

# 3D Management, an Integral Theory for Organisations in the Vanguard of Evolution



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By

Marco A. Robledo

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To my son, Alex and my daughter, Vera.

May you always find the space to be  
happy, reach your highest potential, and  
find meaning in your life.

This book is my humble contribution to  
make it easier for you.

Thanks for teaching me every day what  
truly matters.

*“When the winds of change are blowing, some people are building shelters and others are building windmills.”*

Old Chinese saying.

# TABLE OF CONTENTS

The 3D Management Manifesto .....	viii
Acknowledgements .....	x
Foreword .....	xiv
Introduction .....	1
Chapter 1 .....	11
Integral Theory	
Chapter 2 .....	62
Applications of Integral Theory to Organisations	
Chapter 3 .....	100
3D Management	
Chapter 4 .....	144
Science: Maximising Value through Quality, Productivity, Agility, and Finance	
Chapter 5 .....	203
Arts: Developing People, Products, and the Organisation	
Chapter 6 .....	252
Ethics: Culture and Common Good	
Chapter 7 .....	282
Spirit: Purpose and Community	
Afterword .....	326
Appendix 1 .....	330
References .....	335

# THE 3D MANAGEMENT MANIFESTO

Our world changes at breathtaking speed. Utopia is becoming a real place, unfolding into astounding chimerical forms: Hermes, the Olympian God of commerce, travels across cyberspace, the continent without borders; tweets from Dubai can create storms in Wall Street; we carry the office on a cell phone; computers diagnose medical conditions more reliably than human doctors; automobiles finally live up to their name and do not need a driver; 3D printers can't mend a broken heart, but they are able to make a new one. At the same time, dystopia extends its dark mantle over us: The 4 Horsemen run amok in a world where human rights are a privilege of the few, and the wealth of some comes at the expense of the suffering of many, where refugees of war die on our shores while we shamefully look away, where developing countries are the dumping grounds of our throwaway society, and where our fancy clothes come from factories right out of Dickens, and our phones are covered in the blood of conflict minerals and the sweat of slave labour.

Humanity stands at an evolutionary crossroads between a dream world and the worst of nightmares. It is our choice to reach for the light of hope or stumble on into the darkness of despair. Hence, this manifesto wants to be an invitation to dream.

I dream of purposeful enterprises that champion a conscious vision and aspire to something worthier than just making money. I dream of workplaces that are chrysalises of human flourishing, that empower people to reach the further limits of their potential and unleash the power of their ingenuity. I dream of organisations that treat people not as means, but as ends in themselves, and which are built on love rather than fear. I dream of governance models that reap the collective wisdom of all stakeholders and allow them to serve the organisational purpose rather than the whims of any powerful individual. I dream of corporations that are not passive instruments of the market but active agents of social transformation and planetary regeneration. I dream of a future where the minds of the smartest individuals are geared towards building a better world rather than skimping on taxes, or owning the latest smartphone.

I dream of a world of dreams fulfilled, a place where utopia has banished dystopia, and even as I dream, I do know that my dreams can come true in an integral and balanced world.

In this fateful moment, let's be the architects of our future. If we want to spend the rest of our lives in a better tomorrow, we need a positive vision to give direction to our present time, and a purpose to our lives. This is precisely what *3D Management* offers: an integral perspective to help individuals and organisations go beyond their current limitations and boost their evolutionary potential.

## ACKNOWLEDGEMENTS

The book you are about to read has been written on the shoulders of giants. After more than 15 years of research and practice, and four years of writing, it is impossible to name all the works, theories, individuals, and organisations that have influenced or supported it; however, some stand out and cannot be omitted.

The first giant, whose canonical work has been the spark and the enduring influence for this modest attempt to develop an integral management theory, is the philosopher Ken Wilber. When I discovered his work in *A Theory of Everything* (2000b), my mind was blown open, and everything seemed to fall in place. For the first time, I had found a framework that integrated, with rigour, my scientific interests, my passion for arts, my ethical concerns, and my spiritual inclinations. It was a profoundly transformative experience, both at an intellectual and spiritual level. Upon reading that book, I became inspired to apply his integral approach to management, and thus my life changed in such an extreme way that I discovered my purpose: to help individuals and organisations in their transformation towards higher levels of consciousness. The best possible gift I could get is the amazing foreword he has written, and you are about to read. I have no words to express my gratitude for his generosity and support.

It was thanks to Ken Wilber that I also discovered the second most important influence of this book: *Spiral Dynamics* and its offspring *Spiral Dynamics Integral*. These evolutionary models, together with others presented by such authors as Clare Graves, Terri O'Fallon, Susanne Cook-Greuter, Lawrence Kohlberg, Michael Commons, and Robert Kegan, have been constant references for me.

