Contextualizing Valence Theory

Valence Theory comprises: a new definition of *organization* founded on five fundamental relationships through which its members – be they individual members or other organizations – connect, unite, react, or interact; two forms each of the five valence relationships – fungible and *ba* – that account for the differences between BAH and UCaPP organizations; and a process that expresses *organization's* tactility by marrying intentionality and complexity among the reciprocal interactions of individual members via the valence relationships' effects. Through Valence Theory, I distinguish between a primary-purposeful organization and a valence-conceived organization in their relative ordering of priorities. The former begins with a vision, from which a mission is created, that defines the requisite objectives, goals, and outcomes for the organization as a whole. These are decomposed into tasks fragmented for its component units, from which individual tasks, and generally instrumental interactions and relationships are created. The latter – a valence-conceived organization – emerges from a common *place* of collective values, expressed as the intended effects the organization will create among those constituencies whom the organization will touch. These are enacted via complex combinations of relationships among the members, from which the organization's purpose and subsequent objectives emerge.

A UCaPP organization can be expressed only in Valence Theory terms. A BAH organization, because of its heritage, is usually a primary-purposeful organization; it could, hypothetically, be expressed in valence terms, especially if its members respect

the importance of balancing the five valence concerns, rather than giving predominance to the Economic-valence relationship.

From this comparison, simple behavioural dichotomies are easily seen and explained. Milton Friedman's (in)famous exhortation, "the social responsibility of business is to increase its profits" (1970), clearly comes from the primary-purposeful camp. Interface Inc.'s founder and chairman, Ray Anderson's epiphany, that corporations are "blind to … externalities, those costs that can be externalized and foisted off on someone else" (Anderson, in Bakan, 2004, p. 72) expresses his shift to a valence orientation. As reported in both Bakan's book, *The Corporation*, and the subsequent film documentary, Anderson's company transformed every aspect of its operations after his new realization, effecting balance among the five valences even though it retained certain BAH aspects (i.e., fungible-form valence relationships). Semco (Semler, 1989; 1993) is another organization whose transformation can be understood in terms of balancing and effecting *ba*-forms among the five valence relationships.

Grounding Valence Theory in the Research

The empirical study that forms the basis of this thesis discovered seven areas of distinction between BAH and UCaPP organizations: change, coordination, evaluation, impetus, power dynamics, sense-making, and view of people. Framing the distinctive behaviours in Valence Theory terms enables an understanding of each type of organization in a way that allows organization members to effect a transformation from one type to the other. Unlike more descriptive and prescriptive methods that

essentially suggest emulating behaviours to effect change (e.g., Adler & Heckscher, 2006) – reminiscent of a cargo-cult approach – understanding the fundamental human dynamics bound up among complex interactions of interpersonal relationships, may enable situational approaches for individual circumstances.

Change

BAH organizations seek to maintain control—holding as much of a status quo as possible in the face of unforeseeable circumstances. In other words, BAH organizations seek equilibrium, not emergence, through what Castells's describes as "the reproduction of their system of means" (1996, p. 171). Thus, there is an emphasis on successful precedent and well-honed, consistent, procedures. An organization can ensure such consistency by focusing its members' activities according to their well-defined *f*-Economic and *f*-Knowledge valence contributions (especially if the two are conflated via the knowledge-economy discourse). This emphasis can be manifest in well-defined job descriptions and enforced functional boundaries as seen in Organizations M and A, created through isomorphic functional structures as in Organization F, and by imposing individual performance measures according to "counting widgets," as Organization A's Karen describes their work-production tracking system.

An environment enabled by Economic-*ba* and Knowledge-*ba* offers the possibility of individual members offering, and being exposed to, more and diverse opportunities. When members are demonstrably valued for, and given the opportunity to initiate significant change, they will do so enthusiastically, as Unit 7's

experience shows. Conversely, Stan's experience in Organization M of being restricted in his potential contribution (limiting *f*-Economic) has the effect of limiting potential change to the entrenched system. Change and innovation, as I discussed previously, organically emerges from conditions of organization-*ba*. Changing circumstances and opportunities are managed – accommodated, as I describe it – in the context of an organizational culture that values inquiry: for example, Loreen's signature question of, "for the sake of why?" in Unit 7. When directed at intended and emergent effects, systemic inquiry is the vehicle that provides an important aspect of *effect*ive theory's environmental sensing and anticipatory feedforward.

Coordination

In the findings, I draw a discursive distinction between teamwork, specifically contextualized in a BAH organization as being based in explicitly coordinated, interdependent action, individual responsibility, and leader accountability; and collaboration in a UCaPP context. Collaboration in this sense is constructed in the context of organization-*ba*, enabling individual autonomy and agency, collective responsibility, and mutual accountability.

"As a manager, I would say something different than I would say as Jean" (Jean-1-53) expresses the granularity of one's enactment of Identity-valence relationship, here in the case of Inter Pares. When she continues the thought – "I'm careful to remember that it's not me that I'm representing, although it's also me because I'm part of this institution" (Jean-1-53) – Jean describes the effect of a complete, integrated collaboration as organization-*ba* in the UCaPP context.

