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From organizational to institutional change

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Abstract

Purpose – To provide a futures-oriented perspective on institutional change.

Design/methodology/approach – Presents methods and case studies of attempts to engage in institutional change. An international authority on future studies draws on his field to provide a futures-oriented perspective on institutional change. This perspective includes the use of futures tools, strategy, capacity building, the central role of memes, emergence of self-organization, and the underlying role of meaning and symbols. Five case studies are used to illustrate these principles.

Findings – One company was struggling over its governing choice of institutional metaphor: the tortoise versus the hare. Another was caught up in treating hackers as good versus evil, but realized that they needed new concepts to grasp the frontier of cyberspace. A third case involved moving from developing a monolithic plan to forming self-organizing groups of stakeholders that actually created a collective new vision. A city council was able to recognize the need to shift toward an innovative organizational structure. The final case challenged a group of mayors to adopt a "rainforest" model of cities that is inclusive, green, human-centered.

Originality/value – Mapping, understanding and transforming the "myths" discussed in this paper are crucial for the move from individual to organization to institutional change.

Keywords Organizational change, Futures markets, Transformational leadership, Symbolism

Paper type Viewpoint

This article presents methods and case studies of attempts to engage in institutional change. Following Bill Halal's model, institutional change is defined as change in an entire class or organizations (Halal, 1998, 2004). Institutional change, at its deepest level, refers to changes in the ideas that govern institutions[1]. As these ideas change, rules and practices shift as well.

Halal argues that three changes are foundational to the future. First is e-organization or the virtualization of organizations. This digital transformation is accompanied by self-organization or the breaking of large hierarchies into smaller units wherein boundaries are far more fluid. Teams organize around particular issues and visions and then de-organize. The organization maintains its vitality through this malleability. Last is stakeholder collaboration wherein organizations perform more effectively through inclusion. Not just are stakeholders included but the notion of stakeholder is broadened (not just management but employees, employer, community, the environment and owners) and their views are deepened, understanding the worldviews and myths behind their behavior.

Taxonomy of change

My point of entry in this argument is via futures workshops and broader futures interventions (Jungk and Mullert, 1987; Boulding and Boulding, 1995; Dator, 1993). These are workshops designed to move the organization from its current situation to a desired future. They are based on a simple foresight process of developing a shared view of the organization's history, mapping the future, identifying emerging issues, deepening issues by identifying

systemic, worldview and myth causes, developing alternative futures of the organization (so as to make the future more open and thus enhance the possibility of change), articulating a vision, a direction forward, and developing action learning experiments so that the vision of the future can become real. The future thus is far less about forecasting and more about creating desired futures.

The taxonomy I use to understand this notion of the future is based on the following. The future as:

- *Tools.* Using particular foresight tools to help create individual and organizational change.
- *Strategy.* Using concepts and methods to develop more effective, inclusive and long range strategy, to steer the organization toward desired goals.
- *Capacity building.* This is not about getting the future strategy right but ensuring that the organization has the capacity to maneuver. This is central in creating institutional change as it allows for experimentation. The rigidity of past structures is broken up. Organizations may use digital technologies as part of their strategy but capacity developments allows this notion to spread.
- *Memes.* It is through memes that organizational change leads to institutional change. Memes are ideas that self-replicate because they meet some foundational need of the organization. They also have the capacity to change institutions and society in the long run. A meme that has emerged in the last ten years is that of learning organization. With health becoming far more important (personal health, the health of the environment, issues around bullying, and spiritual health), the learning and healing organization may be a future meme (for more information, see Inayatullah, 2003/2004).
- *Emergence – self-organization.* The future is about qualitative transformation, moving an organization – or parts thereof – outside its comfort zones[2]. Once outside its self-referential state (survival, status quo), new ideas can push a system so that it undergoes a qualitative shift. An organization that is too ordered is unlikely to move to this level. It will remain focused on strategy, and to some extent education. An organization that is too chaotic as well (overly focused on the freedom of the individual or always questioning its vision, mission, products and processes, as with many nongovernmental global organizations) is unlikely as well to move to this next level (Parker and Stacey, 1994; Burke, 2002). Self-organizing around issues is crucial here, as success will enhance capacity, which will enhance strategy, which will give credence to dollars spent on education. Meme change along with emergence can lead to the next phase.
- *Microvita change.* This last part is derived from a non-Western epistemology. This is based on Sarkar's (1991) notion that at the deepest level of reality are microvita – these take the shape of idea and matter, at the crudest level they are like viruses (see also <http://microvita.org/>). Ideas, visions, images – memes – are thus real not just mentalities. They can be used for change. While one may reject the science here, the argument is that institutional change has a spiritual dimension to it to. Social change is not merely the ideas that govern institutions but the spiritual reality behind the ideas. Sheldrake's (1981) hypothesis of morphogenetic fields is another way to access this argument – certain ideas become defining patterns that limit our possibility to change. Microvita, through different thoughts and different quality of consciousness attempts to change the ground of thought and action. It is thus more than learning to learn, specifically, learning and healing both at individual and collective levels.

