lorenzo de’ Medici who sparked the Italian Renaissance Enlightenment? This will be hard to tell. Integral investors appear, however, to be the Medicis of today. Let us hope that our legacy will be just as remarkable.

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INTEGRAL INVESTING, PART 2


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INTEGRATING MANAGEMENT THEORY
Using the AQAL Model for Multiparadigm Management Research
Marco Antonio Robledo

ABSTRACT Management is a multidisciplinary, fragmented, complex, and multifaceted field of knowledge that is characterized by a proliferation of paradigms. This article conducts a multiparadigm review of management and organizational theories using Integral Theory. Its purpose is to help scholars understand the multiple paradigms that characterize the management field and make a contribution to the integration of those paradigms.

KEY WORDS AQAL model; Integral Theory; management; metatheory; paradigm

The field of management is characterized by the absence of a dominant paradigm. In addition to the theories developed within its boundaries, other paradigms have been imported from other disciplines (e.g., sociology, social psychology, political science, law, anthropology, economics). As a result, research in this field seems to evolve not toward normal science (i.e., a convergence of knowledge) as predicted by Kuhn (1962), but rather toward a growing diversity of research perspectives, theories, and schools of thought (Bartunek et al., 1993; Chiavenato, 1987; McKinley et al., 1999; Pfeffer, 1993) as defined by Feyerabend (1970). On the one hand, this is an indication that the complex nature of organizations is being understood and that researchers have a more refined outlook. On the other hand, it results in excessive theoretical compartmentalization (Astley & Van de Ven, 1983) and difficulty in integrating data from schools that use incompatible methods (Donaldson, 1985; Pfeffer, 1993), not to mention the problem of incommensurability that exists between theories and schools (Gioia & Pitre, 1990; Jackson & Carter 1991; McKinley & Mone, 1998; Scherer, 1998; Schultz & Hatch, 1996).

This situation is considered in a very different way from functionalism-positivism or from postmodernism. Functionalists believe that management science is in a pre-paradigm stage and await the advent of a period of traditional science. On the contrary, postmodernists think that management is in a multiparadigm stage (Cannella & Paetzold, 1994; Lewis & Grimes, 1999; Zald, 1996) and there it has to remain, since fragmentation, lack of consensus, and methodological tolerance contribute to the success of the discipline. However, the two factions agree on the need to advance toward a higher integration of theories of greater complexity (Elsbach et al., 1999). For the functionalists, it is a step toward normal science, and for the postmodernists it is a result of dialogue between paradigms.

Conducting multiparadigm research is, therefore, a challenge for organizations, but it is the only way to develop new and more integral theories and metatheories. As Edwards (2010) highlights, “There currently exist very few research methods specifically designed for building metatheoretical frameworks” (p. 388). The most famous and detailed is metatriangulation, as developed by Lewis and Grimes (1999). The three approaches that compose metatriangulation are multiparadigm reviews, multiparadigm research, and metaphadigm theory building. The first one, multiparadigm reviews, seeks to analyze and compare different para-
digms with the objective of recognizing differences and revealing the impact of the often taken-for-granted assumptions that are inherent in each paradigm.

Consequently, the objective of this article is to apply Integral Theory to management and to use the AQAL model as a framework for multiparadigm reviews of management and organizational theories. The purpose is to further the understanding of the underlying structures of thought that generate management theories. The significance of this endeavor is twofold. First, if theories and schools of thought are the basic epistemological structures for all theoretical and empirical work, it is critical to identify their paradigmatic underpinnings. Second, the AQAL model integrates and makes more understandable the growing fragmentation of organization theory and makes a contribution against the incommensurability of theories. Finally, it builds a coherent epistemological framework that fosters the integration and systematization of organizational knowledge in an integral theory.

The AQAL Model
Every management theory conceives organizations in a particular way. This can be a limitation, as the way we think determines how we perceive reality and our subsequent behavior. Every theory or school offers only a partial vision of reality. None of them can give a useful point of view for every single purpose. None is complete enough to map everything an organization does (Morgan, 1986). Some of the most important contemporary thinkers (Davidson, 2001; Habermas, 1989; Taylor, 1989; Wilber, 1996, 1998, 2000) share Morgan’s view and rebel against the reductionist vision. They all defend a stance that takes into account all possible perspectives. It is, therefore, in the interplay between different theories that we can gain a better understanding of management and organizations (Astley & Van de Ven, 1983).

The AQAL model (Wilber, 1996, 2000) supplies a metatheoretical epistemological scheme that we can use to carry out multiparadigm reviews. By using its framework to classify the major schools of thought in organization and management, we can determine what they include and what is outside their limits. Table 1 represents a non-comprehensive attempt at classification.

The purpose of this article is not to summarize each of the theories in Table 1. Rather, I focus on the trends that emerge from a bird’s-eye view. However, in this first classification the amount of theories accumulated in each quadrant is overwhelming, especially in the case of the Lower-Right. In order to generate a more in-depth analysis and better understanding of the paradigms underlying business we refer to one important model of organizational knowledge: Gareth Morgan’s metaphors of organization (Burrell & Morgan, 1979; Morgan, 1986).

Morgan provides one of the most influential models of classification and analysis of organizational theories, using metaphors as a way to study organizations. The basic premise on which his model is built is that theories and explanations of organizational life are based on metaphors, “for the use of metaphor implies a way of thinking and a way of seeing that pervade how we understand our world generally” (Morgan, 1986, p. 17). The eight metaphors that Morgan identifies are:

- Organizations as machines
- Organizations as organisms
- Organizations as brains
- Organizations as change
- Organizations as culture
- Organizations as political systems
- Organizations as instruments of domination
- Organizations as psychic prisons

Each metaphor analyzes organizations from a particular perspective (Table 2). Those metaphors result in or
Table 1. The main organizational theories mapped to the quadrants of the AQAL model.
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<td>Postmodernism</td>
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*Table 2. Gareth Morgan’s classification of organizations as related to Integral Theory’s four-quadrant matrix.*
influence the theories and the schools of thought listed in Table 1. This model is particularly useful because the concept of metaphor illustrates particularly well the process of pre-paradigmatic shift that defines management and organizational theory. As stated at the beginning of this article, there is no dominant paradigm and competition between many schools and sub-schools is the norm. With the aid of Morgan’s system, the theories presented in Table 1 can be classified in the manner shown in Table 2. In some cases, the metaphor plays a central role in the theory, but in others it is more peripheral.

Organizations being a collective enterprise, the lower quadrants are more important, but if we compare the left and right, the Right-Hand quadrants are the most populated. This is not surprising, given that a specific worldview dominates management and organization theory: scientific materialism. As a result, the typical management researcher or practitioner favors the idea that what is fundamentally real is that which is revealed by the methods of science. But let us conduct a more thorough analysis by looking at each quadrant.

**Right-Hand Quadrants**

The Lower-Right (LR) quadrant focuses on the exterior of the collective and is, by far, the most populated quadrant. The immense amount of theories in this quadrant study organizations as a whole; they tend to reduce complex organizational structures to (inter)objective realities from a technoeconomic or sociological perspective (Wilber 1996, p. 80). Research dominated by this perspective is designed to be impersonal and tends to exclude the motivations, values, and personalities of the people related to the organization. From this “scientific” perspective, only the phenomenic deserves attention (i.e., the material aspects of organizations that are precise and measurable). As such, the very variables allowed into the discussion are purely objective and exterior realities; everything immaterial is dismissed. This penchant toward the objective, the material, and the measurable usually results in an obsession with the quantifiable. Ideally, everything is reduced to an equation or a number in econometric measures, balance sheets, market reports, or business ratios. Mintzberg (1994) defines this as the “myth of quantification” to denounce the excessive importance that economists and management academics give to data. As a result, the study of organizations is based essentially on measures of profitability and the byproducts of productivity and quality are also expressed in quantifiable terms.

Less important is the Upper-Right (UR) quadrant, the exterior of the individual or behavioral, which represents “the individual viewed in an objective, empirical, ‘scientific’ fashion” (Wilber 2000, p. 49). The theories that appear in the UR quadrant consider individuals as an object of research, be they internal (employees, leaders, entrepreneurs) or external (customers, suppliers) to the organization, and analyze the behavior of a consumer or member of an organization.

Below I examine, according to Morgan’s typology, the metaphors in each quadrant. It is important to understand that the four LR metaphors are the most important and widely used, both at the academic and practitioner level.

**LR-1: The Organization as a Machine**

Theories grouped under this metaphor are a consequence of the mechanistic view of reality imposed by Cartesian rationalism and Newtonian mechanics (i.e., simple-to-understand systems based on action-reaction, predictability, and ease of control). Its foundational exponents are Taylor’s School of the Scientific Organization of Labour and Weber’s bureaucratic model. Although these theories may seem stale nowadays, this metaphor is still the most influential of them all, and not only in manufacturing environments. In fact, this metaphor is still dominant in most organizations because most of the theories in the LR quadrant of Table 1 are influenced by it, and many current business models and practices, such as management by objectives, re-engineering, systems planning, programming and budgeting, and quality assurance systems like ISO 9000, meet the same mechanistic logic.
So today, most companies are seen as a machine formed by independent parts trying to operate with mechanical precision. The company is like a big robot (in some cases, a Frankenstein’s monster) or a tank crushing smaller rivals. The companies that emerge in the shadow of this metaphor are hierarchical, control-oriented, bureaucratic, and inflexible. Everything must be carefully planned and mechanized. Their fundamental values are efficiency, certainty, and belief in the existence of a correct solution to every problem.

The main problem with this approach is that it tends to suppress the human side of an organization—individuals are mere cogs in a machine that operates under management control. The workers in these organizations tend to be passive production units, thoughtless automatons. People, depersonalized and anonymous, are nothing more than a box in an organizational chart. To control them more easily and get maximum performance, work is divided: as Adam Smith noted, if we have a pin factory, the production will be greater if some workers are focused on the head and others on the body of the pin. This way, each employee has a precisely defined position and specific tasks that are delineated by his or her job description.

It is true that people have components that seem mechanical. For example, our muscles operate like machines and our brain works like a computer. However, these are less essential facets of what human beings bring to the table. A crane will always be able to lift more weight than a person and a computer will always be faster and more reliable for computations than any brain. That is why one of the consequences of the Industrial Revolution was to replace people with machines that did physical work more efficiently. The same happened during the Information Revolution of the 1990s when computers replaced many people. There could be no objection to these decisions because people are inferior to machines in everything that is mechanical.

But human beings are infinitely superior in non-programmable facets of reality: machines have no emotions or spiritual needs, and therefore have no intuition or creativity. What makes humanity superior is precisely what mechanistic organizations lack.

But repression of human qualities is, ultimately, impossible, and manifests itself in the workplace as negative politicking, stress, lies, depression, and so on. A further disadvantage is that although mechanistic companies are efficient and reliable in stable conditions, volatile times tend to reveal their inflexibility and limitations. It takes time to reprogram a machine to suit the new circumstances, sometimes too much time.

LR-2: The Organization as an Organism

Business writers are inclined to compare organizations with organisms (e.g., Company X is “aggressive as a lion” or “flexible as a reed”). The most common comparison is with people, to the extreme that from a legal point of view firms have been turned into persons with the same rights and obligations as any human being. This metaphor explores the parallels between organizations and organisms (especially human beings) in terms of performance, and relationships with the environment and other species. Usually, this metaphor establishes analogies between the life cycle of living things and the company, which is credited with a life, goals, and a need for survival and development.

Theories that follow from this metaphor tend to emphasize that survival is the primary goal of any organization. To survive, businesses must adapt to changing environmental conditions and compete with other companies. There has been an evolution from the time of Darwinian principles based on natural selection, and in recent times these theories are beginning to replace the simplistic vision of business as a hostile jungle, adding new variables beyond the relentless competition between companies. This has led to theories and practices that reflect how competitors can also work together, such as benchmarking and “coopetition,” a neologism used to describe cooperative competition.

Comparisons between organizations and evolving organisms are also quite common, which introduce the concepts of change and progress. The theories in this group analyze organizations not statically, but dynamically (e.g., Evolutionary Economics Theory, Population Ecology Theory, Organization Change Theory). Thus, in stable environments, ordered and methodical firms will more likely succeed. In contrast, in turbu-
lent environments companies should constantly foster mutations, introducing new products to compete even within their own ecosystem.

**LR-3: The Organization as a Brain**

The starting point of this metaphor is the attempt to design organizations as flexible and inventive as the human brain, something that is extremely useful in changing environments. The metaphor is particularly appropriate since organizations operate thanks to their ability to process information, and can be considered from this point of view as information, communication, and decision-making systems.

This metaphor has also evolved over time. Its classical conception was based on an anthropomorphic metaphor that divided the company between head and body. There were parts of the corporate body devoted to thinking and making decisions that formed the brain of the organization and then there was a body to execute the orders coming from the brain. Mintzberg (1994) describes it as a system based on separation: “If the system does the thinking, the thought must be detached from the action, strategy from operations, ostensible thinkers from doers” (p. 223). Organizations that operate in this manner have a lot of muscle but not much brain: executioners are not allowed to think, and must obey orders coming from the “brain” without question (hence infamous phrases such as “You are paid to work, not to think” or Ford’s dilemma: “Why do I have to pay for the entire human being if all I want is the hands?”). Thinkers are locked in their white towers, making decisions that are isolated from the customer and production details.

The most recent theories of intellectual capital, knowledge management, and organizational learning visualize the company as a super-brain for the interconnected, specialized brains of the members of the organization. For these theories, the muscle is outdated and the brain is the true source of competitive advantage. If the company promotes the generation and transfer of knowledge, it will grow to be more effective thanks to the collection of institutional memory, just as humans are with the accumulation of ideas and memories.

**LR-4: The Organization as Change and Transformation**

We can also think of organizations not as stable structures, but as entities subject to continuous change. This metaphor is very much used (and occasionally abused) today. Quotations from Heraclitus (540–480 B.C.)—“Everything changes, nothing is permanent” and “You cannot swim twice in the same river”—and references to change and our turbulent economic environments are recurring clichés in business literature.

Capitalism is an entropic machine that thrives on change. Companies invest huge amounts of money every year in change programs, introducing quality systems, environmental management systems, software re-engineering, corporate social responsibility programs, customer relationship management, knowledge management, and a slew of business fads. Product lines are turned over faster each year based on planned obsolescence programs, and technologies are developing at an unprecedented pace. It is not strange then that there is a set of different theories that deal with these matters (e.g., Institutional Theory of the Organization, Theory of Organizational Change, System Dynamics, Chaos Theory). Each theory provides a means of explaining how organizational life is formed and transformed by underlying processes with a logic all their own.

**UR-1: The Organization as an Instrument Of Domination**

This theory focuses on the negative side of organizations and, therefore, is rarely discussed in management books. From the time of the Sumerians, organizations have been associated with a domain component: as a result of regular power asymmetries, individuals or groups impose their will on others. Thus, organizations can use their power to dominate or, in more neutral terms, influence the behavior of employees, consumers, governments, and so on. In fact, work is a disciplinary mechanism commonly used at schools, where students
are punished by being made to write something a hundred times, similar to practices in penal institutions.

The organization can be understood, from this point of view, as a process of domination. This domination may have, according to Weber, three different aspects:

- **Charismatic Domination**: Power is derived from the personal qualities of a leader whose power of persuasion causes adhesion.
- **Traditional Domination**: Power is derived from respect for tradition or the past. Leaders have power as a result of inheriting it from their predecessors. Commonly seen in family businesses.
- **Rational-legal Domination**: Power is legitimized by rules, procedures, and regulations. The leader can only legitimize his or her power if appointed under strictly enforced rules. Typically seen in bureaucratic organizations.

Obviously, from Marx, these theories bring to the fore the dialectics of opposition that exist in organizations (i.e., employees against bosses, corporations against government interference, consumers against companies) and the potential for the abuse of power (e.g., oppressive working conditions, coercion, abuse of dominant positions, unfair competition, disregard for consumer rights, manipulation in advertising and marketing, etc.).

There are two ways of exercising control or domination over others. We can dominate people against their will, forcing them to follow instructions based on various types of enforcement mechanisms, or we can get control through more subtle methods of conditioning that ensure our interests coincide with those of the individuals. Noam Chomsky and Edward Herman (2002) believe that our society makes use of large-scale control mechanisms and look upon organizations as part of an intricate system of social control and indoctrination to meet the interests of the powerful, and maximize their profits (government and media are the other two pillars). According to Chomsky, consumption is a major mechanism of social control. Consumption helps you escape from reality and makes you equal to your fellows because they all buy the same things.

Similarly, Foucault (1977) believes that the objective of society is basically to discipline, standardize, and control people. Foucault’s central metaphor is the panopticon, a prison where everyone is continually monitored. For Foucault, individuals are unaware subjects of the power networks that define businesses. According to this perspective, even the most rational and democratic forms of organization are forms of domination and influence, often through subtle processes of conditioning. In fact, Chomsky is of the opinion that thought control is more vital in democratic systems than in those which are more despotic and centralized. In short, progressive management practices are viewed as subtle forms of domination in order to condition people to work harder and to keep the status quo. In other words, domination is camouflaged under the guise of freedom with Skinnerian behavioral engineering methods. The new business language denies the very possibility of class conflict, redefining the employee as a collaborator, control as commitment, and management as leadership.

Morgan (1986) considers that “one of the major strengths of the domination metaphor is that it forces us to recognize that domination may be intrinsic to the way we organize and not just an unintended side effect” (p. 316). The metaphor demonstrates again the perspectivism inherent in the concept of rationality, and how often we resort to it to justify our particular interests. The perspectivism of rationality is even clearer when humans are conceptualized as more emotional than rational creatures. So, as Weick (1985) points out, rationality in organizations comes a posteriori to justify emotional actions or decisions. The rational language of managers is merely rhetorical and numbers are used to justify previously taken decisions, thus preserving the appearance of rationality and avoiding the ambiguity and consequences of decisions and values.

The main limitation of this metaphor is its negativity and radicalism. In fact, Foucault (1977) argued for abolishing descriptions of power in negative terms: “In fact, power produces: it produces reality, it produces...
domains of objects and rituals of truth” (p. 194). Power can be positive or negative, creative or repressive. Proponents of this metaphor must separate the wheat from the chaff and worry about the values that guide organizations in order to distinguish between exploitative and non-exploitative practices. Indiscriminate criticism without proposing alternatives can be revealing, but is clearly insufficient.

**Left-Hand Quadrants**

The Left-Hand quadrants focus on the interior, subjective aspects of human experience. These quadrants study what is commonly called the “soft” factors of organizations. Classically, the Left-Hand quadrants were practically absent from the study of organizations, but in recent times are becoming increasingly cultivated, especially with the increasing importance of customer orientation and the rise of the human side of organizations. Upper-Left (UL) quadrant theories investigate interior consciousness as it appears in individuals. When psychologists analyze organizations, they primarily consider subjective experience. Therefore, the schools that are represented in this quadrant analyze desires, needs, feelings, emotions, and motivations of individuals in the workplace or the marketplace. Lower-Left (LL) quadrant theories investigate the interior of the collective, “all those patterns in consciousness that are shared by those who are in a particular culture or subculture” (Wilber 2000, p. 50). These shared values, perceptions, beliefs, meanings, worldviews and ethics simply refer to organizational culture or the intersubjective patterns in consciousness within an organization. The schools of thought in this quadrant study the organization as a cultural phenomenon, including its ethics.

As with the Right-Hand quadrants, below I examine the different metaphors identified by Morgan related to the Left-Hand quadrants.

**LL-1: The Organization as Culture**

This metaphor studies the organization as a cultural phenomenon. We can mention the pioneering work of sociologists and anthropologists such as Durkheim, Radcliffe-Brown, and Parsons, but only since the late 1970s did studies focusing on the concept of organizational culture begin to proliferate.

Initially, theories assumed that members of the organization share a single culture. This vision emphasizes consistency, order, and consensus and denies the existence of other cultures or the presence of conflicts and ambiguities. In this way, culture is a property of the organization: the culture is “of” the organization, a sense of community and responsibility is fostered by management, common values (e.g., quality, innovation, honesty, social responsibility) are nurtured in order to generate loyalty, commitment, and a sense of belonging. Productivity is assumed as a natural consequence of the social cohesion achieved. On the other hand, change is understood as a momentary imbalance that will encourage the establishment of a new cultural order.

The current paradigm in organizational culture says that the company is not a monolithic entity. Subcultures may exist in departments or specific groups of the organization, attuned or not with the official culture. The contribution of the cultural metaphor is that it acknowledges the symbolic and even magical dimension of companies, allowing study to proceed from a new perspective that the interior aspects of an organization are almost always more important than its external aspects.

**LL-2: The Organization as Political System**

Another perspective on the analysis of organizations is to consider them as systems of governance that vary according to political principles. The appearance of rationality and objectivity has produced organizations that either denied the existence of political activity in the company or treat it as something hidden, almost dirty, something that should not be brought to light and is spoken about only in back rooms. However, some form of political activity exists in any enterprise, as organizations require a power structure and hierarchy to
give direction and resolve potential conflicts of interest.

We must accept, therefore, that political maneuvering is inevitable in an organization. Managers should ensure balance and coordinate the diversity of interests for the common good, and effective managers must understand the political framework of the organization. The interests of various stakeholders must be considered. In addition, managers must be able to identify potential conflicts, understand power relations, and interpret the subliminal messages often contained in employee actions.

Politics can play a positive role in creating social order. Aristotle conceived of politics as the way to reconcile the need for unity in the polis, which was an aggregate of many members with different interests and visions. Social order in business can be achieved in an autocratic (“I’m the boss and you have to do as I say”), bureaucratic (“According to the rules, this is the way to do things”), technocratic (“The study concludes that this is the best way of doing things”), or democratic (“Let’s decide together what to do”) manner.

The political metaphor reveals something that is not taken into account by other metaphors: that all organizational activity is based on interests and that any decision has a political dimension, thus calling into question the organization as a unified system. It also questions the myth of corporate rationality defended tooth and nail by modernity. As argued by Morgan (1986), when someone relies on reason and efficiency, he does so with a specific interest:

The political metaphor emphasizes that organizational goals can be rational for some people’s interests, but not for others. An organization embraces many rationalities, since rationality is always interest-based and thus changes according to the perspective from which it is viewed. Rationality is always political. No one is neutral in the management of organizations—even managers! They, like others, use the organization as a legitimizing umbrella under which exists the power to pursue a variety of tasks, career and extramural interests. And like others, they often use the idea of rationality as a resource for political agendas—justifying actions that suit their personal aspirations in terms that appear rational from an organizational standpoint. The idea of rationality is as much a resource to be used in organizational politics as a descriptive term describing the goals of the organization.

These considerations suggest a reevaluation of the ideological significance of the concept of rationality. Above all else, the idea of rationality seems to be invoked as a myth to overcome the contradictions inherent in the fact that an organization is simultaneously a system of competition and system of cooperation. The emphasis on rationality attempts to bind together a political system which, because of the diversity of interests on which it is built, always has a latent tendency to move in diverse directions and sometimes to fall apart. (p. 195)

**UL-1: The Organization as Psychic Prison**

This metaphor is the only one that looks inside the individual to analyze how thoughts and ideas can build prisons that prevent people from seeing things differently.

Each of the metaphors previously presented conceives of the organization from a given perspective, which is both a blessing and a curse. Too often, we tend to become prisoners of our own ideas, and this prevents us from seeing things differently, from contemplating alternatives, thus limiting both personal and organizational development. Each theory, each metaphor, acts as a paradigm, a mental pattern, that can limit thinking and make us resistant to change. Joel Barker (1992) describes this as “paradigm paralysis.” As Morgan argues, when we create ways of seeing things we are also creating ways of not seeing them. As demonstrated above, the most populated prison is the LR quadrant, which can be seen as an “iron cage” of rationality.
that enriches us materially and impoverishes us spiritually.

The tendency to withdraw into certain modes of thought is a consequence of how the human brain works. Edward de Bono argues that, paradoxical as it may seem, the main purpose of thinking is to avoid thinking. That is, the mind tries to make sense of external confusion by recognizing familiar patterns. When the mind recognizes a pattern and connects with it, thinking ceases. As a result, no one is safe from the psychic prison (not even Morgan, whose metaphor classifications show a clear bias toward issues of power and control). Companies wishing to be flexible and open to change must be aware of the paradigm they are operating from and determine what impact this paradigm is having on their organization. More often that not, to resolve conflicts and grow, leaders need to rethink fundamental questions and look at their organizational processes from a different perspective.

Conclusion

As Roger Walsh (2009) observes, Integral Theory is being applied to an increasing range of fields. Management is one of them. This article tries to make a substantial contribution to the application of Integral Theory in management and organizations from an academic point of view. Until now, most articles dealing with Integral Theory have taken either a more restricted approach (e.g., Edwards, 2010; Wagner, 2006) or a more practical one (e.g., Paulson, 2002; Putz, 2006; Robledo, 2004).

This article provides insight into the advantages and potential applications of multiparadigm management research and in particular of the use of the four-quadrant matrix of the AQAL model for multiparadigm review. In addition, it highlights the many perspectives that can be used when analyzing business and organizations. The AQAL model allows for a multiperspectival stance that helps us see organizations from different perspectives, and enables us to do research not only within the confines of a particular paradigm but combining more than one. As a result, understanding of the underlying structures of thought that generate management theories is improved.

The AQAL model can be an effective remedy against the growing fragmentation of organization theory and the incommensurability of the different perspectives defended by various schools of thought. In this respect, the AQAL model helps us uncover transition zone theories (i.e., theoretical views that span paradigms). Transition zones illustrate the possibility and value of communicating across paradigms, as has been pointed out by Weaver and Giacoia (1994). For instance, the most famous theory of the behaviorist school (UR) is McGregor’s theory X/theory Y. Considered in light of the quadrants, theory X is clearly UR, but theory Y can also be located in the UL quadrant. Furthermore, X or Y types of leaders can determine X or Y types of organizational culture (LL).

The absence of a dominant paradigm in the field of management has been of great concern for academics and business leaders. A very revealing conclusion that application of the AQAL model reveals is that, in effect, there is no dominant paradigm at the theory level, but there is a powerful one at the metatheoretical level: scientific materialism. That is, the typical academic follows a reductionist view of the world, a view that considers values, practices, needs, and motivations as implicit, and often even unconscious. In his foreword to Christian Arnsperger’s (2010) book on Integral Economics, Wilber reflects upon the danger of relying exclusively on a worldview of scientific materialism: “What if the worldview of scientific materialism is in itself corrupted, deficient or inadequate in several fundamental ways (inadequate in methodological, ontological, and/or epistemological ways?)” (p. xvii). His answer is that the discipline itself would be deficient and inadequate since it would not cover all of the areas or dimensions “that need to be included in order to produce a full, balanced, comprehensive, and integral approach” (p. xvii). This is precisely what has happened with management and organizational science (though not as radically as in the case of economics), particularly in the period between the work of early pioneers such as Taylor and Fayol until the 1970s. During that time there was an almost undisputed monologue of LR quadrant theories and a profoundly limited, frag-
mented view of the organizational world. Later on, with the recognition of the repressed voices of customers and employees, a degree of pluralism was accepted—the motivations of the individual and the effects of leadership began to be recognized and studied. Also, the interior of the collective started to be taken seriously, resulting in the study of organizational cultures and ethics.

But let us not be mistaken—the dominant management worldview today is still scientific rational. Although other perspectives are taken into account, they are usually subordinated to the hegemony of a positivist approach, both when it comes to academic research (where statistically measurable and tractable research is favored, often at the expense of depth and interest) and practice (where only the interiors that can be shown to have an effect on the bottom line are valued, often resulting in category errors as a result of trying to measure the immeasurable). This particular view of the world has had dire and important consequences. In a brilliant article, Sumantra Goshal (2005) denounces how theories have done much to strengthen the unethical management practices that are now being so loudly condemned. Certainly, we should not be surprised that companies do not take into account ethics when ethics is not a part of their business strategy (i.e., it is not a part of the Right-Hand quadrant theories on which they base their operational paradigm). As Goshal points out, academics are, probably, among the first ones to blame, since if academic theories are amoral, students are freed of any sense of moral responsibility.

This article offers a coherent epistemological framework that fosters the integration and systematization of organizational knowledge using Integral Theory. The development of an integral theory of management using metaparadigm theory-building methodologies (e.g., metatriangulation) will be crucial for the discipline both from theoretical and practical points of view. The multiparadigm review carried out in this article is a necessary and important step toward the construction of management metatheories, as well as an integral theory of management. That is the real challenge: how can all of these theories be formulated into a single theory? Integral Theory, being broad and non-marginalizing, has the potential to become the new metaparadigm for organizational management.

NOTES

2 Incommensurability is a concept in the philosophy of science, referring to the impossibility of comparing scientific theories to determine which is more accurate. According to Kuhn (1962), there are a number of reasons we cannot compare two competing paradigms. The most fundamental is that the defenders of each paradigm practice their trades in “different worlds,” which leads them to see different things when they look in the same direction. Kuhn thus rejects the “traditional epistemological paradigm” according to which there is an objective and fixed experience. He argues that observation is full of theory (i.e., observers depend on a particular paradigm to generate their observations).
3 We have tried assure that all of the theories included in the quadrants are at the same level. However, it is difficult to do so. Therefore, we apologize if there are different levels of broadness or specificity. It is worth mentioning also that some theories appear in more than one quadrant because they include different perspectives. This has been done in the more obvious cases (e.g., quality management or knowledge management), but going into detail would yield many other examples. It is also crucial not to forget that boundaries between paradigms are fuzzy and potentially permeable (Wilmott, 1993).
4 In the book (Bakan, 2004) and film (Abbott & Aehbar, 2003) The Corporation, Joel Bakan describes the type of personality corporations have, and comes to the conclusion that they are pathological, even psychopathic, as a result of self-centeredness, lack of regard for others, and a general sense of amorality.
5 Many theories are explicitly about life cycles, such as Product Life Cycle in engineering and marketing, Enterprise Life Cycle in enterprise architecture, Project Life Cycle in project management, and Destination Life Cycle in tourism.
All of these describe the stages of a life cycle from conception to decline and define suitable policies for each of them.

6 A category error is a semantic or ontological error in which “things of one kind are presented as if they belonged to another” (Blackburn, 1994, p. 58).

7 My own theory (Robledo, 2004), called 3-D Management (three-dimensional management or D3D in its original Spanish language), is intended to be a systematic and serious attempt in this direction. So far, it has only been published in a book in Spanish, but I plan to present it to the English-speaking community soon.

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TRANSFORMATIONAL CHANGE AND STAGES OF DEVELOPMENT IN THE WORKPLACE

A Heuristic Inquiry

Alex Howard and Karim Hirani

ABSTRACT Transformational change using the Integral model of stage development was investigated in the context of two individuals’ work lives. Using a method of inquiry taught by A.H. Almaas (which sits under the research method of heuristic inquiry), three questions relating to experiences of transformational change were inquired into for 15 minutes by each researcher. The questions explored what inhibited and supported the researchers’ own experiences of transformation, thus bringing the theory to life for readers to consider as leaders and in their work lives. Transcripts of the inquiries were analyzed for core themes by both researchers. Five themes were identified: 1) impetus for change; 2) crisis; 3) fear of letting go into the unknown; 4) support of mentors; and 5) role of community. Examples of each of these were explored and recommendations are made for how to support transformational change, develop mentoring programs, and create support structures to facilitate the process of transformational change.

KEY WORDS transformation; human development; stages; business; research

Transformation is one of the most commonly used words in the field of personal and spiritual development. It is also an increasingly freely used term in the field of leadership development and business coaching. As active businessmen, with an equally strong thirst for spiritual inquiry and development, we became curious about what transformational change looks like in the context of an individual’s business life and what supports or inhibits this process. After all, the average person spends one third of their adult life at work, and yet, for many, it can feel like personal transformation is something that sits outside of this time, rather than something that can be supported by it. Transformation is a process that can occur through any dimension of life, be it personal, social, or vocational. Our focus in this article is to explore the dimension of work in service to leaders within organizations.

Leadership is about creating and shaping the future, choosing to serve life, and “creating a domain in which human beings continually deepen their understanding of reality and become more capable of participating in the unfolding of the world...allowing life to unfold through me” (Senge, 1996, p. 3). With the mounting planetary challenges faced by humanity, understanding such processes is more important than ever. Before outlining our particular focus of inquiry, let us define what we mean by transformation.

Within this article we explore transformation within the context laid out by Ken Wilber (2000c):

In transformation, however, new forms of agency emerge, and this means a whole new world of available stimuli becomes accessible to the new and emergent holon. The new holon can respond to deeper or higher worlds, because its translation processes transcend and include those of its subholons. (p. 67)

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Transformation is ultimately a change in the deep structure of an individual’s worldview, as opposed to just a change in surface structure; a transformation occurs when a holon moves through one stage of development to another stage of development. We recognize that transformation is a commonly used term with good reason, as it is a process many people pursue in order to realize increasingly deeper and truer expressions of their innate potential. Be it mastering the pain/pleasure principle or ultimately even being free of such egoic impulses, as a species this drive to transform is clear to see throughout history and is striking in both its beauty and brutality (Wilber, 1993).

Stages of Development

From Jean Piaget (1954) to Clare Graves (2005), the field of psychology has seen a considerable number of models of “stage development.” We have elected to use Wilber’s (2000a) model of stages of development partly because it draws upon all of the aforementioned models. Some in the field of business may be more familiar with the model of Spiral Dynamics, developed by Clare Graves (2005) and refined by Don Beck and Christopher Cowen (2005), and for the interested reader they will notice this model maps closely with Wilber’s framework. Wilber outlines 12 levels of consciousness. Figure 1 describes six of the key stages that will be referred to in this article.

