

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 – 8 – Phase 2 Life Intro and Stage A’

Phase 2 Life – Stage A’ – Living System Life and Work

We have come to our destination in this Part 2 – We are now ready to discuss the Human Psyche System stage that is driving *Mega-Force 1 – The World Human Transformation* – That is – Stage A’ – Living System Life and Work. We now know where it came from in the process of stage-by-stage psyche transformations through history and through each of our lives. We know it is the first stage of a whole new Phase 2 of human life that is a dramatic break from all of the six previous psyche stages of Phase 1 life.

Slide 2 – Diagram of Human Psyche System Stages

I use this diagram again to emphasize the dramatic transformation in the human psyche that comes at Phase 2 life and its first stage – Stage A'. Recall that the prime mark on the A means that A' is the first stage of a whole new pattern of life.

The Flip-Flops of individual and then collective excesses that occurred at each Cycle throughout Phase 1 life stop. An important example is that individual/collective antagonism disappears at Stage A'. Individuals and Collectives can integrate and collaborate to become partners. Real teamwork can begin. At Stage A' it is the natural choice people make – Not something you need to convince people to do. The psyche is now really open – It can operate as a Living System – A person's Conscious and Unconscious can begin a collaborative partnership that has powerful effects on creating new results that go far beyond just conscious thinking. People gain the powerful insight that the Unconscious is the source for really new creations flowing into the Conscious.

Slide 3 – Phase 2 Underlying Pattern of Life - #1

Let's look at the overall pattern of Phase 2 life relative to the Phase 1 stages we have discussed so far. Here is where Phase 1 Psyche Stage Patterns Break Down. You recall that the Phase 1 pattern at each stage is to separate life's bi-polar opposites – To choose one pole as good and the other pole as bad – To consider the opposite poles as mutually exclusive and in conflict with each other. Recall that each stage had its own variety of individual vs. collective antagonism – Each stage had its own type of end-point goals and drive for salvation – Its own type of desired position in life to achieve, to stabilize and then protect. All of this passes away at Phase 2 life and Stage A'.

Stage A' behavior does not focus on protecting and justifying what it now knows or believes – Its behavior is uniquely different than any previous stage because a person functioning in Stage A' pattern actively searches for new knowledge and beliefs that negate what it now knows and believes – This is a breakthrough that has many

consequences – For example, fixed End-Point Goals in life become meaningless. Life is perceived as a flowing process with short term mile-stone goals embedded in the flexible process. Also, the old conservative vs. liberal conflict now seems silly. Further practical effects for human creation and advancements, for business strategy and planning are profound.

As Phase 2 life begins, new underlying patterns emerge. The most fundamental new pattern is integrating life's bi-polar opposites into balanced complementary pairs not separate them into Good pole vs. Bad pole. Now both poles are perceived as being mutually necessary, supporting, enabling, and collaborating with each other. The example of searching for how to negate and replace what you now know and believe is only one practical result of integrating opposites.

Let's take other bi-polar examples to emphasize my point – Consider Order vs. Chaos or Conscious vs. Un-conscious. Recall that at Stage E these opposite poles were really mutually exclusive – It was either one or the other, because one meant the absence of the other. Then at Stage F these opposite poles were no longer mutually exclusive – They had some relative value depending on the situation, but they were not integrated into essential pairs – They were still two poles that seem to have some relative merit.

Then at Stage A' there is a radical shift – BOTH poles become not only relatively important in life, but they become mutually essential, supporting, enabling and their balanced collaboration is a practical guide for living and working. For instance, a modern living system organization must have a balanced mix of both order and chaos to be healthy. They enable and support each other.

Also, the balanced collaboration of the Conscious and Unconscious is essential for creating new results far beyond what you can do with just conscious thinking – Either conscious thinking or unconscious imagination by Itself is horribly limited. A continuous dialog between your Conscious and Unconscious becomes possible at Stage A'. It unlocks a potent flood of innovation and creation through practicing what is called

“*Active Imagination*” – It was discovered by Carl Jung for use in therapy, but can be directly applied in business as we have proved.

I am trying to give you insight into discontinuous human shifts between Phase 1 life and Phase 2 life. I am trying to introduce the mindset of persons and groups living in Phase 2 pattern. This is still a strange unreal world for many – In fact, probably the majority today, may consider it rather crazy. But we are not concerned with that at all. We are concerned with understanding the emerging human nature of the leading-edge persons and groups who are beginning to live the *New Pattern for Success*. Let’s go on.