While to some extent developmental, there is considerable movement up and down the six stages. The developmental-vertical nature is based on what is easiest to accept for organization, what is most palatable to them at first blush. Organizations desire tools and methods to better understand the future. In terms of organizational entry, the educational is the easiest first step. However, more than education, organizations desire to enhance their organizational strategic thinking, at the level of the entire system as well as of all employees, but particularly senior managers. This leads to level three, or capacity building. It is not just having a clever CEO or Office of Planning and Strategy but a broader and deeper process to

create a learning organization. Doing so requires capacity building throughout the organization – all levels. Futures methods and tools thus need to be in a theoretical context – about the nature of social change, about desired futures, about metaphors of organizations and institutions – and not just as technocratic tools. Capacity development leads not only to internal change but to external change. Capacity building as well requires deep dialogue with stakeholders – how to better meet their changing needs. In the case of cities – how to meet conflicting needs of environmentalists and developers qua interests groups and of citizens.

Questions associated with meaning and the nature of organizational change lead to meme change. Once they replicate – like viruses – social innovation that once appeared difficult suddenly seems possible as there is now a context for that change. The particular change does not seem idiosyncratic or inappropriate (everyone is doing it). An example is triple bottom line. Once the meme is present, then lobbying for it to become organizational policy becomes easier. Once this is done, then institutional change is possible. It becomes part of policy and becomes part of the conscious and unconscious dimension of the organization. For memes to work, they need to be touching all levels of individuals and collectivities – the world of meaning of individuals, the world of action of individuals, collective strategy and behavior and collective myths (the deeper stories that give collective meaning to the organization).

New memes can break apart traditional meanings and processes of the organization, and lead to the creation of new networks and associations. Instead of rigid plans, the organization, or at least parts of it, self-organize around crucial issues, indeed, creating a living adaptive organism.

A living organization without inspiration or *microvita* does not last (employee burn out, fatigue, loss of purpose). *Microvita* is a mysterious ingredient. It helps in moving the organization from data to information to knowledge to wisdom, and most importantly is a trigger to create an organization in which members can experience transcendence.

Depth and inner change

What this alerts us to is that, for organizational change to become deeper institutional change, the inner dimension of the organization must be mapped. The outcome of this mapping is often novel strategies for transformation. This inner, deeper dimension, however, to successfully lead to long term measurable and observable outcomes must be linked to the litany of the organization (its official self-image), the system of the organization (what it does, how it rewards, its subsystems) its worldview (its culture and the ideologies of stakeholders), and finally its unconscious myths. Thus the deeper story, or myth, guiding metaphor needs to link to its more superficial dimensions.

The method I use to systemically uncover myths and link them to other aspects of the organization is causal layered analysis (CLA), a social science method which seeks to unpack the future, and systematically bring in the voice and vision of stakeholders (Inayatullah, 2004).

CLA takes a depth view of the social change. The litany of the future (current issues, forecasts, data) is questioned by exploring how issues are dependent on other dimensions – social, political, cultural, technological, for example – the systemic level. At this first level, events and trends appear disconnected. Change occurs through interventions by others, generally government. The second is the systemic (social, economic, political, technological, environmental), where change is seen as created through the interaction of numerous systems. Thus, institutional change is difficult since not only do organizations resist but subsystems have evolved to resist change especially that which challenges them. This systemic view is, however, nested in worldviews. These are deeper paradigms of how stakeholders, ideologies construct issues. And these ideologies are based on foundational myths.