Thus, transformation can be viewed as a growth from one stage of development to another. We do not skip stages, and many of our tensions both internally and externally can be eloquently explained through conflicts of different stages of understanding. For example, what is true at one perspective of the world is only a partial truth from a greater height of understanding. It is worth stating that at each stage of development, there are three different but clearly interrelated levels: individual, organizational, and societal (Beck & Cowen, 2005). For the purposes of this article, our attention is focused on individual development, but let us not forget this is very much shaped by the organizations and societies within which we exist.

Beyond personal evolution, it has also been argued that internal development is at the heart of cultural evolution and perhaps even the survival of our species:

![Figure 1. Widening identity (left) and the nested quality of levels as they transcend and include each other (right). From Esbjörn-Hargens (2009); used with permission.](image-url)
In other words, the real problem is not exterior. The real problem is interior. The real problem is how to get people to internally transform from egocentric to sociocentric to worldcentric consciousness, which is the only stance that can grasp the global dimensions of the problem in the first place, and thus the only stance that can freely, even eagerly, embrace global solutions. (Wilber, 2000c, p. 541)

Our research focus developed through the recognition that there is much knowledge in the theoretical aspect of stage transformation, but little written about the lived experience of transformation. Wilber (2001b) writes about not confusing the map with the territory (i.e., the map of the territory is not the same as traversing the territory itself). This article aims to bring the map to life through the territory of experience, with a particular focus on leaders within the context of business. The article, therefore, does not seek to add new theoretical knowledge to the theory of transformation through stages, but seeks to bring Integral Theory to life through sharing the themes of the real experience of two individual leaders.

Within this article, Almaas’ method of inquiry, which sits within the greater branch of heuristic inquiry (Clark Moustakas, 1990), is used to examine the lived experience of transformation through stages of the authors. From this method themes are extrapolated in order to then think about the ways in which leaders can support themselves and others through transition within their organizational contexts. Explicitly, we inquire about questions such as, “What supports and what inhibits transformational change?” And, therefore, what is it that leaders can consider when thinking about the transformations that inevitably occur in the working lives of each of the individuals that they employ within their organizations?

We hope that this article inspires integral leaders to think about ways in which they can take appropriate responsibility for and provide the support to themselves and others during periods of organizational transformation. The goal is for a smoother journey without unnecessary conflict, pain, and disillusionment. While we see conflict, pain, and disillusionment as part of the transformational journey, it is our belief that there is much unnecessary strife when consciousness is not shone onto the transition. Therefore, we hope to show in this article how experientially understanding the flow of development builds support for enabling transformation in the workplace.

Method

Since both authors are experienced students of the Diamond Approach, a teaching that integrates psychology and spiritual inquiry, we elected to use this method as taught by A.H. Almaas. The authors view Almaas’ method of inquiry as concerned with the internal search to know the truth of experience of the inquiring participant. As there is little written about the link between Almaas’ method of inquiry and heuristic inquiry, we hope to briefly explain the connection on a theoretical level first before explicitly describing the practical details of the method. Starting with Almaas’ (2002) method:

Inquiry invites whatever is here to show itself and reveal its truth. And each revelation, if allowed and held with respect and interest, will lead to understanding and revelation...it uses ordinary knowledge in conjunction with our innate intelligence to open up basic knowledge. It is informed by knowledge, is open to knowledge, and invites further knowledge. (p. 27)

In Almaas’ method of inquiry the ultimate concern is the search for the truth of who we are, the unraveling of our essence, our true nature that is revealed when we are fully and authentically present beyond the limitations of self-images, concepts, and thoughts (Almaas, 2002). Thus, inquiry questions that are used within the Diamond Approach are often related to an exploration of the self.
Heuristic inquiry was developed by humanistic psychologist Clark Moustakas (1990). The word heuristics originates from the Greek word heuriskein, meaning “to discover or to find” (Moustakas, 1990). Unlike the traditional natural science research method that aims to separate the observer from the phenomenon being observed, the research method of heuristic inquiry does not exclude the researcher from the object of study. It is a participative research method in that it considers the observer as intrinsic to the exploration of the phenomenon being observed. Heuristic inquiry attempts to discover the nature and meaning of phenomena through an inner journey of self, using the processes of self-reflection, exploration, and elucidation of the nature of the phenomenon that is being studied (Douglass & Moustakas, 1985).

Heuristic inquiry is a unique research method that places human experiences above numbers, and is deeply rooted in tacit knowledge that leads to a deeply subjective and creative connection between the researcher and phenomenon (Sela-Smith, 2002). As such, “heuristics is concerned with meanings, not measurements; with essence, not appearance; with quality, not quantity; with experience, not behaviour” (Douglass & Moustakas, 1985). Moustakas (1990) describes this unique approach to research as:

...a process of internal search through which one discovers the nature and meaning of experience and develops methods and procedures for further investigation and analysis. The self of the researcher is present throughout the process and, while understanding the phenomenon with increasing depth, the researcher also experiences growing self-awareness and self-knowledge. (p. 9)

The starting point of the heuristic research process begins with an exploration of an area which is of particular interest, fascination, and relevance to the researcher. The aim is an inner search for knowledge. Thus, the relationship between the researcher and the research becomes the focus of the inquiry and the underlying assumption is that we are making explicit that which we know tacitly. Within heuristic inquiry, the ultimate concern of inquiry is the truth of the object of study, and Almaas’ method focuses on the object of study to find the truth of our essence; both are searching for the truth of the “I” that experiences.

More specifically, the Diamond Approach is usually conducted in pairs or triads. One technique entails one person being given the space for the inquiry into a question, normally for around 15 minutes, while the other/others are silent, “present,” and holding the space for the inquirer to support the unfoldment of inquiry. After 15 minutes, the other participants give 5 minutes of “feedback,” including questions or personal experiences to further support the inquirer to continue their journey, following which the inquirer can continue their investigation until the 5 minutes are complete. The whole process is then repeated with the next person in the pair or triad.

Following the above technique for their inquiries, we explored the following three questions:

1. How do you recognize the transitions of the stages in your experience?
2. What has kept you stuck in your transformation as a leader?
3. What has facilitated your transformation through the stages as a leader?

The two authors conducted their inquiries with the intention of holding in particular prominence the relationship between transformation and their work lives, although they found that many arenas of their lives engendered or contributed to transformation.1

The session began with a period of meditation, followed by one author examining for 15 minutes the inquiry question with the 5-minute feedback from the listener for each question. The process was then repeated

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1 For a detailed biography of the research participants (Alex Howard and Karim Hirsani), see the final page of this article.
with the roles reversed and these inquiries were all recorded. Once the inquiries were completed, the audio files were transcribed. Each author then independently read through the transcripts and began to identify key themes following the guidelines of heuristic inquiry. Once this process was completed, the authors spent time together and found that they had highlighted similar key themes from the inquiries, and chose to present the results under the headings of these key themes.

**Results**

The inquiry recordings were transcribed, but are not included within this article.\(^2\) The results have been presented as five key themes that emerged with quotes from the inquiries. Where phrases or contexts are not clear in the inquiry quotes, we have added words for clarification (sometimes in parentheses), for ease of contextual understanding.

**Impetus for Change**

A very prominent theme that came through from both inquiries was the energy for change, which was like an innate desire to grow and expand. Exploring the impetus for change, Alex described it as the drive to want to challenge and to want to grow, while Karim experienced a “roar to come into the world” in his inquiry:

I think the first thing that comes actually is to continue where your inquiry ended around the terminology, kind of Eros stuff… there’s just a drive to want to challenge and to want to grow. (Alex, Question 3)

I just keep hearing a roar, it’s like a roar to come into the world is what I felt like and I know it’s fiery… it comes all the way out of my heart, my chest, and it’s kind of I want to be in the world… It feels like a flow. Yes, I could explore this for a long time, I’m just aware of that too, but there is some impulse to express to come out, to unravel, unfold… it’s quite interesting. (Karim, Question 2)

Both Alex and Karim describe this drive or impulse for growth and expansion, a flow of Eros that manifests being into form. It seems to be a drive that exists beyond human will, a desire for unfoldment and expansion that is simply innate and serves to transform. Ultimately, one could see it as Eros being the desire for transformation.

Eros seems to also be accompanied by a sense of curiosity into the unknown, possibly a dimension of Eros itself in wanting to investigate its own possibility. Here, Karim describes the curiosity present during his leap of faith in letting go of amber altitude rules when he went to university:

And it was the beginnings of a curiosity—what I remember doing explicitly was that I didn’t drink until I was 19, and I remember going “I’m just going to allow myself to go and get hammered and see what that’s like.” So there was a curiosity about letting go, about finding out what was beyond the structures… there was a curiosity about what is it like when we let go of that frame and what is it like if I stopped meditating… I was meditating as part of this esoteric practice and I stopped that… I stopped praying…I believed that if I practiced these rules I’ll be safe and I’ll have

\(^2\) The transcriptions are available from the authors should the reader be interested.
my place in heaven. But I wondered if that’s really true… it was kind of an innocent or naughty curiosity that was inside of me that went “I’m going to check this out and see what it’s like.” (Karim, Question 3)

Freud (Storr 1989) describes Eros as the instinct for life, for creativity, for living and for love, and it was interesting to see how the energy and feeling of Eros revealed itself in the inquiries as we explored. Certainly, for Karim, this roar to come into the world was palpable.

**Crises**

Another aspect was the theme of crisis as a facilitator for transformation. Alex describes his “burnout” as he moved from orange to green altitude, which was accompanied by a period of feeling lost and in inner turmoil:

And then the next kind of significant transition I remember was in my…mid-ish 20s of the movement from orange to green of a kind of fairly dramatic burning out of my orange somehow and I kind of—this kind of wanton desire to kind of be someone in the world, to be successful and to be seen in that success and the kind of running out of emotional juice, financial juice, and I went for a period of very intense struggle from kind of having this super confidence to this just total lostness and kind of like an inner turmoil. (Alex, Question 1)

He describes crisis as a significant motivator for change. The rules of the current stage of development no longer seemed to work, which led to an almost unavoidable choice to seek out a new way of being in the world.

I also think crisis has been a big drive of transformation, like crisis in my kind of work life, like the crisis of orange to green was effectively a crisis of unsustainability, of the unsustainability of my work pattern, of just working too hard too much, and not being able to physically and emotionally sustain that. The unsustainability of others… and so a lot of people are going “Screw you,” I don’t know, because you’re too demanding or them just burning out in themselves… the options run out and so it’s like “I have no choice but to go somewhere else.” (Alex, Question 3)

In the orange stage of development it is clear that the relentless pressure to strive for success meant that Alex was faced with a sustainability crisis.

Similarly, Karim describes his crisis from red to amber altitude when, as a child, he was berated for stealing a piece of chewing gum and soon after was shamed for taking a friend’s radio. The red altitude impulse to calculatingly take what you want was met with a punishment and shame, a crisis that lead to following rules in order to stop feeling he was bad and not feel the withdrawal of love from his authority figures. This crisis became the foundation for the amber stage of development:

I remember…stealing a piece of chewing gum when I was probably about… six or seven, so I felt like I was at the impulsive (red) stage, and I remember getting really told off for it (disproportionately)... I remember another experience that was almost following that one where …I ran upstairs and took (my friend’s) radio while no one was looking and then went back home… I remember my mum basically saying “Wait, you’ve got to go back and tell them what you’ve just done.” And getting told off for stealing and feeling …it was a lot of embarrassment, a lot of shame, and
Interestingly, the crisis that Karim faced as he moved from orange to green altitude was triggered by personal success as well as a family loss:

I remember doing really, really well in my masterss. I got some prizes. I remember the day when I found out I got those prizes and I noted a feeling of sadness, I had immersed low. And the reason was because I thought that (achievement) would mean that I’ve got everything and I’ve got the golden egg…I remember just completely sinking down… like “I’ve got what I wanted, I’ve got it, and it’s not what I wanted it to be, it’s not the heaven I was expecting.” That was the blessing and the gift and I couldn’t have done much better in that Masters and I sank. This gift and curse was when my dad died. (Karim, Question 1)

The success seems to have brought the recognition that success does not give you what you want. Compounded by the death of his father, an existential crisis of meaning emerged, thus beginning the shift from orange to green altitude. Alex also articulates this disillusionment with success, together with the loss of a relationship:

And it was partly fueled also by a year previously, the end of a relationship that I hadn’t really dealt with… I’d kind of gone from this person that was just so identified with the kind of public image I was creating—I wanted so much to believe that—but the truth of what I was having in my experience was just not equaling that. (Alex, Question 1)

Tiredness and disillusionment seem to have driven Karim to move from amber to orange:

There was also a feeling of tiredness, kind of atiredness and a disillusionment of the amber way of doing things. It was like I remember going to university and I had lived with these rules and they are not quite giving me what they promised to give. (Karim, Question 3)

The period of pain and disillusionment is not an overnight transition. Karim describes this period of transition from orange to green altitude as one that took many years, cycling back and forth between the two stages until finally coming to rest at the new stage of development:

Looking back it was probably about five years. And I think the biggest part was just not wanting to accept that orange doesn’t work anymore (but instead trying to) find other ways of making orange work…so it’s not (achieving) the degree, it’s not (getting) the job then it’s going to be this or it’s going to be that (that I need to achieve). And then kind of achieving it. And again, “Shit, that didn’t work, okay let’s find something else” …the pain got louder until I couldn’t help but rest and stop flapping...
and go “Okay, I’m in a different place, let’s now get in.” (Karim, Question 1)

Karim also describes his move from amber to orange altitude as a period of experimentation (e.g., by questioning the rules that he had been brought up with for a period of three months):

…I used the old value system or the old stage to explore the new stage. So what I remember doing was going I’m going to give myself a structured period of three months to play in orange…I’ll let go of the rules and do this other stuff. So there was a structure around there and…it was actually my brain’s attempt at going maybe by having a structure, so using the old way, I might have permission to try something different… While there was this kind of experimental three months I always thought I’d go back to the structures… I found out that actually I didn’t experience hell from losing the structures… “Hang on a second.” (Karim, Question 3)

There was a kind of testing of experience of letting go of the old stage, brought on by a curiosity of the new stage, that seemed to make the transition safer and allow trust to develop in (i.e., “Shit, I’m not going to go to hell,” referring to the fear that keeps one locked into patterned ways of thinking). So, suffering through crisis, whether activated by loss, success, or disillusionment with current structures, seems to be a powerful catalyst for stage transformation.

**Fear of the Unknown**

A strong theme that emerged encompassed the fear of letting go into the unknown when transforming through stages. Even if the current level might be painful, and there might even be a spark of wanting to grow and expand, often entering unknown territory seemed to trigger fear and therefore a desire to stay trapped in a familiar place rather than face the fear of the unknown:

It’s a terribly strong fear that pulls back and it’s got a pulling back energy to it. How I experience it now is it kind of sucks me into this channel, it’s just like “Don’t move, stay strapped in your seatbelt”…it’s quite frightening. (Karim, Question 2)

And then this fear, fear that goes I want to stay in the safety of this straight jacket…the world views that come with it… it’s like I want to break through… essentially there’s a feeling there right now as I describe it—an expansion that goes “I want to break through.” And there’s an equal feeling of fear, of will I be safe to stay here? (Karim, Question 3)

And, more than just fear of the unknown, it was commented as though going through a transformation could lead to a loss of a sense of self, effectively a form of ego death. Part of this fear was not just the fear for the individual of losing their sense of self and staring in the unknown, but also the fear of impact on relationships to others. Alex describes this in his transition from orange to green altitude:

I can almost name the day, and then there was probably 18 months of tension against it. And what held that stuff was, in a sense, a fear of letting go of my identity. And “who the fuck am I if I’m not this?” And almost like not knowing why and that was part of, I think, the difficulty—how do I relate to someone if I’m not this image that I’m trying to sustain and trying to create? And also in my relationship to others, like
my relationships with colleagues, with employees, with patients, customers, suppliers… I know myself as this identity, you know me as this identity, find out that this identity is a fraud, so what do we do, and yet needing to interact. (Alex, Question 2)

In this third theme, it seems that we see a counterforce to the previous theme of “Eros and the will to expand” in the fear to contract or stay where we are. The inquiries suggest a lot of mental energy is spent trying to negotiate or make sense of a transformation. In a sense, a lot of energy goes into translating the many small steps that pave the way for a greater transformation.

Various factors that we will discuss below played a key role in navigating this place of fear and stepping into the unknown. However, one practice specifically mentioned by Alex was the use of meditation to learn to become “grounded” in the, at times, “tumultuous” process of leaping into the unknown:

I got to a really tumultuous period where I was meditating for an hour at the start of every day and often another half hour at some point in the day. And I was able to stay centered despite the fact that I felt totally discombobulated by the time, so I found a kind of place in peace in the midst of the turmoil which was very intense… that grounding of myself helped to digest that. (Alex, Question 3)

Support of Mentors
One of the most popular themes throughout all inquiries was the role that mentors play in supporting transformation. There seemed to be a number of ways in which such relationships were important, and these relationships could either be through direct contact with an individual or indirect contact through books:

I think at that point the other piece comes in which is playing a significant role is the role of the mentor or a therapist or a teacher and/or in the true context where I’ve had a direct mentoring relationship …or an indirect through someone’s teaching or writing and the kind of sense of almost like relationship with that…(providing) a sense of holding in uncertainty, like a sense of solidity from another in the kind of what feels like insubstantiality in my experience and a sense of holding through that.

And it’s interesting because it’s not just mentors actually, it’s another piece as well, around like inspirational figures or people that I’ve been out to look at and go “I see you’re doing it differently to how I’m doing that and I like how it looks.” (Alex, Question 3)

Actually what’s come up for me now is the (writings) of people one step beyond. So for example reading The God Delusion when I was moving from amber to orange was exactly what I needed. This was an orange guy, scientific, talking about the bullshit about rules… I read him and I thought “He’s the man.” And he helped me to break the rules. (Karim, Question 3)

One way that having a mentor was important was that they understood the path to be navigated and gave a map that could be followed. In fact, the map itself played the role of mentor, and was a significant support during transitions and we would see that this form of mentoring is important.

I can remember while I went through that very painful orange to green and desperately wanting to understand it … And I read Up from Eden and I made like 10,000
words of notes on a book which is probably only 100,000 words. … I was in love with this material because I had a map that could make sense of the transition I was experiencing. And in addition to the kind of wanton desire, I guess that desire led to wanting to understand. And then having a map, having a framework… was hugely important. (Alex, Question 1)

In addition to providing a map, mentors also provided the inspiration that transformation was possible:

And then various people whose books I’ve read (and) I’ve kind of been inspired by… You know it’s kind of a shining light in its ability somehow… I can be inspired by people for my business life that are people not in business, but people who have clearly overcome great challenge or great political thinkers or someone standing for an ideal in a way. (Alex, Question 3)

Mentors were also important in providing a kind of “holding” in the process of transformation, which obviously relates strongly to dealing with the fear of the unknown discussed earlier.

And I think the other piece of that was having a therapeutic relationship with my current teacher/mentor at that point that could help hold my process because it felt too much to hold by myself somehow. And actually what I needed was someone to hold me in the falling apart (rather than help me to translate) and actually to slightly encourage the process and apply a bit of pressure, not too hard, but a gentle firm hand encouraging you that you are okay. (Alex, Question 3)

While being able to provide “holding” there was also a clarity that mentors could provide in seeing beyond the current stage, meeting the person in that transformation, and supporting integration and manifestation of the transformation into their leadership role.

They were very skillful at seeing what I couldn’t see and they were certainly thinking a number of moves ahead of what I saw at that time…there was a sense that I didn’t have a fucking clue where I was going though I recognise in hindsight that they did… I didn’t necessarily trust it at that time. (Alex, Question 3)

And then actually Ken Wilber’s work…definitely invited me to explore where I was, what stage I was, and where beyond, really helped. It’s like they opened doors to other ways of looking at the world. It was almost like looking into a new room and what was this room like, I can’t quite see it. And then someone who visits that room saying “Well can you see this?” and “Can you see that?” …helped to bring clarity, safety absolutely, permission feels quite interesting. (Karim, Question 3)

In my role as a leader… we have… a leadership coach who I’d say is definitely turquoise or beyond and we have a supervisor who I’ve already talked about who’s definitely turquoise or beyond. And what I noticed they do is they first see very clearly the structures, it’s like they kind of see me, they see me where I’m at, and meet me in my unfoldment really well…they meet me in my unfoldment from (at least one stage) above that helps me to see. So I think…they help manifest them (the
new stages) in the world in my role as leader. I think that’s really important. (Karim, Question 3)

The Role of Community
It was interesting to note how the role of community seemed to both facilitate and hinder the process of transformation. Alex describes the role of community as he transitioned from orange to green:

I also remember… the importance of community… it was like in my work life at that point I still was happy to kind of maintain this orange perception and in my personal life (moving to green) that sense of community and connection with others where I could be vulnerable, I could be lost, I could be in a mess…(it was) that nourishment and that holding of different communities at different points…not just directly (with others) like sitting with another or in a group but the sense of community through shared ideas like reading books. (Alex, Question 3)

While there was one foot in the orange stage that he had to maintain, the community outside of work allowed him to express the emergent green stage of development, where he could share ideas and know that others were experiencing what he was experiencing, “nourishing” him as he explored.

As a leader, Alex sees the importance of providing members of his work community the freedom to explore new roles:

I think what’s different from some other organisations is I give people freedom to move. And it’s why I have a core requirement of someone in their role like what they need to deliver in that role for that role to be viable. But I feel I give people a lot of freedom outside of that to move around. And if that equates to them wanting to transition roles or take a period of time out then I certainly have… because in a sense I recognise that the company… the more people evolve actually the company benefits from that. (Alex, Question 3)

Having an awareness of employees’ need to transition and providing an understanding of this for the community of workers in general is beneficial for both the individual and for the company.

The community environment also provides the safety to let go and the space to allow the transition to happen. Karim describes the sense of ease that arose through community as he moved from amber to orange altitude:

There was a point where I just said “Fuck the rules” and I went AWOL... at university I had the community...a bunch of university students, we’re all there to fuck it all...so it became easy to transition because there was the group that was doing the next level, breaking the rules, anti-religion...anti-university, etc. (Karim, Question 2)

Equally, community can be a hindrance to transformation:

When I’m in a community where the old structures were present it became really hard to pull into a new structure. (Karim, Question 2)

So, a community culture at the previous stage of development, in this case amber, holds one back from transi-
tioning and the community culture of the new stage of development supports one to transition. Alex describes a similar tension:

So I think the—I recognise the kind of amber to orange transition which was kind of the first kind of obvious transition I remember experiencing was in the time that I was kind of dealing with my kind of fatigue illness in my teenage years, kind of late teens, and the kind of tension between a quite traditional world view that was held by my kind of family and school structure and that kind of thing and the kind of sense of stepping out of that and kind of finding kind of my way which was also kind of fueled by getting into another pop psychology, NLP, Tony Robbins, that kind of thing and the sense of my ambition and my wanting something in my life in the world kind of thing. (Alex, Question 1)

Alex continues to describe a similar tension of community cultures as he transitioned from orange to green altitude:

And I remember there being quite a big tension in a sense between stepping out into that and the tensions in my family and my new world view and the kind of conflict as well with that. So at that point of my life a significant part of my life was dependent upon teaching training courses or workshops and there was a certain style of how I did that, a certain persona, a certain cartoon almost that I partly constructed and people partly projected but it was very based on certainly familiar, quite an orange kind of thing. And the not knowing how to relate, not knowing who I was without that, and in a sense not only the fear for me but also the perceived fear in others. Especially as I was going orange to green it’s like people that have got money invested in my company realised that “Perhaps he doesn’t give a shit.” It’s like what’s that going to mean for us. (Alex, Question 2)

In the transition period he created an orange “persona” that corresponded with the altitude of the community that he worked with, while he internally worked through the transition to green. Community as hindrance to or community as facilitator of transformation seems to mirror the internal tension to hold back or grow, almost like an interpersonal equivalent to the intrapsychic process of change. Clearly, community is a powerful aspect to stage transition and one can consciously choose communities that will support the journey rather than ones that keep one stuck in tension and conflict during the process of transformation.

**Discussion**

In exploring transformation through developmental stages, the three inquiries presented five core themes in Alex’s and Karim’s territories of experience. They were “impetus for change,” “crises,” “fear of letting go into the unknown,” “support of mentors,” and “role of community.” All five themes were consistent across both sets of inquiries and were present in each key transformational change that was discussed. It was interesting to notice that the themes could have been divided into interior and exterior themes, and also three of the four quadrants of the AQAL model arose (Upper Left: impetus for change and crisis and fear of letting go; Lower Left: the importance of community; Lower Right: mentor and supervision structures).

We are mindful that to extrapolate from our own experiences to make wider recommendations for the integral community is a big leap given the introspective nature of this study. However, we feel some suggestions for other business leaders are worth considering. First, silos are prevalent in global organisations or even
start-up ventures with 15 or more people (Kotter, 2011). The technological revolution of the past 20 years has meant more and more employees can work away from the office, and globalization has made employees less and less part of a team, especially as organizations develop a more matrix structure of working. The community of an organization is increasingly being threatened, and, within the context of transformation, the support that it can provide individuals is essential. Without a community during transition, one is limited and so is the organization. As Wilber (2001b) says: “Growth is hard, regression is easy” (p. 5).

It seems like a helpful step might be for integrally informed leaders to consider investing in communities that provide a space for supporting development and change. This could take the form of virtual conference calls on topics like transformational change, Integral Theory, or perspectives and values in one’s role, or even the creation of an integrally informed forum that employees can join during times of transition. The community would be a space where employees can connect with one another, and find peers with similar crises or growing pains that they are facing.

From Karim’s personal experience of coaching, it is interesting to note that a “mid-life crisis” can be seen as a potent opportunity for transformation. If organizations provided a community structure where conversation could happen openly and where transformation was supported, then there is the opportunity for the individual to evolve and the organization to evolve through the individual. As the individual transforms, management can support the individual in finding a position that reflects their newly evolved purpose, values, and capacities as a leader. Equally, an integrally informed leader can be conscious of the importance of community and offer ways in which the individual can find community during their transformation.

We were also both struck by just how important mentors were in our experience of transformation. This supports our belief about the importance of organizations developing a consciousness of supporting transformation of the employees through mentor assistance. For example, this could take the form of training integrally informed leaders to hold the role of mentor. One way may be initially through Human Resources leaders who are aware of transformation as a period of unrest and who see the possibilities for the individual and organization to grow. It is often the case that leaders going through transformation are unable to speak about it—yet transformation is something that is a given for most executives. In such cases, the leader is left without knowledge or support and must face the transformation on their own. This can lead to much unnecessary pain for both the individual and the organization.

We would also be interested to see integrally informed leaders consider the place for a mentor program with an integral vision. Developing an internal coaching culture and coach capability programs is increasingly prevalent in organizations and so, clearly, organizations are valuing the possibilities that a culture of learning and development offers. In an integrally informed program, we would suggest mentors are trained to recognize the process of change and transformation, including some of the subtleties of change at different stages of development so that employees are supported during such times. A graduate who is supported through their transition from amber to orange altitude or a middle manager moving from orange to green altitude can become an invaluable part of an organization. The mentor can provide knowledge, understanding, role modeling, and recommend practices that can support the individual’s transformation. The mentor could also provide different maps of the territory of transformation—while this was not a theme explicitly identified, the importance having a map supported both Karim and Alex in their journeys. In fact, we could also see that the maps were a form of “mentoring” that manifested through the creator or elucidator of the map.

As a general rule, in the predominantly orange altitude culture of the West, we see that crisis is often responded to by trying harder to achieve and fix where opportunities for transformation are held back. An organization that understands the process of transformation through stages can align with the flow of nature, understanding the ups and downs that individuals and organizations go through during their evolution, rather than trying to consistently force growth without the space needed to incubate and transform. Again, we suggest as a start that HR leaders are trained in this process and take responsibility in developing aware-
ness through the organization. It is too often the case the individuals are left to deal with the tensions of Eros and Thanatos on their own, again robbing the individual and organization of the benefits that transformation offers. Furthermore, both community and mentor support for the individual in the fear of letting go can be invaluable in assisting in the processing of that fear effectively.

In reflecting on this study, we found that carrying out the inquiries, the subsequent analysis, and the write-up was a fascinating and satisfying process for both authors. We hope that we have achieved our intention of “bringing to life” the process of transformational change with a focus on the workplace. We are aware that everyone’s experience is different, but we were both also struck by how many similarities there were in the drivers of both of our experiences.

It is worth noting that despite holding very much the context of our work lives in mind during the process, we were quite surprised in the analysis by how much of the content seemed to not directly focus on work. However, we came to recognize that the very nature of such an inquiry would have a disproportionate focus on the internal and felt sense, and even if the inquiry did not directly reference work at all times, it was implicit within so much of our experience. As two people deeply engaged in our careers and inner path, the place where the two meet is almost too blurred to clarify.

Another observation is that we are aware we were inquiring into an area we both have a lot of theoretical and conceptual knowledge about, and this would naturally create a bias. Thus, it was important that we both inquire into our experiences to limit the effect of this bias. By having two separate inquiries on each question, we could reduce the effect of bias by looking at themes that emerge from both inquiries, rather than selecting themes from one person only. Furthermore, the themes and patterns that emerged from both inquiries were similar, further minimizing the effect of bias.

Many of the finer details of this inquiry have helped evolve our understandings, as has making the lived experience explicit. Indeed both of us have subsequently reflected on our own work lives and made deliberate changes in our organizations as a result. For example, it has been helpful for Alex to remind himself of how much uncertainty and inner searching he went through in some of his stage transformations, and to therefore provide similar space and supportive holding for those in his organization experiencing similar developments. It is sometimes easy to be impatient with others for something that took us a long time to understand and now just feels like common sense!

One area that surprised us both in the analysis was that neither of us made any explicit mention of the concept of Integral Life Practice (ILP) (Wilber 2007b). Wilber (2001a) says,

> When it comes to the integral wave, what individuals who are already poised for an integral transformation—who already have tasted green to the full and ready to move on, who already feel some sort of dissonance with their present state, wider, more meaningful—can do to facilitate this “momentous leap” in their own case can be summarized in two parts: we need an integral vision, and we need an integral practice. The integral vision helps provide us with insight, and thus helps us overcome dissonance and face toward our own deeper and wider meaning. And integral practice anchors all of these factors in a concrete manner, so that they do not remain merely abstract ideas and vague notions. (pp. 35-36)

Actually we feel our omission in mentioning ILP in our inquiries is not reflective of its lack of importance. Rather, we feel it is indeed reflective of how central it was and continues to be to both of our lives. By being at the heart of everything, it was almost too obvious to mention.

It was also observed that much of our inquiries seemed to focus around the shift from orange to green altitude, and we suspect this might have been because this was the area where we both experienced the most
turmoil, and therefore had the most to say about it. However, in the process of analysis we have contrasted the five core themes with other stages of development in our personal processes and feel satisfied they are consistent. We have also observed that subsequent stage moves have become increasingly smoother and easier (and so naturally drew less attention), and we wonder if this is representative of the wider population. This would be an interesting area to explore in the future.

We also recognize that a 15-minute inquiry on each question could be extended in time or take a different form to yield more depth. Certainly, both authors recognized that there were other factors that supported their transformation that did not show up in the period of inquiry that they undertook, but that would have come out with more time. It would additionally be interesting to explore this topic with a wider group of people, from a diverse set of backgrounds, to see which of these themes hold, and which other new themes might emerge.

The authors also acknowledge that there was no independent verification of their stage of development. However, both authors are well versed in Integral Theory and Karim also regularly uses the Leadership Development Framework of Susanne Cook-Greuter with his coaching work, a framework that aligns closely with Wilber’s stages of development (Wilber, 2007a). The authors also believe that looking at our stages in retrospect provides a distance and capacity to witness one’s transformation without the distortion and limitation that comes from exploring present experience. Furthermore, the authors were able to look relatively objectively at each other’s stage transitions and provide comment during the analysis.

It is important to note that this article was not written to explore translation in a stage. Given that healthy translation is a key stepping stone to support transformation, this would certainly be an interesting area to investigate further. What can an integrally informed business do to consider both the place of translation and transformation? The authors also noticed that the role of meditation had provided a support in their transformation through stages, although only one comment was made about this in the inquiry. This was not a common theme identified in the discussion, but the role of meditation practice would be another area to explore within the context of business.

In preparing the research for this article, we came across the quote below from Richard Branson (2011). We believe it speaks quite beautifully to two of the core themes that arose, around community and mentoring, and provides an appropriate conclusion to this nourishing project:

Over the last several decades people have been absorbed in a movement to “find ourselves,” which is certainly important, but I want to challenge all of us to start a new movement—“finding each other.” I can guarantee that once we all start to look not only inward, but outward at the things that are not acceptable in the world, we will find ourselves (and much more) in the good that we do for each other. (p. 331)

We hope that by bringing to life the process of transformation in our experience, we have been able to share some of our passion for this area, and offer some kind of insight into the very real challenges and opportunities of this process that is at the heart of evolution. Transformational change is certainly not an easy business, but in a sense it is really the only business that truly matters if we, and the businesses, organizations, and communities we exist within, are to reach our greatest and deepest potentials.

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THE ORGANIZATIONAL POWER MATRIX
Toward a Metapraxis of Power
Cecile Green

ABSTRACT This article presents a framework for developing a concrete practice of generative power in organizations. The article focuses on the concept of a metapraxis of power, which is defined as a set of concrete, learnable, repeatable patterns humans can enact in order to address organizational development issues. The foundation for a metapraxis of power is laid through understanding and evaluating generative power in organizations, beginning with parsing power and its implications. This leads to a discussion of organization, health, and ethics, woven into a matrix of power, which forms one of the bases for constructing a metapraxis of power.