When a person's Identity-valence relationship to the organization is predominantly fungible, there is, by definition, a tradable value associated with the status, class, and privilege that the Identity connection conveys. It becomes difficult for that individual to separate a personal view from that of the organizational role since it is nearly impossible for someone so constructed to publicly separate his or her self from that *f*-Identity-valence connection. Thus, it is not uncommon for an individual to feel compelled to assume either an untenable, illogical, seemingly irrational, or unethical position with respect to a particular issue because s/he presumes – often incorrectly – that is the appropriate position for the Identity-role to assume. Because the person cannot separate him/herself from that *f*-Identity-valence connection, s/he (to paraphrase Marshall McLuhan) loves her/his label – Identity – as her/his *self*[1]. Amidst the dehumanizing influences that characterize BAH organizations, a strong, extrinsically created, *f*-Identity-valence connection helps to disconnect the individual from acting on personal judgements, feelings, and core values.

Where the Identity-*ba* valence connection is predominant in an organizational culture, morally, ethically, and tactically ambiguous decisions that an individual might face are considered in the context of *collective* morality, ethicality, tactics, and values. Rather than putting on a role and acting out in the way that the individual may conceive, or project such a character may act (Ashforth, 2001; Goffman, 1959), the person draws from his/her shared sense of what it means to belong to their particular group. S/he is then able to appropriately represent the will of the collaboratively

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[1] From McLuhan's *Counterblast*: "Love thy label as thy self" (1969, p. 35).

constructed Identity(-*ba*) of the group. By virtue of the way in which organization-*ba* is created, individuals may hold diverse opinions on particular subject matters, but the underlying values, common sense of purpose, collective will to action, and shared tactility ensure that, more or less, the individual can, in good conscience, represent the will of the organization with individual autonomy and agency.

Put another way, a BAH manager will ask him/herself the *f*-Identity question: "What decision would a manager in my position take; how (that is, through what defensible process) would s/he come to that decision?" In contrast, a UCaPP manager would ask an Identity-*ba* question: "What decision accurately represents the collective values of this organization to create the intended effects – the *tactility* – to which this organization aspires?"

Considered in a slightly different way, understanding the action of *f*-Identity can help explain seemingly arbitrary, onerous, or self-righteous decisions that occasionally occur in BAH organizations. For example, Organization A's insistence on the "right" credentials to be accepted on the technical pay plan (Karen-1-97), and requiring employees to report any run-ins with the law (Adam-2-38) are both expressions of *f*-Identity constructs; specifically, the connection from the organization's perspective to the member contributing to the instrumental construction of the organization's identity. Similarly, as I describe in a blog post of July 21, 2008 (Federman, 2005-2010), the firing of tenured professor, Colin Wightman, from Acadia University for an alleged sexual liaison with a woman not otherwise associated with the university (Vaisey & Wainwright, 2008), can be understood (but not necessarily justified) through a *f*-Identity analysis.

These cases clearly demonstrate the reciprocal nature of the valence relationships. An individual creates aspects of her/his own identity through the instrumental association with an organization via social capital cachet, or ascribed attribution of skills and capabilities, among other qualities. Similarly, organizations construct aspects of their identities through analogous *f*-Identity-valence relationships. One need look no further than University of Toronto's own "Great Minds" advertising campaign to observe this in action.

The other major coordination theme identified in the empirical findings is the spectrum-defining duality of checking-up vs. checking-in. Checking-in originates in a *place* of authentic concern for mutual accountability and a sense of collective responsibility. Checking-in not only reveals and enables the instrumental aspects of *f*-Knowledge in its action. It is also driven by Socio-psychological-*ba*, manifest as intrinsic motivation and common concern for the entire group, as well as Knowledge-*ba* in creating an environment that actively encourages socializing information, experiences, opportunities, and expertise.

Almost diametrically opposite, checking-up – "the discipline of making sure," as Loreen calls it – activates a *f*-Socio-psychological connection through (often tacit) extrinsic, coercive motivation, exclusively fungible Knowledge connections, and expressed *f*-Economic ties to the larger group (for example, in the case of a project manager doing the checking-up among project contributors). One could make an argument that an organization for which checking-up is part of the deeply embodied culture has, in effect, entrenched *f*-Knowledge and tied it almost exclusively to *f*-Economic. In such cases, Knowledge-*ba* – freely offering the benefit of one's

experience and expertise in the environment – is all but precluded other than as an exception. Both Karen and Adam from Organization A explicitly mention this phenomenon, as does Organization M's Sean.

Evaluation

It is clear that BAH organizations base their evaluation criteria primarily, if not exclusively, on *f*-Economic considerations – the accomplishments of one's nominal job requirements in exchange for financial remuneration. The presumed reciprocity between achievement and reward as extrinsic motivation (*f*-Socio-psychological) is not necessarily a direct connection – a Pavlovian response, if you will – as some of the early practitioners and theorists such as Taylor (1911), Herzberg (1964), and Vroom (1967) suggested. One's income is often considered a proxy for other ascribed attributes, conveying as much social capital as financial capital; it plays to *f*-Socio-psychological, certainly, but often in close conjunction with *f*-Identity. When ascribed and enacted status is decoupled from income – that is, when those respective fungible connections are transformed to *ba*-form connections as in the case of Unit 7 – a person who relies exclusively on fungible connections will sever their association with the organization, irrespective of income or positive performance evaluations (Roger-1-189).

