

LIVING SYSTEM LIFE AND WORK
THE NEW PATTERN FOR *SUCCESS*

A Series of Presentation/Discussions
To Explore Critical Issues
For Your Life and Your Business

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Part 2
Mega-Force 1 –
World Human Transformation
to Living System Life and Work

Begin Part 2 – 2 – How a Living System Transforms

Next, we begin to understand how a human system, like the Human Psyche System, transforms. Its process may come as a surprise. How we transform in our personal lives from one stage to another and how the World Human Transformation works is not at all like a linear machine changes. It is essential for developing our new Mindset to know and understand the difference. To do so we need two more additions to our new Mindset.

First – We need to broaden conventional thinking about what we mean by the term “Change”.

Slide 2 – Spectrum of Human System Change

Human systems change in three ways – be they persons, groups, organizations or even cultures. This has profound effect on how we lead Living System organization change.

First – Change that is almost linear –

It is manageable and controllable by conventional means. It is gradual, step-by-step, developmental change – It is almost continuous (meaning almost smooth without discontinuities or jumps) – It is trend like. This is the conventional type of human change. That is, gradual developmental change within a given Human Psyche System stage pattern. Gradual linear change is understandable and acceptable by conventional linear managers.

Second – Transformation Change –

It is guidable, but almost un-manageable or controllable by conventional, linear command & control methods. It is non-linear, discontinuous, leaping change. It is both qualitative and quantitative change. An example is transformation from one Human Psyche System stage to another stage. But, both stages have previously existed in human affairs – personal and collective. This means there are persons and organizations that have previously made this transformation. Transformation frightens many conventional linear managers.

Third – Transcendent Change –

This is the really non-conventional type of change. It is only partly guidable and totally un-manageable or controllable by conventional linear management. It is a special type of transformation change – An unprecedented change that has not happened previously in human affairs. For example an unprecedented transformation to a new Human Psyche System stage that *did not previously exist in human affairs*. This means there are few, if any, persons and organizations that have made this transformation previously. Many conventional managers are not just afraid of Transcendence – They are terrified by it to the point they deny it can exist and to terminate any person who seems to represent it.

Transcendent change is the *Mega-Force 1* type of human change we are now experiencing – Leading-edge persons, leaders and organizations are now beginning to undergo transcendence. They are experiencing qualitative and quantitative change in life and work that is unprecedented.

The Second addition to our Mindset is to understand the contrast between Linear Systems and Non-Linear Living Systems to help us understand how the new Genre of leaders thinks and act.

Slide 3 – Meaning of Linear and Non-Linear Living Systems

This slide points out some of the key contrasts.

First, all Living Systems are also Non-Linear, but not all non-linear systems are living.

- Linear system means – Independent, separable parts, closed and a time reversible system. Linear systems are like machines.
- Non-Linear system means – Connected, non-separable parts, partly open and a non-time reversible system. There is no such thing as an independent non-linear or Living System.

Time reversal is an important concept for Living system leadership applications. Time reversal means that the system behaves the same whether it is running forward or backward in time. Most machines work this way. Linear science is time reversible. Its equations give the same answer when the time variable “t” is either $-t$ or $+t$. This means to a linear thinking leader that you can take a decision or an action and then just reverse it if you want to get back to where you were before you took the decision or action. Human Living System organizations do not work that way. They are time irreversible. This means that a leader cannot reverse a decision or action to get back to where he was before he decided and acted.

The term Living System means a non-linear system with additional properties that enable life. Some of those properties are the capacity to Self-transform and to Self-create as long as the system is open to and embedded within an enabling and nurturing environment. These capacities are part of a property of Living Systems called Autopoiesis. I will discuss Autopoiesis in Part 4. Linear machine systems have none of these properties.

Let's quickly make key word contrasts so you can grasp the pattern of differences between linear and Living Systems.