KEY WORDS ethics; health; organization; power

Power is perhaps one of the most studied facets of human interaction (San Juan, 2005). Despite a great deal of intellectual attention, however, it remains an elusive and problematic aspect of life. As we enter a crucial time in our planet’s history, how humans resolve the difficulties with their relationship with power and access its potential may determine the course of history. Integrating integral insights on power represents an avenue not yet fully explored. I approach this vital and timely topic of power in organizations primarily from the perspective of a “reflective practitioner” (Johns, 2009), and secondarily as a scholar recently re-engaged with academic endeavors. These contributions are not the invention of a new phenomenon but rather the identification of a hopefully useful map of existing territory. In short, I had dedicated more than 25 years of my life to delivering solutions to global crises in a number of contexts before I finally noticed a pattern of self-destruction due to the inefficient and toxic ways in which power was distributed within organizations. Too often good efforts made by good people would not get terribly far without a radical rethinking of what it meant to live and work together. This article is a contribution toward such a rethinking, and is the first in a series that details a metapraxis of power and its construction.

Since the primary domain of this article is that of power, it bears mention that in this context the central arena for observing and altering power is the realm of organization, a term I use to represent that which happens when humans do something. It is tempting to add the word “together” to the end of the previous sentence, but organization happens in many contexts, from non-human to individual human to collections of humans. For the purposes of this article, I am setting aside organization in the non-human or the individual, saving that instead for its own treatment in future articles. I begin with a discussion of the methods and biases I have used to generate these theories and practices followed by a section detailing theories of power, organization, health, and ethics. This is followed by a results section that introduces the organizational power matrix and parses two core polarities around power: autonomous/collective versus implicit/explicit, and the generative scales of health and ethics. The discussion then dives into the implications and applications of the organizational power matrix and the generative scales. There are obvious places for further research and development of these thoughts in addition to providing an overarching framework within which to develop and integrate further input. My deepest hope in putting these thoughts to paper will serve to open up a practical inquiry into the evolution of healthy, ethical power in organizations.

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Methods and Biases

As the work of a reflective scholar-practitioner, I would like to make my method as transparent as possible, though it is inherently unreproducible. A reflective practitioner is an individual who, while actively engaged in their chosen domain, also reflects on their experience through different types of self inquiry that range from reflecting on experience after the fact to reflecting and adjusting in the flow of experience (Johns, 2009). Based on this range of input, a reflective practitioner is constantly updating their ideas, models, and practices to deliver greater health and value to their context. As Johns (2009) puts it, “At the core of a reflective model is a valid vision for practice that gives meaning and direction to practice and poses the question, ‘If we hold these values, how can we realise them as a lived reality?’” (pp. xxi). Thus the core insights in this body of work come from my reflective practice throughout a life of inquiry on the topic of power in multiple contexts from corporate organizational life, to small business, to social change movements, to family operations, with the vision of generating more effective relationships. As I progressed through my reflective practice on power, I conducted thought experiments that I will describe in the flow of the article, with the goal of making the path to these theories and practices as evident as possible. With “self as instrument” (Curran et al., 1995), it also behooves me to reveal my assumptions, biases, and preferred theories.

To the practical resource of my lived experience, I have added a depth of academic research in this field. In terms of my research framework, the concepts in this article have been strongly influenced by the AQAL model, although the primary integral lenses that I will refer to are quadrants, levels, and states. I would add that the absence of any significant treatise on power in the Integral framework left me initially puzzled and somewhat suspicious, a deficit I am hoping to begin to address with this contribution. William Torbert’s Direct Action Inquiry (2003), Mark Edward’s Integrative Metatheory for Organizational Transformation (2010), Robert Kegan’s understanding of challenge and support (1994), Arthur Koestler’s holon construct (1967), and Susanne Cook-Greuter (2005) and Terri O’Fallon’s (2012) developmental studies have also factored into my propositions.

In terms of bias, I assume that experiential ways of knowing are not only valid but necessary to any theoretical discourse or practical application, but that they are not complete in and of themselves, requiring the leavening agents of analysis and critique in addition to the fire of real life to produce something of value. Contributing to my experiential bias, I have a well-developed preference for action. This factors strongly as a filter for what is considered and what is constructed in this article.

As for other significant biases, I have a fascination with human morals and our relationship to ethical action as a species. In this I am deeply in debt to several developmental scientists (e.g., Kegan, Gilligan, Kohlberg, Cook-Greuter, O’Fallon, Lovinger, Hall, and Graves) whose research has proven that indeed there is an ethical direction to human development, describable as ever-expanding capacities to include more in our circle of whom or what we can perceive (Kegan, 1994) and extend care toward (Gilligan, 1982). Thus, I define ethical development as the process of expanding our capacities individually and collectively to include more “perspectives” as we make decisions and move through life.

Even as the direction of ethical human development points to the value of increasing perspectives at our disposal, not all expansions into “more perspective” are by default healthy or generative. For instance, randomly infusing a decision-making process with as many perspectives as possible generally creates “analysis paralysis,” a condition in which organizational functioning is impaired (Cox, 2008). So it becomes helpful to also define health, which I see as a balance of challenge and support (Kegan, 1994) within the limits of a given system.

In view of the enormous challenges humanity and our planet face in the next 100 years, another significant bias I orient from is my belief that what is necessary is an overarching, uniting framework that will enable humans to live and work together across all segments of our social lives. One of the most impactful framings I can offer to the development of such a possibility is that of a metapraxis of power. In order to
explain this concept, let me define a few key terms. A *metapraxis* is a set of concrete, learnable, repeatable patterns humans can enact in a daily fashion, built from, and informing, a metastudy cycle, which in action addresses an issue, converting the issue from generating more pain, darkness and suffering to creating more goodness, beauty, and truth. Edwards (2010) defines metastudy as “the science of integrating knowledge from the mutualizing worlds of theory, method, data, and interpretation” (p. 224) (Fig. 1).

Resting in the fundamental ground of experience (i.e., our direct interface with daily reality in all its forms and shapes), each of these four realms of knowledge are stations in our metastudy cycle that actually reflect core processes that we all go through to make meaning of our experience and render life more workable. Often we pass through these stations quite implicitly and simultaneously, but they inherently represent key processes of human problem solving whether or not we are fully conscious of them. The scientific process has accelerated our capacity to metabolize life by making this process conscious and explicit. As Roy Bhaskar describes in an interview, “…science [is] seen as a process in motion attempting to capture ever deeper and more basic strata of a reality at any moment of time unknown to us and perhaps not even empirically manifest” (Norris, n.d.). As scientists engaged in this process, we generate theories or hypotheses that we wish to test. From there, we develop a method and a practice or process (i.e., an experiment) for testing that hypothesis and then go out and run that experiment, collecting measurements or data as we go. We return to our desks and collate, analyze and interpret that data, we make meaning of the data, which then informs the evolution of the theory, and so on.

![Figure 1](image-url)  
*Figure 1. Metastudy defined as the science of integrating knowledge from the worlds of theory, method, data, and interpretation.*
At the concrete level, material for metabolizing is pulled directly from experience. As we abstract information, we add outputs to produce meta-integrations for each of the stations. These are overarching, connecting sets of insights that use the concrete level metastudy stations as a resource. As Edwards (2010) frames it, metatheorizing “consciously and overtly takes other theory as its subject matter” (p. 39). For example, metatheories can be distinguished from theories by two criteria: the material from which they are built, and their higher level of abstraction (which enables the metatheory to be useful in and across multiple domains). This abstracting and integrating process is true for all the stations in the metastudy cycle: just as theory is consumed to produce metatheory, practice or method is the base of metapraxis, data enables metametrics, and interpretation is metabolized into metahermeneutics. Thus, in addition to stations, there are nested layers in the meaning-making process, with experience being transcended and included in the concrete level stations (theory, data, interpretation, and method) and the concrete level stations are likewise transcended and included in meta-level stations. Each of these stations at each level of abstraction benefits enormously from autonomous iteration and evolution within its own membrane, with its own tools, while simultaneously providing and including input from each of the other stations (Edwards, 2010).

One gets a metapraxis by taking a metastudy approach to a particular, concrete life issue—a topic. The researcher parses out a practical, enactable improvement for the issue, making use of the stations and distinct layers of the metastudy cycle through an integrative approach that feeds solutions and insights into the structure of the metapraxis. The virtue in such an idea is its unifying and evolutionary nature. In other words, unified under the purpose of resolving a concrete life issue, each part of the metastudy cycle can systematically integrate relevant input from as wide a range of domains as necessary through creating a metapraxis, which in action delivers verifiable relief. In this article, I begin by focusing on some of the foundational theories that most directly shed light on the questions of power in organizations.

Theory

Power and Its Implications: Power as the Force of Existence

Power has fascinated me since I was a little girl. This intangible force seemed to possess magical qualities that, when exercised, conveyed fear, frustration, or fanaticism. As I gained a capacity for power, its qualities and its questions began to haunt me. What is power? Where does it come from? And why does it sometimes cause pain, darkness, and suffering and other times create beauty, goodness, and truth?

Many thinkers have tried to define power, tracing its movements and trying to unpack its implications. Most discussions focus on how power manifests in humans, and in particular, social interactions. For example, Goltz (2011) frames it as “Social power.... is defined as the potential ability of one individual to influence another individual within a certain system” (p. 342). Other definitions range from identifying forms of power such as “visible power,” which is defined as “contests over interests which are visible in public spaces or formal decision-making bodies” (Powercube, 2012), to different types of power such as “power with” others (i.e., the capacity to enact while cooperatively engaging the efforts of many), as defined by Mary Parker Follet, a 20th-century organizational theorist. In addition, scholars have defined spaces, levels, and bases of power, all of which help to create distinctions that enable us to map the territory of our experience of power and can lead to practical tools for changing our relationship with power. However, when focusing on the deliverables of healthy, ethical power, certain framings of power become more relevant.

As I searched for definitions of power that could hold space for the most definitions (a metatheory of power vs. a theory of power), I found the work of Foucault particularly useful because he heads off in the direction of an overarching view of the topic. In short, Foucault (1998) identifies power as a force that is omnipresent in human experience, and is particularly nameable and alterable through the mechanism of the dominant discourse of a culture. Unfortunately, Foucault made his stand in opposition to other definitions
of power that involved human actors and structures, a stance which is not necessary and even unproductive when one can see the unique value of theory as different from metatheory, with each equally valid and practically useful. My goal in this discussion is to demonstrate how some of these apparently divergent definitions integrate in service of a metapraxis of power in organizations.

In search of a metatheory of power, one that unifies while honoring the wisdom of all previous distinctions, I found this description of power from Paul Tillich (1954): “the drive of everything living to realize itself with increasing intensity and extensity” (p. 36) This description also aligns well with the concept of Eros as a universal drive to perpetuate (Wilber, 1996). I see some interesting thinking and potentials emerging if one defines power as the force of enacting, the drive to perpetuate, the process by whatever means of making something happen. This broad definition includes all unique definitions of types, forms, spaces, and levels of power. Following this definition, power is the purview of every aspect of existence, from the smallest unit of quantum force to all forms of complex life, though for the purposes of this article I focus on the question of power in humans. In addition to similarities, there are some obvious differences between human power and geologic, quantum, or animal power, the simplest of which is that as humans we evolved with the aid of a strong social impulse (Kropotkin, 1902). In particular, we evolved language, which contributes to our capacity to develop extraordinary organizational complexity. As humans using power we may have much or little, we may be conscious of it or not, and we may use that power in a variety of ways, some healthier than others; but if this definition holds, in every moment, in every facet of existence, power flows through us, making things happen. The question becomes how we wield that power.

So if power is so ubiquitous, why does it matter? Power matters because as the force of enactment driving various phases or forms of enactment, choices are made about which direction to head in. In its flow, therefore, power matters because it both makes possible and defines manifestation. If power defines manifestation, every time we have a decision to make or an action to take, power is at play. Therefore, power by definition is intimately involved in the process of creation.

**Organization: Where Power is Enacted**

Like the concept of power, organization has many definitions. As a word, the term arises from the Greek organon or ergon, which translate as “organ,” or an object that conducts a defined and often complex service for the body of which it is a part (Organisation, 2012). This definition evokes a sense of layered complexity of the division of labor we commonly experience in organizations. The field of organizational theory defines an organization as “historically constituted social collectivities embedded in their environments” (Scott, 1987, as cited in Tsoukas & Knudsen, 2003). Pioneering leaders in organizational thinking have generated the idea that an organization is its own form of life (de Gus, 1997; Robertson, 2009), separate from the humans that may participate in it. And from another standpoint, we have the definition of organization as “a group of people who intentionally gather together to accomplish some shared and meaningful purpose for a significant period of time” (Edwards, 2010, p. 27).

Similar to the definition of power, I find the most useful definition of organization to be the broadest and least limiting. As Edwards (2010) frames it, “The strength of using broad-ranging and highly abstract concepts lies in their capacity to provide an inclusive perspective on what would otherwise be ambiguous or even mutually exclusive positions” (p. 27). And indeed, in using the broadest definition plausible, some interesting patterns emerged that seem to apply across all forms of organization. So I define organization as what emerges when humans do something intentional, when we enact, when we use power. This definition includes all of the definitions above while removing the arbitrary limitation of length of time. As I shall shortly explain, organization can be ephemeral or long lasting and still manifest the same set of similarities; therefore, I argue that time may enable an organization to develop complexity and depth of structure and potential of reach, but it does not define an organization by default.
Through the definition of organization as what occurs when humans do something, one can see that power and organization are intimately linked: power is the force of enacting, and organization is the form where enacting occurs. Clearly there are different degrees of clarity, effectiveness, size, permanence, reach, and culture within this definition of organization but, in essence, any form of human activity requires that we “organize”: we decide where we are going and what we are going to do to get there, and then we coordinate, communicate, make decisions, and act. We then evaluate our actions and use that information to alter course. As Goltz (2011) puts it, “Dynamics of power are thought to occur in the day-to-day, moment-by-moment operations of an organization, enabling its ability to function” (p. 342). Using this definition, a group of friends planning a one-night party and a multinational, multibillion dollar corporation that has been in existence for over 100 years both constitute an “organization.” Thus, organization includes our families, our churches and community organizations, our social change movements, our schools, our governments, our militaries, our non-profits and non-governmental agencies, and of course all sizes and shapes of for-profit business. There are plenty of differences between all these types of organization, including cultural and temporal differences, all of which create distinctly different footprints in application, but all of which fit under this single definition, a unifying framework which also has tremendous value in application. But since not all expressions of organization deliver greater beauty, goodness, and truth, other terms require attention: ethics and health.

In a discussion of ethics and health, the quadrants provide a valuable framing. The AQAL model is defined by two core axes, the interior-exterior and the individual-collective. The interior-exterior axis essentially references the polarity between subjectivity and objectivity, the perspective of what is intangibly or abstractly experienced and the perspective of what is discernible via empirical study. The individual-collective lens is about the polarity between singular entities and collections of entities, the perspectives of “I” and the perspectives of “We.” When crossed in a matrix, these two polarities create a useful map of experience of four different kinds of perspectives that everyone experiences in any occasion or situation. The Upper-Left quadrant reveals the individual interior perspective of any situation that is represented by how I feel, think, believe, and relate to the question of what is important. The Upper-Right quadrant highlights the individual exterior perspective of any situation (e.g., how I am acting, how my body is responding). The Lower-Left quadrant refers to the collective interior perspective, which includes the vast sea of relationships that have contributed to any particular moment. Finally, the Lower-Right quadrant points to the collective exterior perspective of any situation, which is the interwoven web of systems, tools, and structures that hold space for any occasion. One of the key values of the quadrants is understanding that these are default settings that co-arise in every moment. One of the many implications of this metatheory is that meaning-making practices that favor one or a few quadrants are prone to absolutizing the quadrants they preference, and therefore producing partial versions of reality which can inherently cause harm. In addition, the quadrants provide a map that can help us identify generative solutions (Wilber, 2000a). These core perspectives provide a useful framing when understanding and defining ethics and health.

**Ethics: Power and Human Development**

A major facet of human power is that its forms are developmental (Joiner & Josephs, 2007). As mentioned above, human adult ethical development continues throughout our lives and is identified as a process of expanding our capacities to include more perspectives (Wilber, 2006). As we develop, we become more capable first of identifying differences between self and others, but initially we cannot hold two different perspectives in consciousness at the same time; instead, we simply flip between one or the other, with one perspective identified as “right” and the other as “wrong.” Often at this stage we are averse to differing perspectives, as they require consciousness gymnastics that are either impossible to perform or threatening to our sense of self, or both (Kegan, 1994).

As we develop, we gain the capacity to take more perspectives simultaneously, eventually evolving to
the point where we are naturally interested and inclusive of differing perspectives (Kegan, 1994). Decision-making, the process of forging a path in a certain direction given one’s options, by definition requires considering perspectives (Beach, 1993). Often these perspectives are seen as competing alternatives, with the only possible resolution a choice to preference one or a compromise between them that often satisfies neither perspective. At this phase in our development, decisions made by one individual or entity, otherwise known as autonomous decision-making (Vroom & Jago, 2007), are compelling because they enable action without having to consider conflicting perspectives. As we develop, it becomes more and more natural and desirable to include other perspectives in the decision-making process, because we natively “see” these perspectives even if they seem odd or incompatible (Joiner & Josephs, 2007). Therefore, human relationships to power are developmental, since when we enact and make choices, we consider the options, or perspectives, at our disposal. Where we are on the developmental spectrum will determine who or what is visible within our horizon of perspectives.

In this light, decision-making bears on the question of ethics. The term ethics represents the norms of our behavior, what “good” or “value” we should be using our power to bring into being (Curry, 2006). There are a number of components to this conversation that need to be fleshed out in order for a more complete understanding of our ethical territory to begin to emerge. One is the question that researchers such as Robert Kegan, Carol Gilligan, Lawrence Kohlberg, Susanne Cook-Greuter, Terri O’Fallon, Jane Lovinger, Clare Graves, and others have identified of what horizon, or what default set of perspectives, any given individual is inhabiting in their evaluations of what they should or should not be doing. It is worth pointing out that there appears to be a deeply embedded drive in life to deliver more goodness, beauty, and truth, a set of concepts first identified by Plato that has been kept alive by thinkers throughout the ages from Kant to Einstein, a drive that most humans intuitively align with no matter their culture or place in the historical timeline, though the interpretation and enactment of that drive may be quite different (Wilber, 2000a). Ethics, as defined so far historically, takes the observation that we are driven toward the good, the true, and the beautiful for granted, and focuses its attention on discussion of the issues of how and why any given individual delivers more goodness, beauty, and truth in any given moment.

For the purposes of this article, I will discuss questions of the what and the how of what is “valued.” While there are a multitude of rich definitions of ethics, each with great value, I find the integrative attempts of eco, feminist, and integral ethics to be the most useful to a discussion of power. Eco-centric ethics span a wide range of conversation around the drive to evolve an ethic that can value not only our planetary eco-system but all of the previously marginalized segments of society from women and minorities to all aspects of non-human life, and pivots on questions of both what is valued and how we get there. Both deep green ethics and ecofeminism provide insight into the dearth of ethics orienting from the Lower-Left quadrant. In short, ecofeminists have eloquently pointed to the need for an ethics of care that attends to multiple levels of relationship, human and nonhuman, while some of the deep green ethicists did us the favor of defining a field of relatedness out of which individuals and their actions arise as the basis and motivation for ethical action.

In terms of integral approaches to ethics, Wilber’s (2000a) Basic Moral Intuition, or “prime directive,” stated in his own words reads as:

In pursuit above vital needs, consume or destroy as little depth as possible. Do the least amount of harm to consciousness as we possibly can. Destroy as little intrinsic worth as possible. Put in its positive form: protect and promote as much depth as possible. But we can’t stop with that imperative alone, because it covers only depth but not span; only agency and not communion; only wholes, and not parts. Rather, we want to protect and promote the greatest depth for the greatest span. (p. 305)
This can be summarized as “the health of each level is vital to the health of the whole spectrum or spiral” (Harris, 2003). A comprehensive integral approach to ethics includes not only a grounded orientation to supporting health at all developmental levels, but also an all-quadrant approach that would include a practical, actionable, and measurable set of ethics (Upper-Right quadrant) defined by what is meaningful and related to purpose (Upper-Left quadrant), grounded in relatedness and shared understanding (Lower-Left quadrant), and constructing of system that supports ethical expression (Lower-Right quadrant) (Varey, 2010).

Since humans develop in their capacity to inhabit perspectives, at the earlier stages “me and my family” are literally all that is visible to choose from in terms of what one values, and therefore what one can act ethically in relationship to. There is much rich nuance and complexity to developmental theories, including detail down to 16 different developmental levels affecting different lines of development (Wilber, 2006), but for the purposes of my argument it suffices to call out the overarching trend across all the research. As Wilber (2000b) has summarized, “Development, for the most part, involves decreasing narcissism and increasing consciousness, or the ability to take other people, places and things into account and thus increasingly extend care to each” (p. 18). The process at its core involves transcending, taking a perspective that we have been implicitly inhabiting and making it an object of study, or rendering it explicit to ourselves, and then eventually re-including that perspective back into the implicit domain but at a fundamentally more expanded “level of development” that now includes that perspective in an integrated capacity (Cook-Greuter, 2005).

Thus exhortations to behave better have little effect, even with a sincere and earnestly ethical individual in an early stage of development. Their ethical horizon is limited in scope: who or what is included in their attention as they behave ethically is conscribed by their current capacity to inhabit perspectives. In Curry’s (2006) words “...simply put, what is valued is what ultimately determines ethics. People will not treat properly whomever or whatever they do not care about” (p. 2). And whomever or whatever an individual can “see” or “relate to” (i.e., their level of development) will fundamentally influence what they value. For example, an individual may value relational care but if their ethical horizon is drawn ethnocentrically around their tribe, they could get in a plane and drive it into a building as a gesture of care for their tribe.

Therefore, ethical action is most effectively understood and measured if it embraces an understanding of perspective that at least includes both human development and a four-quadrant approach to defining and delivering more of what is valued. An initial version of an ethical scale and formula as one of the useful frameworks to measure data could be defined as an analysis of the ratio of the actual number of perspectives being taken over the requisite number of perspectives in any given context, with the adjective requisite defined as absolutely essential; indispensable. Ethical power in a nutshell is an act of power that takes account the perspectives that will be essentially or fundamentally impacted by that act. Out of this argument, and the possibility of a grounded practical solution, a metapraxis of power, for delivering and evolving our understanding of ethical power, emerges a definition of “ethical adequacy” as the standard that takes all requisite perspectives into account. Ethical adequacy is a state of relationality where all individuals, regardless of current horizon conditions, are able to deliver ethical power in action. Let me explain by comparison. Currently our default state as a species is one of ethical inadequacy, where it is rare for acts of power to integrate all relevant perspectives. A metapraxis of power is critical because through reflection, measurement, experimentation, and construction we can evolve a nuanced living metapraxis of relationship that enables ethical adequacy. In addition to ethical power, the other major factor that needs to be taken into account as we understand power is health.

The Generative Scale of Health

Health has most commonly been identified as the lack of sickness or illness (Health, 2012; Varey 2010), although the World Health Organization provides an expanded definition of health as “a state of complete physical, mental, and social well-being and not merely the absence of disease or infirmity” (Constitution of
the World Health Organization, 1946). Others argue that health is “normal functional ability: the readiness of each internal part to perform all its normal functions on typical occasion with at least typical efficiency” (Boorse, 1977, p. 555) and can be determined by measuring exterior observables only, without needing to rely on subjective values (Boorse, 1977). It is a state or condition that humans beings long for, and to which we devote vast resources (Pellegrino & Thomasa, 1981). An integral definition of health set forth by Olga Jarrin describes a four-quadrant approach to measuring health which involves assessing the interior and exterior degree of “wellness, integrity, and wholeness” for both individuals and collectives, including specifics like internal experience, evaluation of their society, of their state, how well they are fulfilling their duties, how they appear physically and function, what societal systems they have working on or against their behalf, and all other external measurements of health that our system currently has at its disposal (2007). While these important distinctions of health adequately describe health across the quadrants, I am still left wondering how one would know one could measure health.

To this end, I would like to offer a definition of health in terms of a balance of challenge and support (Kegan, 1994). In other words, if a system matches our understanding of “healthy,” one will find that it exists within a balance of challenge to its capacities and support for expressing those capacities that enable that system to thrive. As another integral writer puts it: “Health is about harmony. It is a state of relative balance and symmetry and equilibrium. In its ideal form, there is no scarcity of the necessary elements required to thrive, nor is there an overabundance (no deficiencies, but also no toxicities). The organism enjoys an overall condition of balance [appropriate for its particular developmental stage(s)] within and among all of the 4 quadrants (a translational steady-state)” (Tusek, 2011).

The implication of this balance point between challenge and support has interesting consequences in the understanding of health because it becomes possible to see the sources of lack of health arising not just from too much challenge but also from too much support. Let me give a common example of ill-health due to too much support: acquired narcissism. This is an overblown sense of one’s own importance in relationship to others that compromises the individual’s capacity for empathy; it is readily observed as an addiction to power and attention (Sanity, 2005).

Why then is health important? There are many reasons, but in the context of this article, health is a critical force because when humans are healthy, besides being a state we each benefit from individually, together, an organization energized by healthy individuals is capable of amazing things (Page & Vella-Brodrick, 2009; Riedel et. al., 2001). Furthermore, health, along with ethics, provides a means of evaluating, of measuring along with Right-Hand quadrant conventional business metrics, what works and what does not as we compile theories and the practices that flow into a metapraxis of organization.

So how do health and ethics relate to each other? As Varey (2010) puts it, “any consideration and proclamation of health necessarily involves a choice of ethical enactment” (p. 7). In other words, an undertow of currents compel us toward the expression of health; if the definition of health is a “balance of challenge and support within the four quadrants of a given scope,” then the place where ethics touch health is at the cross point of “scope,” or what perspectives are being considered as we steer toward health. Scope refers to a boundary of activity, a conscribed space defined by the allocation of a concrete body of work, activity, or engagement (Project Management Institute, 2008). In a business setting, the finance team has a scope that is defined by their work on behalf of the entire organization. In terms of ethics, development has to do with increasing scopes of care (Gilligan, 1982), with scope used to refer to a space within which I am engaged and to which I can pay attention. For example, first I care for the scope of myself, next I learn to care for the scope of myself and my family, and eventually I grow to care for the scope of the whole planet or beyond, to the scope of the whole universe. The ability to include more perspectives in one’s scope of attention gives rise to a natural tendency to want to include more perspectives as one makes decisions. However, while adding more relevant perspectives to one’s scope does make for a more ethical embrace of an issue, it does not nec-
nessarily generate more health; therefore, both measures are needed. For example: The board of a passionate, mission-based organization takes too long to consider all the perspectives of its board members and misses a critical opportunity to provide input into a bill going before the legislature. In this case, the manner in which the many perspectives were included compromised the balance of challenge and support in the organizational system with an end result of ill-health in achieving a major objective.

If creating a measurement for health is useful in the process of evolving empirical means of evaluation, then a potential codification of health is the degree of challenge in all four quadrants divided by the amount of support available. Thus a practical and useful solution is to determine via reflection the requisite scope within which to evaluate health based on the issues at hand and in one’s analysis of a given situation, to scale that scope up and down, including more or less perspective, until one can identify the scope at which evaluating and executing generates the greatest balance of challenge and support. This process maps nicely onto Wilber’s ethical formulation of “the greatest span for the greatest depth” while offering some concrete parameters for affecting this possibility. By way of example, a bookstore management team in the middle of launching a new storefront encounters inefficiencies and frustrations due to everyone being involved in discussions that affect both stores. Through the process of clarifying which scopes of work have accountability and authority for which concrete work outputs, the management team can now begin to operate via integrating the perspectives that are needed to enact the work of those scopes and not tie up resources unnecessarily, thereby balancing challenge and support.

In light of this definition, healthy power is simply the force of enactment that generates health in its given context. In other words, healthy power uses the methods of enacting that match the needs of the context and produce a balance of challenge and support in all four quadrants. I would like to offer a caveat that generating a balance of challenge and support is a complex, unpredictable outcome. There also remain unaddressed questions of what duration we consider when evaluating a balance of these states of challenge and support. Nevertheless, a balance of challenge and support, or health, is a value humans generally already implicitly hold, and it offers great value as a meta-metric, along with ethics.

Furthermore, the proliferation of measurements and terms has prompted me to think of a unifying framework to define the kind of power that a grounding in health and ethics can offer. In service of this unifying term, I would like to suggest “generative power” as a construction that can hold the currently identified measurements and be roomy enough to add more definitions over time. Adam Kahane (2010), in his book *Power and Love*, tied “generative power” to “power with” others in contrast to “power over” others, and my intention here is to expand that definition of generative power more fully and enable it via both further distinction and concrete measurement tools. My understanding of generative power could be summarized as power that balances challenge and support between all four quadrants within a scope that includes the requisite perspectives.

**Results: The Organizational Power Matrix**

In integrating the theory and metatheory around generative power in organization, I found it additionally useful to view power through a variety of lenses, or “core explanatory themes” (Edwards, 2010, p. 101) that form the conceptual basis of theories and metatheories. The quadrants and several of Edwards’ metatheoretical lenses help to shed light on the axes of the organizational power matrix. One of the strengths in identifying the lenses separately is to honor their unique wisdom and then to also be able to recombine them without confusing them with each other (Edwards, 2010). In the case of the organizational power matrix, I chose two sets of umbrella terms that reflect our mundane experience of power (autonomous-collective power and implicit-explicit power) and explain them through the quadrants and Edwards’ lenses (Fig. 2).
Autonomous and Collective Power

Autocracy, derived from Greek, translates into “one who rules by himself” (Autocracy, 2012). It is a version of power that we commonly associate with dominating leaders and dictatorial governmental power but I am here to point to a much larger application of autonomous power. In fact, the Greek translation is quite useful because it points to a more fundamental action: power exerted from the flow of a single entity, a single direction, or purpose. Autonomous power understood in this light describes the patterns of enactment that characterize our experience of being healthy individual humans: as entities unified under a single consciousness, we make decisions and pursue directions as needed. We may or may not council with others depending on the needs of our process and context. To help highlight this type of power, I point to the unhealthy state of “co-dependence,” commonly characterized by the inability to make decisions or determine action due to a semi-conscious connection with others that impairs our autonomous capacities (Cowan et al., 2006). Autonomous power is most relevant to the singular entity, its value being its capacity to both evoke and strengthen ownership, the sense of responsibility, and the concurrent magic of innovation and creativity that arise from the placement of accountability in a clear and concise scope. Those of us who have had the opportunity to own our own homes or our own work can describe the visceral difference that inhabiting this autonomous relationship to “what’s ours” makes to the capacity to bring more of ourselves to a project. This is the beauty, value, and strength of autonomous power when appropriately used and in the right context.

At the other end of the spectrum, power is located in the container of the many, the collective. The boundary of authority, the realm within which we have vested capacity to decide and for which we hold accountability for outcomes (Simon, 1945/1997), shifts from the singular entity to a collection of entities. “Democracy” may be the closest term that represents rule via the many or collective power. As I researched

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**Figure 2.** Two axes of the organizational power matrix.
the concept of rule via the many, I discovered the term *collaborate* was initially coined to refer to traitors in times of war who worked with the enemy (Collaboration, 2012). Clearly, we have come a long way from those days to a society where collaboration is a buzzword! Thus collective power describes power that flows from the many via integrating the perspectives of the relevant entities gathered around a given purpose. Collective power is most relevant to the many, its great value being in being able to multiply exponentially what the human race is capable of by integrating the efforts of many under one purpose, be that the purpose of a globe, a nation, an organization, or a family.

The individual-collective axis of the quadrants demarcates this territory in the use of power, highlighting the difference between the autonomous enacting of sovereign entities and the collective force of the many. Edward’s agency-communion lens, which focuses on the differences between agentic autonomy and relational collectivity, also describes this axis (2010). In this light, it becomes easier to see that neither autonomous nor collective power is inherently unethical or unhealthy, although many of us might identify autonomous power as such. I posit the reason for this is partially developmental, partially psychological and physiological. As humans in leadership, we develop the capacity for autonomous power most fully first. Secondarily, as we develop, we gain the capacity for collective power (Fisher et. al., 2003; Joiner & Josephs, 2007). Quite often the needs of our contexts demand responses that we have not developed the skills for, and, not aware of our deficit, and lacking any other tools, we use the ones we have at our disposal (Kegan, 1994). I find the term “autocratic power” useful in defining the exerting of autonomous power over others in contexts where in order to remain healthy a collective power response is needed. In other words, autocratic power is the unhealthy and unethical application of autonomous power. Unfortunately, autocratic power is often exerted simply because we lack the insight and capacity for anything more. This is not to imply that autocratic power has never been used intentionally when another response was well within an entity’s capacities.

Exerting autocratic power over others, even when it is consensual, confers a transfer of power from one human to another (Goltz, 2011; Pfeffer, 2010). This seat of accumulated power can be highly addictive (Bochner, 2011; Hock, 1999), not even counting the side benefits that accrue such as the capacity to meet and exceed one’s needs for basic human needs such as food, water, and shelter. The addictive nature of power is one reason why so much of our understanding of power is negative and so much of the literature has focused on the framing of “power over.” Despite experience with the abuses of autocratic power to date and the fact that one’s relationship to power develops toward more collaborative expressions (Fisher et. al., 2003; Joiner & Josephs, 2007), autonomous power itself is not necessarily “lesser” or “evil.” Furthermore, collective power can also be misapplied, generating a lack of health. These are instances where an autonomous power response confers greater health than power retained in the collective. Take for example our passionate board above. Had a position been created and authorized to process the necessary information without consulting the whole, the outcome of that bill might have been more promising. Needing a placeholder for this concept of the unhealthy and unethical use of collective power, and not finding a satisfactory term in use, I will use “collectocratic” to refer to this type of power expression. The evaluation of the relative health and ethics of any use of power can be made only with reference to the context within which power is being exerted.