On the other hand, UCaPP organizations use a different aspect of Valence Theory on which to base their evaluations, both of individuals and of the organization as a whole. Rather than measuring performance strictly in terms of specific achievements relative to a list of outcomes and goals, an organization like Inter Pares

takes an *effecti*ve theory approach. The annual retreat extended check-ins, and the reference group established at six months and one year for new members, and after seven years for long-serving members, focus on the overall effects created by the member being assessed within their total context. Expressed another way, a UCaPP assessment does not judge a person according to their contribution to realizing the organization's vision, but rather to achieving its tactility. At Unit 7, a stellar quantitative performance by a decisive, forceful, or even charismatic leader can be seriously diminished by an inability to enable organization-*ba* as a referent leader.

As a BAH organization attempts to become more humanistic, it may (nominally) place more emphasis on what Organization A's Robert calls, "quality-of-life objectives" as part of its annual goal-setting and evaluation exercise. As Robert describes it, quality-of-life objectives include areas like morale, communications, diversity, technical growth, and for managers, developing their subordinates. Organization A frames morale in terms of fostering professional growth of individuals through training and opportunities in assignments and leadership (Robert-1-65). These aspects seem to map mostly onto Knowledge-valence and the assumed relationship between Knowledge- and Identity-valences, and Knowledge- and Socio-psychological valences in the context of an organization of so-called knowledge workers. But, before achieving the tangible and explicit recognition of a promotion (thereby reinforcing *f*-Identity and *f*-Socio-psychological connections) an individual is still restricted by the necessity of the organization having an available opportunity based on a pre-designated business need. So, although the manager can set and facilitate these quality-of-life objectives, there must be an alignment of the business

need to actualize the morale objectives' nominal intention (i.e., effect). The individual

can accomplish the *f*-Knowledge component; it becomes the organization's onus to

follow through on enabling the corresponding Identity and Socio-psychological

components. Otherwise, quality-of-life and morale objectives have the potential to

become an exercise in frustration for the otherwise high achiever working primarily in

a fungible relationship space, as Stan recounts in Organization M. I would describe

this particular dysfunction as an organizational discontinuity, representing a potential

disconnect among espoused, in-use, and *effect*ive theories for the organization as a

whole. It is important to note and contrast, however, the example of Karen, who often

works in more of a self-created *ba*-space, for whom the instrumentality of extrinsic

motivators dependant on a business need is not as strong[2].

Impetus

By now, it should be evident that primary-purposeful organizations (that

would include most, if not all, BAH organizations) activate impetus through an appeal

to nominal vision and mission, attempting to align employees' hearts and minds – not

to mention active discourse – with the goals, objectives, and received culture of the

organization (Fleming & Spicer, 2003; Gee, Hull, & Lankshear, 1996; Ogbor, 2001).

The classic division-of-labour premise (Fayol, 1949) suggests that, in a BAH

organization, only legitimate leaders – those typically higher in the hierarchy – possess

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[2] I have known Karen in the context of Organization A for over ten years and, although she is in the same business area as Robert, she has never once mentioned quality-of-life or morale objectives, despite numerous conversations about the organization's goal-setting, tracking, and evaluation regimes.

sufficient information, vision, and scope of knowledge to provide appropriate impetus that is consistent with achieving the organization's overall purpose. That is, in fact, the leaders' purpose – the fungible, Economic commodity in which they, as leaders, individually trade – in a primary-purposeful organization. Because the individual relationships that create the organization are primarily or exclusively fungible, only legitimated leaders have the privilege of providing leadership; everyone else is busy providing their own unique, *f*-Economic valence commodities.

According to Valence Theory, a UCaPP organization enables common knowledge, appreciation of effects, and volition towards common action via the *ba*-form valence relationships that, enacted together, create the emergent phenomenon of organization-*ba*. Organizational impetus becomes an emergent property of the complex processes that create the UCaPP organization itself—impetus that does not flow from the top down, but emerges from, and is distributed among, all members. I shall reflect further on the nature of collaborative leadership in a UCaPP context, shortly.

Power Dynamics

In the discourse of the knowledge economy, knowledge is literally power. Aaron, from Organization F, for example, identifies that in an organization that values *f*-Knowledge – especially when it is reified via formal credentials – the knowledge authority that often accompanies it helps to establish a control hierarchy based in that knowledge authority (Aaron-1-61). Consequently, as a more traditional BAH organization may create status (and therefore, control) hierarchies based on role- or

title-legitimation, or simple seniority (all of which are expressions of *f*-Economic and *f*-Identity), a more contemporary BAH organization may create an analogous status hierarchy based on *f*-Knowledge in a manner that appears to be a more equitable and supposedly merit-based. Just as there are subjective valuations assigned among certain *f*-Economic or *f*-Identity exchanges and constructions, there is often a tacit assumption that certain knowledge and experience is more valuable than others, and that there is an external designator that establishes that relative value, be it an academic degree or ascribed position in the status hierarchy or organization chart.

Sam, from Inter Pares, specifically speaks to the "conscious reflection on power" that occurs throughout the institution as a way to retain equity and non-hierarchical status among the membership. Although there are clearly individual hubs of very specialized expertise – *f*-Knowledge – the corresponding promotion and protection of Knowledge-*ba* as a vital aspect of the embodied culture among the members precludes expertise from becoming a source of structural power.