Some management ideas that share the same principles and aspirations as 3D Management have also been deeply inspirational. Ricardo Semler's *Maverick* was probably the first book that made me realise that another kind of business is possible. Frederic Laloux's *Reinventing Organisations* is, in my opinion, the most relevant management book of the 21<sup>st</sup> century. All the seminal work of Richard Barrett has always been very present for me and has yet to be sufficiently acknowledged. John McKay and Raj Sisodia's

*Conscious Capitalism* is one of the leading theories of post-conventional management thinking. Brett Thomas' *Integral Leadership* is, in my mind, the most significant contribution to leadership theory in years. Gerard Endenburg's *Sociocracy*, Brian Robertson's *Holacracy*, and James Priest, Lili David, and Bernhard Bockelbrink's *Sociocracy 3.0* have achieved the incredible feat of making the workplace revolution accessible and replicable. Encode's *For-Purpose Enterprise*, is not only filling the gaps of *Holacracy* but taking it to the next level. There couldn't be better fertilisers for the growth of my ideas.

But thinkers go nowhere without doers. I want to recognise all the people that are walking the talk of organisational transformation. First, there are the pioneers. We wouldn't be here without companies like W.L. Gore, Johnsonville Sausages, Morning Star, Semco, Buurtzorg, HolacracyOne, Oticon, FAVI, or Irizar opening the way. I especially want to acknowledge those organisations and individuals that have worked with me or were so kind as to supply information for this book. The list is long but I would like to highlight the names of Tom Thomison, Christiane Seuchs-Seuler, and Dennis Wittrock from Encode.org, Koldo Saratxaga and Pablo Aretxabala from ner Group, Olivier Gesbert from Pressto Peru, Rainer Leoprechting from Pro Action Learning, David Tomás from Ciberclick, Pieter Spinder from Knowmads Business School, Ana Manzanedo, Albert Cañigüeral, and Francesca Pick from Ouishare, Stellan Nordahl and Jens Rinnelt from Emprogage, Daniel Truran from B Corps, Lucía Zamora, Raquel Gutiérrez, and María Ruiz from DeLuz y Compañía, and Yan Eperon, the creator of Holycracy. To all the participants in the 3D Management Club of Conscious Organisations in Mallorca and especially to the president of Eticentre Miguel Ángel Benito who embraced the spirit of the idea from the very beginning. To Ricardo Martínez, the champion behind the Colombian chapter of the 3D Management Club of Conscious Organisations and an enthusiastic supporter and practitioner of 3D Management. To all the members of CineCiutat, for believing in this beautiful social innovation experiment against all the odds, and especially, to my fellow members of the board Javier Pachón, Pedro Barbadillo, Ignacio Bergillos, Rafael Goberna, Olga Titos, and Marta Pérez for their relentless belief in 3D Management.

I want to give a special mention to the few academics who are contributing with the introduction of *Integral Theory* in the university world as well as studying the cutting-edge of organisational evolution. We are not many, and we are swimming against the tide. In the top of my list is Julio Batle, who

is like a brother to me. He is a penetrating thinker whose creative energy is in perpetual eruption and is always ready to challenge my views and take me one step further. Having him in the office next door is a privilege that has enriched my life over the years. He makes far too many bad jokes about Integral Theory, but we cannot expect those who have not reached an integral level of development to be perfect. Antonio Grandío and Ricardo Chivas from the Universitat Jaume I in Castellón are good friends, kindred spirits, and long-time supporters of my work. Mark Edwards, from Jönköping University, is one of my favourite experts in Integral Theory and is a distinguished contributor to its implementation in organisations. Tom Habib is developing, together with Bence Ganti, the International Consortium of Integral Scholars, a project that deserves all my praise and to which I have the honour of belonging. My recognition as well to Ana Moreno from Universidad Politécnica de Madrid, Aftab Omer from Meridian University, Lisa Norton from Parsons College, and Iñaki Heras from the Universidad del País Vasco.

I am most grateful to those creating spaces and communities to transform our society and our organisations for the benefit of all. I would like to draw special attention to the Enlivening Edge community and George Pór and Alia Bastet, the Journal of Integral Theory and Practice, edited by Sean Esbjörn-Hargens and managed by Lynwood Lord, the Integral Leadership Review and its editor Eric Reynolds, and Pim de Morree and Joost Minnaar's Corporate Rebels blog. My first contact with the integral community, apart from a small discussion group that Joan Umbert and I set up in Mallorca, was with the Spanish Integral Association, founded by Raquel Torrent and followed by Pablo Nebreda and Alberto Jiménez as presidents. It is no longer active, but I'm still in touch with many of the integral friends I met there. When it comes to conferences, three are very special to me. First, the Integral European Conference, created by Bence Ganti and Dennis Wittrock, and now headed by the former; then, the New Economy and Social Innovation Forum, organised by Diego Isabel de la Moneda; last but not least, Hispanoamérica Integral, led by my dear friends Santiago Jiménez, Gary Villar, José Ricardo Fuentes, Vidal Herly, Diana Murillo, Philip Watson, and Claudia Ramírez. Certainly, Facebook groups such as Integral Global, Teal for Startups, Teal for Teal International, Sociocracy 3.0, Reinventing Organisations, AQAL, or the Change-Maker's Collective are indispensable sources of information. All of them have been very receptive to my ideas and work, and I thank them.