Prescriptively speaking, this axis becomes much more interesting when we overlay Edward’s ecological and governance holarchy lenses with the internal-external lens. The internal-external lens helps identify the boundary of activity or engagement (scope) of any singular or collective entity, separating it into the interior and exterior. At the same time, the ecological holarchy lens calls out different levels of scope complexity occurring in organizations from individual through team to the whole organization. The governance holarchy lens seeks to answer the question of which scope contains power over which other scopes (Edwards, 2010). When combining these three lens views on the autonomous-collective spectrum, some useful patterns emerge. In particular, through adding the concept of “purpose,” the reason for being of any entity, to these views it becomes possible to see that the location on the autonomous-collective axis can be determined by
the locus of authority with respect to a boundary defined by a purpose. In other words, looking through the governance holarchy lens, one can see that in autonomous power, the location of authority rests with an entity, a singular unit of direction or purpose, whether that unit be an individual human or a collective unified by a common purpose. When extending this definition of autonomous power beyond the individual human to collections of entities unified under a purpose, it is critical to understand that the perspective we are taking is from the outside of this entity. Thus, all organizations, collections of a variety of entities enacting something under the banner of a purpose (Kofman, 2000), act autonomously as they wend their way through enactment, each organization making their own independent choices for their actions in the course of enacting. These actions are of course connected to larger contexts and may or may not be healthy or ethical expressions of power, but that can only be evaluated in the context within which the action is taking place.

By contrast, from the inside of any entity, be it a single human or a team or organization, the collective use of power is at play, though how that collective use of power is actually enacted requires a nuanced capacity to use both autonomous and collective power in the appropriate contexts. It is easiest to see this in the case of an organization where the perspectives of many entities are represented: the collective use of power is the dynamic at play from the inside of any entity whether we are conscious of it or not. Thus, each end of this spectrum, from individual to collective, requires a different power response when viewed from the outside or the inside. In short, autonomous power is fabulous for enabling an entity from the outside and collective power is needed when internally uniting entities in a common aim or purpose.

The potential usefulness of this lens is to act as a guide when determining where authority should lie for greatest ethical expression, and the creation of organizational health and thereby effectiveness. This lens is most useful in pointing to the clarity needed around the questions of “Whose decision is it?”; to which an answer can be determined by asking, “Where does which purpose lie?” Are we discussing the purpose of a single entity, be it an individual, team, or organization? If so, that is where the most ethical and healthy decision and resulting action can take place. Seen with this framing, it becomes easier to understand why many of us intuitively think of power in general as unhealthy and unethical. Power is unhealthy when it is autocratically exerted over the many (i.e., in cases where the accountability for determining action within a purpose needs to be addressed with collective, not autonomous, power). And in collectocracy the opposite is also true: when people attempt collective power where the context is the purpose of a single entity, unhealthy results emerge. Purpose plays a pivotal role in using the governance holarchy to deliver health by helping us locate decision-making with respect to whose reason for being is at stake in any decision. This practice can support a cascade of organizational shifts that lead to more health, more ethical behavior, and more organizational effectiveness and efficiency.

Implicit and Explicit Power

The other spectrum in the organizational power matrix, the implicit-explicit axis, rotates not around purpose but around communication, around what is clearly expressed or articulated on one end of the spectrum and what lies unspoken and unarticulated, but still communicated, at the other end. As Paul Watzlawick (2011) argues, communication happens in all behavior; it is impossible not to communicate, and one of the ways in which that communication happens ranges from implicit to explicit. This spectrum includes language but not as a prerequisite. In other words, the advent of language simply adds a new layer of capacity for humans, enabling complex organizing (Robichaud et al., 2004). The interesting clarification here is that this spectrum is not about what is nonexistent, but that which is uncategorized in our awareness.

The implicit-explicit lens bears a misleading similarity to the subjective-objective lens used in the quadrants. In other words, it might be tempting to see the implicit as located in the subjective and the explicit as objective. However, this is not the case. These are two different lenses that speak to similar territories but from different angles. One simple way to see these different lenses is through identifying that the implicit
the explicit both have subjective and objective correlates. For example, implicit power flows have a subjective dimension, ways in which I and we think, feel, and value that implicit power flow; and it has objective measureable correlates such as actions and systemic structures that support that flow. The key difference between these two lenses rests in the focus of the implicit-explicit lens on communication, whereas the subjective-objective lens relates to all experience.

In terms of the literature on power, this lens overlies the informal-formal power dichotomy (Piero & Melia, 2003; Russell et al., 1986) where informal power relies more on the implicit and formal power relies more on the explicit. Implicit/informal power is the power that accrues around certain people in organizations and makes them the pivot point for decisions in the organization even if there is someone else who should, in the explicit sense, be making those decisions (Cobb, 1980).

The implicit, also known as tacit knowledge, is that which we in any given culture, refer to as “how things are done around here” but which is neither expressed nor written down (Argyris & Schon, 1995). As Michael Polanyi (1966) puts it, “we can know more than we can tell” (p. 4). In many organizational contexts, if you inquire, people can articulate some of these implicit expectations, and often articulations on a single topic will differ individual to individual in the same organization. This bank of implicit agreements and implicit power forms part of the deep fabric that we commonly identify as the organization’s culture (Schein, 2009). Having aspects of our culture located in the domain of our implicit interactions makes it a challenge to change, a reality which the management literature confirms (Smith, 2002). Cognitively and developmentally speaking, as humans we can only change or integrate what we can objectify (Cook-Greuter, 2005). This means making things explicit. When human patterns remain in the implicit, unarticulated and unseen, attempts to alter these patterns can be frustrating (Argyris & Schon, 1995).

The explicit is that which we have made objective, named, codified, articulated, something which has moved from the realm of the silently apprehended or completely unseen to the place of articulation, words or other forms of communication shaped into meaning that can be recorded and referred to over time (Connorly, 2005). As Robert Brandom (1994) puts it, “To express something is to make it explicit” (p. xviii). In organizational contexts, this represents laws, policies, protocols, and procedures. These are also the roles to which we have elected people in government or leadership positions in businesses. These are our managers, our presidents, and our executive teams. They have roles to fill that explicitly give them authority to make decisions on behalf of the many.

Developmentally speaking, what is explicit tends to embrace more perspective, or at the very least create space for more perspectives to be seen as valid. Practicing making things explicit creates a developmental expansion of our individual and collective consciousness and capacity to relate to different perspectives. The double-edged sword of the explicit is that it makes something more certain, more real, and more likely to be acted on. According to Koplowitz (1983), “the process of naming or measuring pulls that which is named out of reality, which itself is not nameable or measurable” (p. 289). For example, if you have ever been in a situation with someone you were sexually attracted to, and you knew that acting upon this instinct would be detrimental to your life, you have either held that sword in your hand and made a choice to keep the attraction implicit and conserve energy and stability, or you have chosen to place into joint awareness that electrifying reality and then had to contain a beast that was not there before. As for another example of this spectrum, I have been fascinated in various power-ambivalent operational contexts to observe the knee-jerk fear of making roles containing decision-making power explicit, the strong preference being to leave power in the realm of the implicit, which unfortunately usually backfires. Another aspect of the double-edged nature of the explicit is that it can easily ossify into immutable structure that sooner or later will be out of date as life evolves.

Similar to the autonomous-collective spectrum, the fact that the implicit-explicit spectrum is developmental does not mean that the implicit is bad, harmful, or useless. Indeed, the implicit fills a vital and irrevocable space in our psychology (Polanyi, 1966). I liken the implicit to the primordial soup of single-celled life
from which complex life forms developed. The implicit is vast and potent with unformed or partially formed constructs and understandings (Polanyi, 1966). The potential for creative new ideas, directions, and forms is a precious resource that deserves tending. The implicit is also a reserve for all the capacities and constructs that we as individuals integrate, a field of integration we rely on as we grow and incorporate new skills, capacities, and perspectives (Cook-Greuter, 2005). But this implicit space is dangerous too, especially when we are not conscious of its presence and implications. Generally, the implicit is where most individuals and collectives default when operating (Argyris & Schon, 1995; Connerly et al., 2005). It takes time to ascertain motivations in the amorphous field of the implicit and often people come away with different interpretations that give rise to conflict and wasted efforts. In addition, the implicit is a very useful place for power holders to hide motives and entrench positions (Connerly et al., 2005).

When examining this realm of the implicit and explicit with respect to power, the potential usefulness of this spectrum lies in identifying what point on the spectrum most serves the healthy and ethical expression of any given situation. Another way of putting this is: it is important to ascertain where on the spectrum of implicit to explicit power an expression of power would produce generative power. The alignment lens, which calls out “the fit between some state and its environment” (Edwards, 2010, p. 126), offers some insight into the core question that is being asked when evaluating an act of power: “How aligned is that act with the healthy and ethical potential of power in that instance?” For example, in a situation with a team, being quite explicit about which team role has the authority for what kinds of decisions will generally generate greater balance of challenge and support (health) within both individuals and the team. In addition, increasing the number of perspectives participating in the decision-making process by differentiating roles, which creates granular views on our shared work, generates a more ethical situation. On the other hand, a small startup of three individuals could waste time and energy by over-defining their roles, challenging their resources needlessly and pushing the number of perspectives into an overblown and unhealthy ethical exercise.

In the organizational power matrix, just like the quadrants, both axes are value neutral, meaning neither autonomous/collective nor implicit/explicit perspectives are more ethical or more healthy until they are placed within a specific context. Once located in a given context, one can evaluate or measure the response of a given situation on ethical and health scales. My intention in identifying these possibilities is to inspire us to identify and realistically calibrate which objective and subjective measures can be used to evaluate organizations over time.

**Discussion**

The organizational power matrix can be useful as a “power map,” helping to descriptively locate our experience of others and our own actions, and assisting in interpreting the variations on power that seem to be at play in organization. Besides being an interesting map of experience, the organizational power matrix, through the application of the generative scales of health and ethics, also becomes a “generative power map,” prescriptively enabling us to use personal experience to identify generative power use.

In addition, the insights in the power matrix enable the construction of a very simple and very powerful component of metapraxis, which in action converts challenging implicit conversational material into effective, explicit solutions through actively using the distinctions between autonomous and collective power. In practice, the use of this tool could deliver generative power and concomitant organizational benefits.

As for other applications, understanding the role that purpose plays as a pivot point on the autonomous-collective spectrum gives us a principle with practical value. When power can be seen to traverse along the autonomous-collective axis, it becomes easier to identify a healthy locus of either autonomous or collective power or a combination of those two. And with the intersection of the implicit-explicit axis, communication around purpose becomes the basic quest of the organizational power matrix, and one of the fundamental processes that any organization is engaged in.
From the individual development perspective, the end game is about generating greater awareness and capacity in each of the kinds of power in the organizational power matrix. In a sense, learning how to generate fullness and capacity in all these kinds of power is what becomes a useful prescriptive device: in your use of power, develop personal and structural capacity to deliver maximum autonomy and maximum connectivity, along with a rich implicit fabric supported by a vivid explicit skeleton.

**Conclusion**

Power is an inexorable force carving directions out of the fabric of evolution. Present at every level of manifestation, it poses particular challenges for a socially adapted species such as humans. Power, as a primal flow, and organization, as a primal act, are both present at every moment of our lives within multiple different organizational contexts. With this understanding, power and organization become vital places of inquiry and targets for conscious evolution. On some level, simply becoming individually aware of these distinctions and engaging in inquiry is a useful first step.

The organizational power matrix, combining the poles of autonomous and collective, implicit and explicit, provides us with a means to map our experience of power individually and collectively. The generative scales enable us to broach the fearsome frontier of measurably defining a direction of greater health and ethics, both of which require more research and development, but in the meantime, give us a means of evaluating the effects of a metapraxis in real life on individuals and organizations. Clearly not all expressions of power generate greater beauty, goodness, or truth, thus we are left with the conclusion that there must be other factors at play that dictate those outcomes. While the search for those factors has just begun, taking a look at the context within which these forms of power are used is a useful next step.

In future work, I will discuss the seven process aspects of communication and three organizational arenas. These form the beginnings of a framework for organization that is grounded in a practical expression, a metapraxis through which an integral and embodied set of ethics can deliver health as a value along with others in time. Humanity’s capacity to thrive over the next 100 years of shrinking global resources and environmental degradation rests on our ability to navigate how we use power and make decisions that rapidly integrate, not exclude, diverging points of view. The organizational power matrix aims to make a contribution toward this possibility.

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CECILE GREEN is an entrepreneur, experiential philosopher, and farmer with a passion for assisting mission-driven organizations to achieve their visions. As a reflective practitioner and lifelong learner, she holds a B.S. in Community Supported Agricultural Systems and has over two decades of experience in entrepreneurial environments. She has participated in nearly a dozen organizational launches and built from the ground up four successful businesses. As the innovator of a cutting-edge, rapid culture change tool kit which effectively converts many kinds of challenges into fuel for the organization, she has been researching and experimenting with questions of power, systems of decision-making, and efficient operations for over 20 years in both academic and experiential arenas. Cecile is the author of Collaboration that Works: A Ruthlessly Practical Handbook for a Generative World, a training manual that summarizes her research and introduces these tools for practical application in organizations. Cecile was raised in Istanbul, Turkey, for 10 years as a child, where she learned French in an embassy school and spent hours exploring ancient ruins and the waters of the Aegean. She is married to the talented and dedicated Integral Coach®, Daniel Little, and is mother of an aspiring 24 year-old change maker. In her spare time, she enjoys the wilds of Vermont, ecstatic dancing, and building beautiful homes and gardens.
Traditionally, large-scale projects have been managed by drafting ever more detailed scopes of work. It is becoming apparent that these approaches do not work well anymore for those complex projects that have added sustainability requirements and multiple stakeholders. For example, projects around land or regional development (e.g., inner city redevelopment) with complex infrastructure parameters, combined with demands from a diverse public; or they may be projects in a more industrial setting (e.g., a project in the food industry, with numerous conditions brought forward by customers, suppliers, non-governmental organizations, and regulators). Complex sustainable projects are characterized by numerous stakeholders, causing priorities, strategies, and implementation plans to change multiple times during design and implementation. For such projects new, holistic, systems-oriented, more dynamic approaches are needed to manage and work with the changes instead of trying to fully foresee or thwart them.

The Netherlands is a crowded country and many major development projects fall in the described category due to the limited physical, cultural, and regulatory space available. As a result of these conditions, more and more clients are demanding projects to be sustainable, which adds yet another dimension of complexity. Consequently, the Netherlands is fertile breeding ground for experimenting with new, more dynamic, and adaptable development strategies for large-scale projects, such as the Floriade 2012.

Floriade 2012

The Floriade is a large world horticultural expo that is held every 10 years in the Netherlands. From April to October 2012, the sixth edition of the Floriade was hosted by the Region Venlo in the southeastern part of the country. There were approximately 100 domestic and 40 foreign participants with nearly two million visitors.
The entire area comprises 66 hectares (163 acres). Now that the Floriade has closed its gates, the location continues as a green office and educational park, GreenPark Venlo. GreenPark/Floriade is one of the first major sustainable land development projects inspired by the Cradle-to-Cradle™ (C2C) design philosophy. This C2C framework developed by William McDonough and Michael Braungart (2002) has traditionally been applied to buildings and manufacturing design. Therefore, the expansion of the C2C design philosophy to both a large land development project as well as a world expo event constitutes a major step.

For the Floriade 2012, C2C means that activities were guided by a set of principles that had to be embraced by all employees, contractors, and organizations that participated. These principles, known as Floriade/Venlo principles, as well as a vision and mission statement, were developed in 2007 during a large-scale iterative process with hundreds of stakeholders, initiated by the local Chamber of Commerce. The five principles with a brief interpretation by the authors in parentheses are presented below.

1. We are native to our place (identify and study the local landscape, ecology, and cultural aspects of the place and honor them in your design)
2. Our waste = food (think in terms of material and water cycles and close the loops)
3. The sun is our income (the only real source of abundant, renewable energy is the sun)
4. Our air, soil, and water are healthy (traditional environmental issues are taken into account)
5. We design enjoyment for all generations (for visitors and participants of different generations, and also for future users)

When the principles were launched in 2007, design and construction of the Floriade/GreenPark were already well underway. Nevertheless, the Floriade team decided to adopt the principles as overarching inspiration and guidance. In the discussion below, a review of the Floriade principles shows that working with such principles constitutes a significant evolution beyond a merely green sustainability approach.

**Pattern Language**

When a project is executed with a meta-systematic approach, allowing for emergence and subsequent adaptation, it follows that it also should be monitored and reported on with a meta-systems–oriented method that is able to capture the added dimensions. Current sustainability measuring, monitoring, and reporting methods are not adequate to capture the essence of what makes complex green projects a success. Often, these methods consist of long lists of objective sustainability achievements that can be checked off during design and then again at completion (e.g., LEED system). Case studies or other standalone narratives are often added for inspiration and practical value. There is nothing wrong with these methods as long as they are used where and when they make sense. However, they fail at capturing the essence of how sustainability has been successfully and flexibly integrated into all aspects of complex projects such as the Floriade 2012. They do not account for subjectivity and cross-sectional synergy, or in other words, they are not integral.

Being heavily focused on concrete, objective parameters, the limitations of LEED and other sustainability “toolkits” are evident. Case studies make use of narrative, yet almost always describe specific solutions to specific challenges. What we need is a way to describe general solutions to specific challenges. These can then be followed many times over, leading to sustainable results that are successful, yet different: pat-
terns. A pattern is a set of sequential, coherent rules or procedures, put into words and/or pictures. Patterns have always been around; think of thought patterns, behavioral patterns, and so on. As such, nothing new is added, but the emphasis is shifted to the systems and processes away from objects and concrete outcomes.

The use of patterns in architectural design was first developed in the 1970s by architect Christopher Alexander (1979, 2012). Alexander maintained that many people when entering or using a building can sense if the building is “alive”—if it has been designed with purpose, functionality, and elegance. Mr. Alexander and his team set out to capture this “essence” in about 250 design patterns (e.g., for entrances, town squares, stairwells, kitchens, etc.). In his book *A Pattern Language*, Alexander (1977) points to the practical capabilities of his method. Every pattern describes a common design problem (i.e., the essence of the approach that should be applied for a successful solution, without specifying the precise solution itself). Alexander made his patterns practical by developing a simple format: a question followed by an instruction and an image. He also linked the patterns into a network, creating a web of “higher” and “lower” patterns, dealing with more conceptual or more detailed themes, respectively. This network he called the *pattern language*.

We believe that working with patterns, as described above, can offer a valuable addition to current reporting methods. Patterns can capture the essence of an integrative approach and therefore contribute to dissemination of lessons learned on a process level, allowing for both subjective and objective wisdom.

**Methods**

This study examines the following questions: 1) How can we exemplify, account for and share the added value at the Floriade regarding sustainability as a result of working with the C2C-inspired Floriade/Venlo principles? and 2) Is pattern language suitable for this?

Ten participants were chosen that had responsibility in daily operations and hands-on involvement in the design and implementation of Floriade/GreenPark. These included project managers and engineers from the main contractors, subcontractors, and Floriade design and construction management. Thus, the study was limited to the design and construction phase of the Floriade and did not look at aspects related to merchandizing, catering, and temporary structures such as kiosks. Each participant was asked the same questions:

1. What was the key challenge or were the key challenges you encountered in implementing the Floriade/Venlo principles and sustainability in general?
2. Give pertinent context. To which objects and/or processes are these challenges related. In which stage of the process did this challenge occur (design, engineering, execution, maintenance, etc.)?
3. Describe the essence of the challenge.
4. Provide an analysis of the challenge and the situation in which it occurred.
5. How did you overcome this particular challenge?
6. What was needed to overcome this challenge?
7. Are there links with other challenges?
8. What did this solution bring to the Floriade?

Note that question 8 is not part of the pattern identification process as it is giving a result that is specific to one project. Nevertheless, it was decided to include this information in a separate text box in the full report, simply because many readers will like to see the link to successful results. The interviews were conducted in a co-creative, iterative process. Initial answers were written up by the lead author after which the interviewees would sharpen the outcome until the text reflected as accurately as possible their experience. Also, as more patterns emerged, the interviewees were asked to identify the links they saw between the patterns (question 7). The patterns were described using the structure below, adapted from Alexander.
Together with the interviewee the patterns were evaluated for quality. If the interviewee indicated that the challenge and associated pattern were explicit and quite significant to the project, the pattern would receive two stars. Otherwise the pattern would receive one star, indicating it as a beginning pattern. None of the patterns received three stars. The idea behind this is that the pattern in addition to being quite solid would have to recur in more than one project, and in the case of this study only one project was assessed.

Results
Emerged Patterns
Twelve patterns emerged that capture the most important challenges, according to the interviewees. These are summarized below, including the pattern number assigned, followed by the descriptive title and the instruction in italics on how the challenge was overcome. The complete patterns can be found in the full report (Arcadis, 2012) (Table 1).

101 Formulating Inspiring C2C Principles and Mission
How can you conceive of inspiring principles and purpose for the project that are embraced by all?

First, plan a high-energy session to work on principles, mission, and overall goals. Use well-known process managers. Invite many stakeholders to create broad support and commitment. Assure integrity among participants and in the result. Plan for broad PR about the session and the results.

104 Creating and Ensuring Enthusiasm and Commitment
Development inspired by C2C does not happen by itself. It is important that the C2C/sustainability challenges and philosophy are not just carried by the project team, but by a critical mass of stakeholders in the region. How do you create awareness, enthusiasm, and support? How do you allow for true inspiration?

Use change-makers with power (e.g., regional or project manager) who are personally passionate about the topic (C2C, sustainability) and have the communicative skills to spread the message and connect. Remove communicative barriers between design, engineering, and implementation. However, be prepared for naysayers that can impede momentum.

107 Clear and Workable C2C Definition for the Project
The project designers and implementers have been asked to make the project C2C/sustainable. Goals and principles have been drafted. But what is a workable definition for C2C for the project that can actually be implemented? And that is acceptable for client, important stakeholders and executors? What are the expectations?
Everything in the area to be developed is input for sustainable development, including local culture. Identify relevant systems, (e.g., water, energy, materials, waste) and apply waste=food (i.e., start closing loops). Under the umbrella of the C2C principles one could again focus on people, planet, and profit. Also, form a team that is passionate, experienced, and balanced. Have an uninhibited, positive, non-puritan approach; accept eco-efficiency if eco-effectivity is not yet realistic.

111 Start Well
How do you start with the planning, design, engineering and implementation of a sustainable development project?

Use the area itself as a starting point. Conduct a thorough analysis of the area and look at it in its entirety. It is important to maintain an integral perspective and encourage the entire team to do so. Give a lot of attention to building your team, ensure the right mix of knowledge, intention, and wavelength regarding C2C/sustainability. Keep a balance between process and content. Do not immediately delve into the technicalities and practical solutions.

112 Checking the C2C Level
How do you evaluate if the designs and solutions you are implementing are sustainable or C2C, especially for those that have not been performed before?

There is no comprehensive method yet to evaluate C2C for land development. Therefore, use expert judgment and justify your decisions. Keep looking at your principles and your budget. Include the client, subcontractors and suppliers in the discussions. Maintain an integral perspective—don’t view items in isolation. Make a plan for materials reuse on-site.

115 Embracing New and Unproven Processes and Technologies
How can you convince stakeholders, regulators, etc., to accept new, relatively unproven solutions?

Pay a lot attention to building trust, and communication to and management of stakeholders that are reluctant to embrace new values. Discuss with commitment as an engineer but also as human or user. Don’t accept risk avoidance without basis. Ask basic questions. Offer a mix of proven and less-proven technologies, so doubters can also feel secure. Carefully formulate your RFPs—they have to allow for true, hence unproven, innovations.

121 Managing Expectations
How can you manage expectations to avoid future disappointments and criticism regarding sustainability?
Immediately present your interpretations of C2C principles. Document carefully what you do, how, and why. Differentiate between your ambitions, process, and results. Document how you strive to maintain your ambitions, how you look for solutions (process) and what is needed for that. Indicate what works and what does not.

130 **Determining System Choices**
The C2C principles are the dream that require strategies to implement. The strategies require system choices of that what can be realized now or later, at what scale (location, larger area, region), and the choices influence the focus of the sustainable solutions.

The translation of the dream (C2C principles) into practice requires choices regarding timing, location, finances, etc., and will be driven by adding sustainable value. First make choices at the systems levels, and then move down. This will require including multiple stakeholders from the onset. Focus on feasibility, creative challenge, adding value, and maintaining enthusiasm and commitment. Rigid goals and conditions are not necessary.

133 **Flexible Closed Soil Cycle**
C2C is based on closing loops, also for soil. However, during construction many changes will occur. Participants and future clients will have their own ideas about using their spaces. How can you close the soil cycle (i.e., avoid massive soil transportations) while maintaining flexibility?

Start with a thorough analysis of the soil quality (physical, content, and cultural). Apply categories, one of which is the topsoil that should always be treated separately. Start estimating quantities and then fine-tune, identifying flows inside the area boundaries.

136 **Closed Water Cycle at Different System Levels**
How do you close the water cycle, now and in the future, when use may have significantly changed?

Draft a structural water plan for the whole location and also look at the area around it. The general goal is to maintain (or even restore) groundwater levels. Study the local flora and ask, “What is needed to have these grow optimally?” Look at different system levels; often a circle cannot be closed at the detailed level, but can be at a larger level, or vice versa. Also look at using C2C-certified materials for sewer lines and other infrastructure elements.

140 **Detailed Design Guidelines for Materials**
How do you implement C2C in design and incorporate the use of C2C materials?

Have a thorough discussion on how the principles can be implemented for your project. Include (potential) suppliers and contractors. Ask them, “How will you deal with the principles in the project, and how do you implement sustainability in your company?” Use external experts, if needed.

150 **Iconic Green Building**
What type of technical solutions are available to incorporate C2C principles in a building?

Be very knowledgeable on sustainability and C2C and be personally involved. Do not shy away from innovations. Always look through the lens of the principles first, then move down to themes such as water, energy, and so on. Use the Floriade/Venlo principles in your design from the onset; apply multi-functionality, flexibility, and long-term thinking.
After the patterns emerged, the numbers were assigned. At that time it became evident that certain patterns were more abstract and overarching, whereas others dealt with more detail, which resulted in the numbering of the patterns (Table 1). The numbers have three digits, so there is room for adding other patterns in the future (e.g., from another comparable project, or because a current pattern may be reevaluated and split up into separate patterns). When people work with patterns, we can expect an ongoing iteration and sharpening of the patterns. Also, after the patterns had been developed, it became possible to ascertain links between them. Figure 1 includes a hand-drawn representation of the patterns and their perceived links.

![Figure 1. Patterns and their links.](image)

**Sustainability Results**

When looking at the Floriade/Venlo principles, the question arises in what way has working with these tenets actually brought tangible green results? Numerous creative sustainable solutions can be provided, as well as a few less successful achievements, that have contributed to the learning experience. Although a review of sustainability accomplishments is not part of this study, the authors feel it is warranted to provide at least one inspiring example that can be traced back to the Floriade/Venlo principles, particularly the Waste = Food principle. For detailed sustainability reporting, refer to the comprehensive draft sustainability report (Stimac, 2013).

About 90% of the developed Floriade park was transferred to Venlo Greenpark (future green business park). This constitutes the technical infrastructure, roads, bike paths, and most of the developed landscaped park. Temporary buildings like greenhouses, restaurants, kiosks, or service facilities not remaining on Greenpark were taken back by the producers (as stipulated in the contracts) or found their second life elsewhere. A
high percentage of afteruse was possible due to the integrated master plan approach and associated organization. For some projects it was not possible to define long-term afteruse in advance; for these items a solution was developed in cooperation with the demolition companies and creative local designers. Due to this additional sustainability process, less than 1% of the Floriade material passed through a downcycling process.

Good examples of long-term afteruse or upcycling process are the 1.5 kilometer long wooden forest path and the 600 square meter wooden terrace of the BeachClub cafeteria. These surfaces were intensively used by the 2,000,000 visitors, but just during the six months of the expo. The objective was to find a long-term afteruse corresponding with the life cycle of the wood. With the companies Van Liempt Sloopbedrijven and 2LifeArt, Floriade 2012 found a long-term solution: All beams, planking, and concrete slabs of the wooden path will be used for the construction of trekker cabins and garden furniture. Because all wood used is untreated, one may presume that eventually it will reenter the biological cycle. Note that the wooden BeachClub cafeteria itself was obtained by the Floriade already as a used structure and has since been resold to a future event.

Discussion
In the principles themselves, as well as in the processes that were applied, we can recognize an evolved practical consciousness and meaning-making ability among several members of the Floriade team. As far as we know, none of the team members was familiar with Integral Theory (Wilber 2000). This is interesting, reminding us that Integral Theory is a model that seeks to make sense of developing consciousness. In other words, an evolved consciousness and the associated skills are demonstrated here using the Integral model, as opposed to applying the model to achieve a hoped-for, evolved outcome.

Assessment of Floriade/Venlo Principles
Working within an overarching framework expressed in principles (inspired by C2C in our case) may be viewed as a holistic approach to handling complex sustainability problems. Other overarching frameworks would be the Circular Economy (2013) or The Natural Step (2013). The principles used transcend and include less evolved sustainability models (e.g., triple bottom line, energy efficiency, LEED, BREEAM), yet still allow one to shift down to energy efficiency or waste reduction as the most useful step on the way to a sustainable outcome. Furthermore:

- The principles allow for an integrative, interdisciplinary approach of sustainability themes (water, energy, waste, etc.). Typically, lower-level, existing sustainability models are thematic.
- The principles include subjectivity: “We design enjoyment for all generations.” This would be referred to as the Upper-Left (UL) and Lower-Left (LL) quadrants of the Integral model (see Fig. 2).
- The principles incorporate time and, thus, further evolution of the project: “We design enjoyment for all generations.”

Assessment of the Patterns
When we look at the patterns listed above and in Figure 1, we can see that the Floriade initiators started in the UL quadrant searching for a clear dream and vision for the project (pattern 101). They organized a session to co-create the principles, mission and overall goal (LL quadrant and pattern 104) whose important purpose was to build commitment expressed in behavior and action (UR, LR). At the same time, they recognized the
need for an unambiguous definition, message, and common language (LL, pattern 107). Next, the Floriade/Venlo principles needed to be made practical (pattern 111). What is very interesting here is that the team deliberately slowed down the “let’s do it” phase, which is a break from most traditional approaches. Instead they conducted a thorough analysis of the situation at the location before any construction activity began: hydrology, geomorphology, botany, soil (LR) were assessed, but local culture and history (LL) were also taken into account. Next, they moved back to the UL to let themselves be inspired by these findings and work from there, honoring the land and its past (“We are native to our place” principle).

Additional patterns with strong LL components that emerged related to evaluating C2C adherence, managing stakeholder expectations and dealing with uncertainties, and convincing stakeholders and regulators to have trust and give innovations a try (patterns 112, 115, 121). Moving down the list of patterns we find more LR patterns that deal with physical systems and engineering, yet are firmly embedded in the awareness of the principles, mission, and goal of the project (patterns 133, 136, 140, 150). Pattern 130 (Determining System Choices) is very interesting because it builds a bridge between the LL and LR quadrants.

**Applicability of Patterns and Pattern Language**

When studying the numbered patterns above, it is obvious that the challenges related to the more subjective, process side of the work are most prevalent. Examples of such patterns include building trust, maintaining enthusiasm in the team, expectation management, working with uncertainty, monitoring, and communicating accomplishments. This finding clearly shows that those responsible for design and implementation of a large sustainable land development project are wrestling with Left-Hand quadrant issues and not so much with technical questions (LR). Nevertheless, the traditional focus in execution and reporting overwhelmingly has been on the concrete, technical aspects of such projects. We can deduct that more attention and support

![Figure 2. The four quadrants adapted for sustainability initiatives; from Brown (2011).](image-url)
is needed for the “softer, people-oriented” aspects of project leadership, integrating these with hard technical skills. This supports the findings of other researchers. For example, Heifetz and Linsky (2002) distinguish between adaptive and technical challenges, which are comparable to the Left-Hand and Right-Hand quadrants, respectively.

The development of patterns working with selected staff appears well suited to capture and describe essential wisdom or lessons learned from a large, complex sustainable project. Process patterns, patterns with subjective themes, and more technical patterns can be placed into one framework. Furthermore, they can be easily ordered and linked to one another, thereby creating a pattern language. The pattern language can help disseminate the lessons learned, without dictating specific outcomes. While Figure 1 is just one hand-drawn application, it is possible to imagine what a modern database or online platform can add to support the development of a comprehensive pattern language for sustainable development in business, industry, or land use. It would be quite exciting to develop a Wiki-like pattern database for complex sustainability transformations, which could be maintained by project managers.

Findings from Another Pattern Pilot Study

In the Floriade 2012 study, the researchers and the interviewees developed the patterns. This process proved functional for this study. However, in another unpublished, later study conducted for the Dutch Ministry of Economic Affairs, valuable experience was collected about the development of patterns in a group setting (Doorn, 2013). For this study, the subjects consisted of people working in nature and environmental education. This is a field that is rapidly changing from being dependent on subsidies to one that has to form coalitions with various businesses, museums, local government, and other stakeholders, including many volunteers. It also deals with multiple themes, as well as varying developmental levels among students and stakeholders. Conclusions from this study were that the participants had significant trouble understanding verbal explanation of the pattern technique, but once they received guidance from a trained facilitator, they quickly started experiencing working with patterns as fun, valuable, and rewarding. It helped them see the proverbial forest for the trees, allowing them to capture what they had been working on, often for long hours and with limited visible result or recognition. Hence, the collective development of patterns instilled pride and camaraderie. As part of this study, guidance precepts were developed based on working with approximately 10 groups. See the list below for some of the guidance that was given on developing patterns in a group setting.