To move from individual change to organization to institutional and then to societal, all four levels must be activated. New litanies (how reality is measured), new systems that support

the litany, new worldviews and paradigms that define societal purpose and vision, and new myths/stories which give meaning are all crucial for deep change.

Causal layered analysis explores these multiple levels of the future, ensuring that the future, first, is seen as layered; second, that it is seen as complex; third, that social change can be entered through multiple spaces and; fourth, the future is seen not as given but as constituted by various levels of reality. Causal layered analysis layers the litany of a particular future by nesting it in systems, worldviews and myths. The deconstructed future thus can be reconstructed by switching to an alternative system, worldview or myth.

Causal layered analysis has multiple uses. First, stakeholders are systematically brought in to create strategy, desired futures. The litany, the official policy, or the systemic, are seen as constituted by the third level. By ordering knowledge and policy in this way, institutional change is possible since stakeholders are brought in. Stakeholders are crucial for a variety of reasons. By including their perspectives, buy-in of the process of organizational change is possible. However, for there to be institutional change, it is not just the stakeholder but their deeply held perspectives. By systemically including stakeholders' perspectives strategy can be far more effective.

Case study 1 – metaphors and identity

The first case study was a one day workshop for the Australia branch of a multinational company[3].

Participants, all directors, senior managers, found the futures methods and tools easy. They were clear about their strategy but wanted to explore future directions.

In the futures workshop section on deepening the future, I asked about their metaphors of the future. Most of them were road/car metaphors – about races, with minor setbacks, but eventually major victories. They were often in command, though one or two were passengers, in an excellent airline (goal directed with a clear beginning and departure). When we discussed collective metaphors, the story of the hare and the tortoise had the most currency. Directors felt that they were the hare, moving rapidly and leaving competitors behind. After some discussion, however, the issue of the hero's journey surfaced (see Campbell, 1968). Tennis star Andre Agassi was seen as a model, noteworthy was how his game had improved after he left his "hare" personality behind. Through reflecting on his life, he had matured. This led to the issue of the company soul. It then became clear that the tortoise was crucial for the health of the company. Along with clear directions, the company needed time to reflect on its journey, it needed to integrate its soulful dimension[4] with its profit dimension. This meant taking seriously the needs of employees to live more balanced lives – family, part time, life transitions. Once the story was pushed, it also became clear that ultimately the hare did not win the race.

From this discussion, scenarios, strategies and action learning experiments emerged.

The result was the beginning of not just a different organizational strategy, but organizational redirection at a deep level. Also relevant was individuals rethinking their lives.

Reflection of their company metaphor thus led to a questioning of the dominant myth and an exploration of alternative futures.

Case study 2 – deepening by understanding the other

The importance of the deeper often unconscious positions of others came out most clearly in a workshop/conference with a Federal government authority in Australia. Under discussion was the issue of increased attacks on the authority's web site. The obvious solution was more firewalls, protective measures. The social and economic reasons were the nature of technology, allowing generally anonymity for hackers, the low costs attributed to hacking. Costs and technology made it possible. Solutions at this level were to increase the costs (minimum sentencing, for example) for hacking. At the discourse level and the myth level, groups saw the issue quite differently. Some at the Authority saw this in clear good/evil terms. They represented the right and might of government, and hackers were evil villains, and

alternatively spoiled children (bad overly permissive parenting). Representatives from civil society saw the hackers not as evil, but as bothersome, increasing their costs to maintain their computer systems. For them, the self-expression-graffiti discourse was most relevant. From the hacker's view – it was deduced – they saw this as open space, virgin territory, and resented that government was regulating it. Neither good nor evil, but the “Frontier West”, where it was not clear who were the outlaws. Hackers saw themselves as freedom fighters, anarchists, rebellious, desirous of a changed world, “boldly going where no one had gone before.”

Depending on the foundational myth of cyberspace, different strategies are required. Seeing the other as evil leads to one variable technocratic solutions while seeing the other as living a different story leads to better understanding and the possibility of dialogue.