Robert Perry will always be in my memory and my heart. He was the best teacher and one of the best communicators I have ever known. More importantly, his example made me deeply aware that a teacher is not only a knowledge transmitter but a soul transformer.

Special thanks go to Cambridge Scholars Publishing, and in particular, Adam Rummens for believing in this book from the very beginning, and helping nurture its creation with unwavering support. I also owe an enormous debt to Colleen Vollmer and Olga Zuyderhoff, who devoted extraordinary care and attention to the linguistic and editorial revision of this book. Their input has greatly enriched this book.

Finally, I am perhaps most deeply grateful to you, dear reader. It is only through your contribution that the evolution of organisations is going to be possible. It is a privilege to share my modest work with you in the hope it will inspire you.

# FOREWORD

KEN WILBER<sup>1</sup>

“Integral Theory” (or “Metatheory”) is a specific framework that is meant to be applicable to virtually any field or discipline that one wishes. As perhaps the major architect of this perspective in today’s world, I originally created it as a way to make any specific discipline more inclusive, more comprehensive, and more “holistic” in the very best sense. I did an extensive search of dozens and dozens of world cultures—premodern, modern, and postmodern—and looked for any common elements that the “good theories” or “good ideas” of various times happened to share—whether that might involve a culture’s idea of science, art, ethics, history, commerce, or religion. Odd as it might initially sound, I actually found several. What these shared patterns suggest is not a way that new facts are discovered and fitted (or not) to a particular theory, but rather what all good theories have in common. And the existence of these shared elements suggests that there are various aspects, dimensions, or areas of reality that human beings especially need to pay attention to, because they keep showing up again and again throughout our evolutionary history. To date, this Integral approach has been used to make over 60 different disciplines more comprehensive and inclusive.

To give only one quick example, take the notion of the Beautiful, the Good, and the True. This idea itself is several thousand years old, but it still has an enormous amount of importance for our postmodern culture. Why do I say this? One way to look at it is that these three dimensions are the actual basis of our 1<sup>st</sup>-person, 2<sup>nd</sup>-person, and 3<sup>rd</sup>-person pronouns (such as I, you, and it). There is the Beauty that is in the “eye” (or the “I”) of the beholder (1<sup>st</sup> person); there is the Good, or how you and I are supposed to treat each other (2<sup>nd</sup> person); and there is the True, shorthand for “objective truth” (a 3<sup>rd</sup>-person approach). Every major language in the world has those three

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<sup>1</sup> Ken Wilber is one of the most important philosophers in the world today. He is the creator of Integral Theory, the world's first truly comprehensive or integrative philosophy.

pronouns. It appears that they represent very real, very important dimensions of an actual reality; and thus, over the millennia, as human beings evolved, they were in touch with all three of those dimensions, and hence as their language began to emerge, it fully reflected all of them.

Another way to look at these dimensions (of the Beautiful, the Good, and the True) is as the specific disciplines of “art, morals, and science.” It’s very clear that those are indeed different areas or dimensions of reality. What’s also not deniable is that all three of those dimensions exist. What’s more, each of them has a very different methodology for disclosing its own specific types of truth. According to Max Weber, what specifically marked the emergence of the modern world was the “differentiation of the value spheres.” That is, the differentiation of the Beautiful, the Good, and the True, which previously had been fused under the Church, which dictated exactly what each of them should be (so that the Church clergy did not have to look through Galileo’s telescope because the Bible already told them what they would see). But with modernity, these three spheres were differentiated and allowed to go their own way with their own logic—and this produced a knowledge explosion in all of them that marked what we call “modernity.”

So today, even Jürgen Habermas, whom some consider the world’s greatest living philosopher, maintains that every time a human being speaks, they take up a relation to three different worlds—the subjective aesthetic, the intersubjective moral, and the objective scientific—that is, art, morals, and science (1<sup>st</sup>-, 2<sup>nd</sup>-, and 3<sup>rd</sup>-person realities). Further, each of those dimensions has very different validity claims or ways that you demonstrate what is true and what is false in each of those areas.

Here’s the problem. Take something like “consciousness studies,” which is the academic attempt to explain the origin and nature of consciousness or awareness. This discipline today is divided basically right down the middle between two very competitive schools: one that believes that consciousness can only be explained by actually looking within and introspecting (that is, by using a 1<sup>st</sup>-person approach); the other believes that consciousness is solely the product and function of neurophysiological brain processes (or a 3<sup>rd</sup>-person approach). Neither one of these has been able to decisively win the argument, and so they continue to go at each other’s throats. What is rarely found is the approach that an Integral perspective takes, which is that both of those approaches are equally important and neither can be excluded—which is exactly why neither of them can win the argument. (Of

course, a fully Integral view maintains that all of the Integral elements need to be included, but this is just a simple example involving what Integral calls the “quadrants,” which also includes 2<sup>nd</sup>-person views—the point being to truly be comprehensive and inclusive.) No genuinely accurate and effective view of consciousness can be gained without including all three of those dimensions, yet how rarely it is done!