At Stage A’ harmony of individuals and their collectives become the psychological base for organizing and operating as networks of teams. People and organizations naturally begin to use a pattern of life and work that is “Continuous Process” – It has milestone goals embedded in the process. The process becomes primary. Goals are still important. But there are no longer fixed end-point goals in life and work because there are no end-points in a continuous process – There is only the drive for continuous becoming as a human and achievement as a worker – Not some type of end-point salvation to be won.

I want to emphasize the dynamic dialog and partnership between Conscious and Unconscious and the means to begin living as a whole balanced person. These are called the *Active Imagination Process* and *Individuation Process*, both coming from the pioneering work of Carl Jung. They are critical for transforming the processes for human relationships and creating results in organizations that lead to new productivity never before even imagined. We plan further programs to enable leaders to really understand and practice them.

Slide 4 – Phase 2 Underlying Pattern of Life - #2

There are more characteristics of the overall pattern of Phase 2 life you should be aware of. Recall the unbalanced performance of both Stage E and Stage F in terms of outer world results – Western Stage E pattern is obsessed for material results at the expense of

human balance and Western Stage F is obsessed with human needs at the expense of material balance. Their current mixture in business and political leadership continues to make a horrible mess of things.

The drive to achieve outer world results returns strongly at Stage A'. But it returns through totally new patterns of motivation, leadership, organization and operations with balanced concerns for human, material and whole system performance. This drive is implemented through Living System leadership and organization that I will introduce to you in a few minutes.

The primary quest at Stage A' is for quality of life, not quantity, and for continuous process of becoming, not for end-points. An unbalanced quest for quantity, separate self-interest and fixed end-point goals are not valued. This dramatic shift in primary quest underlies why conventional motivation and reward systems are no longer working for the most highly productive people who are beginning their leap to Phase 2 life.

Personal and work relationships also undergo dramatic transitions. Person-to-person and team relationships are built upon living system interdependence that replaces BOTH Stage E linear system independent relationships and Stage F relativistic system dependent relationships. The independent self-interest drive of Stage E – The dependent group-interest of Stage F – Are both transcended. Narrow self-interest at the expense of the group and individuals – And broad group-interest and coercion at the expense of individuals – Are both seen to be unacceptable.

A person functioning in the Stage A' pattern person realizes you cannot be separate, cannot be independent, or cannot be objective – Because you are embedded in a network of relationships and process. This does not mean you cannot be an individual – Not at all. You are now an Interdependent individual. In fact you are a stronger individual than ever before because you are embedded in interdependent relationship network. This is another of the many apparent paradoxes that are the heart of living system life.

This is not crazy as it might seem. Let me give you an example – In a really good marriage, the partners can find themselves becoming stronger and more fulfilled and can help the other person be the same because they are mutually embedded in an interdependent relationship. It can work the same way for a good team, like in sports – Individual members can find themselves performing at a higher level just because they are embedded in effective interdependent relationships within the team. Both self-serving independence and weakening dependence are not of value on such teams. Networks of interdependent teams are the forefront of organization and leadership.

Living System Science is about open interdependent networks on the operating plane and their relationships to simpler interdependent networks on the underlying plane. It includes previous science as special cases. One key point is that living system science and religion are no longer separate or in conflict – They are seen as the two essential complementary poles of a pair. This is very different from conventional science – I can hear the howling screams of protest from eminent linear and relativistic scientists whenever an emerging living system scientist says things like I just said. For example – I recall hearing Dr. Rupert Sheldrake many years ago talk about his biological work on Morphic Field resonance – I remember hearing the audience groan and express disagreement with such thoughts. I refer you to Rupert's now famous book entitled *A New Science of Life* so you can make up your own mind. Also go to his great website at <http://sheldrake.org>

Therefore, Living System Life and Work exist on more than one plane of reality – the underlying planes and their Morphic Fields are primary – This underlying simplicity governs surface complexity. I am saying that much current thinking on complexity is wrong – It assumes that because the operating plane is complex, the underlying plane is also complex – That is not correct.

For example – Our body is an extremely complex network of living sub-systems but its most fundamental underlying structure – its DNA – is made up of many combinations of only four specific amino acid groups – this is a powerful example of surface complexity and extreme simplicity on the underlying plane. The point is that great complexity can be

generated by iterations of very simple underlying relationships. Dr. Stephen Wolfram demonstrates this in his pioneering book entitled *A New Kind of Science*.

The things I have been saying might seem extreme – It may be time to give you a rest with two interesting examples of Living System concepts in action – One from modern physics and the other from leadership.