- Include the pattern development task in the project and reporting requirements from the beginning.
- Plan a timely meeting with the core project team, to give an introduction about working with patterns. Make use of ample examples. Do not attempt to explain in detail.
- Begin! Start creating patterns with willing team members, which may also include non-core members. Patterns address significant issues that seem to be recurring.
- Use a pattern format based on Alexander or choose your own adaptation. The key is to keep in mind that patterns need to be accessible and are intended to share knowledge and experience.
- Keep key stakeholders such as funders in the loop. Co-ownership is essential for sustainable development.
- Use imagery and let the participants draw their patterns and thus tap into right-brain creativity.
- Share sketches and draft texts for comment within a few days. Strive for an iterative, co-creative, feedback loop.
- Keep the sessions lighthearted and fun, but be prepared for misunderstanding, confronta-
tion, and disagreement. These are often the most productive stages in the process.

- Maintain contact with other projects or collaborations in your field. Plan to exchange patterns with each other or work on patterns together.

**Suggestions for Integrative Reporting**

This study shows that not only an evolved kind of leadership is needed for successfully developing complex sustainability initiatives. A novel approach to monitoring, measuring, and reporting on sustainability performance is also needed. Traditionally, sustainability topics and outcomes are measured with hard (objective) indicators (e.g., percentage green energy, volume recycled materials). These measurements provide objective snapshots of aspects of the project in isolation, but say nothing about the more subjective “people” elements that have been shown in this study to be essential for success.

Based on experience from the Floriade, a new, multi-level approach to monitoring, measuring, and reporting sustainability initiatives may be posited. The essential question is: What is it that you need to recount to whom for what purpose? And what method(s) and timing would be most appropriate for that? The authors suggest a meta-systemic approach to sustainability reporting that allows for including older, objective tools, where they make sense. Steps to be taken to incorporate such a reporting system include:

1. Start with a comprehensive vision and goal(s) for the entire project (define principles and develop commitment).
2. Determine which indicators should be measured, why, and for what purpose.
3. Select the most appropriate method and keep track of the indicators.
4. Develop inspirational case studies that relate technical and financial gains, as well as ecological/social successes.
5. Evaluate how and what is needed by developing patterns (process lessons learned).
6. Carefully target your reporting and communications toward a particular audience (e.g., the general public, investors, or stakeholders that demand sustainability goals).

**Conclusion**

Traditionally, land development and other multi-stakeholder, large-scale projects have been managed by defining a specific result and associated bid contracts. This model is becoming harder and harder to implement, especially if such projects need to be developed sustainably. New, meta-systems-oriented, integrative, dynamic approaches are needed to work with uncertainty and multiple stakeholders. Using experience from the design and development of Floriade 2012 in Venlo, the Netherlands, this study examined the following questions: 1) How can we exemplify, account for and share the added value at the Floriade regarding sustainability as a result of working with the C2C-inspired Floriade/Venlo principles, and 2) Is pattern language suitable for this? Findings and conclusions from this study include:

- Working with overarching principles (e.g., C2C, The Natural Step, the Circular Economy) helps in designing and implementing sustainable, complex, multi-stakeholder projects, such as land or regional development, green business parks, or industrial settings.
- Such principles should be co-created and underwritten by all senior team members and key stakeholders during a carefully designed process very early in the project.
- The translation of the principles into practice requires choices regarding timing, location, finances, and will be driven by adding sustainable, shared value. Choices
should first be made at the systems level, and then move down. This requires selecting stakeholders from the onset. Focus on feasibility, creative challenges, adding value, and maintaining enthusiasm and commitment. Rigid scopes, goals, and conditions are not necessary and may even be counterproductive.

- Use the place itself as a starting point. Conduct a thorough analysis of the complete (all-quadrant) existing situation. It is important to maintain an integral perspective and encourage the entire team to do so as well. Give a lot of attention to building your team, ensure the right mix of knowledge, intention, and wavelength regarding C2C/sustainability. Keep a balance between process and content. Do not immediately delve into the technicalities and practical solutions.
- The people that are responsible for designing and executing a large sustainable development project and green business park are likely to have the most challenges with subjective issues (Left-Hand quadrants), not with technical ones.
- Integrated, flexible, visionary methods are just one aspect of designing and executing complex sustainable projects. Evolved reporting, communication, and monitoring methods are also needed, especially for the sake of learning. These methods should be integrated into the project strategy from the outset.
- The development of patterns with selected staff appears to be a functional method for reporting the more process-oriented, subjective aspects of the work, together with the more technical and operational ones.
- Developed patterns can be ordered and linked in a network (i.e., a pattern language).
- Pattern language is suited to capture and describe essential wisdom and lessons learned from a large, complex sustainable project. Note that this study has looked at success patterns, whereas patterns can also be developed to trace recurring failure.

Finally, the integrative, holistic way that the Floriade 2012 project was strategized, managed, and implemented shows evolved practical consciousness and meaning-making ability among several interviewed members of the Floriade management team. As far as we know, none of the management team was familiar with Integral Theory (Wilber 2000) or Spiral Dynamics (Beck & Cowan, 1996). These models were applied to the study results to enhance understanding, as opposed to developing an “integrally driven” project using the models from the onset. Thus, perhaps the most valuable overall conclusion of this study is that the aforementioned models reflect the reality in the field and can provide a directional reference for conducting highly complex sustainable initiatives.

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ABSTRACT As societies develop and organizations become increasingly more complex, more advanced management models are necessary to deal with the intricate challenges they face. On the threshold of an integral era, how should organizations be viewed by leaders and what might the management model through which they operate be like? This article provides an overview of evolving business-oriented worldviews from first-tier to second-tier developmental levels. It then proposes an integral framework for business—an Integral Management Meta-model—that can be adopted by leaders, managers, entrepreneurs, and consultants who want to implement a more comprehensive and deeper management approach in their business.

KEY WORDS: business; leadership; management; business development

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anagement models are intrinsically related to the worldviews shared by society and the predominant technological and economic environments of a given time. These worldviews not only determine the way businesses are managed and run, but also the values that guide their strategies and the purpose that they serve in society. In theory, the more the worldviews that guide a certain organization adhere to the values of the social and economic macro-environment of a given time, the more easily they can promote favorable interfaces for the prosperity of their employees and consumers.

A pivotal milestone for business as we know it today was the Industrial Revolution of the 18th century, while a pivotal milestone for company management took place at the beginning of the 20th century (with Frederick W. Taylor in the United States and Henri Fayol in Europe). In terms of worldviews, these two milestones correspond with the emergence of the orange altitude of consciousness in businesses while embedded in an urban society that was predominantly at amber altitude. This tends to make the public associate all business manifestations with an orange altitude mentality. However, since worldviews are structured according to tiers of consciousness, we know that orange altitude only emerges after the base levels of infrared, magenta, red, and amber have been reached. Looking back in time, we can see that many premodern economic and social manifestations still permeate modern and postmodern organizations, regardless of how advanced their processes may be.

Today, we are under the growing influence of green altitude, which began to proliferate in the mid-1960s. The trend to renounce or, more commonly, question the level of consciousness immediately prior to the one being operated from is a common facet of first-tier levels.1 The general impact of the emergence of green altitude has led to resounding questions about the motivations of organizations at orange altitude. Thus, businesses have received a fair share of criticism in the past few decades, which has been legitimized by the increasingly powerful evidence of the global impact that business practices have had on the environment and society. However, as green altitude is still a first-tier altitude, its criticism of business practices tends to be indiscriminate. As it often cannot perceive subtleties and differences in levels, these criticisms tend
to attribute to orange altitude the pathologies of all other levels, such as the protectionism and exclusion of magenta, the opportunism, slavery, and exploitation of red, the hierarchical strictness and control of amber, and so on. However, green altitude practices have also made significant contributions to business: the concept of sustainability (i.e., triple bottom line), social businesses, improved relationships in the workplace, social responsibility, and the recognition of quality of life in the workplace are examples of the immense good that green altitude has brought, paving the way for a healthier future for businesses and society.

A curious phenomenon that can be observed today is the tendency for predominantly orange altitude organizational cultures to take hold of certain aspects of the growing influence of green altitude in society and emulate those values. Many organizations operate from well-known orange altitude principles in business administration but add timid supplementary green strategies such as “social responsibility” departments that operate parallel to the organization’s core business. They may implement human resources practices aimed at improving the work environment to make it a “great place to work,” thus providing a “green veneer” that does not meaningfully impact management practices.

Consistent manifestations of healthy green practices in both business management and in new socio-economic and cultural models are worth discussing. Some examples of these manifestations are the professionalization of NGOs; the emergence of social, inclusive, and shared-value businesses; concepts such as Impact Investment, Capitalism 2.5, and Slow Money; and an increasing commitment to sustainability by global companies such as Whole Foods, Natura, Patagonia, Timberland, and Interface, among others.

Although pluralist, the green worldview bases its identity on a “separate I.” Green leadership idealizes organizations as a closed system—a living organism endowed with a “unified I” that emerges from employees and processes that are “on the inside” and interact with people and other organizations “on the outside.” The inconsistency in this metaphor lies mainly in the understanding that in a living organism, cells operate the entire time inside the body, whereas an organization is composed of individuals with a high degree of autonomy (even if they do not always exercise it)—they may resign, work for other organizations, or embark on different careers. People do not spend 24 hours a day in organizations and do not live for them. This fact implies a major difference between the organization and the behavior of a business, which adds a level of complexity not found in a living organism. This view of an organization has a direct impact on the tendency to lose flexibility, on the tension caused by suppressing conflicts, and on the “fossilizing” of processes and productivity due to the underlying idea that an organization must build its decisions from absolute consensus about its values.

**Integral Business**

From the Industrial Revolution to the present, organizations in developed countries have had reasonably stable technological and economic environments in which to flourish and expand. We now see the great inventiveness of businesses in generating prosperity, knowledge, technology, and products and services. We can also witness the disastrous consequences that this amplified capacity, when associated with less-than-conscious intentions, has caused in environmental and social terms. However, it would seem that we are undergoing a great transition as a species, probably a lot greater than the Industrial Revolution itself, and this shift inevitably implies deep changes in the way organizations operate and conduct themselves.

This need for essential changes in business is evident given the statistics, which point to an average lifespan of 40 to 50 years for large companies (De Geus, 2002). This fact reflects the low capacity of organizations to adapt and evolve in relation to the reality of today’s world, an outlook that is set to become increasingly true given the growing complexity and uncertainty of our times. Many factors contribute to this outlook of growing uncertainty that challenges the survival of organizations and questions their role in society, among them:
• The successive crises in the financial markets and their impact on the international economy
• Political polarization and the risk of war and terrorism
• The environmental and natural resource crisis
• Post-internet cultural and behavioral changes and the increase in the number of people guided by second-tier worldviews

MIT economist Otto Scharmer is one of the voices that is calling for a profound review, as the crisis is not only socioeconomic and environmental, but also one of values and meaning:

I summarize this in three figures … The first figure represents our ecological crisis. Although we have only one planet Earth, we degrade our natural capital on a massive scale, using up the resources of 1.5 planets just to meet our current consumption. The imbalance manifests itself in the scarcity of water tables, in food prices that skyrocket. The second one represents our social crisis. Two and a half billion people live below the poverty line. Number three represents the magnitude of our spiritual crisis and reveals growing rates of depression, exhaustion, and suicide. According to the World Health Organization, in 2000, three times as many people died from suicide compared to those who were murdered. (O Estado de São Paulo, 2012)

What is certain, however, is that many factors point to the impossibility of sustaining old standards, whereas others, such as the flourishing of a new economy with second-tier values based on flexibility, virtuality, and fluidity, point to new possibilities for the future of organizations and businesses.

We can see, for example, the emergence of new patterns, most notably in Silicon Valley–based businesses, where the traditional planning-and-control model has been replaced with an approach that is more adaptive and compatible with workers’ realities. Concepts such as permanent beta, prototyping with a minimal viable product, and abolishing fixed annual targets show the beginning of what may come to be a new management protocol for second-tier companies.

Also worth mentioning are Brian Robertson’s Holacracy, Otto Scharmer’s Society 4.0, and Gary Hamel’s initiative with the Management Innovation eXchange, which chronicles the innovative business management actions of companies such as Google, Facebook, Atlantis, Morning Star, and W.L. Gore as refreshing signs of a new vision for business.

We do not know exactly the direction that businesses will take, since we are in an “eye of the hurricane” of global uncertainty. However, we can affirm that the Integral approach may point to consistent paths and guide the co-creation of business models for future generations. These models are based on the second tier of consciousness, and as such are much deeper, more comprehensive, flexible, responsible, and capable of combining the needs of individuals and systems for high performance and sustainable results. Integral businesses will only emerge after second-tier levels of consciousness (teal and turquoise altitude) are achieved in a sufficiently large group of leaders.

At the second tier of consciousness, a business is an open system (similar to an ecosystem).² It is composed of individuals who are relatively autonomous and interact at all times in a fluid way at many levels; these individuals generate experiences (tangible and intangible products) essential for maintaining the operation. According to this view, an organization is much more permeable at many levels to the “external” environment, and is exposed at all times to fluctuations in the macro-environment to all sorts of uncertainties. The cohesiveness of the system is attributed to subtle intrinsic factors, which leaders recognize much more as strategic factors than the traditional management control and measurement systems. Second-tier busi-
nesses demand from leaders the ability to simultaneously hold multiple perspectives and act with constant diligence—supported by solid governance practices and stakeholder engagement—thus orchestrating several levels of interaction, including subtle and subjective aspects that honor deep contexts and meaning. Barrett C. Brown’s (2011) research on leadership outlines a brilliant profile of the essential competencies of this new type of leader.

With such a complex foundation, an integral business must be led by individuals who operate predominately from second-tier consciousness, supported by organizational values that are molded around second-tier precepts and structured around a management model that follows this multidimensional and integral view of an organization.

The Integral Management Meta-model

In the history of business administration, the evolution of management models has always occurred as an adaptive response to the macro-environmental challenges of the period, but with the implicit aim of maintaining a conventional modern worldview (orange altitude) with its individualistic, materialistic, mechanistic worldview. Below are the main schools of management and their chief contributions:

- **Scientific Management and the Classical School** (1890–1940) concentrated attention on productivity in order to meet the challenges of mass production. Their models developed task specification, division of labor (people and tasks) for performance, standardized rules and operations, skills/abilities versus needs, and payment systems that linked performance to reward. That is, their main contributions focused on the contributions and well-being of the Right-Hand quadrants.

- **Administrative Management Theory** (1890–1980) introduced the concept of bureaucracy: formal authority, hierarchy, meritocracy, responsibilities, standards of conduct, equity, discipline and stability, further emphasizing the supremacy of the Lower-Right quadrant.

- **The Behavioral School** (1920–1990) elaborated several concepts and factors that impact behavior (e.g., empowerment, cross-functioning, power through knowledge, attitude toward leadership, human relations, behavioral training, informal organization), thus shedding light on many aspects of the Upper-Left quadrant, but reducing them to the Upper-Right quadrant and to the purposes of the Lower-Right quadrant.

- **Management Science Theory** (1940–1990), which emerged during World War II, was greatly influenced by the production needs and technological leaps of the period, and emphasized operation and efficiency with the concepts of Total Quality Management and Management Information Systems—a vision largely directed at the Lower-Right quadrant.

- **Organizational Environment Theory** (1950–2000) finally started to look at organizations as open systems. However, this systemic view, which introduced concepts such as synergy, contingency theory, and organic systems, also reduces everything to the Right-Hand quadrants.

In the age of knowledge that has followed in the wake of the Internet, multiple models arose based on knowledge management, chaos theory, systems theory, complexity theory, and biological and quantum models. These models were born with a postconventional configuration, but collapsed in their attempts due to the disconnect between new objective realities (Right-Hand quadrants) and their still conventional premises and worldview (Wilber, 2003).
In short, the current models contain greater complexity and more aspects of reality, but do so with the same reductionist, fragmented logic that subordinates individual needs to collective demands (i.e., absolutism of the Lower-Right quadrant), which explains in good part several of the crises previously mentioned. There is general agreement among leaders of the integral movement that there are no organizations operating at a truly integral level. However, there are many individuals in transition or already stable at second-tier who think and act in pursuit of solutions for the problems faced by organizations operating from first-tier worldviews.

For these professionals (consultants, executives, entrepreneurs), an organizational model based on the Integral approach might be an important reference for enabling observations (diagnoses and critical views), thoughts (formulation of strategies and creative paths), and interventions (leadership and operational capability) aimed at enhancing the level of consciousness of organizations in all of their dimensions.

With that in mind, the Núcleo de Negócios do Instituto Integral Brasil [Business Division of Integral Institute Brazil] devised an Integral Management Meta-model based on the Natura Management System.

**Why a Meta-model?**

Due to the high degree of complexity in large corporations—whose spectrum of operation is extremely broad, thus demanding an equally broad management model—the need arose to develop a meta-model (i.e., a more comprehensive organizational model that can be adapted to any type of corporation, thus maintaining the cohesiveness of the larger system). In the field of management, the meta-model concept is the most adequate for this purpose. Because of its focus on basic common denominators, the meta-model is also intended as a model useful for small and mid-sized organizations, think tanks, social companies, and for future organizations operating in emerging technological and economic environments.

**Why Integral?**

The meta-model presented in this article reflects the precepts of the Integral framework and therefore aims to be comprehensive, detailed, and non-reductionist. It has been devised from a developmental point of view, with values based on critical inclusion (not on eclectic inclusion) and considers levels of depth that orient business practices toward a field of greater meaning, thus creating a greater capacity to respond to today’s greatest challenges.

At the end of this article, there is a brief description of the correlation between the Integral model as originally devised by Ken Wilber and the Integral Management Meta-model. Using the Integral model as an evaluative lens, we recommend that researchers conduct detailed studies in the business field to observe the effectiveness of the meta-model, thus increasing the applicability of both integral maps.³

Although this article presents a linear description of the Integral Management Meta-model, we note that all of its components are interrelated and that organizational dimensions tetra-arise. Therefore, a certain component may be viewed as a “thread in a tapestry” and from there its relation to the other components can be unspooled in any direction, taking into consideration the germane levels and dimensions (quadrants).

**Possible Uses of the Meta-model**

In addition to being a tool, the Integral Management Meta-model is a description of the life of organizations. Hence, it contributes to the internalization of a second-tier worldview as it is studied and applied by researchers, consultants, and managers. As the model becomes more broadly understood and implemented, there will be greater possibilities for its creative and practical use. For example:

- As a model for start-up companies—the sooner guidelines are implemented in a
Components of the Integral Management Meta-model

From an integral point of view, a good definition of a business might be: “An open social system composed of individuals and their relationships, with shared values and purpose who promote experiences that support the development of society.” This definition is directly related to the ability to perceive an organization as a holarchic open system, whose results (whether financial return, environmental impact, social impact, human relations, or quality of life) affect the whole of society, as well as the organization itself and the individuals as part of society (Fig. 1). In other words, profit is the positive result of an organization measured by the sustainability of its work in society in all of its aspects. In the sections that follow we elucidate many of the elements found in Figure 1.

*Figure 1. The Integral Management Meta-model framework.*
Organizational Management and Dynamics

Understanding the essential dynamics of an organization’s operation helps us understand how healthy management should take place. As we know, an organization may be considered an open social system. Open because it is affected by an environment of increasing complexity, in all its dimensions and levels, in the form of data, interfaces and uncertainties. The fact that an organization affects and is affected at all times by the environment in all these dimensions is a truly important point that should not be overlooked. For example, when an organization sets targets for its employees beyond their control (and therefore beyond their real responsibility), it generates serious tension that affects the individuals and their relationships within the organization, which inevitably spill outside the organizational environment. This is only one example of a distortion that commonly takes place in organizations of virtually any size.

The complexity of a larger environment may generate entropic influences, when they are unfavorable to the organization’s purpose (e.g., a company that manufactures baby products in a market where the birth rate is decreasing), or syntropic influences, when they are favorable to the organization’s purpose (e.g., the solar panel industry in a society with growing environmental awareness). These influences cause tension between the organization’s current position and the desired position in the future (Fig. 2). From this perspective, management is the method applied by an organization’s leaders to eliminate the tension between the current position and the desired position in the three dimensions of the organization (individuals, relationships, and operations).

This dynamic is known in Holacracy (an integral governance methodology) as dynamic steering and is a revolutionary concept in that it makes the traditional top-down management practice obsolete, substituting a “push” for a “pull” strategy. The impact of this dynamic is felt by the decrease in the artificial pressure exerted by leadership, which is substituted by healthy tension distributed throughout the entire organization. This tension translates into a space that allows for constant learning and makes the organization potentially much more adaptive and agile—a “school” with great potential for innovation. Once the essential dynamics of an organization’s management operation are understood, we can move to the main components present in any type of business.

Organizational Identity

To begin with, we have the organizational identity, which is the persona of a given organization, summarized in the expression of its values, mission, and vision, and which is ideally perceptible in a way that is consistent
with its culture and brand. The more clear the organizational identity, the greater its ability to attract and “belong” through the maintenance of a morphogenetic field inherent to the organization.8

Second-tier organizations will assume an identity that addresses the challenges of the emergence of an integral consciousness, evoking the zeitgeist of an era that is yet to come. In expressing this pioneering nature, they will have the capacity to attract innovative individuals who operate from second-tier value systems and thirst for interfaces that will allow their full expression.

The values of an organization are expressed through the set of beliefs that unify a perspective or the filter through which an organization and its employees interpret the complexity of the environment. Often, the values of an organization are not explicit or do not represent the true values adopted in decision-making processes, mainly due to a difference between the disclosed values and those supported by the center of gravity (i.e., level of consciousness) of its employees. These individuals in turn reproduce their own values in the system, creating a loop that deviates even further from the actual practice of official values, leading to difficulty in establishing a cohesive identity for the organization and pervasive communication problems.

Maintaining a center of gravity at second tier is one of the greatest challenges faced by aspiring integral organization. There are many examples of organizations born out of their founders’ innovative vision, but which then lost part of their essence in the generations that followed. Such is the case of Hewlett-Packard and Apple (in spite of Steve Jobs’ controversial personality, it is hard not to acknowledge his obsession with integrating technology and human experience suggestive of second-tier vision). The relationship between Jobs’ vision and Apple’s identity, which is well explored in Walter Isaacson’s (2011) biography, is an example of this challenge. In Brazil, Natura is a company whose identity was inspired by thinkers such as Plotinus and Teilhard de Chardin, but after its founders left, the company’s leadership faced the great challenge of aligning its identity with its practices.

Shadow is an incredibly relevant theme in management, yet one that is often overlooked. It pervades nearly every aspect of an organization as a direct result of denying impulses that diverge from the organization’s values and identity. These rejected impulses take place “underground” in corridor conversations, spying, rumors, power struggles, and Freudian slips. The high cost of these conflicts goes without saying.

A paradoxical problem for second-tier organizations is the potential of shadow manifesting in all previous levels. The ability of an organization to recognize shadow and create a context in which this energy can be healthily reintegrated into the system—for example, by incorporating practices such as the 3-2-1 Shadow Process as outlined in Integral Life Practice (Wilber et al., 2008)—is one of the aspects that differentiates second-tier models from most current management models.

If values are what an organization deems important, its mission is what makes it important to society. An effective mission statement must be established as a commitment to meet an essential need of society, as the organization will then have greater flexibility to reinvent itself, room for innovation, and the capacity to survive in the long run, regardless of changes in the technological and economic environment. For example, an organization whose mission is “to produce quality images” has a greater chance of survival in the long run than an organization whose mission is “to produce quality cameras.”

Whole Foods is an example of an organization that has emphasized how it has been guided by its mission, as seen in its declaration of interdependence: “We are a mission-driven company that aims to set the standards of excellence for food retailers. We are building a business in which high standards permeate all aspects of our company.” Another example is Natura Cosmetics’ Razão de Ser [Reason for Being]:

To create and market services that promote Well-being/Being Well. Well-being is the harmonious, pleasant relationship of an individual with his/her body. Being Well is an individual’s empathic, successful, pleasurable relationship with the other, with nature, which he/she is a part of, and with the Whole.
For a business to be second tier, a vision of the organization based on its values and mission before society must be projected (and not based on a position in relation to its competitors or other external factors). A vision like “to become a market leader” implies positioning the organization in relation to the competition, which may drive it away from its core values, thus bringing ego into the equation and subjugating the organization’s identity as a whole. On this topic, an interesting read is W. Chan Kim’s and Renée Mauborgne’s (2005) well-known Blue Ocean Strategy.

As time goes by, the individual behaviors and collective rites and symbols adopted by the organization create its culture (Taylor, 2005). An organization’s culture is a subtle and relatively autonomous pattern that may, to a greater or lesser extent, reflect its values, thus affecting its identity. Like the values established, culture is a morphic field deeply rooted within time that influences habits and becomes an important factor of resistance to change (even if the changes are positive for the organization and for society). For this reason, leaders must always quickly identify and correct patterns that are not in line with the organization’s identity before they become deeply rooted habits that jeopardize the organization as a whole.

The identity of the organization is expressed by its brand. A brand may be understood as the expression of the organization’s identity in any contact experience an individual might have with it. A second-tier organization understands that its brand’s reach is directly related to its ability to map and look after the innumerable points of contact between the organization and the macro-environment. A brand is experienced not only during a Super Bowl commercial break, for example, but also in its lawyer’s position before a judge and in a delivery truck driver’s behavior. As brand consultant Ricardo Guimarães (2009) of Thymus Branding has stated: “Not only clients, stakeholders, staff members [are included] but also the press, regulating bodies, the families of staff members, NGOs, capital markets, and so on. We call this totality of the general public a ‘Brand Ecosystem’ and it is in this context that the company acts and where its value is perceived.”

Brands can generate deep connections with archetypes in the collective imagination. An organization can recognize the archetypes that define it and strategically strengthen its branding position through them, as argued by writer and consultant Carol Pearson (2001): “Mythic stories are like bridges that connect people and organizations with the best, most authentic and most distinctive parts of themselves.”

Organizational Perspectives
Every organization can be understood from three perspectives or dimensions that exist and emerge simultaneously: individuals (“I”), the relationships between individuals (“We”), and the organization of management processes and procedures (“Its”). These three dimensions have particular characteristics and their own development, but they are indissoluble and influence each other. Integral leadership must therefore give the same importance and pay equal attention to each of these dimensions, whether in the formulation of strategies or in actions and learning based on the results obtained in these three dimensions.

Today, we see leaders giving unequal treatment to these three dimensions. The emphasis is usually placed on the organization’s collective dimensions (i.e., in procedural, economic, social, and environmental results). The dimensions of the individual and relationships are seen as a “means” to obtain impersonal and objective organizational results. This outlook stems from a mechanistic and rational worldview, which is characteristic of first-tier consciousness.

For Integral Business, the Upper-Left and Upper-Right quadrants are extremely important. Individuals play a role in the organization with their physical, emotional, subtle, and causal bodies. As an employee or a partner, individuals express themselves by performing their functions and by resolving tensions generated during the process of the organization’s evolution to higher levels of complexity. The bond of a given individual with the organization is established, more than any other factor, by a psychological contract.

This psychological contract, a concept initially introduced by organizational and behavioral theorists Chris Argyris (1999) and Edgar Schein (1979, 2010), is established through the connection of the individual
with a given organization. It is based on the subtle meaning individuals attribute to their role and to the value of the organization, which involves an understanding of their purpose in life. An integral organization will make constant efforts to carry out selective processes and corporate education programs that promote greater consciousness for individuals regarding their personal purpose and their connection with the organization. The deeper and more all-encompassing the individual perceives her role to be, the greater her capacity to withstand doubt and the greater her openness to learn. An individual who attributes Kosmoscentric meaning to her experience will allow more space for knowledge than one who views it with an ethnocentric lens. (This factor makes the development of the values and spirituality lines an important goal of a second-tier organization’s human resources staff.)

An individual’s openness to learning is what defines the possibility of widening his mental model (i.e., the cognitive line, which allows individuals to sustain multiple perspectives). The mental model is of great importance for communication and learning in organizations and must be seriously considered before conducting any education initiative. A mental model also plays a role in configuring the individual to his role within the organization; however, it is also a space for resistance to change and a bias factor. Integral organizations will perceive an employee’s lack of motivation as a consequence, not the cause of a problem, and will deeply probe the case on a vertical basis (i.e., from the psychological contract and mental model) as well as a horizontal basis (i.e., inadequacies in the relationships established and role within the system).

A “property” (amber altitude) contract, in which the worker offers loyalty in return for security, is still common in companies. However, it is more common for modern businesses to offer a “transactional” (orange altitude) contract, whereby the worker offers performance in return for status, self-esteem, money, and power. Second-tier organizations, on the other hand, will seek to sign psychological contracts of “construction of meaning and shared value,” by which a shared purpose between the individual and the organization and a contribution of value in consecutive cycles of evolution is expected. At Natura Cosmetics, this approach has become the process by which every worker explicitly builds and negotiates an individual development plan.

On the relationship between individuals, purpose, mental models, and motivation, we recommend Drive by Daniel Pink (2011), Boundaries of Intelligence by Nilton Bonder (2010), and Man’s Search for Meaning by Viktor Frankl (2006). Relationships form the interpersonal dimension of an organization. This dimension refers to the ability of individuals to interact toward a shared purpose or task, regulate power relations, and develop affective bonds. Many modern organizations experience serious problems with internal competition because they do not promote integration among individuals and the various divisions of the company. Promoting such integration depends, among other factors, on an orientation based on higher values by an active and responsible leadership and on work that is deeply qualified in the realm of the individual.

Purpose is regulated by power relations, which are political dispositions that regulate the decision-making processes within an organization. Power relations may vary from organization to organization in their level of flexibility, reliability, and ability to diverge. When poorly managed, they can destroy relationships due to a pathological hierarchy of dominance, something that is frequently related to how individuals and groups relate to the role of authority. On the other hand, weak power relations may mean disengagement and disorganization due to lack of clarity regarding the roles within the group.

A few cases of innovative practices that seek alternatives to power relations and aim at strengthening teams, thus freeing up the potential of relationships in the organization, can be seen in models developed by MorningStar Farms and W.L. Gore, which are true inspiration for second-tier organization practices. These organizations seek to deconstruct the conventional culture that focuses on the individual as the “performance hero,” substituting him for the group’s performance strength, which is much more appropriate for carrying out complex tasks.

Finally, relationships become stable when the affective bonds between individuals in the organization are informed by mutual trust, respect, and appreciation. If well established, these bonds allow the emergence
of healthy differences that improve learning, generate cohesion, and stimulate intimacy. Affective bonds are highly desirable for second-tier organizations because better results tend to come from a diversity of people; this diversity only arises when conflict occurs in an environment of trust, which is itself created when individuals are willing to make themselves vulnerable. Thus, a second-tier organization will cultivate open expression among its employees.

The third dimension of organizations corresponds to its interobjective processes and structures (Lower-Right quadrant), which we normally call systems or organization. This dimension is certainly the most recognized and developed in modern-day businesses. Many business problems and challenges stem from the reductionist view that favors this dimension and distorts or subjugates individuals and relationships, merely treating them as means or resources to obtain objective operational results.

In Requisite Organization, Elliott Jaques (2006) claims that the focus of organizational development must be on the revision of its systems, as they define management capacity. We really do see that the majority of current models are not sustainable given the problems commonly found in today’s global companies. Many organizations mix network designs with traditional hierarchical structures, which results in serious challenges for balancing horizontal fluidity, and for a holarchy able to sustain different levels of complexity. Holacracy is a governance framework that can be adopted in technology-light organizations or those focused on services, but it seems to not yet be mature for large-matrix organizations.

An organization’s vision serves as a subtle connector for both individual purposes and purposes shared among the organization’s members. The vision then informs a global business strategy, which comprises the choices coordinated during decision-making processes (governance), which in turn translates the vision into real results. In second-tier organizations, strategic planning is potentially much more sophisticated and refined because it is formulated based on a more complex (vertical coverage) and broad (horizontal coverage) view of reality.

Perhaps the greatest challenge for second-tier organizations is efficiency in executing highly complex strategic planning in a macro-environment whose center of gravity is at a lower level, including a considerable portion of employees and/or stakeholders who are directly involved in the tasks, systems, and available technologies. Inevitably, these organizations will have to find a way to cope with the tension generated by the reality/level of consciousness of the present time and the reality/level of consciousness that guides the organization’s vision of the future and strategic planning. This tension, which must be a daily concern of organizational leaders, comes from the perception of intricate paradoxes. Resolving these paradoxes will sometimes result in leveraging development and, other times, in collapse and resistance, necessitating reorientation.

**Organizational Results**

The usual, limited view of an organization’s productivity points only to the results of investments (in the form of financial profits) or to a wider view that considers the sustainability of a business, such as the set of economic, social, and environmental results known as “triple bottom line.” For integral organizations, however, the results to be measured and cultivated go beyond triple bottom line, which is only an expression of the organizational dimension of a business, to include the individual (performance) and relationships (collective intelligence) dimensions.

Performance stems from the intrinsic motivation that emerges from an employee’s mental model and the meaning he ascribes to his role in the organization. For an integral organization, performance is not only “convenient for pointing out how lubricated the gear is,” but is also important for checking the employee’s level of engagement and happiness/well-being. This sensitivity to different holons means that a specific performance problem will not result in a rearrangement of the entire organization to conform to the individual (i.e., a holon of lower complexity).

Collective intelligence (i.e., the shared or group intelligence that emerges from the collaboration and
competition among an organization’s staff) can be leveraged provided that there is a general alignment of the three dimensions (individual, relationships and organization) and of the levels in each one of them. Second-tier management will aim to capture collective intelligence in an implicit/subjective manner, making it visible and available. Although it serves both individual and organizational results, collective intelligence has its own intrinsic value (in the beauty and complicity that emerge from intersubjective interaction).