In the following pages, Marco Robledo approaches the world of business—its structure, function, leadership, investors, stakeholders in general—and he uses an Integral approach to do so. Thus, from the start, Marco includes the areas that he calls “art, ethics, and science”; in other words, these three major dimensions, with their different types of truth and validity claims. Now, in recent times, there have been movements that wish to include, in business, an ethical or moral dimension. But you always get the sense that these areas are just tacked on to their businesses, that somehow moral behavior is not a core of their enterprise. But how much different it looks if, from the start, you have a foundation that includes art and morals and science, as Marco does. The picture looks very different indeed, and you get the sense that this type of business has morals as part of its foundation—which, of course, it does.

And that’s just the start. The Integral metaframework, as I suggested, has several elements that represent inherent qualities that all humans possess and that any human discipline that wishes to be truly inclusive and comprehensive needs to fully take into account. These elements include the quadrants that we just mentioned, as well as numerous stages of development, various lines of development, higher states of consciousness, various types, and shadow elements. These are all technical terms that you don’t need to worry about now, except to notice that Marco uses all of those elements in his explanation of business and the revolutionary changes that we see happening to it right now.

But just as with consciousness studies, where we see the field fragmented into competing approaches, the world of business today, around the world, is largely still a badly fragmented affair. Even looking only at aesthetics, morals, and scientific technology, businesses today are having a hard time truly integrating all of those. And this applies just to the quadrants; you can imagine how poorly they are doing in all the other areas. So picture what you might think of as a truly comprehensive or holistic or integral business—and that is exactly what Marco lays out for you in the following pages.

Thus—along with approaches such as Alan Watkins’s *Coherence*, surveys such as Frederic Laloux’s *Reinventing Organizations*, and actual businesses like John Mackey’s Whole Foods—Marco is one the pioneers in a truly Integral Business. As Laloux’s survey indicates, this more Integral approach is already a feature of many of the most leading businesses in today’s world. What Marco does is help show you, from the start, how to build a truly Integral Business, using virtually all of its central elements. Speaking again as the major architect of this framework, I can’t say that I agree with every single little detail of how Marco lays this all out (who could?). But I can say that he does a brilliant job in using the framework in exactly the way I intended—which is to take a field that you love, and by filling in the gaps exposed by an Integral perspective, make it a field that you can love even more.

Most people, in most of the world, spend most of their time in a business venture of their choice. And the vast majority of them report that they are miserable. In large part, this is because the business where they work is still following a structure that is hundreds of years old. But evolution moves on, the stages of development move on; and most business owners, managers, and team members are completely unaware of these evolutionary stages (as well as most of the other elements of a truly Integral view). This is exactly what Marco’s book can help you overcome. Whether you own a business, manage one, or simply use one, this book can help enlighten you, encourage you, and give you great hope for the future. One thing is certain: the more a truly Integral Business catches on, the more whole and fulfilled that humanity’s future will be. And *3D Management* will have helped pave the way.



# INTRODUCTION

*“You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete.”*

Richard Buckminster Fuller

Many practitioners are allergic to theories. They are action-oriented people who think theorising is a form of mental masturbation with little to no practical application. When they say “give me action, not words,” they are unconsciously implying there is no need to question our underlying assumptions. Let me quote Kurt Lewin to clearly express my utter disagreement: *“There is nothing more practical than a good theory,”* he asserted. Every action is theory loaded. In times of change, like the ones we live, it is critical to challenge the beliefs that shape our conduct.

Back in 2004, and with that purpose in mind, I wrote a book in Spanish (Robledo, 2004) that introduced a theory of my own making called *3D Management*. It was a pioneer application of Ken Wilber’s *Integral Theory* to business and organisations, and a reaction and alternative to the mainstream model, due to my dissatisfaction with it. Yes, you read that correctly, a theory from a management scholar that is meant to be practical and disruptive. Rarer than hens' teeth.

Ever since, the theory has ostensibly grown and developed. I have presented it in many professional and academic forums, published several conference papers and peer-reviewed articles (e.g., Robledo 2011, 2013, 2014, 2016, 2018b), and applied its concepts and principles in the field. This new book introduces the evolution of *3D Management*, as a result of the research I have carried out throughout these years, the hands-on applications of a community of practitioners that have worked with this or similar models, and my own practical experience in a wide range of

contexts, such as the 3D Management Club of Conscious Organisations<sup>1</sup> which I founded and has chapters in Mallorca and Bogotá.

The original book received a limited but enthusiastic response. It was an unsurprising outcome for a work in the fringe of management theory that only appealed to the chosen few who shared my values and vision. I saw myself as a Spanish Quixote, hopelessly fighting against the invincible giant that was the established management paradigm.