Slide 5 – Bi-Polar Nature of Living System Science

Phase 2 life and science seem at first so different, hard to describe and to understand. It helps to experience them with examples. The first example is from Quantum Physics – During my days as a graduate student in particle physics there was a burning question. I did not know then that it was a question about the inherent living system bi-polarity of subatomic particles. The question was:

Is a material particle, like an electron, a Particle or a Wave? Using linear system thinking, the approach to answering this question is that it must be one or the other, doesn't it? So let's find a way to answer which it is.

The living system science answer is:

No. It is BOTH a particle and a wave – Which nature you observe depends upon the experiment you perform. A scientist is not a separate, objective observer, but a participant embedded in experiments. Matter and psyche are not separate – They Interact with and can affect the results of experiments.

Slide 6 – Inter-Connectedness in Living System Science

Similar things apply for leadership – It is NOT About being an Objective or an Independent Decision Maker, but a Subjective Participant as leader embedded in the Living System situation

Here is an Example from Leadership that is about the inherent interconnections among all people according to Living System Science. The question is:

Why Do Some People Lie, Cheat and Steal?

It must be a matter of Ethics isn't it?

The answer is:

No – It is about Inter-Connectedness not Ethics. Why?

People who lie, cheat and steal see themselves as independent, that they can take from others for their separate self-interest, and that they can “Get Away With It”.

When you really know Living System Life, you realize you are connected with everything and everyone and you can't get away with it. You cannot hide who you are and what you do. Your concept of self-interest transforms. It cannot be Separate Self-Interest anymore. It becomes self-interest also aligned with the interest of others and the good of the team and the company. You realize that by lying, cheating, stealing, taking advantage of others and of your system, you are just hurting yourself. You can't get away with hurting others and gaining selfishly at the expense of others and your system. Perceptive people can see through your actions. You destroy your ability to be trusted and accepted as a Team Member. Therefore lying, cheating, stealing and other forms of corruption are about stupidity – Not ethics. I believe these new principles about what is real self-interest will have profound effect on how pay and profit sharing will be transformed.

Slide 7 – Paradigm – Stage A'

Note: Slides of Examples of Persons, Places and Events during Phase 2 Stage A' Life are available in the file – **NewPatSuc-Part2-8-HPSSStageExempl-022607.pdf**

Here are the paradigm details for Living System, 2nd Renaissance Man. For highly evolved persons today Stage A' often appears in later adulthood but is now beginning to emerge earlier in some people.

As we discuss Stage A' life, please make notes about where in your own life and work you have experienced examples of Stage A' human nature – Family, friends, other persons, groups or organizations. Also note the effects of these experiences on you. Identifying your own personal examples of Stage A' in parallel with my discussion will help the psyche stages to come alive for you.

It appeared about 1900 and is still emerging – Its dimensions are still being discovered – It is a work in progress – It is the most transcendent of all the stages – We know it is not only a new stage but the beginning of a whole new phase of life and work that has radically different underlying patterns.

Examples of leading-edge persons and organizations have already become World Leaders in specific areas – But Stage A' is not yet generally dominant – The slides of Stage A' pattern persons, that you are seeing as I talk, show only a few examples of leaders making Stage A' pattern contributions in their areas of competency. The number of persons and organizations is growing. But public leader and organization examples are not yet significant as far as I know.

Stage A' Thinking is in Living System patterns – Its characteristics are balanced bi-polar, network, wholeness not separate parts, collaborative, dynamic cycling in all things, whole system optimized not parts sub-optimized

The Learning Pattern is relatively complex. It centers on pattern recognition using both intuitive and rational process. To give it a name, I call it Morphic field and living system modeling learning. I emphasize the dynamic balance of insight and conscious action. The specific process for doing this type of learning is called “*Active Imagination*” – It involves an active search for how to replace current knowledge and beliefs without delay or regret. I will give you an outline of the *Active Imagination Process* in Part 4 of this series.

Its Action Basis is Living System Science. It uses what proves to be valid – What is human and material growth enabling and delivers value to the whole system, its customers and its environments.

The Stage A’ Psyche Disease seems to be Information Anxiety – The driving need to know and to be included in the information networks.

Its Psyche Pattern is named Phase 2, Stage A’

Slide 8 – Paradigm Summary – Stage A’ – Personal #1

Now let’s summarize the personal paradigm. Stage A ‘ pattern persons view themselves as bi-polar beings – inter-dependent, neither independent nor dependent, both subjective and objective, both emotional and intellectual, both intuitive and rational, both qualitative and quantitative, both human and materialist in cooperative competition with themselves and others.