Finally one participant offered the notion that cyberspace was authentically the unknown – our current categories were of little use in understanding this development. By seeing this as good/evil or as the Western frontier forced us into impoverished strategies (i.e. sheriff versus outlaw), rather openness was required as meanings and identities were shifting. Deepening strategy creates the possibility for the system to deal with attacks on it – the other is included, and thus everyone transformed.

Case study 3 – stakeholders around policy

Depth need not just be strategic-conceptual. In a one day workshop on technology accessibility for Brisbane City Council, Australia, by the end of the day we had arrived at a shared vision, with clear steps – who does what, in effect, a strategic plan. However, the sense in the room was: is this it? I suggested that while we are formally finished, something was not quite right. This immediately led to a discussion that a formal plan was not crucial, what was needed were real steps each person could take. The group then self-organized into subgroups with individuals taking responsibility to realize the vision. As Jennifer Bartlett from Brisbane City Council, Office of Strategic Planning and Policy commented: “From having no vision and plan for technology accessibility, we now have multiple stakeholders all active in creating a future.”[5] The depth came from not pre-scripting the future, but allowing individuals to self-organize around issues they felt were critical. Merely developing a plan – however elegant it may have looked – would not have had stakeholder involvement, or the “microvita” behind it – the lived desire for something else. Through self-organization, vitality was enhanced as individuals were able to express their desires.

Taking stakeholder participation even further can lead to institutional change.

Case study 4 – a city focuses on change

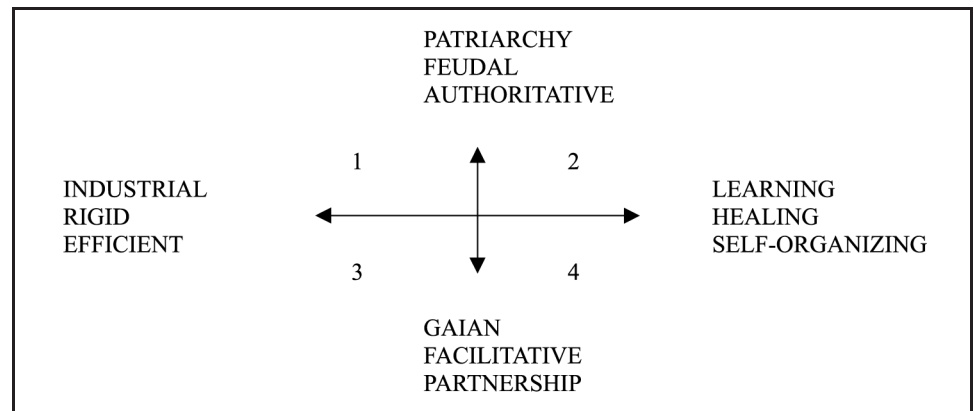
As an exemplary future oriented city, Brisbane City Council has a range of organizational change strategies in place. Among them are various futures projects, which I focus on below.

These have included visioning work (Brisbane 2010), scenario projects (policy papers around particular topics such as the creative city, the international city), and foresight courses for managers. The hope is that this extensive futures work can enhance the capacity of managers and citizens so that the council becomes more innovation and future oriented.

A foundational issue that emerged is that while leadership is facilitative and future oriented, the structure of the organization remains industrial (9/5, surveillance, pyramids).

Thus, individuals desire to be an organization that is both facilitative and a learning organization (area 4 in Figure 1) but the reality is that the institutional weights are such that the structure remains feudal (area 3 in Figure 1). While nations such as Singapore are able to legislate creativity (area 2 in Figure 1) or at least hope to do so, that is, to keep the strong male leader and create an innovate self-learning organization, this is far more difficult in democracy. What is clear is that area 1 in Figure 1 is rejected (self-organization, stakeholder involvement, digitalization, all being key explanatory factors for this).

Figure 1 Leadership (x variable) and the nature of the organization (y variable)



Thus, part of the internal challenge is determining how the structure needs to change so as to deliver the future. Indeed, its internal strategy is to directly challenge the feudal nature of traditional organizations by developing, “a networked family of work teams that can adapt and respond quickly” (see Brisbane City Council, 2004).