But I was wrong. The tides are turning, and an ever-increasing number of organisations are experimenting with new models that are a better fit for the current conditions. My prediction now is that this revolutionary way of managing organisations will become the dominant management paradigm in the 21<sup>st</sup> century. Some leading-edge theories and models such as *Teal Organisations*, *Agile*, *Conscious Capitalism*, *Holacracy*, *Sociocracy 3.0*, and *Liberated Companies* are spreading as an alternative to the traditional model, laying out the foundations for a new paradigm<sup>2</sup>. Many prominent companies such as Zappos, Valve, W.L. Gore, Whole Foods, ner Group, Spotify, Netflix, Haier, Michelin, Patagonia, Buurtzorg, or Morning Star are already managed in this way, and they are just the visible side of an iceberg that could sink “business-as-usual”. Different trends are pushing this revolution forward, I will highlight the four I consider most important:

## **Social dissatisfaction**

The global economic crisis that originated in the US in December 2007, and spread like a virus to every part of the world, has contributed to an increasingly turbulent environment and deep questioning of some of the structures that define our model of living. The economic predicament is just one aspect of a much more profound and complex crisis that is also political, ecological, and axiological and is the result, first and foremost, of a fractured worldview. Crises are just the natural consequence of a world heading for disaster where the triad of capitalism, consumer society, and representative democracy is no longer working as it used to (Batle and Robledo, 2018). A capitalist model based on unlimited growth is a threat to our limited planet. Representative democracy, which not so long ago

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<sup>1</sup> I define a conscious organisation as one that has a greater awareness of itself and the environment, understands the consequences of its actions better, and, thereby, acts more responsibly.

<sup>2</sup> See appendix 1 for a description of those and other related theories.

seemed unquestionable, is increasingly challenged for its shortcomings and problems, such as corruption, nepotism, focus on conflict, short-term thinking, and limited participation of the citizen. Finally, consumerism, based on a never-ending cycle of buying, throwing away, and buying again, is destroying the environment, reducing people to merchandise, and generating an aching spiritual vacuum.

The painful truth is that the system has failed the vast majority. Is it any wonder people feel cheated when companies make money and the economy keeps growing, but the system generates fewer and fewer jobs and favours only a small elite? A growing percentage of the population feels disenfranchised and has lost faith in a system based on Neoliberalism, consumerism, and a political structure controlled by corporations and elites. The social movements of the beginning of the century, like Syntagma Square in Greece, Indignados in Spain, or Occupy Wall Street in the US, campaigned against economic inequalities, financial instability, and precarious employment. More recent events like the election of Donald Trump, the rise of other populist candidates in other countries, or Brexit, can also be interpreted as people taking desperate means to show their utter frustration and disillusionment. They are also a reaction to the limitations and unreasonable premises of mainstream management and a sign of the erosion of trust in business and business leaders that has plummeted to unprecedented levels.

This trend is especially worrying when we consider the enormous influence business has over our lives. No government, no religion, no other social institution, past or present, has affected existence more than business does. It is the most powerful institution of all time. We could easily say that business rules the world. Not only do we spend most of our waking time working, but it also determines what we eat, what kind of information we receive, what we wear, etc.

Peter Parker learned from his Uncle Ben that “*with great power comes great responsibility,*” and he applied himself to live by that principle as Spiderman. Unfortunately, business is not the socially responsible institution we all would like it to be. On the contrary, if we take a critical look, we will see a picture of selfishness and a lack of moral compass. In fact, Joel Bakan’s (2004) famous psychoanalysis of corporations concludes they act more like psychopaths in their pathological pursuit of power and profit, regardless of the harmful consequences they might cause

to others<sup>3</sup>. The results are there. Business has a significant share of responsibility over the three major challenges we face today: excessive global inequalities, ecological unsustainability, and the alienation and neurotic anxieties of modern life.

## Challenging environment

Heraclitus' maxims "*Everything changes, nothing is permanent*" and "*You can't swim twice in the same river*" are recurring clichés in business literature. But change is the only constant. It has been there since the beginning of time, what is different today is its pace. The analogy of a hurricane aptly describes its acceleration: the speed at the periphery is low, but it increases exponentially as you approach the centre. Hold on tight to your seat and take this whirlwind trip through human history, courtesy of Daniel Pinchbeck (2006: 102):

*"The Stone Age lasted many thousands of years, the Bronze Age lasted a few thousand years, the Industrial Age took three hundred years, The Chemical Age or Plastic Age began a little more than a century ago, the Information Age began thirty years ago, the Biotechnology Age geared up in the last decade."*

Compare these facts: Homo Erectus used the same stone tools for 2 million years, it took 100 years to apply the steam machine to automobiles, but in just eight years the internet revolutionised our lives. Are you getting dizzy? As the Red Queen warned Alice, "*Nowadays we must run as fast as we can, just to stay in place, and if you wish to go anywhere, you must run twice as fast*".