- Linear system – Means step-by-step sequential, continuous development
 - Non-Linear Living System – Means both almost linear development and discontinuous transformation in a cyclical spiral pattern of evolution.
- So, Living Systems have both Darwinian type evolution (almost linear) and transcendent, creation type evolution in cyclical sequence.

Moving on with the contrasts –

- Linear system – Sequential, one-cause-to-one effect behavior vs.
Living System – Cyclical, pattern-cause-to-pattern effect behavior.
- Linear system – Analysis of separate parts vs.
Living System – Analysis of whole system and its cycles.
- Linear system – Quest for Equilibrium and Order vs.
Living System – Never at equilibrium (except at death) and dynamic cycle type of stability with a mix of both order and chaos.
- Linear system – Organized vertically by separate functions vs.
Living System – Organized as a flat network structure of inter-connected, inseparable nodal sub-systems that are themselves smaller Living Systems.
This is the organization structure for what I later define as Nodal Network Business – The emerging pattern for successful operations.

- Linear system – Competition by separate organizations in conflict vs.
Living System – Cooperative Competition within a network of inter-related organizations.

- Linear system – Managed by a vertical, command & control structure vs.
Living System – Managed by Underlying Protocols with voluntary agreement and a meritocracy in operations.

This last contrast may sound wild and crazy – Underlying protocols, voluntary agreement, and meritocracy. No – This is Not crazy. It is just so different from linear management that it sounds crazy. It is exactly the contrast between conventional software management and the management used by the Hackers who created Linux and lead the rapidly growing Open Software movement. To this day, conventional software organizations cannot understand how the Hackers accomplish fantastic creative feats that work with a minimum of “bugs”. Leadership by underlying protocols, or rules, voluntarily agreed to within a social structure known as a meritocracy is aligned with the emerging pattern for success not only in software – But everywhere.

A meritocracy is a social structure where Competency is the key to influence, authority and responsibility granted by those in the organization – Not hierarchy position. A meritocracy has minimum vertical hierarchy.

I must make clear something the media and common knowledge have wrong – The people who break into computer systems, use viruses and do other destructive things are “Crackers” – They are Not “Hackers”, who never do such things. “Hacker” is a term of respect for those few who reach the highest levels of recognized computer and software skills – It is a term bestowed upon them by their colleagues – That is part of what a Meritocracy is all about.

This Living System approach to leadership/management is not limited to software – It is an emerging pattern for all successful business. Dee Hock used a variation of it for leading the transformation of VISA. A lot more on this issue in Part 4.

Slide 4 – Transition Slide

Our next step is to begin understanding how non-linear Living Systems transform – In general, and specifically for *Mega-Force 1*. This knowledge is essential for getting the new Mindset for Living System leadership. It is a non-conventional leap away from how most people think systems change.

In my library I have a document that clearly explains how a non-linear Living System transforms and it does this in terms of our current world transformation. Perfect for our needs.

It is the report of a speech made in 1984 by Ervin Laszlo, the leading non-linear system thinker, when he spoke to a World Future Society conference. Glen Heimstra reported Laszlo's speech in his *Future Tense Newsletter* that I subscribed to at that time. I will never forget his competent report of Laszlo's visionary speech. That is why I saved it.

Excerpts from Laszlo's comments are the quickest way I know to show you how human systems transformation – Especially our current world transformation because that was what Laszlo was speaking about. As you listen to what I say, remember that Laszlo made these comments 22 years ago using system science known at that time – Today it is developing into Living System Science.

He saw how the underlying patterns for world transformation were then developing. He was correct. I use Laszlo's and Heimstra's exact words because I cannot improve their precision, brevity and power.

Slide 5 – Laszlo World View '84 - # 1

Heimstra began his report on Laszlo's speech in this way:

... His Presentation Was...The Most Powerful One At The Conference. He Believes That By The End Of The 1980's, Humanity Will Enter The Most Crucial Epoch Of Recorded History...(1990 To 2020 Is His Critical Period)

He was exactly on target by understanding the underlying patterns. We are now near the mid-point of his critical period. Please recall my discussion of the K-Wave in Part 1. The end of the 1980's we know to be the beginning of the Q3 to Q4 transition of our current K-Wave. His critical period aligns perfectly with the next two decades that are the period of the *Mega-Force 4* - Cataclysmic Confluence. Let's go on.