Where there is legitimated, structural power, for example, in the body of a personage like a CEO, whether that individual constructs his/her connections to the organization primarily in fungible- or *ba*-forms seems to reflect the differences in how they react to the exercise of power. Earlier, I referred to how each of Organization F's Matt, and Unit 7's Loreen, reflect on their respective uses of executive power. Matt's more instrumental view arises from his own fungible-valence connections, and his projection of similar fungible connections on the part of others. Loreen, when faced with exercising a veto on content, or terminating a member's employment, experiences a challenging polarity tension: having to exercise all of her fungible connections to the

organization (*f*-Economic, *f*-Knowledge, *f*-Identity, and *f*-Socio-psychological) in order to promote, preserve, and protect the *ba*-connections that exist throughout the environment, including her own. This, perhaps, serves to illustrate that organizational circumstances understood from the ground of complexity are not necessarily consistent with respect to obvious action; ideally, they should be consistent with respect to *effect*.

Sense-Making

The findings analyses of Organizations M and A prompted me to raise the question, does a BAH organization have the ability to perceive quality? Certainly, among all of the fungible-valence relationships, specific instrumentation can be (and often is) constructed to quantify the extent to which particular criteria are, or are not, met. These criteria, derived as a form of abstract empiricism (Daly & Cobb, 1989), purport to represent a quality standard against which the specific performance of both individuals, and the organization as a whole, are measured. It seems reasonable that in the context of (almost) exclusively *f*-form valence relationships, little else can be accomplished: there is little space for subjectivity if the fungible transaction with respect to any of the valence relationships is, or is not, appropriately completed.

Jeff, from Organization F (which, as the reader might recall, was in transition from relatively more-UCaPP to more-BAH during the course of the study) relates a dilemma founded in the dissipating collaboration within his organization. He asks, "is that the way we should spend more time working on these [collaborations], or maybe spend less time and get it done faster and move faster?" (Jeff-1-69). Essentially, Jeff

defines the polarity tensions of his organization's collaborative, participatory, sense-making process (relative to developing product technical specifications)—quality vs. speed. As the organization gradually suppressed its *ba*-form relationships in favour of greater instrumentality via the *f*-form connections, speed won. The transaction-oriented code production exchanges, well-defined job specifications, and steady customer growth numbers all served to mask various subjective indications of a loss of quality—in the product itself, in enacted demonstrations of customer interest and engagement, and among staff (Aaron-1-49; -2-64; -2-68; -2-78; -2-80).

In stark contrast, Unit 7's Frances refers to the meditation on quality that comprises Robert Pirsig's classic book, *Zen and the Art of Motorcycle Maintenance* (1974):

> It's what we both perceive to be true. So quality is not innate in this coffee. The only quality it has rests between me and it. Or it's like Buber: I-thou. The quality is not in the objectification. The quality is in the conversation and the interaction. … So, even in this interview, you and I don't know each other, but the quality that we experience in each other comes from the interaction we're having right now. It lies between us on the table. And whatever we each bring to that or derive from that. (Frances-1-5)

As Frances describes Pirsig's construction, quality is not a descriptive attribute but an active process: quality is the event that occurs in the relationship between subject and object, when one recognizes that attribute in the other. Quality, as she perceives it, (not surprisingly) seems to be an emergent property of Nishida's *basho*, existing in the interaction of relationships. Presumably, quality in this sense would also manifest in the nature of the ensuing effects, metaphorically represented in the fuel/air ratio of Pirsig's motorcycle engine at high altitude, or reified in the

coordinating activities between Unit 7 and its Client R that Frances describes as, "fantastic … one of the healthiest examples that I've seen" (Frances-1-172).

Thus, I would contend that indeed, a BAH organization has no ability to perceive quality because its fungible-valence construction has no means to perceive the necessary *ba*-form relationships that define it; the best BAH can do is assign procedural and empirical proxies to measure an abstraction of quality.

View of People

Earlier, I observed that,

What is clear above all else in an instrumental (BAH) versus relational (UCaPP) view of people is that in a UCaPP organization, someone disrupting collaborative relationships and the organization's social fabric is equivalent to not performing one's assigned job requirements in a function-oriented, primary-purposeful, BAH organization.

In a Valence Theory construction of *organization*, the rationale behind this observation becomes almost self-evident. BAH organizations emerge from individuals connecting primarily through fungible-valence relationships. These define *instrumentality*, not only with respect to job requirements (*f*-Economic), but also with respect to all the other constructs of the contemporary organization, including assumed sources of motivation, career development, contributions of intellectual property—even adjunctive performance of corporate social responsibility.

UCaPP organizations emerge from the *place* of organization-*ba*, created from a relatively more balanced set of *ba*-form valence relationships. Instrumental considerations themselves emerge from reflexive processes involving intended, actualized, and subsequently reconsidered *effects*. These represent the organization's

tactility—the ways in which the organization socially and materially touches the various constituencies with which it is *in relation*. And, an organization's tactility is an expression of its members' collective values. A disruption of *basho*, quite simply, is pernicious to the UCaPP organization.

New Meanings: Praxis Guidance for Change

Bringing the Outside In

When *organization* is considered to be emergent from among a group of people who interact via valence relationships, the question of who is a member of a given organization has an interesting, provocative, and contingent answer. Membership in an organization is no longer a statement of fact based on who may be on the payroll, or who attends at particular buildings on particular days, or the state of the iconic organization chart. According to Valence Theory, organizational membership becomes a matter of sense-making among individuals and constituent organizations, sharing multiple valence relationships, relative to the particular context in which the notion of membership has meaning.