Change not only happens faster than ever before. It also happens on a larger and more unpredictable scale, as current challenges have many factors and few solutions, and it is unclear the effects they may have. The acronym VUCA describes the volatility, uncertainty, complexity, and ambiguity of the current issues. Honestly, who could have predicted something like the coronavirus global pandemic? COVID-19 has shown us how unpredictable, complex, and deeply interconnected the world we live

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<sup>3</sup> Bakan, in his book *The Corporation* (2004) and in the documentary of the same title he co-wrote in 2003 with Abbott and Achbar, examines the personality of corporations. He describes it as a self-centred, amoral type, with delusions of greatness and a lack of regard for the others. Based on those traits, he concludes it is a pathological, even psychopathic personality.

in is. For those of you who didn't fully understand how it was possible for a butterfly to flap its wings in Brazil and produce a tornado in Texas, let me give you a new metaphor for chaos theory: a person sneezes in Wuhan and causes a pandemic of planetary proportions. Indeed, it is such an extremely challenging environment that Tom Peters made the remark: *"if you're not confused, you're not paying attention."* He is not the only one. An IBM study of over 1,500 CEOs, cited by Petrie (2014), identified their number one concern was the growing complexity of their environments, with the majority of them saying that their organisations are not equipped to cope with such an amount of uncertainty, complexity, and ambiguity.

And it takes its toll: a wealth of research indicates that the average lifespan of organisations continues to shrink. More and more conventionally well-managed organisations fail to achieve sustainable long-term success. A recent study by McKinsey found that the average lifespan of companies listed in the Standard & Poor's 500 was 61 years in 1958. Today, it is less than 18 years. In the 1960s a company lived about as long as a human being of the time. Nowadays, they are dying once they reach adulthood. If the life expectancy of the human race had suffered such a massive downturn, it would have been considered a tragedy of biblical proportions. McKinsey forecasts that 75% of the companies currently quoted on the S&P 500 will have disappeared by 2027. They will be bought-out, merged, or will go bankrupt. None of the oldest and more resilient companies on the New York Stock Exchange (General Electric, Exxon Mobile, Procter & Gamble, and DuPont) are market favourites any longer. In Europe, the situation is similar. According to Eurostat, less than half of the enterprises born in 2011 were still active in 2016. It is not a matter of nostalgia, but of the enormous psychological, social, and economic repercussions such a mortality rate has.

## **The obsolescence of management**

Our management models are too archaic and simple (taken individually) to effectively respond to the uncertainty and complexity of the current environment. The world has become so turbulent, new technologies are developing so rapidly, knowledge is multiplying so quickly, and we are confronting so many crises on multiple scales that we require explanations matched in complexity.

As authors such as Hamel (2009) and Carney and Getz (2016:45) point out, management was invented during the Industrial Revolution to solve two specific problems: The first was regulating the work habits of mostly

untrained peasants and artisans, accustomed to working at their own pace, who were hired into factories to perform repetitive activities competently, diligently, and efficiently. The second was the need to obtain uniform, reliable output that enabled the large-scale production of goods and services. In a nutshell, the problems were efficiency, standardisation, and scale, the objective was doing the same thing over and over again, only changing with small increments, and the solution was bureaucracy, with its hierarchical system of command and control and its rules and procedures.

Our current management paradigm follows industrial age principles, now more than a century old. It worked well in the past when everything was stable and predictable, but it is useless in an unpredictable world of disruptive technology and highly autonomous and educated workforces.

Gary Hamel (2009) is one of the influential figures who have voiced their discontent with the current management paradigm:

*“Why, for example, should it take the blunt instrument of a performance crisis to bring about change? Why should organizations be so much better at operating than they are at innovating? Why should so many people work in uninspiring companies? Why should the first impulse of managers be to avoid the responsibilities of citizenship rather than to embrace them? Surely we can do better.”*

For him, it is time for change: *“Management, like the combustion engine, is a mature technology that must now be reinvented for a new age.”* He elaborates:

*“Managers today face a new set of problems, products of a volatile and unforgiving environment. Some of the most critical: How in an age of rapid change do you create organizations that are as adaptable and resilient as they are focused and efficient? How in a world where the winds of creative destruction blow at gale force can a company innovate quickly and boldly enough to stay relevant and profitable? How in a creative economy where entrepreneurial genius is the secret to success do you inspire employees to bring the gifts of initiative, imagination, and passion to work every day? How at a time when the once hidden costs of industrialization have become distressingly apparent do you encourage executives to fulfil their responsibilities to all stakeholders?”*

*To successfully address these problems, executives and experts must first admit that they’ve reached the limits of Management 1.0—the industrial age paradigm built atop the principles of standardization, specialization, hierarchy, control, and primacy of shareholder interests.” (Ibid., 2009)*

Finally, he makes a call for action:

*“All too often, scholars have been content to codify best practice instead of looking beyond it. Practitioners have been more inclined to ask “Has anybody else done this?” than “Isn’t this worth trying?” What’s needed are daring goals that will motivate a search for radical new ways of mobilizing and organizing human capabilities.” (Ibid., 2009)*

Don’t jump the gun, just yet. Mainstream management is neither something to be discarded or dismissed altogether. We can only reinvent management by understanding where it comes from and incorporating all the great achievements it has conquered. Otherwise, we risk throwing out the baby with the bathwater. Gary Hamel (2009) shares this point of view when he writes: *“The goal, though, is to overcome the limits of today’s management practices without losing the benefits they confer. It would make no sense to find a cure for insularity and inertia, for example, if the side effects were imprudence and inefficiency.”* Organisations must become a lot more adaptable, agile, humane, and socially responsible without getting any less focused, disciplined, or performance-oriented. Giving it a little tweak won’t be enough either. It is not a matter of rectifying, complementing, restoring or revitalising the current management paradigm. It is about fundamentally updating and reimagining it.