Slide 6 – Laszlo World View '84 - # 2

Heimstra continued:

In Brief Summary, Laszlo Maintains That Global Transformation Will Occur As Current Trends Break Off, Presently Dominant Institutions Crumble, And Instability Rocks The World's Interconnected Economic, Social, And Political Systems...

Please note – Transformation is about Discontinuity – Trends are broken. Continuing trends are linear. Non-Linear leaps are trend breaking and discontinuous – Trend thinking and analysis during Living System transformation periods are worthless. Business strategy based on trends and quantitative objectives is worthless in the environments we face now.

Slide 7 – Laszlo World View '84 - # 3

Heimstra went on:

...Factors Such As These Convince Laszlo That The Present World System Is Not Sustainable. The Alternatives We Face Range...From 'Apocalypse' To 'Phoenix'. Laszlo Believes In The Possibility Of The Phoenix Alternative.

Laszlo was saying the current world system must transform – It can't continue as it is. He also said that when a human system transforms it either self-destructs in its leap – That is what he means by “Apocalypse”. Or it successfully leaps to the new stage – That is what he means by the “Phoenix Alternative” – The Phoenix is the ancient mythical bird that consumes itself in the flames of its own death and then rises from its ashes to give birth to its new life.

The death and resurrection story resonates deeply with humans. It says our greatest human advances come through crises and adversity – Through the death of who we used to be and the birth of the new life. I emphasize – Our current world leap is a transcendence to a new world pattern of life and work – A leap to a stage that did not previously exist.

Slide 8 – Laszlo World View '84 - # 4

Heimstra then reported:

He (Laszlo) Is Given Hope By The New Thinking On Systems Transformation ...This Thinking Is Currently Being Applied To Evolutionary Biology, Thermodynamics, Psychology, And Other Fields.

Laszlo is talking of thinking about non-linear, discontinuous, irreversible transforming leaps to a new stage. Our work in this program, and especially this Part 2 we are now

discussing, is making pioneering applications to Living System psychology (The emerging science of the Human Psyche System) as the foundation for life and work.

Slide 9 – Laszlo World View '84 - # 5

In this slide and the next, Laszlo correctly pointed out errors then being made in the early 1980's by popular authors who were writing linearly about a world and business that are in discontinuous transformation. Unfortunately, they Did Not understand Living System transformation, especially transcendence. I comment that these same errors are being made today by the same and other authors.

Laszlo said in 1984:

...Contrary To The View Of Such Popular Authors As
Toffler And Naisbitt, Social Transformation Is Not Here
Yet. ...While Naisbitt Would Say That Major Trendlines
Of Transformation Can Be Observed Now, Laszlo Argued
That The Coming Transformation Involves Major
Discontinuities With Current Trends.

Laszlo correctly said we were building up to the transformation but it had not yet come collectively. It will come when our growing level of chaos reaches a crescendo – I believe the years near 2012 may be the time for reasons Laszlo did not mention.

Slide 10 – Laszlo World View '84 - # 6

Heimstra's report continues:

...Naisbitt Implicitly Suggests That Societal Transformation
Will Involve Little Discomfort. Laszlo Noted that
Transformation Occurs In The Womb Of Crisis. The Sooner

We See The Coming Epoch As One Of Probable Crisis the
Sooner We Can Prepare.

I recall reading Naisbitt's book *Megatrends* in the 1980's and remarking how linear his mindset was. I believe he said, that if you understood some major Trends you could successfully navigate the coming times. Living System science says that is just not correct. At human system turning points, the issue is recognizing the breaking of trends, not discerning how to follow the trends you can now see. The point is that the limited vision of linear thought sees positive behavior as somehow fixing-up the current situation rather than transforming successfully away from it.