Roger from Unit 7 provides a view with which few would disagree:

Being able to *form a bond* with the client personally, is almost as important as professionally. Because if you have frank conversations with the client … you'll probably get more inside [the assignment] than you normally might have gotten. … Forming the *right relationships* with our clients is really important. (Roger-1-277; emphasis added)

Organizations clearly create Economic-valence relationships with their clients and customers—there is an exchange of value. There is almost always a Socio-psychological-valence relationship created between organizations and their customers

– a brand loyalty, an affinity for sales or customer service representatives, an affective association – for all but the most instrumental of unitary transactions. Among contemporary organizations, it is not uncommon for a strong Identity-valence connection to be forged. Gee, Hull, and Lankshear assert that "new capitalism is based on … selling newer and ever more perfect(ed) customized (individualized) goods and services … to groups of people who come to define and change their identities by the sorts of goods and services they consume" (1996, p. 26). Through marketing, market research, and customer service and support initiatives, Knowledge bonds form. And, the consuming public has become ever more aware of the energy exchanges among organizations, the natural environment, and itself, demonstrating the Ecological valence. According to Valence Theory, those individuals and organizations formerly considered "clients" and "customers" are, by definition, *members* of the organization.

A similar enumeration can be made for those who are considered "employees," and euphemistically called "partners" (as in "partner organizations"). Therefore, in Valence Theory terms, *there are no substantive differences between internal and external constituencies*—a customer is equivalent to an employee. *Mi casa es tu casa*[3] takes on an interesting interpretation when the organizational *casa* (and surrounding yard and garden) are legitimately considered to be within all constituencies' collective purview of responsibility. Traditionally, business has often tacitly or explicitly managed itself according to the cliché rubrics of, "the customer is king/queen" or, "the customer is always right." This ingrained BAH notion of an implicit status hierarchy between purchaser and supplier has often been the source of considerable friction, and in some

circumstances, abusive and exploitive behaviours by customers on their vendors or suppliers.

Understanding the (nominal) customer-supplier relationship in valence terms creates more efficient, effective, and *effect*ive engagements and outcomes. Considering what were formerly considered to be external constituencies in a manner consistent with one's internal constituencies enables "more involvement in internal client meetings where they're developing their strategies and business plans, and working really side by side with the client earlier in the process, versus, okay, here's the marketing plan. You guys go and execute it" (Roger-2-40). Even in cases where the composite, valence organization includes nominal competitors, creating healthy, especially *ba*-form valence relationships yields better effects and outcomes, something that Roger has experienced in bringing some of Unit 7's internal, UCaPP approaches to sometimes challenging and controversial, client/competitor circumstances (Roger-2-50).

Analogously, considering *and treating* employees as the organization would its customers and consumers may enable different sorts of conversations among many aspects of business operations. In a relatively rudimentary way, Organization A made this explicit, as Karen reports. In a town-hall style of employee meeting, a new executive exhorted, "you guys [use our products and services]. What do you want? You're not only employees, you're consumers. Think about, what do you want? What would make your life better?" (Karen-2-2). This, she considered to be "quite

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[3] "My home is your home."

revolutionary for Organization A"—perhaps an unconscious harbinger on the part of the executive of a new sense of organizational reality permeating the business world.

When (formerly) internal and external constituencies are considered to be equivalent in a Valence Theory framing, issues comprising corporate social responsibility can be reconsidered in new terms. The critiques of Edward Freedman and Jeanne Liedtka with respect to corporate social responsibility, and their propositions for a renewed conversation are well-contextualized in a Valence Theory frame. Their proposal for reframing the discourse includes:

> The Stakeholder Proposition—Corporations are connected networks of stakeholder interests;
>
> The Caring Proposition—Corporations are places where both individual human beings and human communities engage in caring activities that are aimed at mutual support and unparalleled human achievement; and
>
> The Pragmatist Proposition—Corporations are mere means through which human beings are able to create and recreate, describe and redescribe, their visions for self and community. (Freedman & Liedtka, 1991, p. 96)

Similarly, inherent class fragmentation that provides the ground of the primary-purposeful, BAH organization creates conditions of an "economic aristocracy," according to Marjorie Kelly's *The Divine Right of Capital* (2001). The effective elimination of the distinction between internal and external constituencies according to Valence Theory creates a more conducive environment to transform the discourse towards "economic democracy" based on the principles of enlightenment, equality, public good, democracy, justice, and "(r)evolution" (p. 10-11). Corporations as efficient externalizing machines (Bakan, 2004) no longer make sense when there is no longer an "external," by definition.

The Nature of Leadership

As I mentioned earlier, the funnelling of information upwards through the hierarchy, and the privileged role of those occupying "thinker" offices in the bureaucracy, limit the possible scope and range of individual participation in organizational planning and decision-making. In such a context, administrative and bureaucratic procedures become necessary for information flow, and to provide necessary checks and balances ensuring requisite integrity and accountability throughout decision-making processes. In many cases, increasingly creative means of extrinsic motivation are *de rigueur* among organizational leaders to align the interests of often disaffected individuals with an imposed vision, mission, and seemingly arbitrary objectives meant to satisfy anonymous, so-called stakeholders.