This book, using an integral approach, highlights the shortcomings of the current business model while guarding its virtues. It proposes a new theory that radically redefines management’s ontology to make organisations a model of efficiency and prosperity, but also of integrity and commitment to people and society.

## **Employee disengagement**

Most of us spend about a third of our waking hours working. Research shows that these hours are, on average, the least happy of our lives. For far too many people, work is a dispiriting, frustrating, and joyless experience they put up with only to make money:

*“(…) you show up every morning, you punch a card, you go to your station, you're told what to do, you're not given the tools you need to do what you need to do, you get ten things right and nobody says a word, and you get one thing wrong and you get chewed out? You ask questions and it takes a week to get an answer back. It is no wonder many people feel pretty empty.” (Chapman and Sisodia, 2015: 90)*

That is the management system we developed during the industrial revolution to turn farmers and artisans into automatons working in assembly lines to perform repetitive, predictable, and unintellectual tasks.

In his eye-opening *Throwing Rocks at the Google Bus*, Douglas Rushkoff (2016: 18) contends that industrialisation, under the guise of the triumph of technology, was more about restoring the power of those at the top by disempowering workers, in particular merchants and artisans. Rather than having to learn how to make shoes, workers could be trained in minutes how to do one tiny part of the job. It was much more efficient and cheaper, especially if much of the cost was externalised or hidden (e.g., environmental and health costs).

Even though working conditions have improved since those early days, the daily reality for most people is still subject to a bureaucratic and hierarchical operating system that fosters predictability, mediocrity, and obedience. The result? Skyrocketing levels of disengagement and a colossal waste of human potential.

The leading and more often quoted study on employee engagement is *Gallup's State of the Global Workplace Report* (2017). It has been carried out since 2009 in more than 150 countries, and roughly 180 million employees have been interviewed. Its consistent results couldn't be more disheartening. Worldwide, the percentage of adults who work full time for an employer and are engaged at work (meaning they are psychologically committed to their jobs and enthusiastic about their work and the organisation they work for) is just 15%. The rest are looking forward to the end of the day, as soon as they arrive. Though engagement levels vary considerably by country and region (it ranges from 33% per cent in the US, to 10% in Western Europe or just 6% in East Asia), no country has more than four engaged employees out of ten. Out of the 85% of employees that are not engaged, we can separate between the merely disengaged workers that are not rowing as hard as they can and the actively disengaged ones that are rowing intentionally in a different direction or punching holes in the boat. The Gallup Research Institute estimates that active disengagement costs the US economy around 500 billion dollars per year and individual companies an average of 1/3 of the payroll.

When it comes to motivation, the results are equally distressing. Only two in 10 employees strongly agree that their performance is managed in a way that motivates them to do outstanding work. Moreno et al. (2018) gathered

different studies that showed that 63% of employees are not motivated and are not willing to make an extra effort for the company, 24% consider themselves truly unhappy and unproductive in their work, and only 28% think that the company demonstrates a sincere interest in their welfare. Those staggering results represent an enormous cost for the organisation and show a grim picture of individuals wasting their lives doing something that does not make them happy. The founders of many of the vanguard organisations presented in this book (such as Buurtzorg's Jos de Block, Pressto Peru's Olivier Gesbert, Pieter Spinder from Knowmads Business School, and Corporate Rebels' Pim de Morree and Joost Minnaar, just to name a few) have in common being rejects of the traditional business world, and all suffered burnout or bore-out by their uninspiring jobs. Thankfully, they built their own paths to find meaning at work and have a real impact on society.

## The journey

For untold ages, the kingdom existed in a serenity that seemed unchanging. Now winter is coming, and VUCA the dragon is at the gates of the kingdom. Its frozen breath will wipe out everything, and change the land forever. Brave individuals who dare to face the menace and tame the beast are needed. Only when that happens, will the gods allow the sun to shine once again<sup>4</sup>.

The underlying assumptions of mainstream management are no longer relevant to our current situation. An unforgiving environment, social dissatisfaction, employee disengagement, and obsolescence of the industrial management model are mutually supporting trends that are making organisations increasingly dysfunctional. We can't cover our eyes with Virtual Reality goggles to hide in an alternate reality. The game is over, and a new game is coming up. A paradigm shift is going to happen very soon. The old model has become too incompetent and incomplete, so business as usual is no longer possible. Maintaining a system that doesn't work and is unacceptable for the vast majority is senseless. It might be even suicidal. Organisations have no choice about whether to accept a new world that differs fundamentally from the old. Ready or not, here it comes! That is the inevitable future.