The triple bottom line concept is, without a doubt, important progress for the sustainability of businesses. Measuring the impact of an organization in this manner, however, is limited to compliance with laws (amber altitude) or to institutional commitment (orange/green altitude). Only organizations that enter the transition to second-tier incorporate triple bottom line concepts as a source of innovation and transformation for the macro-environment as well.

**Organizational Culture**

As outlined above, culture is consolidated in the three dimensions of individuals, relationships, and the organization. For individuals, culture manifests in the form of behaviors of systematized habits and behaviors. This set of behaviors is adequate if they express the values of the organization; when they do not, it may indicate leadership problems or critical problems in organizational communication. For relationships, values are expressed via rituals, signs and symbols (e.g., dress code, shared language, parking spaces for executives, private elevators, etc.). Disagreement or agreement about these sorts of issues decisively affects the effectiveness of organizational leaders. For the organization, culture manifests in organizational procedures, protocols, technologies, and environments that reflect, to a greater or lesser extent, the organization’s values. Culture is of central importance to second-tier organizations; the goal is to identify the anomalies between what the organization delivers and what it claims to value, aiming at replacing inertia with conscious actions that reflect the organization’s identity.

**Leadership and Learning**

Leadership manages all three dimensions of a business, steering the entire organization toward a desired future. A leader is any individual invested with authority, guiding employees toward individual, collective, and organizational objectives. To achieve this goal, leaders must be constantly supported by a learning process. From an integral point of view, leadership must take into consideration all levels of an organization’s consciousness, not by aligning action and command with those levels, but by making actions perceptible and intelligible by all levels. The concepts of “primal leadership” by Daniel Goleman (2006), “adaptative leadership” by Ronald Heifetz (1998, 2002), and “requisite organization” by Elliott Jaques (2006) are points of reference that enable postconventional leadership.

Learning is essential to the exercise of second-tier management. It permits a business (in its three dimensions) to constantly interact with the space of tension between its present position and desired position, thus generating a permanent state of evolution. Learning is also responsible for scanning and metabolizing results and culture, which feed back into the system through leadership in a never-ending process that constantly seeks the emergence of new realities. From an integral point of view, the learning process must generate a system that supports second-tier actions that recognize tensions, which, when solved, free the system to continue its evolution process. The danger is in avoiding a postmodern pathology that silences healthy conflict and rejects holarchy, both of which are crucial for the emergence of second-tier systems.

**Conclusion**

The meta-model described in this article is only one effort toward a more comprehensive management model.
that encompasses all the potential that the Integral approach can offer. There is still a long path to be taken by integral researchers in the fields of management and business in developing research and ideas, and by pioneering managers, leaders, and consultants who boldly implement the solutions that emerge from models like this one. However, we are certain that, in view of modern-day global and organizational challenges, measures that do not take into consideration the systemic complexity of organizations, and the understanding that this complexity must be interpreted through an integral lens, will be seriously limited and at risk of failing.

NOTES

1 “First tier” is an expression used to summarize the six main levels of values development in accordance with Clare Graves and Spiral Dynamics as developed by Don Beck and Christopher Cowan. First-tier levels are characterized by the belief that “my values are the only correct ones.” This contrasts with the levels of second-tier development in which individuals recognize the importance of all value systems. Integral Theory uses the term first tier to refer to the first six stages of developmental altitude (infrared, magenta, red, amber, orange, and green). Second tier refers to teal and turquoise altitudes.

2 The fundamental principles of ecosystems, which can also be observed in healthy organizations, are: interdependence (mutual dependence to a greater or lesser extent for all vital processes), nesting (organized in networks that are super-imposed on different levels of interconnections), cycling (organized frequency of factors in time, guiding a closed flow of matter and energy), cooperation (exchanges are supported by generalized cooperation that promotes co-evolution), dynamic balance (a natural tendency to recover the balance in view of environmental fluctuations), and diversity (growing diversification of members and functions that allow greater flexibility and adaptive and creative power).

3 The meta-model aims to describe the life of organizations via the five elements of the Integral model: Quadrants: the four quadrants may be seen in the presence of the three dimensions of the I, We, and Its. They represent the organizational dimensions of the individual (Upper Left, Upper Right), of relationships (Lower Left), and of the organization (Lower Right).

Levels: the meta-model also considers the layers of depth, the levels of consciousness or of the being, in each dimension of the organization’s holon:

• The upper, causal/subtle layer (essence, deeper meaning) is experienced by individuals as meaning; by relationships as shared purpose; and by organizations as vision. All three are different expressions of an organization’s greater purpose or mission.
• The intermediate, mental layer is experienced by individuals as a mental model; by relationships as power relations; and by organizations as strategies.
• The emotional layer is experienced by individuals as intrinsic motivation; by relationships as affective bonds; and by organizations as execution of actions.
• The physical layer is experienced by individuals as performance and behavior; by relationships as collective intelligence, symbols and rituals; and by organizations as economic, social, and environmental results and systems.

The identification of physical, emotional, mental, and subtle levels in the text refers to the holon of an organization. It should not be confused with the identification of the levels of the holon of the individual, who also has a physical body, emotions, mind, and a subtle body.

Lines: There are many possible ways to use developmental lines (e.g., cognitive, moral, interpersonal, kinesthetic, spiritual). For example, for developing individual leaders, identifying causes of conflict in the realm of relationships, and for organizational improvement via recruitment processes.

States can serve different purposes, such as observing seasonality and fluctuations in consumption in the market, product life cycles, phases of the implementation of a project, changes in the organizational climate in relation to macro-environmental factors, and crisis management, among others.
Types also offer a broad range of possible studies, such as classification of individual personalities, styles of leadership, cultural and ethnic differences, types of markets, and so on.

4 This is a comprehensive definition that may include many categories of business, not necessarily just those oriented toward “financial profit.” In order for an organization to fit this description, it is vital that it be guided by a specific purpose, regardless of whether or not that purpose involves profits. Moreover, from an integral point of view, there is no contradiction between profit and social benefit, between private and public. What gives meaning to an organization is its ability to “generate value” that did not initially exist before its genesis.

5 Complexity is the web of events, actions, interactions, retroactions, determinations, and chances that compose the phenomenal world, with traces of confusion, disarray, disorder in chaos, ambiguity, and uncertainty (Morin, 2008). Data are the apparent and measurable forms through which it is possible to verify the impact (entropies and syntropies) that the surrounding environment has on the organization and vice versa. Interfaces are the contextual units that relate to and are within the organization and whose impacts can be measured based on the level of interdependence, interrelation, trust, brand image, affective bonds, and organizational credibility. Uncertainties are highly complex fluctuations that are not subject to measurement or full observation, but are partially perceptible and have a future impact on the organization. Uncertainty is a characteristic that permeates both macro- and micro-environments, and is a concept that is often neglected by organizations.

6 Entropy is the measurement of the level of progressive disorganization of a system or unpredictability of information. Developed by German physicist Rudolf Clausius, entropy refers to the degradation of energy that takes place in a system and the fact that, in any physical change, not all energy that is in the initial system is found in its final composition.

7 Syntropy, also known as negentropy, is the opposite of entropy (i.e., it measures the organization of a system’s particles). A negentropic element is one that contributes to balance and organizational development. Syntropy is a symmetrical principle that contrasts with the loss of energy and disorganization through an injection of new energies.

8 The morphogenetic field is a theoretical formulation of English biologist Rupert Sheldrake. Morphogenetic fields organize not only living organisms but also molecular structures; they are non-physical fields that have an influence on systems that present some sort of inherent organization. Through habits, the morphogenetic fields are changed, giving rise to structural changes in the systems with which they are associated. According to Sheldrake, morphic fields are structures that extend in space-time and shape the form and behavior of all systems of the material world.

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DEVELOPMENT OF AN EDUCATIONAL ARCHITECTURE BASED ON THE INTEGRAL MODEL

Andrea Vernacci

ABSTRACT This article describes the trajectory taken by Natura’s Corporate Education team to rewrite and implement its new pedagogy (i.e., educational initiatives for adult employees and contractors). This trajectory included a redefinition of the company’s vision as well as a new architecture for its corporate education components (i.e., principles and drivers, framework, and governance). The article gives special emphasis to the strategies that were used to formulate the new pedagogy, which utilized Integral Theory to generate the reference texts, identify the need for education actions, and frame class planning. The article concludes with two case studies that illustrate the model that was developed.

KEY WORDS business; education; governance; leadership; vision

In December 2010, Natura implemented a new education architecture aligned with the Integral model.1 This architecture now defines the structure that governs all education actions at Natura, thus ensuring a single educational point of view for the company.

The first step was to define the strategic education strategy for Natura. Education was defined as a learning process in physical, emotional, mental, and spiritual dimensions between stakeholders and the environment.2 The goal was to build organizational competencies that would allow Natura to deliver its vision of the future to both its customers and business partners. The company embraced a continually evolving learning model that encourages its employees and other stakeholders to be players in their own development. The final model is composed of three components (Fig. 1):

- **Natura Pedagogy**: guiding model for the development and application of Natura’s education initiatives.
- **Education Map**: categorizes the available education programs by public or organizational competencies. The map serves as a “menu” of actions so various stakeholders will be able to guide their own development.
- **Governance**: defines the roles and responsibilities for the development and execution of Natura’s education initiatives as well as the processes necessary to achieve the most efficient results.

The structure is supported by the following principles and drivers:

**Principles**
- Create learning environments and content in line with Natura’s mission
- The connection between on-the-job learning and challenge drives education
- Education extends the borders of the organization

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The integral learning process allows for continuous improvement and superior team-based learning

- Ensure that learning is inextricably intertwined with Natura’s business model
- The connection between on-the-job learning and challenge drives education
- Self-knowledge is the basis for development
- Learning must be transversal (i.e., between hierarchies and the public) where all teach and learn, doing and experimenting in a simple and fast way
- Education is a vehicle for expanding maturity and awareness levels

Drivers

- Being differentiated in our learning brings about better results for the business, connection with other stakeholders, innovation, and operational excellence
- Priorities are our employees and our sales channels. As dictated by the company’s strategy, we will annually improve our relations with stakeholders
- Our role is to develop individuals aligned with the Natura mission, with opportunities for co-creation
- We want to have a specific structure to provide education guidelines and a board of educators that will act as guardians of the strategy
- Education actions for corporate interest must intersect with private social actions within the education architecture
- Educators must seek out partnerships and advocate for Natura’s specific and differentiating mission
- Improve the use of information technology as a learning channel

To begin implementing the new architecture, we posed a challenge to Natura’s education team: participate in a training course devoted to Integral Life Practice. This training course focused on the personal development of each individual so they would be capable of disseminating the new educational model. The course was organized as follows:

Figure 1. The structure of Natura’s education architecture.
**Assessment**: evaluation of the participants, including their physical, emotional, mental, and spiritual dimensions

**Basic Module**: description of concepts and experience for the whole team in the following dimensions:

- Physical: corporal awareness, dance, yoga, aikido
- Emotional: ego matrixes, shadow
- Mental: Integral Theory, typologies (MBTI and Enneagram)
- Spiritual: Buddhism (Monja Kohen, instructor), centering prayer

**Free Choice Modules**: content and experiences selected in accordance with each participant’s specific needs

**Dialog Circles**: exchange of experiences among the team based on the content and experiences covered in the basic and free choice modules

**Facilitator Training**: basic training for the whole team as facilitators of this model, conducted by Natura’s Vice President of Development and Sustainability, Marcelo Cardoso

**Practical Application**: development and application of the training program for new employees

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**The Natura Pedagogy**

The Natura Pedagogy is the result of a collective construction process. The goal was to build a pedagogical model that reflected the company’s beliefs, reason for being, vision, and mission. To construct the theoretical foundation of the model, we sought input from education theorists such as Lev S. Vygotsky, Paulo Freire, Celestin Freinet, Edgar Morin, Fritjof Capra, and Ken Wilber.

The Natura Pedagogy prioritizes three of the five elements of Integral Theory: quadrants, levels, and lines. The four quadrants each represent an important dimension of reality (Fig. 2), which is why they form

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![Diagram](image-url)
the foundation of the Integral approach. In the Natura Pedagogy, the quadrants are also used in three perspectives: individual, relations, and organization/system (Fig. 3).

With respect to levels, the pedagogy is based on the concept defined by Clare Graves and elaborated on by Don Beck and Christopher Cowan in Spiral Dynamics, which considers human development as a process composed of eight general stages. These stages are not rigid levels, but rather fluid waves. Each wave “transcends and includes,” that is, each wave goes beyond the preceding one yet includes it in its evolving structure. Additionally, each wave can be activated or reactivated in accordance with life’s circumstances. However, in order to facilitate its application, we elected to consider three development levels for all stakeholders

![Figure 3. Perspectives used in the Natura Pedagogy.](image)

![Figure 4. Robert Kegan’s adult mental complexity model.](image)

- **Attitude gain**
  - **Socialized mind**
    - Third Order
    - Works in team
    - Coherence and loyalty to the environment in which he is identified
    - Molded by the definitions of the environment
  
  - **Authorial mind**
    - Fourth Order
    - Capable of withdrawing from the environment to create “judgment”
    - Personal authority that evaluates and makes choices
    - Capable of self-guidance
  
  - **Self-transforming mind**
    - Fifth Order
    - Capable of withdrawing from his own ideology and to meditate on it
    - More open to contradictions and opposites
    - Opens space for changes or expansion in his schedule or plans

- **Amplitude gain**
based on Robert Kegan’s adult mental complexity model (Fig. 4). Any education intervention at Natura must consider different maturity levels and how to provide growth in the various subjects or competencies.

With respect to lines, we were inspired by Howard Gardner’s work on multiple intelligences. According to Gardner, we all have different intelligences, such as cognitive, emotional, musical, and kinesthetic, among others. Most people excel in one or two intelligences but are deficient in the others, which presupposes the need to know our strong points as well as our weaknesses. Accordingly, each developmental line can reach a certain level, that is, a “height” in terms of growth and awareness. The cognitive line is the keystone for many other lines, as we need first to be able to perceive, to be conscious, to see something cognitively, and then be able to speak about it. This is why the cognitive line often needs to be the first line to be addressed in our educational actions. We must, however, provide an ample educational environment that includes the various developmental lines so that each individual can find the most appropriate set of actions. For Natura, the most important developmental lines are:

- Values: what I consider most important
- Identity: understanding who I am
- Cognitive: awareness of what is
- Emotional: the specter of emotions
- Interpersonal: how I relate with other people
- Kinesthetic: how I do this physically
- Spiritual: how I connect with the “higher me”

It is important for the educational plan to consider the timing of actions, the profile of the public involved, the learning objectives to be reached, and the means for reaching them. The final result of this planning results in a class plan, a document containing all the data required for the educator to apply the training, in addition to ensuring its registration. Today, the Natura integral pedagogy is available in the education portal for all its employees, and is shared with all of the partners involved in our educational efforts.

**Application of the Pedagogy**

After reviewing the Pedagogy, the next challenge was to review our current educational programs, suggesting adjustments or the development of new programs aligned with the proposed model. The programs to be developed had to meet the following three competencies:

- **Essential Competencies**: are critical and transversal, more permanent, difficult to be copied, and portray the culture of the organization.
- **Strategic Competencies**: are critical and transversal and make viable the strategic planning cycle. They are reviewed during each strategic planning cycle.
- **Functional Competencies**: are specific to each process/area, and reflect the set of knowledge and skills that the organization requires in order to operate.

One of the biggest challenges in implementing the new pedagogy was related to the programs that addressed functional competencies. Most programs already had a wide view of different perspectives, levels, and lines, and only needed to evolve in this regard, while the actions for the functional competencies in general acted more from a system perspective (and frequently did not consider the differences between the levels, using almost exclusively the cognitive line). To facilitate use of the pedagogy, the team identified four basic steps:
1. Define the action’s objective by asking what is the change that we want to happen? The following sentence was used to explicitly define this point: “At the end of the training the participant will be capable of doing...”

2. Define the contents that will be worked on, ensuring that all of the quadrants are addressed. Preferably list the contents in the order in which they will be addressed.

3. Define activities that will work on the contents so as to:
   - Stimulate different developmental lines
   - Strengthen the strong/positive points of the level at which the participant resides
   - Create challenging experiences that encourage progress to a higher level

4. Check whether the space and communication methods are tailored to the level of the participants.

A standard format was developed for stage 2 (Fig. 5). Based on this model, we were able to explain our methodology to participants and those responsible for the areas/processes. We started the dialog with the public by explaining that we use a simple four-quadrant methodology to analyze the training, and gave a brief description and examples of each one. Once assured that the interlocutor understood the concept, we asked him to remember his educational experiences and describe the contents of which quadrant was worked on. In all instances the answer was in the exterior collective quadrant (Lower Right) and in certain cases they also mentioned the exterior individual quadrant (Upper Right). We then explained that most of the educational actions worked on the exterior collective quadrant, as they explained methods and processes to be followed. Then, we reminded the participant that whenever there was a demand for training, this demand was due to the

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**Figure 5. Standard identification of contents model.**
fact that something was not working adequately and needed to be modified. We then asked, “Who changes the behavior? The collective or the individual?” The answers clearly revealed the need to work on the exterior individual quadrant. We continued by explaining that if we only worked on the behavior of the students, we would be conditioning ourselves to follow a certain behavior before a stimulus, and not encouraging the search for an adjustment to the changes. It soon became clear that we also needed to work on the interior individual quadrant (Upper Left). Finally, we addressed the point that for the organization it was more important to ensure that knowledge be disseminated, regardless of the person involved in the process. This is the only way to guarantee the sustainability of a business, but to reach this end it is necessary for the company’s culture be strengthened (Lower Left).

Once the contents were identified, it was time to design the activities. At this time, educators work to prepare the activities that will meet the program’s objective, seeking the largest possible diversity of developmental lines (see Fig. 6). Also during this stage, it became clear that it was important to address the maturity level of the audience. This requires searching for the highest possible number of references, however subjective they might be. Examples include how to deal with rules, presence of guilt, energy level, degree of empathy, value estimations, degree of autonomy, competitiveness level, communication level, degree of flexibility, resilience, degree of acceptance, form of recognition sought, and so on. Members of target groups were rarely at the same maturity level, which implied further diversifying of training activities.

Finally, after the activities had been defined, it was important to address the environment where the training would be held, the educator who would facilitate it, and the communication that would be used to

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<table>
<thead>
<tr>
<th>Line</th>
<th>Based on the individual’s capacity to...</th>
<th>Examples of activities</th>
</tr>
</thead>
</table>
| Spiritual: how I connect with my “higher me” | contemplate man's deepest essence and aspirations; seek the nature of his relation to the divine. | - Exercises of gratitude and forgiveness  
- Meditation  
- Contact with nature  
- Contemplation |
| Kinesesthetic: how I do this physically | understand the somatic and physical sphere, including physical sensations, motor coordination and body movement. | - Handicraft with clay  
- Body movement, exercises, dance, martial arts, yoga, massage, sports  
- Sign language, gesture charades games  
- Exploring the environment through touch  
- Touching different texture objects |
| Interpersonal: how I relate with other people | understand the intentions, motivations and desires of others. | - Speaking with strangers  
- Practicing active listening  
- Collaborating in a project of mutual interest  
- Organizing a brainstorming session with the group  
- Collective games |
| Emotional: the specter of emotions | note and express emotion, assimilate it into thought, understand and reason with it, and know how to control it in himself and in others. | - Getting in contact with himself, noting his own feelings, his own emotions  
- Artistic expressions  
- Movies, music |
| Cognitive: awareness of what I am | understand, diagnose and solve problems, based on the mental processes that involve attention, perception, memory, reasoning, judgment, imagination, thought and language. | - Practices  
- Explanation  
- Exercises  
- Reading |
| Identity: understanding who I am | process such questions as: who am I? what is the problem? how will the problem be solved? what is the purpose of life? | - Individual reflection  
- Meditation |
| Values: what I consider most important | understand what is right and what is wrong and show a behavior based on his values | - Individual reflection  
- Reading  
- Centering exercises |

**Figure 6. Activity examples for developmental lines.**
guarantee adherence to the maturity level (or levels) of the target public, and encourage them toward a higher level (Fig. 7). At present, over 30 training courses have been conducted based on this integral pedagogy and we have another 40 in development. Now that an overview of our integral education architecture has been provided, the remainder of the article is devoted to two actual examples.

**Case 1: Integral Practice Laboratory**

In 2012, the Natura Corporate Education team developed a course titled “Practical Initiation to the Integral Model.” This training course aims to explicate the Integral model’s basic concepts in a simple manner, demystifying the perception that the model is complex. The final objective was to have a larger group of persons “speak the same language” and thus facilitate incorporation of the model in our processes and projects. After the first class, we received several other requests for the same program and to date over 100 participants have received training. However, at the end of all of the classes the participants had the same request—more time to practice the model. This gave rise to a class deemed the “Integral Model Practice Laboratory.”

Once an objective had been defined (“At the end of the training course, the participant should be able to develop projects and processes aligned with the Integral Model”), the first step was to identify the contents that would be addressed using the quadrants (Fig. 8). The contents having been defined, we started to design the activities. First, the target public was analyzed and most participants were perceived as being at green altitude, with some participants at orange altitude. Accordingly, the activities were conceived to stimulate them toward second-tier levels by means of self-perception exercises, collective discussions and activities, and reversal of limiting beliefs.
Several developmental lines were considered when planning the activities. For example, the values line was worked into the following activity:

- **Individual constructing and limiting beliefs**: Each participant must write in flyers at least one constructive belief and one limiting belief that he feels the project must convey. The constructive beliefs must be put in a box and the limiting ones in a separate box. The flyers related to the constructive beliefs will be distributed among the participants. Each participant must represent corporeally his own belief, which will facilitate the development of the project and the belief stated in the flyer received. The same will be done for the limiting beliefs.

The emotional line was worked on in the individual presentations at the moment of check-in and closing, as well as in the activities:

- **Individual feelings**: Each participant must make a drawing representing his feelings with respect to the project.
- **Dealing with the feelings**: The facilitator instructs each subgroup to make a collective drawing with gouache (signaling through the drawing how the group will support good feelings and create something new from bad ones)

The identity line was also addressed:

<table>
<thead>
<tr>
<th>INTERIOR</th>
<th>EXTERIOR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIVIDUAL</strong></td>
<td></td>
</tr>
<tr>
<td>What are my beliefs related to this project?</td>
<td>How can I support others in their beliefs?</td>
</tr>
<tr>
<td>What is my feeling with respect to what is being proposed?</td>
<td>What is my role in this project (in the laboratory and outside it)?</td>
</tr>
<tr>
<td></td>
<td>How do I address these feelings?</td>
</tr>
<tr>
<td><strong>COLLECTIVE</strong></td>
<td></td>
</tr>
<tr>
<td>What is the proposal of this project?</td>
<td>What is the project proposed in the laboratory – brief description with assumptions and requirements</td>
</tr>
<tr>
<td>Why does it exist?</td>
<td>Case presentation (project already developed)</td>
</tr>
<tr>
<td>What are the beliefs related to the subject of the group that will receive this project?</td>
<td>Details of the project’s activities/actions (quadrants, levels, and lines)</td>
</tr>
<tr>
<td>How do we influence it?</td>
<td>Is there someone or a group that needs to be influenced to make the project viable?</td>
</tr>
</tbody>
</table>

_Figure 8. Contents of the “Integral Model Practice Laboratory” training course._
• *Individual insights:* Each participant must write a composition with the insights he had to adjust the project to the Integral model. Important: the composition takes five minutes and during this time the participant must not stop writing.

All activities involving collaborative activity addressed the interpersonal line, since communication between individuals was needed to achieve good results. The kinesthetic line (deep breathing and bodily movements), in turn, was worked into the check-in portion of all meetings and several activities. Finally, the spiritual line was addressed with respiratory exercises during the check-in and a gratitude activity at the end of the program.

To conclude, considering the target public hovered between orange and green altitude, the following was defined:

- **Environment:** roundtables with subgroups, but with the tables forming a semicircle. The tables gave the necessary structure for those at orange altitude, with the groups and the semicircle satisfying a characteristic valued by green altitude (interaction among all).
- **Facilitator:** The training course fulfilled the needs of those who were at orange altitude, but those who had sensitivity to work on nonfunctional issues raised by the group fulfilled the needs of employees at green altitude.
- **Communication:** explaining concrete gains and having practical activities met the needs of orange altitude employees, while the inclusive design and co-responsibility of participants satisfied those at green altitude.

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**Figure 9.** Contents of the “Understand and Comply with Occupational Safety Standards” training course.

<table>
<thead>
<tr>
<th><strong>INTERIOR</strong></th>
<th><strong>EXTERIOR</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIVIDUAL</strong></td>
<td></td>
</tr>
<tr>
<td>Importance of the body</td>
<td>Experience “without the thumb”</td>
</tr>
<tr>
<td>How I see myself with respect to safety</td>
<td>My safe and unsafe behavior</td>
</tr>
<tr>
<td>The value of life</td>
<td></td>
</tr>
<tr>
<td><strong>COLLECTIVE</strong></td>
<td><strong>ITS</strong></td>
</tr>
<tr>
<td>Importance of safe behavior</td>
<td>Emergency care</td>
</tr>
<tr>
<td>Importance of awareness</td>
<td>Function of the IPEs</td>
</tr>
<tr>
<td></td>
<td>Protection of machines</td>
</tr>
<tr>
<td></td>
<td>Unsafe working conditions</td>
</tr>
</tbody>
</table>
**Case 2: Understand and Comply with Occupational Safety Standards**

The Natura production area requires the development of training-in-the-workplace (TWP) programs. In general, these are short training courses that make learning easy and do not impair manufacturing productivity. One of the demands received by the Corporate Education area was to develop a TWP course around understanding and complying with occupational safety standards. The development of this course was supported by an external partner, the Criativa consulting firm represented by Paula Rocha.

Once the objective had been defined (“At the end of the training course, the participant will be aware of his actions and will act in a safe manner”), the first step was to identify the contents that would be addressed and which are present in the quadrants (Fig. 9). Next we informally identified the public’s level of maturity. Based on an oral survey, we noted that most participants appeared to be in transition from the socialized mind to the authorial mind, specifically from amber to orange altitude. Accordingly, the activities had to be developed in such a manner as to provide clear parameters on what to do and what not to do with respect to safety standards, using practices that supported those at red altitude. Activities were defined as below:

- **Emergency Care**: The facilitator asks the group what extension number they should dial in case of an emergency, and offers examples of emergency situations that necessitate calling the number. Next, he presents what must be done in an emergency situation. Finally, he asks the group to identify in the workplace three examples of equipment available for emergency care.

- **I Love My Life**: Provide each participant with a sentence that considers the significance of each part of the body. The participant must read the completed sentence for the group. After all had spoken, pose the following questions:
  - What can we note from this activity?
  - Have you stopped to think about the importance of each part of the body to carry out activities that we enjoy?
  - Do you think that we care properly for each part of our body in our work activities?

Finally, considering the target public hovered between amber and orange altitude, the following was defined:

- **Space**: allow contact with the body
- **Facilitator**: people who identify with hierarchical structure and legitimation
- **Communication**: explain the immediate gains and clear rules with the due consequences

**Results**

At present, over 30 programs have been developed using the Integral model. It is difficult to quantify the results of the educational actions for the business, however, as the market does not yet offer clear forms for quantifying how an educational action has influenced changes. Accordingly, we have been working with qualitative evaluations based on feedback received from educators, facilitators, participants, and organization leaders. Below is a selection of the feedback that has been received:

The training programs aligned with Natura’s pedagogical model focus not only on the collective processes and practices, but also the beliefs, behaviors, and relations of the people. This is the case of the Career Guidance Workshop, which will be applied at CSC (Shared Services Central) and which will provide a thought exercise so that employees will be connected as an individual and will be able to better understand others. We understand that this model makes
sense, since by acting on the individual we are naturally able to influence and introduce new roles to the team.

– Karmelita Carvalho (HR at CSC) and Marcos Canina (Manager at CSC), Participants in the Career Guidance Workshop

The integral methodology honors different human potentials and expands the vision of human beings because it considers the diversity of knowledge that all men and women inherit. This approach includes, integrates, and enlarges different dimensions, opens new paths, and generates opportunities for personal and professional attainment. I believe that Integral Theory applied to education provides for the integration of what is best from all conventional and alternative education approaches, honors each of them, and exceeds the limits of both.

The designs of the programs developed and aligned with the integral methodology become, therefore, more human and harmonious because they consider the human being in its completeness: body, mind, and spirit. Developing programs that consider the interior and exterior dimensions of individual and collective perspectives produces powerful results that open new paths and opportunities.

– Gislaine Lima (Corporate Education Manager), Educator

Undoubtedly, some of the feedback received about the program was positive—it is certainly an indicator that this work makes sense within the context in which we all live—because it expands awareness and challenges participants to increase their perspectives about the subject at hand.

– Marisa Godoi (Development Manager), Facilitator of the People Management Workshop

I perceive Integral Theory as a map that organizes different theories and makes it possible to use them to accelerate human development. Using the integral methodology aligned with the Natura Pedagogy makes such development possible and, furthermore, engages partners in the same educational model. It makes us see with an integral vision the subject worked on and co-create a systemic vision—the individual as an actor in different roles, the system in which he is inserted, and the current context for the construction of a future path. Thus, it expands the learning process, which may be translated into behaviors and results that contribute to the development of new perspectives.

– Djenane Salgado (Corporate Education Analyst), Educator

Developing programs with the Integral Model makes it possible to efficiently achieve the evolution of people, because we are concerned not only with the content to be presented, but also with what we must arouse in the individual so that he will learn effectively. We are challenged to include practices that make this evolution possible, so we are also continually developing ourselves as we start thinking in a more integral manner, and thus everybody gains.

The results are evident. People question their beliefs and assess their current behavior. In the training courses, they somehow verbalize their beliefs. For example: “My goodness, do I do this?” “How can I behave like this?” With this awareness, they understand the importance of the subject presented and the need for evolution. In the training courses applied using this
methodology, it is possible to note that people come out differently than how they arrived. I think this is the best proof that the model works.

– Paula Rocha (Consultoria Criativa, Corporate Education partner), Educator

I put my hand inside the machine, but I will do this no more. I did this because of the daily rush but I had not thought of my life.

I do not use the safety belt on my way to Natura because I live nearby. But from now on I will use it. One doesn’t think that something could happen in such a short distance.

How am I going to train other people if I am doing things wrong with respect to safety? What a shame!

– Three Participants of the Understand and Comply with Occupational Safety Standards TWP

Using the Integral model at the time the training courses are prepared makes a big difference because we start thinking about the impact of the subject on the individual, group, and the organization. This adds a lot of value to the development of the content, which becomes more natural, more fluid. In addition, it provides the manager responsible for the development and application of the training course with security and confidence, because he himself ponders on the impact of that subject on his beliefs and the collective practices of the group.

– Fernanda Gobbo (HR Manager), Participant in the Practical Initiation in the Integral Model training course

Conclusion

Natura is a complex and dynamic company. In order to support this complexity and a variety of inputs, the company has taken inspiration from human development theorists, UNESCO’s Four Pillars of Education, and Integral Theory. Natura’s methodology (pedagogy), governance, and educational map (projects) were developed to support this high level of complexity. Natura’s educational projects seek to bring together various areas of knowledge, such as science, art, ethics, spirituality, and personal growth, in order to define the premises that should be considered when attempting to understand and develop human potential. With this approach, Natura has been able to reach all of our clientele in a manner that is consistent with our values and business strategies.

NOTES

1 Natura is a Brazilian company that manufactures and sells cosmetics, fragrances, and personal hygiene products in a direct sales business model. Founded in 1969 by Luiz Seabra, today it operates in Brazil, Argentina, Chile, Colombia, Mexico, Peru, and France via 1.4 million consultants and more than 6,000 employees.

Reason for Being

Create and sell products and services that promote well-being/being well. Well-being is the harmonious and agreeable relation of the individual with himself, with his body. Being well is the empathic, successful, warm relationship of individuals with others, with the nature of which they are part, and with the whole.

Vision

Natura will be a worldwide brand, identified with a community of people committed to the construction of a better world.
by having a better relation with themselves, with others, with the nature of which they are part, and with the whole.

**Beliefs**

- Life is a chain of relations. Nothing in the universe exists by itself; everything is interdependent. We believe that acknowledging relationships is the basis of a great human revolution in the valuation of peace, of solidarity, and of life in all of its manifestations. The permanent search for improvement is what promotes the development of individuals, organizations, and society.
- Commitment to truth is the pathway to quality relationships.
- The bigger the diversity of the parts, the bigger the wealth and vitality of the whole.
- The search for beauty, a legitimate yearning of every human being, must be free from prejudice and manipulation.
- The company, a living organism, comprises a dynamic set of relations. Its value and longevity are linked to its capacity of contribute to the evolution of society and its sustainable development.

2 Priority stakeholders selected were employees and their families, the surrounding community, suppliers, vendors, the academic circle, stockholders, Natura consultants, the Natura consultants advisor, and final consumers.

3 The development of the Integral Life Practice program and the preparation of the Natura Pedagogy were led by former employee Sara Araújo, manager of Corporate Education, to whom we dedicate our thanks for having significantly contributed to our first steps on the integral pathway.

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INTEGRATING MONEY AND MEANING
The Role of Purpose and Profit in Integral Business
Brian Whetten

ABSTRACT Given that most people want to have careers that integrate their needs both to make a difference and make money, why do so few do so? Based on a synthesis of Integral Theory and applied practice, this article proposes an explanation for why it is often much harder to build careers and organizations that embrace such a dual mission rather than ones that are strictly for-profit or non-profit; explains five reasons why addressing this challenge is one of the largest opportunities in the field of Integral Business; and proposes three key principles for doing so. Correspondingly, it proposes a novel way of approaching business dynamics; a new definition of integral business; and a theoretical discovery regarding the core dynamics of psychological and spiritual growth.