In contrast, as I have described throughout this thesis, UCaPP organizations invest considerable time to socialize information and involve many more people than do BAH organizations in collaboratively creating the organization's common – that is, *integrative* – sense and direction. In the context of organizational values that emerge from those deeply held by its members, and a common volition to action, extensive socializing of information means that each member can act relatively autonomously. All members can actively participate in assessing situations with a high degree of accuracy, enabling the organization to move quickly in actually accomplishing the task-at-hand. Leadership-embodied-as-process in the context of "true collaboration" (Loreen-1-108) does not have an explicit control function that creates the necessity for administrative controls; nor does it require the same gate-keeping discipline that necessitates leadership being embodied in an individual. In other words, the actual

role of those considered *leader* significantly transforms as the organization becomes more UCaPP in nature.

Leadership embodied in an individual faces the risk of homogeneity: knowledge, context, insight, ability, and specific skills are necessarily limited in any one individual. Leader-solicited responses from whomever in the organization with respect to decisions to be made can become routine exercises, especially if the leader regularly seeks guidance from the same group of trusted advisors, or from those who are too intimidated by power disparities to offer honest views. Leadership-as-process must equally guard against the routine and the homogeneous, lest it evolves into becoming yet another administrative bureaucracy. As Loreen reflects, "it wasn't that we're homogeneous people, we had gotten to a homogeneous way of working" (Loreen-1-108).

UCaPP leaders are referent leaders—those who naturally emerge from among the organization's membership via consensus processes involving active engagement in both inquiry and advocacy, irrespective of whether they hold a legitimated office or title. They invite heterogeneous thinking, and practice diverse inclusiveness among all aspects of the organization's development and evolution irrespective of rank or status. In the context of collaborative values, collective sense-making, and common volition to action – all characteristics of organization-*ba* – leaders within UCaPP organizations promote individual autonomy and agency, collective responsibility, and mutual accountability. All members not only feel valued for their contributions; they demonstrably *are* valued beyond their nominal rank or station—Economic-*ba*.

Thus, a UCaPP leader's role is environmental rather than instrumental. They are concerned with enabling leadership-as-process, creating an organizational environment in which members can learn, prosper, achieve their personal aspirations, and individually contribute to enacting not the organization's vision, but its tactility—the intentional and mindful sustained effects throughout the wider social, material, and natural environments.

Effecting Organizational Transformation

Fritjof Capra, on the challenges and paradox of organizational transformation:

Organizations need to undergo fundamental changes, both in order to adapt to the new business environment and to become ecologically sustainable. This double challenge is urgent and real, and the recent extensive discussions of organizational change are fully justified. However, … the overall track record is very poor. In recent surveys, CEOs reported again and again that their efforts at organizational change did not yield the promised results. Instead of managing new organizations, they ended up managing the unwanted side effects of their efforts.

At first glance, this situation seems paradoxical. When we look around our natural environment, we see continuous change, adaptation, and creativity; and yet our business organizations seem to be incapable of dealing with change. Over the years, I have come to realize that the roots of this paradox lie in the dual nature of human organizations. On the one hand, they are social institutions designed for specific purposes, such as making money for their shareholders, managing the distribution of political power, transmitting knowledge, or spreading religious faith. At the same time, organizations are communities of people who interact with one another to build relationships, help each other, and make their daily activities meaningful at a personal level. (Capra, 2002, p. 99)

We have seen considerable evidence and examples of Capra's duality –the purposeful and relational natures of organizations – throughout the empirical findings of this study. I have suggested that a Valence Theory approach to conceiving the

fundamental nature of organization is a way to reconcile this duality—to provide a vocabulary to organization members with which to make sense of the organization they have, and the organization to which they aspire.

The question remains: how does an organization – specifically, the constituent members of an organization – effect transformation from "what they have" to "what they desire"? Capra notes that,

> …it is common to hear that people in organizations resist change. In reality, people do not resist change; they resist having change imposed on them. … Their natural change processes are very different from the organizational changes designed by 'reengineering' experts and mandated from the top. (Capra, 2002, p. 100)

In effect, Capra suggests that a BAH approach to transforming an organization might be expected to meet with resistance from among the membership. However, as I report with respect to Organization F, transitioning a relatively more-UCaPP organization to become more BAH in its structure and processes seems to occur quite smoothly – "a necessary evil … like changing diapers to using the potty," according to Jeff (Jeff-1-253) – but without much resistance. Jeff explains this lack of resistance to change (aside from Aaron's reactions) as a matter of simply instituting a set of processes to conform to how things "should be" in an organization—BAH isomorphism based on normative, hierarchical and bureaucratic expectations, long socialized among those who work in organizations.

The transformation from BAH to UCaPP is not as easily accomplished without a considerable amount of organizational trauma. Unit 7 reports nearly 60% turnover (Maher & O'Brien, 2007) as it eliminated enacting nominal status differences,

increased inclusive participation, and began enabling expanded autonomy among its members. Despite the ensuing disruptions, one can understand that framing such a change from BAH to UCaPP may seem to be relatively straight-forward: transition the various valence relationships from *f*-form to *ba*-form, and ensure appropriate balance among all the valences (effectively reducing the predominance of Economic valence), and you're done.