The external challenge is how to deliver the vision – what needs to be done (projects, infrastructure). Whether Brisbane city council will be able to challenge traditional organizational hierarchy remains to be seen. However, the process it has started has created the possibility of institutional change (changing the discourse around cities).

Case study 5 – from organizational to institutional change

The tension between the traditional and the possible future model of the city was significant in 2003 Asia-Pacific Cities Summit: Emerging Futures of the City[6]. The main themes of the summit were: Transforming urban sprawl; greening the city; creating healthy communities, global-local governance; and alternative futures of the city.

As part of the theme, a series of institutional change workshops were designed (in two- to three-hour sessions in the two-and-a-half days) designed for the 100 mayors and CEOs attending. These consisted of the following parts:

- to identify current issues facing the city;
- to identify emerging issues (5-15 years) facing the city;
- to develop scenarios facing cities; and
- to articulate a preferred vision and collective next steps.

Most important for mayors was the sharing of issues, scenarios and visions. From feeling isolated, mayors understood that others were experiencing similar problems (increased demands from citizens, budget problems, issues related to privatization and the need to protect public space). Second, scenarios that previously were considered on the margins came to the center. The main debate was between the rainforest city and the international city. The rainforest city was defined as green, inclusive and sustainable city wherein the landmark is not the tallest building but economic, social and environmental indicators – quality of life, cleanliness of water, longevity, treatment of the most marginal. The International city was defined as dynamic, focused on economic growth with “big as better” as the underlying metaphor.

This scenario divide was also regional based. Most Western cities had developed growth fatigue and were now looking to recover community and environment, searching not for bigger solutions but smarter solutions. Asian cities, particularly Chinese cities had different problems. They are facing extensive migration to the city, an economic shift from agriculture

to manufacturing to services, and problems related to urban infrastructure and social inclusion. Even with these problems, they remain convinced that “biggest is best.”

This debate was not resolved – indeed, the tension was not put at the forefront – however, crucial in initiating institutional change was the introduction of a new meme – the rainforest city. This gave Mayors from cities caught in traditional development paradigms language and strategy in which to rethink the future of their city. It is this meme around a vision of a different type of city that will hopefully play a significant role in institutional change that allows for broader stakeholder inclusion and self-organization.

Technology and change

Is there a role for technology here in accelerating this trend? Halal's evidence certainly suggests that there is. However, technology can be appropriated, its efficiency dimension purchased (enhancing productivity, surveillance) while its transformative dimension (peer to peer, breaking apart feudal school room design, liberation from time and space for example) marginalized. The structure remains the same even though new technologies are used.

The weight of tradition can overwhelm the push of innovation. That said, over time as other aspects of change become more prevalent than technology may become used to create a learning organization, culture and community. Technology is thus not an independent variable but a way of knowing/doing nested in levels of reality – the litany, the system, the worldview and the myth. Technology can certainly disrupt the litany and the system, but as long as it remains tied to a worldview of progress with the myth of the latest is the best or that technology will save the day, organizations may become more efficient and save money, but they will not change the meanings, the myths that define them. It is these myths that are foundational for institutional change. Mapping, understanding and transforming them is crucial for the move from individual to organization to institutional change.

The examples presented are biased toward change; they can be read as success stories. However, it would be going too far to see futures visioning and CLA as an organizational panacea. Patriarchy, feudalism, unexamined organizations (unaware of their collective unconscious) and lives remain dominant. New ideas often self-replicate not because they transform but because they obscure power. Ideas that do transform are placated, as the interests behind them. Social innovation such as the Triple bottom line challenges the orthodoxy of organizations but can also be used to ensure that deeper worldview transformation does not occur – that change does not become truly institutional and societal. Institutions are so because they are holders of the past. Resistance to change is the reality we are complicit in. Unpacking this reality and creating new futures is certainly one way forward.

Notes

1. Deeper still is societal change. Institutional change can be seen as a prerequisite to societal change, and as well, a result of changes in culture/values.
2. Even to a point where aspects of it are at the edge of chaos.
3. I am indebted to Jan Lee Martin of the Futures Foundation for this project.
4. The inner turtle, I joked.
5. E-mail, July, 2004, from Jennifer Bartlett.
6. This summit was sponsored by Brisbane City Council.

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