



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

Hierarchical Systems	4 th Wave Whole Systems
<p style="text-align: center;">Leadership</p> <p style="text-align: center;">Configuration: <i>Tiered leadership with limited accessibility predicated on hierarchy and job description; e.g., presiding above in a chain-of-command (top to bottom) operating model.</i></p> <p style="text-align: center;">Leadership/Staff Boundaries:</p> <p style="text-align: center;"><i>Separation (pre-defined boundaries) between management and staff; departments divisions, and stakeholder groups involved. The flow of information and resources is determined by the hierarchy of leadership designated.</i></p> <p style="text-align: center;">Collaborative Goal Setting: <i>Goals are defined by leadership with defined mechanisms for response predicated on hierarchical parameters.</i></p> <p style="text-align: center;">Management Structure: <i>Rigid structure – follows chain of command between leader(s), employees, departments/divisions, programs, or stakeholders involved.</i></p>	<p style="text-align: center;">Leadership</p> <p style="text-align: center;">Configuration: Leadership is collaborative with full accessibility by and between all parties, e.g. leadership presides alongside (rather than above) employees, peer groups or participants involved, while the function and the role of the leader is retained. A primary shift occurring is the leader carries increased responsibility for the performance of the individuals, the group, resource management, cross-directional/relational performance, and overall outcomes/performance supervised. An equally prominent shift is that in transforming from a rigid to fluid environment the co-creative process spurs “real-time” innovation as well as an exponentially enhanced ability to respond to changing circumstances and trends in the environment or marketplace. Note: Whole Systems can be integrated within any Hierarchical Management System as a “Leadership Style and/or Approach.”</p> <p style="text-align: center;">Leadership/Staff Boundaries:</p> <p style="text-align: center;">Collaborative and freeform (e.g., flowing from independent to interdependent and vice versa) between management and staff, departments, divisions or stakeholder groups. Boundaries collapse; there is a dynamic flow of information and resources between all predicated on needs, goals and objectives.</p> <p style="text-align: center;">Collaborative Goal Setting: Independent and interdependent goal setting that can be sourced by leadership but where all parties can respond and contribute from their frame of reference/specialization, regardless of job title.</p> <p style="text-align: center;">Management Structure: Flexible and fluid structure – free flow of information between leader(s), employees, departments, divisions, programs and stakeholders involved.</p>



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

Vision: *Singular or limited vision relational to specific leadership, project, program or division as it represents its position/authority in the hierarchy of the organization.*

Vision: Shared vision between leadership, staff projects, programs and divisions as it integrates across disciplines, projects, programs or divisions to serve the goals of each program or the overarching mission of the organization. (Vision is most often “sourced” by leadership.)

Input:
Limited or defined input of workforce, parties or stakeholders relational to hierarchical position or title and subject matter.

Input:
All-inclusive between parties involved. Affords free-flowing information between involved workforce, parties or stakeholders.

Agility in responding to market/economic changes:
Response times constricted by decision cycles in hierarchy, limitation of expertise/perspectives of involved parties and or departments/divisions. (Decisions must travel up and down chains of command.)

Agility in responding to market/economic changes:
Immediate access to all personnel – managerial, staff, programs, division, etc., with comprehensive access to relevant expertise/perspectives. As the process is dynamic, timely decisions are inherent.

Leadership Development & Continuity:
Restricts leadership development in the organization predicated on hierarchical access and responsibility. Essential or vital information often withheld or not transferred to protect the power structure of the individual, department, program, etc.

Leadership Development & Continuity:
Significantly expands leadership development in the organization as leadership is rewarded for the fluid flow of information that enhances employee/department/program understanding and performance. Simultaneously develops a fluid feeder system for future leaders while allowing employee performance to become transparent.

Operations:
Communications, Employee Relations, Fiscal Management and Compliance, and Growth and Sustainability

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Communications
Silos: Communication flows vertically contingent upon the hierarchical structure which limits understanding of corporate mission relational to the roles and responsibilities of involved employee, department or division. Information flows slowly up and down chains of command. This limits understanding predicated on the amount and quality of information disclosed.

Communications
Integrated: Communication flows horizontally between departments, divisions and programs which significantly expands understanding of corporate mission as shared collaboration enhances the knowledge of all involved parties. Thus, inquiries can be openly discussed until collaborative understanding is achieved.



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

Internal communication:

Restricts the free-flow of information predicated on the hierarchy, departments, divisions or programs, therefore restricting overall corporate knowledge within the context of these parameters.

External Communication:

Beyond a mission statement it is difficult for the public or customer to understand how the products, services, programs, departments or divisions each contribute or relate to the whole of this mission. In essence we communicate in silo's (e.g., a hi-rise vs. a landscape) that demonstrates independent/not interdependent understanding for our customers or stakeholders. Thus a "big picture" is difficult to conceive and requires a "fishing expedition" or "surmising" to create understanding. This is analogous to giving customers a puzzle where they must put together the pieces to create understanding.