Certainly, effecting cultural change in an organization must necessarily be a discursive undertaking: literally changing the vocabulary of attitudes, behaviours, characteristics, determinants, and ethos that create individual identity with respect to the organization, and organizational identity with respect to its members. As I have described, the social and psychological location of this change manifests in the valence relationships, particularly with respect to enacting (or suppressing) their *ba*-forms. The *place* of that enactment – what I have called, the *culture change venue* – literally creates metaphysical *place* in the organization—*basho*.

However, it seems to me that the propensity to cargo-cult dramatizations that often tend to accompany the latest organization-change elixirs may suggest an unexpected "Fight Club-like[4]" discursive polarity: to transition, an organization must create organization-*ba* (*basho*) without talking about organization-*ba*. In true Zen-like fashion, striving explicitly and specifically towards organization-*ba* by naming the *ba*-form valences recreate them as clichés, and thereby transform them into fungibility.

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[4] "The first rule of Fight Club is, you do not talk about Fight Club"—spoken by the character, Tyler Durden, in both the 1999 movie adaptation, and the book, *Fight Club*, by Chuck Palahniuk.

Instead, organizational transformation from BAH to UCaPP might be better accomplished by hearkening to Jean's suggestion, borrowing from Bourget (and inspired by Rilke): one must live *basho* the way one thinks *basho*, and eventually one will end up living into *basho*.

The role of identity

I have argued elsewhere (Federman, 2008b) that identity – the location of oneself relative to society's epochal context – has not only been an important driving force for individuals, but for the nature and intent of the society's structuring institutions, like education, for instance. My argument describing the nature of education over the past 3,000 years proposes the following logic:

> Back in Ancient Greece, primary orality required that an educated man locate himself as part of the intergenerational chain of knowledge and wisdom that passed the history of the civilization from generation to generation by word of mouth. It took about twenty years to become educated, that is, to acquire the skills and capabilities to become a *rhapsode*, literally, a "sewer[5] of song" – roughly the same amount of time it takes someone to be considered educated today. In the manuscript culture of the medieval Church, an educated person located himself somewhere among the privileged and divinely ordained hierarchy of unitary Truth that conveyed the Word of God through proxy authority to the illiterate masses. However, in the mechanized and industrialized print culture that emerged after the Enlightenment, the identity-defining hierarchy split into multiple, mostly secular institutions that conferred proxy authority through such devices as educational degrees and business titles. Thus, the focus of the modern education system was content- and skills-based, in order to prepare an individual to be able to attach their identity to an institution that would, in turn, validate it through conferring the imprimatur of the institution's proxy authority and location in society.

> Developing specific skills was certainly necessary, but it was not sufficient, to become a modern, educated person. In order to be

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[5] As in, one who sews songs together, the ancient version of a bard; see Parry, 1971.

accepted by one of these institutions, an individual not only required the appropriate skills; s/he required the appropriate discipline to be able to comply with and conform to the social control structures of that institution. Thus, as the old song reminds us, school days were "good ol' golden rule days: reading and 'riting and 'rithmetic, taught to the tune of the hickory stick." In other words, the modern education system aimed to create a citizenry with the necessary complement of skills – represented by the so-called 3 Rs – built upon a foundation of compliance, order and discipline. This served the aim of creating individuals properly prepared to take their respective places in a mechanized, industrialized, BAH society. (Federman, 2008b)

I suggest that BAH-socialization of identity location continues to be exceptionally strong, even in the contemporary world. In this respect, the education system, let alone other institutions, have scarcely changed over more than a hundred years. Roger, reporting on his conversation with a departing Unit 7 employee who could not accede to the shift away from valuing hierarchical status, tacitly demonstrates the strength of *f*-Identity valence among individuals in an ordinary, everyday context. Those who were able to embrace the new organizational culture did so by negotiating the changed social and psychological context that frames the construction of identity in Unit 7. The new frame at Unit 7, for instance, no longer supports a "bureaucratic character type" (Merton, 1940) who,

> ...has a strongly individualist side—one that takes great pride in doing a defined job well, that seeks a sphere of autonomy and a clear objective, and wants to be held accountable as an individual for meeting that objective [where] success … means that people leave you alone and do not challenge your competence in your sphere. (Adler & Heckscher, 2006, p. 27)

Negotiating the path to assuming a new identity is not limited to pro-UCaPP changes. As Ashforth (2001) argues, when faced with structural or cultural organization change, certain attributes of an individual's personal identity may come

into conflict with either categorical (via social group or rank category) or situational (via internalized values and attitudes projected by others) identity construction. This clearly poses a challenge for the individual, especially in the context of transitions from one circumstantial role/identity to another. Thus, preservation or enhancement (or both) of identity become a critical consideration in effecting organizational change, be it as simple as a rearrangement of an organization chart, or as complex as transitioning from being a BAH organization to enacting a UCaPP organization.

As was clearly demonstrated by Aaron in Organization F as it is transitioned to become more BAH, and by many departing individuals of various ranks in Unit 7 as it transitioned to become more UCaPP, a perceived threat to identity, a felt diminishment of Identity-valence relationship, is sufficient reason to seek employment elsewhere. As I suggested in an earlier chapter, the clichéd resistance-to-change is not a resistance to change *per se*, but rather likely a resistance to a change in identity. Conversely, it follows that the optimal strategy to effect organizational change of any sort is to first understand and account for the requisite change in Identity-valence, and then facilitate the changes among the other valence relationships.