Life is a process oriented quest for both inner human growth and outer world achievement – With the human pole always primary. The human drive is to achieve quality of life with adequate quantity through both team and individual achievement – Team focus is primary during collaboration – Individual focus is primary during personal work preparing for collaboration.

Stage A' patterns for work are quite difficult, if not impossible, to implement in conventional linear organizations. There is the demand for personal choice of work – The personal conviction that your work is valuable – The freedom to do it – Participation is voluntary – and leaders and colleagues are self-chosen, open, competent and enabling in an organization that is free of hierarchy barriers to communication and free of command & control behavior. These conditions can be achieved in a Living System nodal network organization of teams that is properly led and managed.

Slide 9 – Paradigm Summary – Stage A' – Personal #2

Other important Stage A' personal patterns include:

Using Living System network science knowledge – Rejecting one pole fixations, doctrinaire positions, conflicting social and political ideologies and linear and reductionist models of reality. There are not many organizations yet where this pattern can be even tolerated – Much less used as the base for outstanding performance.

Certainly not within political organizations as we now know them.

In addition, religion and science are inter-dependent and not doctrinaire. There is deep reverence for life and the evolving universe – There is tolerance and accepting of the foundations for all religious experience. This approach to faith appears to be a new form of Gnosticism. Gnostic means “a knower” – The drive to know is central to Stage A'

Dynamic Process Living is primary – Not end-point equilibrium seeking as was the life goal at earlier Phase 1 stages. There are no end-points in life for a Stage A' pattern person and salvation is not an issue.

The Phase 1 Cycle 3 psyche split between Western and Oriental Man is healed – A true planetary person emerges who is not at all interested in economic, political or military conquest or dominance of another part of the world. However, it appears clear that Stage A' man is also driven to work, or even to fight if absolutely necessary, to assure that others less evolved are not able to conquer or dominate.

Slide 10 – Paradigm Summary – Stage A’ – Collective – Leadership

Now let’s outline the Stage A’ collective paradigm in two portions – Leadership and Organization. The leadership pattern is “*Servant Leadership*” implemented through teams led by competent enablers, not Bosses. The single person CEO at the top of a linear structured organization is replaced with an executive team at the center of a Nodal Network Business organization. I recommend the famous book entitled *Servant Leadership* written by Robert Greenleaf and the book that inspired him to write it – It is entitled *The Journey to the East* by Hermann Hesse.

Business Strategy is fundamentally transformed for Living System business and market environments and for continuous flow “Pull” operations rather than today’s conventional mass market-mass production “Push” operations. These subjects require separate programs to adequately discuss.

The principles and practices of Stage A’ pattern management turn Stage E management upside down. For example – Authority and responsibility are not Commensurate – Responsibility always is greater than authority – They are dynamic, flexible and distributed among persons in the organization depending on the specific work competency then needed. Authority and responsibility are properly defined but are not fixed or directly related to job position in a hierarchy.

The conventional command & control model for business operations is replaced with strict underlying business protocols (Morphic Fields) for business units and for the total company network of business unit nodes. These protocols are voluntarily agreed to and there is operating freedom consistent with the protocols. An example is how Dee Hock re-organized VISA using just a few underlying protocols that both guided and controlled operations in desired directions. We discuss Dee Hock and his work in Part 4.

What is coming is a new pattern of Living System Control by Underlying Protocols that has greater control strength than the previous linear Command & Control model on the operating plane with its hierarchical coercion.

Key Stage A' leadership principles are to build teams of strong responsible inter-dependent people throughout the business network – And to keep operating decision making and results responsibility as close to the people doing the work as possible.

Slide 11 – Paradigm Summary – Stage A' – Collective Paradigm – Organization

Stage A' pattern organizations are dramatically different from what preceded them. They are flat Nodal Network Business organizations composed of a network of business units that are themselves networks of operating teams. This is not a fix-up of conventional hierarchies of functional operating units by such tricks as “Cross-Functional Teams”, etc. It is a fundamental transformation of organization. There is a coming realization that private organizations rather than public market organizations are better for many types of business and that the new form of US Limited Liability Company (LLC) is better than the corporation.

The “Rule of 150” is an important detail. When the number of humans in a business unit exceeds about 150, the organization spontaneously begins to lose its ability to have effective human interactions and communication. It begins to linearize into a hierarchy. An example of a leading company that has built a long lasting record of growth and profitability on living system nature and the Rule of 150 is W.L. Gore & Associates – the creators of such revolutionary products as “Gore Tex” fabrics.