Virtual Communities:

Positions the corporation or organization in the capacity of an information provider where interaction with their virtual world is limited to isolated opportunities within the context of specific departments or programs or "general comments/inquiry" sections. In this context, community interaction is far more one-sided; where we speak to rather than interact with. Thus communication is primarily a one-way street, e.g., the comparable of a speech vs. a conversation – a podium and audience vs. a community.

Internal communication:

Appreciably expands the free-flow of department, division or programmatic information. Dynamic information exchanges add clarity and quality thus the integrity and usefulness of information is enhanced.

External Communication:

Whole systems approaches create a means of communicating and relating not only the corporate mission, but also how, where and why the products, services and programs support the mission. It demonstrates a whole picture to consumers/customers with a far greater capacity and clarity to relay or demonstrate value. Very simply a corporation can express itself more succinctly to society and the marketplace, because it has a far more holistic understanding of itself and thus it can communicate itself out to the world with greater clarity.

Virtual Communities:

At the onset, a Whole Systems Approach can establish community-wide web-based platforms where the virtual community can become a strong and ongoing interactive force of input, feedback and involvement at all levels. Not only does this virtual community allow the corporation or the organization to create an interactive community that supports its mission across the horizon of their organizational structure, but it, in-turn, allows the corporation/organization to understand and respond to customer needs. Additionally, this approach comparatively allows the consumer public to understand the mission or purpose not only as it relates to their life or business needs, but also in the context of the broader community/economy. This type of dynamic information is key to leadership as it can collapse the timeframe that exists between supply and demand channels – affording leadership the knowledge and agility to move quickly in radically changing markets and environments.



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

Employee Relations:

Identification of Strengths and Weaknesses:
Understanding of an employee's comprehensive strengths and weaknesses is relational to their position and job description within the hierarchy of the organizational structure and not their overall skill sets. The lack of open and ongoing communication further inhibits discovery of value or skills that fall beyond ones job description or defined involvement.

Competition:
Leadership creates competition between individuals, departments, divisions and managers when in fact all are needed to achieve the mission and goals of the company. Externalized competition is reductionist, is resource intensive and places the primary focus on beating external forces rather than enhancing internal performance and outcomes.

Employee Dissatisfaction:
Exponentially increases employee dissatisfaction as it limits input, visibility within the organization, or the ability of all leadership to see and utilize the broadest capabilities of their employee base.

Corporate Knowledge:
Limits the ability of the employee to personally or professionally understand the global mission or vision of the organization because of their limited understanding of what they do within the business structure. This decreases the likelihood of value-added contributions and/or the ability of the individual to promote (sell) the corporation to potential partners or customers.

Employee Relations:

Identification of Strengths and Weaknesses:
Understanding of an employee's comprehensive strengths and weaknesses becomes transparent, allowing the organization or corporation to not only better assess value and contribution but to create greater alignment between the employee's functions and responsibilities and the mission and vision.

Competition: Rather than compete, Whole Systems create a collaborative environment where competition generates increasing self-excellence.
How? By working interdependently, the independent understanding and performance of the individual employee will increase (become enhanced). Therefore, the corporation ends up with a more productive employee. Also, collectively – by working interdependently - better outcomes are inherently achieved where more efficient and economical operations are possible.

Employee Satisfaction:
Exponentially increases employee satisfaction as it allows an employee to function to the fullest extent of their skills and expertise that might fall outside the parameters of their overall job description. Allows employers to see and access the best of their employees no matter where they are "slotted" in the corporate structure.

Corporate Knowledge:
Gives every employee the ability to better understand the over-arching mission, their relationship to that mission and thus the confidence to both contribute more value or even to promote (sell) the mission to potential partners or customers from where they stand, e.g., meaningfully increases the marketing and outreach for the corporation/organization.



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

Employee Morale:

Undermines employee morale because there are constant boundaries and walls for an employee to make a contribution within their professional environment. When employee morale is undermined, absenteeism and employee-turn-over increases. This disrupts the continuity, growth and sustainability of the corporation/organization and increases overall costs of operations.

Fiscal Management and Compliance Operational Efficiencies:

Fiscal management and compliance feeds up to executive management through the corporate hierarchy. Managers or leadership with fiscal responsibility will inherently protect the operations and budgets of their departments, programs and divisions to protect their power-base or job security whether or not it is within the best interests of the company or organization or overall mission being served.

Resource Management:

Exponentially enhances the potential for duplication of tasks, job functions, resource requirements supporting those functions, thus divisional budgets and overall corporate operating budgets.

Operational Efficiency:

Decreased overall corporate/organizational understanding inherently generates decreased efficiency and thus increased cost.