KEY WORDS business; organizational development; Integral Theory; vocation

In working with hundreds of conscious businesses over the past eight years, I have noticed a curious pattern. The more conscious the leaders were, and the more committed the organization was to making a difference in the world, the more difficult it often was for them to build a successful, profitable business—at least at first. In other words, the more people were committed to both making money and making a difference, the more challenges they seemed to encounter.

This was unexpected. I had assumed that conscious business would be defined by three things: 1) higher consciousness (particularly in the leaders of the organization); 2) greater purpose (a stronger commitment to making a difference in the world); and 3) increased success (larger profits). I believed that consciousness was the ultimate competitive advantage, and I expected that it would be easier to build an organization that creates both money and meaning, rather than just one or the other.

Yet this often wasn’t true. Or perhaps more accurately, it was only half true—that while on the one hand conscious business comes with great gifts and opportunities (Cameron et al., 2003), on the other hand it also comes with some equally great challenges. The more I explored this pattern, the deeper and more pervasive I found it to be. In retrospect, I can now see how integrating money and meaning has been a problem—often times the defining problem—in virtually every purpose-driven organization I have worked with, including my own. Despite this, very few organizations appear to even be aware of the roots of this challenge, let alone have the tools to effectively address it.

My organization believes that learning how to help people create careers and organizations that integrate both money and meaning is one of the primary opportunities integral business has for creating value in the world. When defined this way, vast numbers of people already want to do integral business—they just don’t know how. Under many names (corporate social responsibility, social entrepreneurship, spirituality in business, positive organizational scholarship, conscious business, venture philanthropy, etc.), the drive to create organizations and careers that are both purposeful and profitable is one of the largest and most exciting
trends on the planet right now. Furthermore, I’ve found that an integral perspective is virtually required in order to diagnose the root causes of the challenges that come up in these types of purpose-driven businesses.

This article explores this core challenge; proposes a new theory to explain it; shows why addressing this challenge is so important; offers a definition of what it means to do integral business from this perspective; and presents three core principles for integrating spirituality and business.¹

Related Work

In the general field of purpose-driven business, most of the previous work has been descriptive, prescriptive, or anecdotally based. Work like *A Spiritual Audit of Corporate America* (Mitroff & Denton, 1999), *Mega-trends 2010* (Aburdene, 2005), *The Cultural Creatives* (Ray & Anderson, 2000), *How to Change the World* (Bornstein, 2007), and *The New Wellness Revolution* (Pilzer, 2007) describe how businesses are becoming more purpose driven. Work like *The Cluetrain Manifesto* (Levine et al., 2001), *The Speed of Trust* (Covey, 2006), and much of the popular media, argue why businesses should become more purpose driven. And work like *The Corporate Mystic* (Hendricks & Ludeman, 1996) and *Conscious Entrepreneurs* (Kloser, 2008) provide suggested solutions, but based primarily on anecdotal experience.

In the specific field of Integral Business, most of the previous work has used an explicitly Integral approach based on asking the question, “How can we apply integral maps to traditional theories of business?” Work like “Good for Business” (Edwards, 2004) and “Integral Business and Leadership” (Burke et al., 2006) shows how the Integral map relates to business, rather than offering specific solutions.

Our Approach

This article focuses on integrating both theory and practice. It is based on the model described in “From Theory to Practice: Turning Integral Genius into Widely Applicable Wisdom” (Whetten, 2008). In line with work like *Conscious Business* (Kofman, 2006) and *Presence* (Senge et al., 2004), my approach starts with an acknowledged, underserved need, uses the broadest possible theoretical maps to understand and diagnose the problems involved with that need, and then completes the process by creating a set of integral key distinctions as tools for creating grounded, implicitly integral solutions that do not require an understanding of the AQAL model to understand or put into practice.

As such, the propositions in this article have been derived by simultaneously exploring three questions:

1. **Is it true?** Is the proposition coherent with Integral Theory and other related theoretical frameworks? Can it be validated by experimental studies?

2. **Does it work?** Treatment is one of the fastest forms of diagnosis. Has the proposition been shown to have practical value in diagnosing and treating a wide range of problems?

3. **Does it resonate?** In seeking the simplicity that exists on the other side of complexity, does the proposition resonate intuitively as truth, with a range of different people?

In doing so, our data set has consisted of anecdotal evidence from our own work and that of fellow practitioners. We have not done a formal methodological study, which would be a goal of future research.

¹ This article has been adapted from the following publication: Whetten, B. (2010, June). Integral business: How to make a difference and make money while doing what you love. *Integral Leadership Review, X*(3).
The Challenge

The division between profit-driven and purpose-driven work goes so deep we often take it for granted. To simplify Abraham Maslow’s hierarchy, everyone has three levels of needs: survival, success, and fulfillment. In Integral Theory, these correspond to the three levels of body, mind, and spirit. And in the workplace, they equal the difference between having a job, a career, or a calling (Conway, 2007) (Fig. 1). All three levels of needs are important, and given how Western culture has become rich enough that people now drive to their protests, the desire to create meaningful, purpose-driven work is becoming an increasingly important priority.

Most people want to have careers that create high levels of both money and meaning. Yet few do. At the individual level, notice how often people who are pursuing their calling feel they have to sacrifice their financial success in order to do so.

At the organizational level, we must take into account the dichotomy between for-profit and non-profit entities. For-profit companies are measured by how much money they generate, while non-profits are measured by how much of a difference they make. Market fundamentalists such as Milton Friedman argue that it’s actually immoral for corporate executives to reduce profits in order to do good in the world, while non-profit organizations aren’t legally allowed to make a profit (Friedman, 1970).

So why is this? Why does it seem to so many people like they have to pick one or the other? For employees, at least part of this dynamic can be explained by the idea that people are paid in multiple currencies. From this perspective, total compensation is the sum of the money and meaning received. So one reason teachers have lower salaries than investment bankers is because they receive more meaning from their work. And yet, particularly for entrepreneurs, executives and self-employed professionals, there also seems to be something much deeper going on. Consider these examples:

**Purpose-Driven Practice Builders.** At Core Coaching, much of our work has involved training coaches, counselors, and healers how to market their services and fill their practices. Because of how meaningful their work is, these self-employed professionals tend to love providing their services. Yet we’ve found that almost all of them have a deep aversion to going out and proactively selling their services, and the more conscious they are, the more profound this conflict tends to be. It shows up in many ways, such as procrastination around enrollment activities, difficulty charging what their services are worth, and an assumption that “if I build it they will come.”

**Self-Help Organizations.** This conflict between sales and service has also shown up in self-help organizations we’ve had the opportunity to work with. Here’s a typical pattern: the organization starts when
the leaders create a set of offerings that have a natural, relatively untapped market. Word of mouth creates an initial level of success—perhaps a best-selling book and a series of successful training seminars—and then as competition enters the market, the organization hits a wall. In order to turn things around, the leaders then have to face a deep resistance to enrollment (“Can’t we just hire someone to do that?”) as well as a strong tendency to underprice their offerings (“The problem must be that we’re charging too much.”) Few make this transition successfully, causing many organizations to struggle and fail.

Medical Doctors. Being a doctor used to be one of the few professions that created a high level of money and meaning without having to deal with issues of money and fees. Because insurance paid for everything, doctors were largely able to divorce sales from service. No longer. Doctors are becoming increasingly upset with their profession because of the difficulties in dealing with the business side of things (“I feel like I need an MBA in order to keep my practice going.”) And the costs of the system are quickly becoming unsustainable; the divorce between sales and service has created the incentive for doctors and patients to order as many tests and services as possible, rather than selecting care based on the level of value it provides.

Leadership Development. Research has shown that leadership is the top predictor of long-term corporate success. According to Jim Collins (2001), “All the good-to-great companies had level 5 leadership at the time of transition” (p. 22). A survey of the business literature found that “EQ was four times more powerful than IQ in predicting who achieved success” (Whetten & Cameron, 2011, p. 66). As Fred Kofman (2006) states, “The only way to generate a competitive advantage and long-term profitability is to attract, develop and retain talented employees” (p. 14). Yet in the same book, he also points out that “these qualities are rare in people, but they are even rarer in organizations” (p. 36). It’s well proven that great leaders create a great culture which creates great profits. Yet few leaders actually do the deep growth work required to develop a care and competency for growing profits and integrate it with an equal care and competency for growing people. Not because they don’t want to, but because it’s surprisingly difficult to do so.

Is It Just a Stage Conflict?
In examining this challenge, my first thought was that the problem must be a stage conflict, such as between the values of orange-altitude for-profit and green-altitude non-profit organizations. Yet the conflict shows up consistently, at each stage of development.

At amber altitude, notice how money is often described as “the root of all evil,” and how many priests take a vow of poverty. At orange altitude, notice how many executives compartmentalize their values, holding one set of rules for their actions at work and a completely different set of rules for their actions at home. At green altitude, notice how many people use the law of attraction as an excuse for magical thinking. And at teal altitude, notice how many people in the integral community are struggling to create careers that are both purposeful and profitable. People from all walks of life get upset when non-profit executives are accused of taking home outsized salaries, or when spiritual teachers start charging high prices. The conflict between money and meaning is more fundamental than this. It comes out of the foundations of the spiral of development—out of the duality between Eros and Agape, physical and spiritual, heaven and earth.

The Core Challenge of Integral Business
The physical world is based in scarcity. Everybody eventually dies. The spiritual world is based in abundance. There is no death in Spirit. Money comes out of scarcity; the law of supply and demand asserts that all prices are set based on competition over scarce resources. Without scarcity, money has no worth. While it may be true from the perspective of Spirit that money is just energy and there’s more than enough to go around, from the perspective of my mind and body, money is oxygen. It’s survival. It’s the ability to get my physical needs met, and put off death for as long as possible.

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In contrast, meaning and purpose come out of spirit. The meaning of life comes from growth, giving, and connection—three of the primary forms of love. Many spiritual teachers consider service to be one of the highest forms of consciousness on the planet. How do you get more love? You give it away. When we’re being of service doing what we love, we’re automatically lifted high on the ladder. Where money is sourced from the scarcity at the bottom of the spiral, meaning is sourced from the abundance at the top (Fig. 2).

As such, traditional business tends to be conducted from the lower part of the spiral. While we tend to think of a business as “being orange,” the quest for money connects down to our deepest, most primal desires. When people say “business is war,” they’re connecting to the places inside where business feels like a Darwinian struggle for survival.

And there’s the challenge. When we commit ourselves to building a business that provides both money and meaning, what we’re doing is seeking to embrace the top and the bottom of the spiral at the same time. We’re seeking to reach up to the heavens while staying planted on the earth. When we do so, everything we have yet to heal—all our remaining shadow aspects—automatically start coming to the surface.

**Bringing the Shadow to Light**

Evolution is fundamentally a process of integration. It’s a process of growing in consciousness, not by escaping the duality of the physical world, but by simultaneously transcending and including it, as we evolve in our awareness of spirit. We do so through a process of thesis, antithesis, synthesis—first embracing one side of a perceived conflict, then the other, and then lifting to a point in consciousness where we’re able to embrace both sides at once.

From this perspective, our shadow can be described as a *collection of unresolved perceived conflicts*. When we grab a single side of a polarity, we automatically tend to send the other side into exile. The inner aspects we associate with being a “good boy” remain conscious, while those we associate with being a “bad boy” get repressed.

Another way we deal with unresolved conflicts is through compartmentalization, such as when an executive treats her family as a place for love and her business as a place for ruthless, success-at-all-costs competition. In this case, we act out one side of a polarity in one context, and then the opposite side in another—we
deal with our shadow not by integrating our conflicts directly, but by creating different “sandboxes” where it feels safe to play with both sides.

These tactics are useful because directly healing and integrating conflict isn’t easy. And this challenge of integration continues as we evolve. Where someone at a “magic” level of consciousness has two stages worth of conflicts to integrate, someone at an “integral” level has at least six.

In coaching conscious business leaders, one of my deepest and most consistent experiences has been that when someone fully commits to creating a business that equally integrates both money (i.e., the “thesis” at the bottom of the spiral) and meaning (i.e., the “anti-thesis” at the top of the spiral) all their unresolved shadow issues (i.e., the conflicts in the way of “synthesis”) automatically start coming forward. While we have not proven this pattern through qualitative research, it appears to be a foundational psychospiritual dynamic.

**Proposition:** The more an individual or organization simultaneously seeks to embrace two sides of a polarity, the more their unresolved shadow issues will automatically surface for healing.

For example, one student in a six-month practice-building teleclass spent the first two months of the program on mute, as she showed up each week and was unable to keep from crying. And for me, selling my coaching services has brought up layer upon layer of inner conflicts, despite having had years of prior success as a Silicon Valley entrepreneur.

As an analogy, imagine that your consciousness is a towel, and your shadow is some dirty water it’s absorbed. Building a business that integrates both money and meaning has the same effect as stretching and twisting the towel—it wrings out the water inside. This process tends to be both scary and painful, and so we often judge the process and seek to avoid it.

We tend to assume that leadership is about somehow moving beyond the place where we get upset or feel torn over our inner conflicts. Yet the reality is that integral business leadership is all about embracing these conflicts. And the more committed we are to conscious business, the more profound this challenge—and this opportunity—becomes.

The more we seek to create an organization that both makes money and makes a difference, the more of the spiral we’re seeking to integrate, and the more opportunities for deep personal and spiritual growth we’ll receive. Most people don’t understand this dynamic, let alone know how to work with it—even if they’re highly conscious. Scratch the surface of almost any spiritually driven organization, and you’ll find a remarkable—and remarkably consistent—set of dysfunctions.²

Conscious business requires a conscious commitment to working with shadow. But few people do so. Instead, either they accept the strict divorce created between for-profit and non-profit organizations, or else they jump into the fire, and then wonder why it hurts so much.

**Proposition:** The more an organization’s mission includes both making money and making a difference, the more its members’ shadow issues and inner conflicts will surface as they seek to pursue this mission. This is a core challenge of Integral Business.

This challenge plays out at both the individual and the organizational level. For individuals, it shows up as

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² This is not to say that traditional businesses don’t have emotional conflicts. While embracing our issues brings them up for healing, repression causes them to show up in other, usually less productive ways, which is why the majority of unresolved issues in all businesses—both conscious and unconscious—tend not to be intellectual or ideological, but emotional in nature.
upset emotions and interpersonal conflicts. For organizations, it shows up a permanent tension at the heart of the company, which can’t be resolved, and must be managed instead.

In one key way, it’s easier to run a Fortune 500 company than it is to run a family business. By definition, a family business is a purpose-driven business—its mission is based on integrating the values of love and family with the values of money and business. In a standard company, all disagreements can be resolved according to a single standard: what makes more money? But a purpose-driven business is always one decision away from a civil war, because its mission is built on two sets of radically different values.

For example, if the CEO of a family business wants to fire Uncle Harry because of incompetence, half the family might say this is absolutely the right choice (i.e., “business profits should be our top value”) while the other might say this is absolutely the wrong choice (i.e., “supporting the family should be our top value”).

Learning how to manage this conflict between money and meaning is one of the primary tasks of integral business leadership. And this conflict is so profound and pervasive that it’s one of the defining challenges of Integral Business.

**Defining Integral Business**

*Proposition:* An organization that meets the following two criteria is an integral business.

1. The organization’s mission is based on a dual commitment to both making money and making a difference.
2. The organization’s members have a conscious practice of working with the conflicts and issues this dual mission automatically brings forward.

In contrast, most of the existing conversations in the purpose-driven business space are focused solely around questions of organizational mission. These conversations recognize that where in the past, we’ve had a strict compartmentalization between for-profit and non-profit organizations, there’s now an opportunity and widespread desire to create organizations that integrate these two extremes.

For-profits are seeking to embrace more of a sense of meaning and purpose, such as through the corporate social responsibility and positive organizational scholarship movements. Non-profits are seeking to embrace more of a sense of financial self-sufficiency, such as through the social enterprise and venture philanthropy movements (Fig. 3).

*Figure 3. Two dimensions of Integral Business. CSR—corporate social responsibility; POS—positive organizational scholarship; Social Ent.—social enterprise.*
The problem is that when this is the only dimension that’s addressed, the actual process of building these hybrid organizations turns out to be much tougher than expected. Conscious business cannot just be defined by the consciousness of an organization’s mission. It also has to be defined by the consciousness of the members that are pursuing that mission. It requires looking both at what the company does, and the way its people are.

The Opportunity for Integral Business

Defined this way, Integral Business is a big deal. And it’s being driven by some of the biggest trends on the planet today.

The first trend is the way that ever more people want careers that create both money and meaning. It’s the rare person today who feels they can bring their whole self to work, yet the majority of people deeply want to (Mitroff & Denton, 1999).

The second trend is the rapid expansion of holistic wellness as a market. This market is now over $500 billion a year, and continuing to grow rapidly (Pilzer, 2007). For holistic practitioners and other purpose-driven practice builders, conscious business isn’t a luxury. It’s a necessity.

The third trend is the increasing dysfunction in our traditional healthcare systems. Doctors used to have the rare privilege of having careers that created both money and meaning without having to deal with this core challenge of conscious business. No longer.

The fourth trend is the need for sustainability. The great strength of capitalism is its capacity for exponential economic expansion. The great challenge of capitalism is its addiction to that expansion (Whetten, 2009). In order to create a sustainable future for this planet, business has to evolve and become more conscious.

The fifth trend is the financial crisis that started in 2008, which is discrediting market fundamentalism and weakening Wall Street’s power to dictate business values and hold companies hostage to short-term quarterly earnings (Whetten, 2010).

Together, these trends add up to a megatrend. In fact, in Megatrends 2010 Patricia Aburdene (2005) predicts that conscious business is going to be the megatrend of the next decade.

So there’s a tremendous opportunity for conscious business. What’s the problem? First, most leaders don’t understand this core challenge of integral business. Spirituality and business have been compartmentalized so strictly, and for so long, that we have very few role models for what a healthy integration looks like. While most people are aware of the emotional and spiritual dysfunctions that riddle companies, few people understand the roots of these symptoms.

The second challenge is that even for the people who get the problem, very few people have adequate tools for healing their shadow and working with their conflicts as they come up.

And the third challenge is that traditional business tactics often don’t work very well when they’re applied to conscious businesses. In many cases, business practices need to be re-invented in order to be able to function in this new environment.

Three Keys for Combining Spirituality and Business

So how do we work with these challenges? I’ve been asking myself this question, on my own and with clients, over the past eight years. I’ve found that there are three keys for combining spirituality and business. These keys are grounded in the core needs and challenges conscious businesses face, while also drawing on an understanding of Integral Theory. In particular, they’re informed by the following:

• **Stages of development.** Evolution, as the hand of spirit-in-action, proceeds from iden-
tification with body to mind to spirit. This process is not about escaping the body and mind, but about integrating them.

- **The role of shadow.** As competent adults, our shadow often becomes the primary block to our continued development. So in service to our evolutionary journey, our shadow regularly comes up for healing. And one of the most important shifts we can make is from fighting or judging this process, to embracing it.

- **Transcend and include.** Healthy evolution involves a process of transcending and including all that has come before. As our primary identification and locus of control shifts upwards, the key is to integrate the lower and put it in service to the higher.

When it comes to the core challenge of conscious business, I’ve found that bridging the gap between traditional business (which connects down to the bottom of the spiral) and service consciousness (which connects up to the top) requires reinventing much of the way that business is done. It requires taking the higher value system and translating it into the world of the lower, by asking the question, “What does business look like when it’s done from a place of love?”

**Proposition:** Integrating two values systems (i.e., money and meaning) requires translating the values of the higher into the world of the lower (i.e., transcend and include).

In my experience, mature love, meaning, and spirituality are largely synonymous. They involve growth, giving, and connection. These are three of the core values involved in reaching toward the top of the spiral. They are three of the primary ways we’re able to meet our needs for meaning and fulfillment. And they’re three of the primary aspects of mature love.

So, “What does business look like when it’s done from a place of growth, giving and connection?” One answer is that it’s based on the following three keys for combining spirituality and business:³

- Provide Exceptional Value (Giving)
- Adopt a Learning Orientation to Life (Growth)
- Only Connect (Connection)

**Provide Exceptional Value (Giving)**

The first key is to adopt a total commitment to providing exceptional value. This translates the ethic of giving into the context of business. And it provides a safety net that frees us from having to be perfect. We all have aspects of ourselves that yearn to give and aspects that yearn to take. To our most physical aspects, money can feel like oxygen, and business can feel like a battle for survival. Even when we feel like giving in to these aspects, a total commitment to providing exceptional value ensures that each transaction is a gift. It also creates self-trust and allows us to strive for excellence instead of perfection. Another way of stating this principle is that it involves adopting a paradigm of *win/win or no deal.*

At the bottom of the spiral (which I often draw as a ladder when speaking to non-integrally informed audiences) relationships are based on lose/lose. They’re about war, violence and revenge. If we move up a bit, we find a choice between winning and losing—between win/lose and lose/win. Then at the next rung, we find the win/win relationships that most conscious business builders say they want.

³ Visit www.sellingbygiving.com to view a set of short animated videos that walk through these three keys in a way that speaks specifically to purpose-driven practice builders.
But here’s the thing—what happens when a relationship can’t be win/win? For example, there are lots of people who wouldn’t get exceptional value from the services of a purpose-driven business. If we try to take one of those relationships and force it into a win/win, then someone’s going to lose.

In contrast, a true commitment to providing exceptional value is based on a paradigm of win/win or no deal. It recognizes that the strength of our yes can only be as strong as the strength of our no. So instead of feeling like we need to serve everyone, it involves seeking out only the relationships that are a mutual fit.

**Adopt a Learning Orientation to Life (Growth)**

The second key is to embrace the inner conflicts that conscious business brings up, and use negative emotions as opportunities for learning and growth. This step translates the ethic of *growth* into the context of business.

This means fundamentally changing our relationship with the gap between our most physical and most spiritual aspects (which shows up when we embrace both money and meaning). Instead of seeing it as a bad thing, or as something we want to eliminate, our opportunity is to embrace the conflict and use it as a vehicle for spiritual growth.

And what an opportunity it is. Do you remember your teenage years, and the fantasy of finding “the one” who will make everything okay, so you can live happily ever after? In this fairy tale, the purpose of marriage is to find someone who will make us happy—all the time, and without having to work for it.

In reality, the true purpose of marriage is to find someone who will challenge us, who will trigger our deepest issues—and who will also support us in healing those issues. A conscious marriage is an amazing thing. It’s much more difficult than a fairy tale, and it’s also much more rewarding.

Being committed to building a conscious business is similar. Building a business that provides both money and meaning requires marrying some of our most extreme polarities together, and then seeing the challenges that arise as opportunities. It means creating a conscious marriage inside ourselves.

As strange as it may seem at first, I’ve found my practice of doing conscious sales—and then working with the conflicts that come up in this process—to be one of the most powerful spiritual practices in my entire Integral Life Practice.

**Only Connect (Connection)**

This key translates the ethic of *connection* into the world of business. When a salesman knocks on our door, or a telemarketer calls during dinner, we tend to react defensively. Few people like “being sold,” because most sales and marketing is based on interruption (Godin, 1999). It’s based on someone trying to take our attention from what we care about, and focus it on something they want us to buy.

But one of the key things about love is that it doesn’t inflict itself on others. The final key involves creating authentic connections based on permission and invitation. Moreover, it means listening more than talking, seeking to understand someone else’s world rather than selling them on yours, and doing our best to make each conversation an invited gift.

We’re often acutely aware of the dangers of interruption-based marketing, and so we may run away from sales instead. I often meet coaches, counselors, and healers who are great at making connections and giving away their services, but who struggle to turn those efforts into successful sales. And that brings us to the other half of “Only Connect”—building relationships based on stair steps of trust and commitment. It’s like dating, where we get to know each other, build trust, and then if it’s a mutual fit, we agree to step up to the next level of commitment.

We tend to get this when it comes to dating, yet with sales, most people either propose on the first date (i.e., hard sales) or they never ask for commitment at all (i.e., build it and they will come).
INTEGRAL BUSINESS

Selling By Giving

These three keys form a foundation for how to integrate spirituality with business. The next step involves taking the different aspects of traditional business and re-evaluating them from this new perspective.

As one example, I’ve created a system for conscious business called Selling By Giving. It starts with an integral understanding and these three keys of conscious business, and then walks through six primary elements of business: motivation, value, profitability, marketing, sales and positioning, and redefines each of them from this new perspective—not as a theoretical exercise, but as a set of tools and practices that have created radical results for hundreds of conscious businesses.

In doing so, much to my surprise, I’ve found that what I judged as some of the least spiritual aspects of life (i.e., sales and marketing) have turned into some of the most profound opportunities for personal and spiritual growth.4

Future Work

Both the principles in this article and the Selling By Giving system originally emerged out of my work with purpose-driven practice builders—self-employed coaches, counselors, healers, and other types of heart-centered service professionals. This has made things easier to understand, as it involved working with a relatively tractable example of the challenges and opportunities of conscious business. Purpose-driven clients who act on behalf of their own organizations are typically so committed to making a living while being of service that they have no other option than to practice conscious business.

One drawback is that I’ve primarily worked with the Upper-Left and Upper-Right quadrants. Much of my current and future work involves applying these principles and systems to larger organizations, and seeing how organizational dynamics affect the findings presented in this article. I also want to further explore the shadow dynamic proposed above (i.e., how unresolved issues automatically surface when we reach for both the top and the bottom of the spiral, such as when we combine our needs for money and meaning) both in terms of validating this dynamic across different contexts and in terms of exploring additional approaches for addressing it.

REFERENCES


4 Visit www.sellingbygiving.com to download an overview of Selling By Giving. While tailored specifically for practice builders, I have found that at least 80% of the system also applies to larger conscious businesses.
BRIAN WHETTEN, Ph.D., serves as a coach, author, speaker, and facilitator. By the age of 30, he had received a doctorate in Computer Science from the University of California, Berkeley, raised $20 million for two start-ups, become an internationally known speaker and academic, made and lost millions—and burnt out twice. This was followed by six years of deep inner work and a M.A. in Spiritual Psychology from the University of Santa Monica, and he now focuses on the integration of spirituality, psychology, and business. He serves as the President of Core Coaching, is the founder of Selling By Giving, and writes a conscious business column for the Huffington Post. For more information, please visit www.integralcoaching.org and www.sellingbygiving.com.

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The term *holon* was coined by Arthur Koestler, and expanded upon by Ken Wilber. Koestler (1990) describes a holon thus:

“Part” conveys the meaning of something fragmentary and incomplete, which by itself has no claim to autonomous existence. On the other hand, a “whole” is considered as something complete in itself which needs no further explanation. However, contrary to these deeply ingrained habits of thought . . . “parts” and “wholes” in an absolute sense do not exist anywhere, either in the domain of living organism, or in social organizations, or in the universe at large. (p. 71)

However, holarchical patterns *are* deeply interwoven into the fabric of nature. For instance, the “nested” pattern of a complex holarchy is visible in the structure of the universe: atoms > molecules > cells > organelles > organs > individual > species > planet > solar system > galaxy > universe. Another common example of a holarchical pattern is seen in language: letter > word > sentence > paragraph > chapter > book > series.

Well-established technological holarchies possess a number of useful attributes: evolvability, adaptability, agility, and sustainability. The practical significance of the flexibility that holarchies offer is that a holon or a group of holons may be changed, upgraded, or deleted without materially impacting or disrupting peer holons or higher-order holons. The clear benefit here, of course, is that a holon-based structure gives the system a high degree of agility so that it can adapt to evolving demands and requirements based on feedback from its environment.

The feature of evolvability is extremely important, and will become even more so as the rate of technology evolution continues to increase. According to futurist Ray Kurzweil, generations of technology are being created at a consistently accelerating pace. While past performance does not guarantee future results, and although there are slight variations when paradigm shifts are said to have occurred, the idea of a con-

**ABSTRACT** With inherent characteristics of evolvability and sustainability, holarchical structures provide the flexibility that allows a system to adapt in response to change without disrupting the stability of the system as a whole. Further, the value of holarchies only increases proportional to the constantly increasing velocity of change. Recently, insights concerning the optimization of holarchies in diverse fields such as business, technology, and academia have begun to emerge. However, a comprehensive synthesis of the common holarchical ground among these fields is still lacking, and further exploration and cross-domain communication is needed. As this survey of key holarchical points will show, such a synthesis is one that Integral Theory is uniquely suited to address.

**KEY WORDS** technology; holarchy; business; sustainability
continuing acceleration of change is a credible one. If in fact these trends continue, it will become increasingly difficult to predict the future, especially in terms of technological innovation, or to accurately anticipate the future demands that technological evolution will place on both present-day and future systems. Holarchical architecture is a perfect option to meet this challenge, as it allows for “building in” evolvability while at the same time leaving open possibilities for improvement and adaptation as future needs arise.

Technology Evolution and Holarchy Design

A growing number of thought leaders and academics are considering elements of a holarchical viewpoint. Although they typically use different terminology and come from different perspectives, they all seem to be pointing to similar insights, and converging upon a common holarchic point of view. Strikingly, many authors point out similarities between technological evolution and the biological evolutionary process.

For instance, Kevin Kelly, executive editor of Wired magazine, sees technology evolution as an inevitable extension of natural evolution. According to Kelly, the entire collective of technology is evolving and converging into a holistic “Technium,” which perhaps unsurprisingly displays architectures and evolutionary behaviors that are virtually identical to those of holarchies. Evolution within the Technium occurs “when all the required conditions generated by previous technologies are in place, [so that] the next technology can arise” (Kelly, 2010, p. 152).

Matt Ridley uses a colorful analogy to express a similar point. He describes the process whereby technologies “have sex” and reproduce offspring. The most useful offspring are generally selected by the market for propagation and further re-combination to form yet more offspring. In an ever-deepening supply chain, these offspring often represent new, higher-order holons. The reproductive potential of technology is essentially unlimited, because “the more you invent, the more inventions become possible” (Ridley, 2010, p. 248).

Brian Arthur of the Santa Fe Institute also picks up on the similarity between innovative technology evolution and natural evolution. Just as novel forms of life emerge from a combination of existing factors (previous life forms, environment), Arthur suggests that “a novel technology emerges always from an accumulation of previous components and functionalities already in place” (Arthur, 2009).

Harvard University professors Carliss Baldwin and Kim Clark (2000) have produced a comprehensive theory of general modularity in their textbook, Design Rules: The Power of Modularity. The publisher describes the book in this manner:

Using the computer industry as an example, Baldwin and Clark develop a powerful theory of design and industrial evolution. They argue that the industry has experienced previously unimaginable levels of innovation and growth because it embraced the concept of modularity, building complex product from smaller subsystems that can be designed independently yet function together as a whole. (Baldwin & Clark, 2000).

Nobel Prize winner Herbert Simon coined the term “near decomposable (ND) systems,” which is the scientific term for layered modular systems (i.e., holarchy). In ND systems, the “frequencies of interaction among elements in any particular subsystem of a system are an order of magnitude or two greater than the frequencies of interaction between subsystems” (Simon & Ando, 1961, p. 113). Simon (2000) explains that the ubiquity of the near decomposable property is that under the usual conditions of mutation and/or crossover and natural selection, near-decomposable systems will increase in fitness, and therefore reproduce, at a much faster rate than systems that do not possess the ND property. (p. 589)
In a similar vein, Michael Braungart and William McDonough (2002) describe a process whereby designers anticipate and include architectural features to deal with the ultimate demise and decomposition of a product. They envision a product that can be relatively easily decomposed into raw materials. Toxic composites would be more easily separable from useful non-toxic composites (e.g., metal, plastic, paper, glass) so that the “technical nutrients” can be re-used. “A technical nutrient is a material or product that is designed to go back into the technical cycle, into the industrial metabolism from which it came” (Braungart & McDonough, 2002, p. 109). In addition to making a compelling case for the value of this strategy, the authors invite others to envision creative ideas for reaching this goal. Could a holarchic point of view be the answer to the challenge?

Zoologist Jessica A. Bolker (2000) pinpoints the concept of modularity as fundamental to research in both evolutionary and developmental biology: “The evolutionary developmental biology community, known as Evo Devo, investigates how different organisms develop from an embryonic state to a fully formed organism and more importantly how the development process itself changes over evolutionary time” (p. 770).

This survey of seven viewpoints is not, of course, exhaustive; many other authors and thinkers are also engaged in the holarchical conversation. And although each of the authors expresses related ideas in different ways, the holarchical threads that run through each of their domains are clear. While no one author can be credited as providing the definitive or final word on the matter, each makes an important contribution to our understanding of the patterns and process of Lower-Right quadrant technology evolution. In considering these viewpoints on technological evolution from the perspective of different fields and domains, it is possible to see the vague outlines of a metatheory taking shape, and it is one that is exceptionally compatible with Integral Theory.

Holarchies Inhabiting Technological Domains

The world of technology is teeming with holarchic concepts that are often not recognized as such because they are referred to by other terms such as platform or modularity. In fact, many areas of technology have their own domain-specific lexicons. In discussing a number of these technological areas, it will be useful to include some of the domain-specific terms for the sake of clarity, and to facilitate cross-disciplinary understanding for readers with various kinds of technological familiarity.

“Ecosystem usability” refers to the level of ease or difficulty of technological applications. The concept of holarchy is highly applicable here, in creating a tiered, seamless dashboard-like experience across various home technology devices. Many users are at least somewhat frustrated with the difficulty of using technology in their homes. This frustration is increased by the fact that a number of home devices are being, or have been, converged and integrated over time. Devices of this sort include: VCRs, remote controls, DVR devices, media servers, routers, modems, cable boxes, thermostat, televisions, personal computers, tablets, smart phones, stereos, printers, webcams, home security systems, and so on. Although convergence and integration are intended to make things more efficient, sometimes the outcome has just the opposite effect.