Further, the Stage A' nodal business units are also flat organizations composed of a network of smaller project teams. The “Rule of 12” is another important detail. It has been found over long experience that the most effective work teams are composed of 12 or fewer humans. A most interesting example is the US Army Special Forces Teams (the

“Green Berets”) that are organized as 12 men – Five two man sub-teams for each of five operating specialties and one two man sub-team for leadership and coordination.

Living System organizations have no structure or operating barriers that can prevent spontaneous self-organization, self-repairing and self-replicating whenever and wherever the people responsible for work results find these actions are needed. In short – There is No Bureaucracy to block needed process development. Much current pay, promotion and human resources principles and administration absolutely prevent Living System action.

Customers and suppliers are integrated directly into business unit networks as partners. Business unit networks are designed and operated for “Pull” operations based upon real dynamic customer demand – Not for mass production “Push” operations that produce to an assumed future demand. An embedded information network underlies the business based upon a Nodal Network Business segmented accounting and real cost systems, rather than overall company non-segmented accounting and standard cost systems. The systems needed for Nodal Network Business are not conventional information technology, planning and measurement systems. We will present future programs devoted to these subjects and their operation for Living System business.

As far as we know Living System leadership or organization Do Not Yet Exist in politics or public institutions in any meaningful way. When this occurs the effects will be profound. I expect this to happen first in smaller municipal units and then in regional areas rather than for national or international organizations where the entrenched power of earlier stages is strongest.

Slide 12 – Living System Nodal Network Organization

This diagram shows an example of a business group with its companies, business units and business segments organized as a Living System Nodal Network Business. So the diagram is not too complicated I have not shown the inevitable interactions among the companies, the business units and the many business segments. Beyond that I have not

shown the integration of customer networks and supplier networks into the various business segment nodes.

Such a business network is planned, administered and measured using a unique type of information network based upon a new type of Isis Consulting segmented accounting system that has company, business unit and business segment structure built right into the Chart of Accounts structure. In this system the chart of accounts and the derived statements go far beyond conventional financial statements. Living System business accounting integrates the current split between financial accounting and management accounting.

Slide 13 – Living System Business Unit Organization

This diagram shows an example of the organization of a Living System business unit or business segment organization. There are five interdependent teams – An Executive team at the center and four operating teams – Three operating function teams and one business creation and development team.

The three operating function teams are responsible for the processes of the business to serve its customers in three areas

- The processes to create, develop and satisfy customer needs
- The processes to create, develop and produce products and services that satisfy customer needs
- The processes to create, develop and operate the business infrastructure needed to support the other business teams

It is important that the team focused upon renewing the existing business operations and creating new business segments and units is directly guided by the Executive Team and Not embedded in existing operations.

Slide 14 – Paradigm Summary – Stage A’

Let’s conclude with a paradigm summary for the newly emerging Stage A’ human in our standard format. You can easily compare it with the earlier stages to see the great transformation that is *Mega-Force 1*.

The best way I can define the Motivation pattern is – To become an inter-dependent person engaged in a self-chosen, self-meaningful process of growth and work as part of a competent team in an enabling environment. This means being free to accept personal responsibility for what we do and be enable to do so.

The Mission is to re-balance our Phase 1 Cycle 3 Western life and work imbalances, excesses and poor productivity so we can become more highly productive than ever before – And THIS TIME – Using humanly sound Living System practices.

Ends are no longer Valued. Why? Because there are No Living System End-Points – Only proper enduring processes are valued.

Means Valued are dramatically transformed from what are conventional. The primary means are Living System Principles and Practices – End-Point Goals are no longer Valued – Continuous Process with embedded flexible Milestone Goals is the Path.

The Stage A’ Life Theme is to live a constantly evolving process of Growth and Service – Through living and working as a whole balanced person. That is what Carl Jung defined as the process to Achieve “*Individuation*”.

Slide 15 – Introduction to Individuation

You might want to read a most interesting introduction to the process of Individuation written by Eric Petifor

http://pandc.ca/?cat=car_jung&page=major_archetypes_and_individuation

Conclusion

The purpose for this Part 2 of our series is to help you understand *Mega-Force 1* – **The World Human Transformation to Living System Life and Work** and its emerging new business leader – The Stage A' human. I discussed:

- That the world transformation is real;
- How a Living Systems transforms;
- How the stages of the Human Psyche System evolved through history and our life into the New Pattern for Success – Stage A' – Living System Life and Work;
- Why the current dominant psyche stages – Stage E and Stage F – have become inadequate foundations for effective leadership; and
- How to develop emerging leader mindset in your own life and business.

End Part 2 – 8