In that earlier chapter, I discussed the importance of creating a *culture change venue* that I described as "a performative social location in an existing organization in which new cultural practices can be enacted." Initially, at least, the culture change venue is likely to be a somewhat artificial construct, but one that is in-line with the organization's operation, rather than a too-easily-dismissed adjunct. Unit 7's game design metaphor that is used to deal with internal processes and infrastructure issues

is one such example. The initial months of Inter Pares's staff and program meetings, reference groups, and annual retreats may have equally served this role.

Under the rubric of Knowledge Management, Rivadávia C. Drummond de Alvarenga Neto (2007) describes creating a type of culture change venue, called the "Bank of Ideas" and "Cultural Moments" – the latter being a monthly open forum or symposium – specifically aimed at transforming (what I would describe as) fungible-Knowledge relationships into Knowledge-*ba* at Brazil's *Centro de Tecnologia Canavieira*—Centre for Sugarcane Technology. In that case, the Cultural Moments symposia were particularly effective not only because they instrumentally enabled general sharing of technical knowledge. Alvarenga Neto described to me that the chief chemist had previously prevented knowledge sharing and dissemination because doing so would, in the chemist's opinion, diminish his status and perceived value to the organization as the sole repository of this amassed wisdom. Cultural Moments was the venue that enabled him to transform his identity to that of enabler, effectively a convenor of a knowledge-sharing environment. His (and others') Identity-valence attachment to the organization transitioned from fungible- to *ba*-form; the organization culture as a whole soon followed suit (Personal conversation, April 20, 2009).

*The transformation of Founder's-**ba***

Organization F's transition provides one additional, interesting insight. All three of this organization's participants relate the very special quality that the company possessed during its start-up phase. Jeff, for example, describes it as an "aura"; Matt as "more [than] a shared vision of things" (Matt-1-13). In parsing the

various descriptions, and in Aaron's identification of aspects that had been lost as the organization grew, it is clear that they were all characterizing Organization F's experience of organization-*ba* during its start-up phase.

The energy, charisma, inspiration, passion, vision, and competitive zeal with which Matt infused his nascent organization cannot be denied. These are attributes of a successful, entrepreneurial leader (Bann, 2009; Fernald, Solomon & Tarabishy, 2005) that attract people to start-up companies—attributes that are often ascribed to referent and "transformational" leaders (Kent, Crotts, & Azziz, 2001; Shamir & Howell, 1999). As well, the limited resources that are a practical reality of small, start-up organizations necessitate granting considerable autonomy and agency among early members, creating a sense of collective responsibility, and mutual accountability. During the first few years, organizational responses to both growth and challenges are very adaptive rather than procedural—seemingly organic in nature. In short, these conditions that very accurately replicate organization-*ba* are likely situational, created by circumstance and a strong, entrepreneurial personality. They are not authentic and sustainable organization-*ba*, but founder's-*ba*.

Founder's-*ba* can transition to organization-*ba* if (and only if) the organization does not itself transition in the direction of becoming BAH as it grows. One of the virtues cited by Organization F's participants was the degree to which individual members were "empowered" to act—at least during the first few years. However, true empowerment in the context of a UCaPP organization means that those nominally on top – the entrepreneur(s), his/her close advisors, and other organizational leaders –

must begin to divest growing power and control, which runs contrary to the entrepreneur's mindset of ownership privilege with respect to "their" organization.

When a start-up organization aspires to retain its founding UCaPP qualities, those who have acquired the mantle of referent leadership must resist the temptation to cement their position through adopting legitimated titles and formalized roles. As with both Unit 7 (in its relatively new Digital Division) and Inter Pares, power-connoting titles – respectively, Director and Co-Manager for all members equally – are primarily used to convey ascribed credibility for the benefit of external constituencies. The main consideration at critical nexus points in the organization's growth seems, once again, to centre on the quality of the Identity-valence connection of key personnel. The choice of *ba-* or fungible-form determines whether the organization's founding spirit transforms from *ba* to *ba*, or *ba* to BAH.

One Final Thought

The modern, BAH *organization* has focused strongly on controlling workers' behaviours and identities, and by extension, controlling the behaviours and identities of people throughout society. Decade by decade through the 20th century, this approach masqueraded as what might be considered more humanistic means of control, but always with the objective of first serving the predominantly economic aims of *organization*, and those in hierarchically superior classes, primarily defined in strictly economic terms. Valence Theory provides a framework that enables a reconsideration of *organization's* reversal: from a functional, instrumental, and purposeful focus to one that considers human interactions and interpersonal dynamics

as paramount in a ubiquitously connected and pervasively proximate world that, as we have come to realize, is best understood in complexity terms. In such a revised context, every aspect of organizational practice can be probed, questioned, and potentially transformed to become more consistent with contemporary reality.

The research from which Valence Theory emerges suggests that the ensuing changes in practice can be accomplished without necessarily compromising acceptable and respectful economic performance. Rather than living in a world in which people are wittingly or unwittingly controlled by organizations, a Valence Theory conception of *organization* reverses this dysfunctional dynamic, enabling people to assume their responsibility for creating relationships and perceiving effects in the context of our contemporary UCaPP world.