Creating a seamless user experience across an ecosystem of devices involves organizing interfaces, tasks, controls, and information into something approximating the dashboard of a car. A car has multiple screens, multiple knobs, dials and controls that are organized in what could be described as a holarchic manner. The top level function is that of driving the car, but the sub-functions and sub-sub-functions are layered throughout the dashboard, optimally in an array that reflects the relative importance of the function involved. For instance, the steering function should be near the top of the holarchy, while popping the trunk open would likely be located near the bottom of the usability holarchy.

1 Related works of interest include those by Pierre Teilhard de Chardin, Barbara Marx Hubbard, and Thomas Khun.
Similarly, software and databases have holarchical aspects to them. Anyone involved with designing software applications can attest to the fact that making substantive changes (i.e., re-factoring) with too much “spaghetti code” is time-consuming, expensive, and frustrating. The process of making “quick and dirty” pragmatic design decisions that resolve the immediate problem, but that do not leave the door open for evolvability, creates “technical debt,” incurring future obligations just as financial debt does (Baldwin & MacCormack, 2011).

Avoiding the problem of technical debt is possible if software architects use an approach that includes the concept of “separation of concerns,” where distinct parts of the code are constructed to be as autonomous as possible. Programming languages like Pascal and, later, object-oriented programming, took the concept further, building “separation of concerns” into the programming languages themselves.

In addition to designing software code, software architects must determine the optimal database architecture of the data it will be storing and acting upon. Eric Evans (2003) describes the challenges and importance of designing the optimal database in his book *Domain-Driven Design*. As an example, software written for a city’s garbage collection would need to have the physical address as anchor (i.e., top of the holarchy) and particular Social Security numbers of residents could come and go (i.e., next level of holarchy depth). In contrast, software written for a credit card company would need to have the Social Security number as the anchor, and particular addresses of borrowers could come and go. The process is loosely similar to choosing how to name the files and folders on your personal computer.

In addition, computer hardware designers face similar holarchical choices. In the hardware domain, engineers speak of layered modularity, nested sub-systems (or sub-assemblies) and sub-sub-systems. One example is the technology for computer modems, which has gone through a number of degrees of integration: separate device, external module, internal module, shared circuit board, and eventually the core processor (i.e., system on a chip). Each stage of device convergence marks another layer of modularity:

1. First Ethernet Connected
2. External Module: USB Connected
3. Internal Module: PCMCI
4. Separate Circuit Board: Daughter Board
5. Modular Chip: Surface Mount Technology
6. Shared Circuit Board
7. Shared Core Computer Chip: System on a Chip

Engineers are regularly faced with many hardware architecture design decisions which involve determining what level of a particular hardware configuration a particular holon belongs within the overall holarchy.

Increasingly, the network architectures of many large telecom networks have begun to rely heavily on holarchic concepts in their network architecture (i.e., traffic management, queuing theory, OSI Model) and routing protocols (i.e. OSPF, BGP, Autonomous Systems). Another area of interest is enterprise IT architectures, which often involve an increasingly holarchic network of computers of IT systems, each with their own software and hardware servers. IT systems have their own esoteric architectural guidelines that are somewhat holarchical (e.g., Telemanagement Forum, eTOM, NGOSS, TOGAF, and service-oriented architecture). These reference architectures have varying degrees of hierarchy and modularity, but none calls for autonomy between the respective layers.

Information technology architecture could greatly benefit from a more fully formed holarchical approach. For one thing, IT systems are being introduced at a rate that far exceeds the rate at which older systems are being decommissioned. As firms struggle to seamlessly integrate an ever-increasing number of legacy and next-generation IT systems, the level of complexity is becoming increasingly difficult to manage.
Common Holarchy Properties

When designing a holarchic system, decisions must often be made about the optimal number of layers (depth) and holons at a particular layer (span). Natural systems provide some helpful reference points to guide our understanding. In particular, natural systems are often organized with a few large holons near the top of a holarchy, and a much greater number of smaller holons toward the bottom. Three systems that feature these naturally occurring patterns are Power Law, Fibonacci sequence, and golden ratio.

The Power Law concept, which is comparable to the Pareto Principle, wherein 80% of effects come from 20% of causes, captures how a pattern appears in a wide variety of physical, biological, and man-made phenomena. Power Law patterns occur in a wide range of areas, including the size of earthquakes, solar flares, the foraging pattern of various species, the size of activity patterns of neurons, the frequencies of words in language, the sizes of power outages, and many other scenarios. Albert Barabasi (2003) writes that Power Laws are “nature’s unmistakable sign that chaos [i.e., randomness] is departing in favor of order … They are the patent signature of self-organization in complex systems” (p. 77).

The second example, the Fibonacci sequence, is a sequence of numbers where the sum of any two adjacent numbers is equal to the subsequent number in the sequence: 0, 1, 1, 2, 3, 5, 8, 13, 21, 34, 55, 89, 144, and so on. Fibonacci sequences appear in biological settings such as branching trees, the fruitlets of a pineapple, the flowering of artichoke, an uncurling fern, and the scales of a pine cone. The Fibonacci sequence may provide a particularly useful reference point for determining the optimal number of holons per layer of depth within a system.

A further example is found in the golden ratio (i.e., divine ratio); this ratio is present between quantities A and B when the ratio of (A+B)/A is the same as A/B. The golden ratio is similarly found across many domains, including architecture, art, finance, and nature. The golden ratio may help define useful reference points for determining the optimal span of holons between a given layer and the next layer of depth below it.

I will not present mathematical formulations for each system, but clearly these three examples represent conceptual building blocks in the sense that they show the relationship between nature and mathematical holarchy patterns. For this reason, it is reasonable to think that each of these three systems may be of instrumental value in guiding the design of technological holarchies that maximize function and evolvability.

The Benefits for Business and Integral Theory

Building a bridge between Integral Theory’s holarchic concepts and a general theory of technology architecture would benefit both technology firms and the Integral framework. For businesses, the benefits would accrue in three primary ways:

1. First, technological domains such as those mentioned above could cross-pollinate and develop best holarchic practices through a common vocabulary and common conceptual holarchic framework.

2. Second, all firms want to be more efficient, adaptable, evolvable, resilient, and, increasingly, sustainable. Firms generally have very significant incentives to embrace new ideas, and when ideas that streamline efficiency and increase profits are presented, business interests will have an interest in listening. Having a general holarchic vocabulary and framework that could be adapted to any business environment is an extremely attractive possibility.

3. Third, holarchic theory can serve as an enticing introduction to integral perspectives. Firms have the opportunity to understand and institutionalize the language of efficient business and technology architecture in their own business environments, and
after this sort of positive and practical experience with integral principles, they may be amenable to explore integral perspectives more fully.

The benefits for the Integral model would be equally significant. The Integral Business community has set a goal of bringing Integral Theory to the business community using language it can understand and successfully utilize. In order to grow, businesses need to evolve their personnel and departments through various altitudes. But once they do so, their vast resources and worldly power can be put to more positive uses (i.e., beyond simply increasing profits). In order for this to happen, firms must be made aware of the benefits of holarchical system architecture in ways that appeal to their own business interests and stage of development. Firms like Stagen, Holocracy, and others concentrate on working with firms at whatever stage they are in, and in helping them integrate the Left-Hand quadrants in their business models. Firms that are not yet ready to embrace the interior quadrants, however, may still be interested in implementing holarchic architecture in their exterior operations.

Conclusion

In summary, the thrust of this exploration has been to highlight the necessity of drawing together threads of knowledge from various domains, and of consolidating those threads into a comprehensive holarchic tapestry capable of bridging the differences in lexicons and habits of thinking that are particular to individual domains. A common framework and language could be helpful in a variety of ways:

- Domains could each learn from the best holarchic design practices of other domains
- Greater evolvability, integration, and sustainability of systems would occur in the face of accelerating technological change
- Integral Theory could complement and be introduced to new, influential business communities

In addition, there is one other benefit that, although it has not yet been mentioned, may be the most invaluable aspect of all that may flow from a metatheory of holarchy: exposure to a holarchic perspective in one area such as technology may inspire people toward a more holarchic view of the universe, and an appreciation for both its unity and its diversity. Imagine the impact of that!

Imagine what could happen if the systems supporting our world were proportionally tuned and balanced between the polarities of freedom/order, unity/diversity, and agency/communion. Imagine them integrated into an organic whole that supports humanity and nature in an elegant and sustainable way. Imagine if our world’s most powerful institutions move toward an institutional realization that nature, technology, and sentient beings are not only all one in a philosophical and loving sense, but also as a practical reality in the universe. I would look forward to participating in such a conversation in the Integral Business community.

REFERENCES

BRAD RICHARDSON has a long-time passion for Information and Communication Technology (ICT) convergence and evolution. As a strategic sales executive, he has been intimately involved for 20 years with technology evolution. Over the years, he has become expert at aligning product evolution plans between the world’s largest data and telecommunications firms and vendors of highly innovative ICT products and services. Brad has developed diagnostic, financial models that measure systems complexity resulting from accelerating convergence. His models show predictive indicators of systems complexity crisis, as well as the impact of holarchy-based antidotes. Brad strives to balance his professional interests with community service. His community leadership activities include serving as Chairman of the Board of Directors for the nonprofit leader in ICT accessibility, Knowbility, Inc., as well as funding innovative social ventures through his membership in Austin Social Venture Partners. He received a B.S. in Electrical Engineering from Georgia Tech. He is also an avid basketball player and meditator.
One could argue for any number of books to be reviewed in this special issue on Integral Business, but it is difficult to overlook Roger Martin’s *The Opposable Mind*. As Dean of the University of Toronto’s Rotman School of Management, which houses the Desautels Centre for Integrative Thinking, Martin has been reinventing business education by making integrative thinking core to the curriculum. *The Opposable Mind*, his best-known book, was first published in 2007, the same year *Businessweek* named him one of the 10 most influential business professors in the world. In 2011, Martin placed sixth on the Thinkers50 list of the world’s most influential management gurus.

I share this biographical information to suggest the sociological import of reviewing Martin’s work on integrative thinking, and to perhaps evoke in readers of this article the same felt sense of curiosity and hopefulness that I experienced when I opened his book. How has Martin been so successful in bringing an integrative approach to the world of business? What can the Integral Theory community and other integral traditions learn from Martin’s model of integrative thinking? How might these communities of scholar-practitioners support one another to educate the next generation of business leaders to be integrative thinkers?

*The Opposable Mind* is a primer worthy of the name, and it reads like a pleasant breeze. Its eight chapters are written in a conversational style, jargon-free, with many attention-grabbing stories of leaders innovating and solving complex business problems through the power of integrative thinking. A succinct chapter-by-chapter summary follows, with commentary saved for later sections on the book’s contributions and limitations.

In the opening chapter, we learn that over a six-year period Martin interviewed more than 50 successful leaders in a variety of contexts—CEOs of global nonprofits and American and Indian multinationals, and world-renowned artists and business academics—looking for a common theme or trait that might explain their success. What the interviewees shared most of all Martin terms *integrative thinking*, a cognitive process he gives the following working definition:

The ability to face constructively the tension of opposing ideas and, instead of choosing one at the expense of the other, generate a creative resolution of the tension in the form of a new idea that contains elements of the opposing ideas but is superior to each. (p. 15)

Importantly, Martin argues that integrative thinking is a capacity that anyone can develop, as opposed to an innate gift. In his view this capacity remains untaught, “the world has not organized itself to produce integrative thinkers as it does brain surgeons or computer engineers” (p. 23).

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Chapter 2 contrasts integrative thinking with conventional thinking vis-à-vis each of four constituent parts of a decision-making process that Martin posits:

- Salience: “What features do I see as important?”
- Causality: “How do I make sense of what I see?”
- Architecture: “What tasks will I do in what order?”
- Resolution: “How will I know when I am done?”

The differences between these two modes of thinking—integrative and conventional—will be familiar to scholar-practitioners of Integral Theory (Fig. 1).

Chapter 3 does deft work to show how “integrative thinkers’ capacity for distinguishing models from reality is critical to driving through the constituent parts to a creative resolution” (p. 23). In other words, integrative thinking requires a foundation of postformal cognition or a postmodern mindset. Martin does not use that language, but he does illustrate our likely method of resolving opposing models of reality when postformal cognition is lacking. Namely, we will try to determine which model is right, ultimately defending and advocating our own model (i.e., “objective reality”) while rejecting the opposing model as “unreal” and “wrong.” Martin contrasts this scenario with the success stories of three leaders—Proctor & Gamble CEO A.G. Lafley, Red Hat software cofounder Bob Young, and Toronto International Film Festival visionary Piers Handling—each of whom was able to “separate models from reality… hold the models up to analysis and scrutiny without needing to refute one or the other… explore the tensions between the opposing models and gather clues pointing toward a better model” (p. 71).

In Chapter 4, Martin presents a critique of simplification and specialization, two forces in business organizations that discourage integrative thinking. Both are coping mechanisms for complexity, even though creative resolutions of tough business problems “spring from complexity” (p. 77). But the urge to simplify reality and move into action leads us to “edit out salient features…. favor linear, unidirectional causal relationships…. construct a limited model of the problem before us… settle for trade-offs” (pp. 76-77). Functional specialization, for its part, “is inimical to integrative thinking because it undermines productive architecture—the keeping in mind of the whole while working on the individual parts” (p. 79).
systems thinking and “renaissance teams” as ways to maintain and dance with “the complexity that integrative thinking thrives upon” (p. 81).

Chapter 5 marks a turning point in the book. The remaining chapters focus on how we can develop integrative thinking capacity. Martin presents a model of everyone’s “personal knowledge system,” which consists of three elements: stance, tools, and experiences. “Stance guides the acquisition of tools, and stance and tools shape experiences, which in turn inform tools, which in turn inform stance” (p. 103). You can get a feel for the system by studying Figure 2. Each of the remaining three chapters deals with one element of the system, offering skills and examples of leaders applying skills to build integrative thinking capacity.

Chapter 6 asks and answers the question, what are the key features of an integrative thinker’s stance, and how can we cultivate this stance? Martin gives six features. Three of them have to do with our attitude toward the world:

1. Existing models do not represent reality; they are our constructions.
2. Opposing models are to be leveraged, not feared.
3. Existing models are not perfect; better models exist that are not yet seen.

The other three features involve our attitude toward self:

4. I am capable of finding a better model.
5. I can wade into and get through the necessary complexity.
6. I give myself the time to create a better model.

Martin and his colleagues at Rotman employ several methods of teaching these features and supporting their MBA students to cultivate the stance of an integrative thinker, including: drawing on scenes from movies (e.g., Crash) and historical examples (e.g., the paradigm shift from Newtonian to Einsteinian physics); examining the logic and evidence (or lack thereof) behind our personal belief systems; reverse engineering (e.g., working backward from outcomes to actions to thinking); and business simulation games.

In Chapter 7, Martin delves into three tools at the disposal of integrative thinkers: generative reasoning, causal modeling, and assertive inquiry. Whereas declarative reasoning operates through deductive and inductive logic to confirm or disconfirm what is, generative reasoning inquires into what might be and utilizes a third form of logic that Charles Sanders Peirce dubbed abductive logic. “In essence, abductive logic seeks the

![Figure 2. Your personal knowledge system; reprinted with permission.](image-url)
best explanation—that is, it attempts to create the best model—in response to novel or interesting data that doesn’t fit an extant model” (p. 146). Students learn generative reasoning through real-world modeling challenges informed by exercises such as interviewing stakeholders to gain new insights, visualization practices to envision new models, and prototyping and refining models. Causal modeling is another tool that students learn. At the most basic level this involves mapping of material and teleological causation. But students are also exposed to Jay Forrester’s foundational work in systems dynamics and its associated tool set to map “multidirectional feedback loops that accelerate relationships between variables” (p. 152). Further, students use George Lakoff and Mark Johnson’s notion of “radial metaphors” as a technique for reframing perspective on a system and taking simultaneous perspective on the whole system and its various parts. Finally, students learn to explore opposing models and engage in fruitful dialogue through assertive inquiry, which Martin holds up as an antidote to advocacy (i.e., explaining and defending one’s own model). The main technique used here is the “personal case,” which Martin has adopted from Chris Argyris’ seminal work in organizational learning.

Chapter 8 drives home the point that great leaders accumulate experiences that serve to both deepen mastery—“through planned and structured repetition of a consistent type of experience” (p. 182)—and nurture originality through experimentation. Average leaders pursue one at the expense of the other, falling into either the cul-de-sac of mastery without originality or the flakiness of originality without mastery.

At its core, integrative thinking requires the integration of mastery and originality. Without mastery there won’t be a useful salience, causality, or architecture. Without originality, there will be no creative resolution. Without creative resolution, there will be no enhancement of mastery, and when mastery stagnates, so does originality. Mastery is an enabling condition for originality, which in turn, is a generative condition for mastery. (p. 187)

Just as mastery and originality are mutually reinforcing, so are the elements of our personal knowledge system. Martin concludes the book by revisiting the important point that stance, tools, and experiences are “highly path-dependent.” Meaning, we can easily fall into a detrimental spiral of being defensive in our stance and acquiring limited tools and experiences, which perpetuate further limitation and narrowing into conventional thinking. Or, we can fashion a positive spiral of “optimistic model seeking” that makes conscious use of tools and harvests a wealth of experience to forge creative resolutions. In turn, we will be encouraged to develop greater sensitivities and skills from our experiences; acquire new tools and techniques; and take a stance with even more capacity for integrative thinking.

Enduring Contributions

There is much to recommend in The Opposable Mind. Martin’s work is a study in thinking about thinking and mindset transformation, two pursuits that are regularly downplayed, if not ignored, in the action-biased and results-oriented world of business. As Martin alludes to at the outset, when business leadership books deal with the mind of a leader, usually the author’s approach is to “describe the mindset that produces effective action” (p. 17). Which begs the question: What is the mindset that produces effective thinking (which is the source of effective action, or at least its psychological correlate)? That Martin shines a light on integrative thinking is a significant contribution in itself, and one made even greater, I believe, if we allow that business is today the most powerful institution on the planet. Holding in mind a vision of human and ecological flourishing in our global age, it is difficult to overestimate the potential benefit to society of business leaders that develop metacognition and learn to think in an integrative fashion.

The accessible and unequivocal case that Martin makes for integrative thinking is also a major contri-
bution of the book. We should not lose sight of the fact that, in the mainstream of society and in many corners of the world—apart from readers of this journal and like-minded communities of discourse and practice—in-tegrative thinking is unknown and untested, mysterious at best. Martin therefore shoulders a heavy burden of proof, if you will. And he delivers it. From a theoretical standpoint, Martin’s four-part decision-making pro-
cess is an easy model for almost anyone to understand; the key terms are common words, their definitions are straightforward, and no background knowledge of cognitive science, psychology, or any other professional discipline is required. What’s more, as a process-oriented model it is easy for Martin to set it in motion and put conventional thinking and integrative thinking to the test, for everyone to see. On that count, with an eye on methodology, I would underscore the value of Martin’s narrative reconstructions of exemplary leadership drawn from his interviews of leaders. The collection of stories represents a solid body of evidence for both the possibility and the practical value of integrative thinking.

Another important contribution of The Opposable Mind is the work that Martin and his colleagues have done to operationalize integrative thinking in the classroom. It is one thing to conceptualize a new way of thinking, another to show that exemplary managerial leaders are in fact integrative thinkers, and yet another to develop courses and pedagogical strategies that draw out the potential for integrative thinking in students. As I read the second half of the book, I was impressed by the diverse, multidisciplinary set of tools and methods that Martin and his colleagues are using to teach integrative thinking. As a general observation, they seem to have achieved a compelling integration of theory and application. In fact, a visit to the website of the Rotman School reveals that the discipline and methodology of integrative thinking is foundational to the school’s pedagogy, and is woven throughout their full-time MBA program. According to the website, the school’s bold move to reinvent MBA education along cross-disciplinary lines was initiated in 2002 and has been a decade in the making.

Limitations

Because leadership is a vast and multidimensional phenomenon, The Opposable Mind is susceptible to the same critique of specialization that Martin levels against business organizations. From the viewpoint of Integral Theory, Martin’s work on integrative thinking centers on one line of development (i.e., cognition) to the relative exclusion of numerous other psychological capacities (e.g., emotional, interpersonal, moral, spiritual, needs, values, self-identity) that factor into the problem-solving and decision-making process of leaders. To his credit, Martin periodically touches on “the emotional challenges to building integrative thinking capacity” (p. x). And his notion of stance incorporates self-identity, along with threads of morals and values. But, even if Martin does not reduce successful leadership to integrative thinking, neither does he provide much context or insight into its other dimensions. Readers could walk away with the wrong (read: partial) impression, and any vision of leader development that wants to be balanced and inclusive would do well to more fully address our multiple intelligences.

At times Martin makes statements that betray his developmental perspective, such as “we were born with an opposable mind we can use to hold two conflicting ideas in tension” (p. 7) and “the opposable mind is there waiting to be used” (p. 22). While it may be the case that the human mind constructs dualisms and experiences polarities throughout the lifespan of development, the kind of creative resolution of opposing models that Martin teaches clearly requires a highly advanced level of development (i.e., mature postformal cognition). It is not that Martin’s statements are terribly troubling per se. The larger point, however, is that students are likely to receive a better education when it is developmentally informed and appropriate. In the final analysis, Martin’s espoused view is quasi-developmental at best; the paradigm of constructivism may figure into both his own research methods and the demands he places on students of integrative thinking, but Martin neither mentions constructivist-developmental theory nor situates his work within a constructivist-developmental framework (see Robert Kegan’s In Over Our Heads).
As a scholar-practitioner of Integral Theory, I wish Martin had provided an evolutionary context for integrative thinking in business and an emancipatory critique of business as usual. But the book makes no overtures to using integrative thinking to respond to global crises, practice corporate social responsibility, advance the cause of sustainability, address economic inequality, or grapple with any other issues or movements that might define business leadership in the 21st century. In my opinion, this is a missed opportunity and an unfortunate omission; what good is thought leadership—and what harm might it do—without a moral compass?

**Conclusion**

In October 2012, Roger Martin announced that he is stepping down as Dean of the Rotman School. His final day will be June 30, 2013, around the time this special issue on Integral Business is published. My hope is that the articles in this issue reach Martin and his colleagues at Rotman, where Martin will remain as professor and head two research institutes as he turns his attention to the future of democratic capitalism. Serious engagement with Integral Theory could provide much needed meta-perspective on the problems we face. Integral Theory also provides sophisticated developmental perspective for understanding leader mindsets, the culture of capitalism, and much else in need of creative solutions and transformations.

I encourage students of business and scholar-practitioners of Integral Theory to engage *The Opposable Mind*. Glean insight from its pioneering application of integrative thinking to business education. Learn from the stories of business leaders that wield the power of integrative thinking. Reflect on your own “process of thinking and deciding” in light of Martin’s instructive model—how can you be more integrative?

The world needs more integral or integrative thinkers. These are the early days of an integral or integrative approach to business; much work is to be done. I hope my review, and this special issue of JITP, sparks interest that leads to cross-pollination of ideas and collaboration between the Integral Theory community and the Rotman School.

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THE INTEGRAL WEEK AT NATURA COSMETICS
Helder Kamei, Patrícia Tobo, Gilson Paulo Manfio, and Claudia Negrão Pellegrino

ABSTRACT Natura manufactures and sells cosmetics, fragrances, and personal hygiene products in a direct sales business model in Brazil, several countries in Latin America, and France. The brand was born from the combination of two passions—for cosmetics as a vehicle of self-knowledge, and well-being and human connection as the keystones to health. These beliefs are fully integrated into Natura’s corporate culture and behavior, feeding the aspiration to adopt an integral framework in all aspects of the company’s operations. In this sense, several activities have been developed over recent years to incorporate Integral Theory into different dimensions of the business, including areas and teams responsible for research, technology and product development, human resources, relationship management, marketing, and sustainability. In this context, we describe one particular event in 2012 that was centered on a discussion of how to apply Integral Theory to some of Natura’s projects and business routines.

In October 2012, Natura Cosmetics carried out “Integral Week.” This event consisted of a three-day meeting that brought together several initiatives designed to apply the Integral framework and a two-day portal that served as an integral incubator for five projects. Natura has been using the Integral model for several years in different dimensions of the business, including research, technology and product development, human resources, relationship management, marketing, and sustainability. The wide scope of implementation and the range of activities incorporated into the business were perceived as pioneer in the corporate context and attracted attention from integral researchers and practitioners worldwide, resulting in Natura being cited by Ken Wilber (personal communication, September 12, 2012) as “the most integrally informed business anywhere in the world.”

Beyond creating new products and services, Natura invests in innovation with a clear and defined purpose, aligned with its brand essence, beliefs, and values: the promotion of Bem-Estar-Bem (Well-Being-Well), a Portuguese term coined to express a twofold meaning for wellness. For Natura, well-being is the harmonious relationship of a person with oneself, with one’s body, while being-well is the empathetic, successful, and gratifying relationship of a person with others, with nature, and with the whole. Thus, the company has had an integral view since its foundation in 1969.

The Integral Week was conceived of as a movement to disseminate several actions and projects that wove Integral Theory into the company’s fabric. The two-pronged event occurred in October 2012 and consisted of:

1 Natura Cosmetics is a Brazilian company that manufactures and sells cosmetics, fragrances, and personal hygiene products in a direct sales business model in Brazil, several countries in Latin America, and France. Founded in 1969, Natura has sought to create value for society as a whole, generating integrated economic, social, and environmental results within its network of 1.4 million consultants. In 2011, Natura was elected the second most sustainable company in the ranking of 100 Most Sustainable Corporations in the World by the Canadian Corporate Knights Research Institute. It was also appointed as the eighth most innovative company in the world by Forbes magazine.
1. The Integral Fair, which took place on October 1st and 2nd at Natura’s headquarters in Cajamar, São Paulo
2. The Portal of Well-Being-Well Projects, which took place from October 3rd to 5th in Itatiba, São Paulo

The Integral Fair

The Integral Fair was organized as an internal conference about Integral Theory, with presentations of projects and experiential activities. Guests were also invited to address Natura’s employees, including Sean Esbjörn-Hargens (Founder of MetaIntegral), Diane Musho Hamilton (mediator, group facilitator, and contemporary spiritual teacher), and Jeff Salzman (The Integral Center). In addition, Ken Wilber gave a 30-minute teleconference mediated by Marcelo Cardoso, Natura’s Vice-President of Organizational Development and Sustainability and Founder of Instituto Integral Brasil.

The main objective of the Integral Fair was to bring up-to-date information on the theme and examples of projects using the Integral framework at Natura and elsewhere. In addition to speeches and case reports, the attendees experienced practical activities and took part in conversation panels.

The activities were designed around a framework of four levels of conscience: body, heart, mind, and soul. At the body level, specialists conducted physical activities with the audience. These activities were carried out by Jussara Miller (Educação Somática, Brasil), a dancer and choreographer, who led activities involving body movement with the aid of music and support elements such as colored ribbons and balloons. Betty Gervitz, a physical therapist, closed the event with a circular dance in a highly joyful atmosphere. At the heart level, two activities were carried out to promote wellness and strengthen relationships among people. Vivian Broge, Manager of Project Girasol, conducted an activity with pairs aimed at reflecting on relationships in the workplace. Cláudia Pellegrino, Science Manager of Well-Being and Relationship Sciences, conducted a hand and arm massage activity with the aid of a massage cream from Natura’s product portfolio. At the soul level, meditation practices were conducted by Diane Musho Hamilton and Marcelo Cardoso.

The activities at the mind level were represented by lectures, case presentations, and conversation panels. Ari Raynsford, a professor affiliated with Instituto Integral Brasil and a translator of Ken Wilber’s works into Portuguese, spoke about Wilber’s life and contribution to the integral movement. Sean Esbjörn-Hargens spoke about integrality in the world and its application to business and sustainability. Jeff Salzman spoke about Integral Life Practice in a specially recorded video for Natura. Diane Musho Hamilton reflected on the essence of beauty and conducted a spiritual practice activity.

Later in the event, there was a presentation of four projects and working assemblies that were carried out under the Integral framework: Natura’s Pedagogy, Project Girasol, Project Oroboro, and Well-Being and Relationships Sciences. These projects demonstrated how the Integral model could be applied to the areas of corporate education, commercial innovation, sustainability, and science and technology, respectively. At the end of the two-day event, speakers took part in a conversation panel in interaction with the public, mediated by Victor Fernandes, Science and Technology Director, and Janice Casara, Sustainability Manager at Natura.

All together, the Integral Fair included six lectures, six practices, four case presentations, and a conversation panel with an audience of approximately 150 people, including Natura’s collaborators and invited guests.

Portal of Well-Being-Well Projects

The Portal of Well-Being-Well Projects was an initiative of the Well-Being and Relationships Sciences division of Natura, a research group that has employed the Integral framework since 2006. The group’s mission is to conduct applied research aiming at understanding human beings, their environment, and their interde-
pendence in physical, emotional, cultural, social, and spiritual dimensions.

Throughout 2010 and 2011, the Well-Being and Relationships Sciences team conducted six integral workshops, designed and carried out in partnership with Nomali Perera from Boulder Integral Center, aimed at training collaborators in Integral Theory. Following this initial effort, the Portal of Well-Being-Well Projects was designed to act as an “incubator” for projects aimed at providing deeper training and coaching in the application of the Integral model to the company’s initiatives. This effort enabled collaborators to achieve an intermediate level of integral education.

The Portal of Well-Being-Well Projects was carried out following the Integral Week in a hotel in the city of Itatiba. Twenty collaborators from the working teams of five selected projects were invited for a three-day workshop in a countryside location, surrounded by local landmarks and some preserved native spots. All participants had a basic understanding of Integral Theory from previous training. The selected projects were from the areas of Relationships in the Commercial Model, Commercial Training, Marketing, Network Sciences, and Innovation.

In a collaborative environment, participants received coaching from Sean Esbjörn-Hargens, Jussara Miller, and Cláudia Pellegrino. During the workshop we had a chance to apply Esbjörn-Hargens’ “Quadrivial Tool,” established in a prior collaboration with Natura, which focused on developing and broadening people’s views of actions and consciousness as well as their understanding of the project from multiple perspectives.

The workshop was designed in three tiers, metaphorically referring to the stages of development as proposed by Ken Wilber (i.e., the “me,” “us,” and “all of us” stages). These three stages were worked with throughout the three days, one level per day.

**First Day: “Me” Stage (Individual Activities)**

According to Wilber (2006), the “me” stage is when a person identifies merely as an individualized bodily organism. Accordingly, the first day of workshop activities consisted of individual exercises and no group work. People introduced themselves and gave a brief description of the project they were working on. This description was considered “Picture #1,” or the initial picture of the project, and was followed by a presentation of the Quadrivial Tool.

The four quadrants can be used in numerous ways to understand reality. One of the most common and accessible ways to use the quadrants is via a quadrivia. In this approach, the different perspectives associated with each of the four quadrants are directed at a particular reality, which is placed in the center of a diagram. Within each quadrant there are at least three levels of depth and complexity. In a basic sense these levels can be labeled as body, mind, and spirit. It is important to understand that each subsequent level includes an increase in depth and complexity to the prior one, and thus transcends and includes the essential capacities or perspectives of the prior level. The resulting 12 areas are referred to in Integral Theory as the “12 Niches,” with each niche representing a distinct domain worth including in an integral approach (Fig. 1).

The top two quadrants in the figure deal with individual “well-being” and the bottom two quadrants deal with the “being-well” of groups and society. Thus, the four quadrants together represent Natura’s essence: well-being-well.

**Second Day: “Us” Stage (Working in Teams)**

The “mind” stage is where identity expands from the isolated gross body and starts to share relationships with many others based on shared values, mutual interests, common ideals, or shared dreams (Wilber, 2006). The identity expands from “me” to “us.”

On the second day of the initiative, participants started to work in teams on their own projects. They applied the Integral model using the 12 Niches in order to diagnose the strengths and weaknesses of their
After that, the team was recalibrated, looking at the relationship between the strengths and limitations of the team itself with the niches as a guideline. This provided the teams with a snapshot of where the groups were focused. Moreover, it helped the team members work together to attend to the areas where no one team member was very strong.

Finally, each team used the Quadrivial Tool to produce an integral project map worksheet. According to Esbjörn-Hargens (2012), the purpose of the Quadrivial Tool is to do an integral diagnostic of the primary aspects of reality. Once this is done, one can look for key patterns across these worksheets in order to identify strategic areas of focus. This was considered as “Picture #2” of the project.

**Third Day: “All of Us” Stage (Sharing with the Group)**

In the stage three, identity expands once again, this time to an identity that includes “all of us” (Wilber, 2006). The individual begins to understand that, in addition to the wonderful diversity of humans and cultures, there are also similarities and shared commonalities.

During the third day of the workshop, a circle comprising all twenty participants from the five projects was formed. Each team presented and shared their integral map of the project (Picture #2). Comments and suggestions for how they could incorporate these maps into their own project were offered. Then, each team started to redesign their project proposal to include new opportunities for work. This came to be the “Picture #3,” or the final picture of the project.
**Integral Life Practice**

According to Wilber and colleagues (2008), Integral Life Practice is a modular and scalable approach to personal and professional growth. Integral Life Practice focuses on creating a customized approach to the quadrants, levels, lines, states, or types of one’s own potential. Considering this, the Portal of Well-Being-Well Projects also included activities of Integral Life Practice, addressing the three levels of experience (body, mind, and soul). In addition to the cognitive activities related to the projects themselves (mind), participants also experienced physical activities (body) involving dance and movement as well as meditation practices (soul) over the course of the initiative.

At the end of the workshop, all participants gathered in a circle and shared their experiences with the larger group.

**REFERENCES**