Slide 11 – Laszlo World View '84 - # 7

Laszlo then said:

The Theory Being Developed Is That System Change
Occurs By A Very Slow Buildup Of Adaptations,
Interspersed By Periods Of Critical Non-Equilibrium.

Here is exactly what I said earlier. "Slow buildup of adaptations" is the nearly linear development change of a Living System in one of its stages. "Critical Non-equilibrium" is the leaping transformation of the Living System from one of its stages to another. I emphasize that all Living Systems – Including our lives and our organizations behave this way. This is the inherent bi-polar, cyclical evolution process for Living Systems I discussed in Part 1 as part of the Principles of Living Systems. The Human Psyche System behaves exactly this way.

Slide 12 – Laszlo World View '84 - # 8

Then Laszlo gives us more insight into the cyclical, bi-polar evolution of Living Systems. Please remember that linear machine-like systems do not change this way – They can't.

He said:

...Systems Change Very Slowly Over Long Periods Of
Time, Remaining In A State Of Relative Equilibrium.

(I add – This is the nearly linear, quasi-equilibrium development period in a given stage –
Here is where linear management can work fairly well)

However, From Time To Time...Forces...Buildup To
Such A Point That A Critical Threshold Is Crossed
And The System Goes Into A State Of Crisis.

(I add – This is the buildup to transforming leap, the break-off of current trends and the
system crisis that precedes the leap to a new stage. Here is where conventional linear
management and organization break down. Today – General Motors and many of the
world’s intelligence organizations are “Poster Children” for linear breakdown. There are
investment market signs that General Electric and Microsoft are candidates also.)

Slide 13 – Laszlo World View '84 - # 9

Laszlo then describes what develops during the crisis:

At That Point (Linear) Predictability Goes Out The
Window, And The System May Collapse Or...May
Make A Rapid Leap To A New And Higher Level
Of Organization. The Structure Or Organization Of
The New System Cannot Be Predicted Based On
The Structure Of the Old System.

That is exactly what we said earlier. Let's focus on the last sentence. Please recall – I emphasized that you cannot even see, much less predict, the structure, organization or anything else about the new system stage unless you transform out of the mindset of the old system into the emerging Mindset of the new stage. Once you can perceive the new realities of the new stage, you can begin to see how to organize and lead/manage in it.

That I see as one of the tragedies of most of our current so-called educational institutions – They are hopelessly locked in the mindset of the old system. You must start with the new Mindset to implement any of the transformations that are the Isis work. That is the fundamental purpose for this program.

Slide 14 – Laszlo World View '84 - # 10

Laszlo then summarizes the history of collective human system evolution:

Human Cultures Have Reached It (a Critical Threshold)
Over Periods Of Thousands Or At Least Hundreds Of
Years. Human Societies Have Responded To The
Critical Moments By Leaping To The Next Level Of
Organization.

He is saying that human history has been so far a series of successful Phoenix-like transcendences. Recall the diagrams I gave you earlier in Part 1 showing the series of rises and falls of Human Psyche System stages through history.

Slide 15– Laszlo World View '84 - # 11

Then Laszlo concludes:

At That Point, Human Society Will Face The Choice:
Evolve Or Perish. A Major Transformation Is Coming.

The Question Is In Which Direction Will It Go.

He is clear – He sees the world transformation is coming. He leaves open what will happen. We are in the process to answer that in the remainder of this Part 2 of our program.

Slide 16 – Summary To this Point

Now let's summarize where we are in our story:

- First** – We can see and believe the world human transformation is coming for leading-edge persons and organizations to Living System Life and Work;
- Second** – We know how Living Systems transform, in sharp contrast with how linear systems behave.

Now – We can begin to understanding the foundation for Living System Life and Work
Our Tool – *Living System Psychology*.

End of Part 2 – 2