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<sup>4</sup> As I proofread the document, locked at home in the middle of the coronavirus pandemic curfew, this paragraph presents an entirely new meaning.

Does your organisation have what it takes to deal with the world ahead of us? Patching things up won't work. Working harder or smarter is no longer enough. We have to create everything anew and radically reimagine the way organisations are conceived and managed. Embracing change might allow us to shape it according to our needs. If we deny it, we will only suffer the consequences.

We are like trapeze artists hanging on to the bar. We must release our grip on this well-known bar and hurtle across space to the great beyond. Some of us have already leapt. We are in the bottomless chasm between the past and the future. It is scary, but also utterly exciting because this is part of our evolutionary growth.

This book features the cases of more than 60 vanguard organisations that made the leap into the unknown. These and many other organisations are paving the way in every sector and every country. They are legion.

Don't feel overwhelmed by what seems like a large gap between you and the best cases portrayed in this and other similar books. Every trip must start with a first step. If you don't want the future to leave you behind, join the (r)evolution. Take the path paved with yellow cobblestones, follow it, and we will meet somewhere over the rainbow.

# CHAPTER 1

## INTEGRAL THEORY

*“The most exciting breakthroughs of the twenty-first century won’t occur because of technology, but because of an expanding concept of what it means to be human.” (John Naisbitt).*

### **1.1. Jack of all trades and master of none**

*“It is necessary to be alert and to go out of one’s job: to observe well the landscape of life that is always total. No science or trade will give you the supreme faculty to live, but the synopsis of all trades and all sciences.” (José Ortega y Gasset)*

Since I was a child, I have shown great interest in the most disparate things: art, philosophy, sports, science, everything attracted my innate curiosity and my craving for knowledge. My mother used to rely on a famous proverb to show her concern about my eclecticism: *“You will be a Jack of all trades and a master of none.”* She wanted me to follow the right path of specialisation. I have to say that her well-intended advice went in one ear and out the other. I was well aware that it was hard to be Leonardo in the 21st century, but I still wanted to toy with a lot of different fields and see if I could join the dots between them. In hindsight, I think I was right.

Nonetheless, my mother had a point. Back then, the market wanted only specialists. Nowadays, specialised jobs are under the constant threat of automatisisation and artificial intelligence, while more and more employers demand a broader set of skills that combine big-picture thinking, transferable skills, and flexibility. It is not that they are giving up specialist knowledge to hire pure generalists. They want it all. Survival in the new work environment requires a combination of depth and breadth. Deep specialists, they call it. Take Valve Corporation, an American video game company responsible for such popular series as *Half-Life*, *Portal*, *Counter-Strike*, and *Left 4 Dead*. They seek “T-shaped” people, that is, people who are both generalists (highly skilled at a broad set of valuable things—the top of the T) and also experts (among the best in their field within a

narrow discipline—the vertical leg of the T). They want to avoid the problems of overspecialisation by adding breadth to our knowledge.

A broader perspective reveals that fragmentation and compartmentalisation of knowledge are the cause of many of our ills. We know a lot about too little and too little about most anything. We tend to concentrate on the parts of a general process and neglect the whole. We focus on our professional careers, and we don't look after our personal lives. We make a decision concentrating on its immediate or partial effects forgetting the old African adage that it never rains in a single house.

Blame it on the brain. Our inferior parietal lobe is dualistic and understands the world by dividing it into opposites. Everything is neatly sorted into black and white, with no tolerance for ambiguity or shades of grey. Differences of opinion are pitted against each other as opposing ideas rather than as pieces of the larger picture. Right-wrong, good-evil, man-woman, loss-profit, environment-economy, concentration-diversification, superior-subordinate, conforming-nonconforming... They are just mental chimaeras of this binary logic.

Our futile attempts to understand totality by classifying and separating it are the source of many of our problems: wars, racism, nationalism, etc. The focus is on the differences rather than on the similarities. The struggle of opposites, as Heraclitus called it, necessarily leads to the dualisation of ideologies. Those who don't share my point of view are wrong (unfortunately, one of the hidden assumptions of our parliamentary democratic system). If you are not with me, you are against me. Economists against psychologists, lawyers against economists, marketing versus finance. In the war of all against all, there are no winners, only losers.

Science itself has proven that atomistic models are not the most adequate to explain reality. The current scientific paradigm rejects that the world is made of isolated independent parts. The new science that emerged in the twentieth century (including relativity theory, quantum physics, chaos theory, and complexity science) is holistic. It portrays a reality formed by intrinsically related systems.

The same holds for organisations. There was a time when a person was responsible for the totality of a task. In a medieval workshop, each shoemaker made an entire shoe. Industrialisation brought along the division of labour and responsibilities. Consequently, people carry out