Employee Morale:

Substantially enhances employee morale as it allows the employee to fully access and apply their skills and knowledge to not only their peers but the overall mission. This creates employees that are motivated internally – their passion vs. being told what to do predicated on their position in the hierarchy. Allows for far greater self-improvement in relation to their own position and the relationship of their job function as it integrates with the position functions of their peers. This creates far greater employee satisfaction and self-satisfied employees are more productive, with less absenteeism and less turn-over.

Fiscal Management and Compliance Operational Efficiencies:

In whole-systems management, the more integrated a system becomes, the more efficient each employee, division, program or manager becomes. As efficiency increases, knowledge increases. As knowledge increases, cost-cutting measures are enhanced. Thus overall-performance is enhanced (competitive edge) in operations that are dynamically independent and interdependent. Whole systems represent a dynamic cycle of increased efficiency and corporate continuity which result in decreased operational costs with a far more acute ability to understand and meet market need.

Resource Management:

Exponentially reduces the potential for duplication of tasks, job functions, resource requirements supporting those functions, thus divisional budgets and overall corporate operating budgets.

Operational Efficiency:

Based on the dynamic flow of information, Whole Systems represent a vibrant cycle of increased efficiency and corporate continuity which results in decreased operational costs. This creates a far



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

Employee Incentive:
Decreases leadership incentive to reduce costs due to loss of power or loss of budget which increases overall cost. Likewise, decreases employee incentive to decrease costs because (1) it is outside their job description and it is not allowed or prohibited, or (2) predicated on insufficient understanding due to limited information.

Operational Agility:
Hierarchical systems (Silos) reduce agility to move and adapt to changing market trends and customer needs quickly. Often times changing market trends are missed entirely or seen too late as global understanding is so segregated the “whole” of a situation isn’t understood or lacks sufficient clarity to act knowledgably. This not only dramatically increases cost but undermines corporate/organizational growth and sustainability.

Absenteeism and Employee Turnover: Increases absenteeism and employee turnover which not only decreases cash-flow, increasing costs of production and operations, but it equally undermines corporate continuity, growth and sustainability. Why? Hierarchical Systems are demotivating as they dictate or mandate when and how any employee can contribute predicated on their job description. This creates a natural barrier to contributing which undermines and limits contributions, their self-esteem and their work morale (personally or professionally.)

Operational Compliance:
Compliance can become more difficult and more prone to errors in hierarchical environments because corporate continuity is often segmented between divisions, entities and people

more acute ability to understand and meet market need.

Employee Incentive: Increases leadership incentive to reduce costs as his/her power base is enhanced through the overall performance and efficiencies of those they oversee or interact with. Likewise it increases any employee’s incentive to recommend cost or resource improvements as these insights are not predicated on their job description. Additionally, with increased knowledge comes increased understanding of applicable resource management improvements or cost cutting measures

Operational Agility: Whole systems approaches exponentially shift/enhance the agility to move and adapt to changing market trends and customer needs as it affords the ability to quickly adapt operations to meet changing market trends and even to understand global market shifts. This not only dramatically reduces costs but significantly improves organizational growth and sustainability.

Absenteeism and Employee Turnover: Decreases absenteeism and employee turnover which not only increases cash-flow and decreases costs of production/operations, but conversely it enhances corporate continuity, growth and sustainability.
Why? Whole Systems establish an open environment as to when and how any employee can contribute that is not predicated on their job description but rather their inherent knowledge or insight of value-added skills or information that is theirs to contribute. This creates an open-door to contributing. Thus, the likelihood of contributions is enhanced alongside the employee’s evolving self-esteem and overall morale (personally or professionally.)

Operational Compliance:
 Compliance in all business and operating capacities is heightened or enhanced in Whole System environments where there is a global understanding of each departmental, divisional,



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

responsible for compliance measures. Segmentation leads to fragmentation of information and knowledge.

Non-compliance or miss-managed compliance is costly; both increased fees and fines but restrictions or partial or total loss of business operations due to non-compliance. (In this type of environment where many “don’t know what they don’t know” therefore can neither seek nor gain the necessary information to comply.)

**Growth and Sustainability
Closed and Static Systems:**

Hierarchical Systems are inherently closed and static systems where decision-making must move up and down chains of command greatly increasing not only cost but also response time to meet a dynamic ever-changing marketplace.

Reductionist Systems and Environments:
The “reductionist posture” of these Hierarchical environments makes growth and sustainability highly problematic as they limit, cross-directional understanding (internal and external), operating and human-resource efficiencies, global congruity and adaptability (internal and thus external).

Environments of Mediocrity that Diminish Competitive Edge:
Creates environments of complacent mediocrity as all employees are constrained by their job description or order of status in the corporate hierarchy and chain of command.

Incompatibility with virtual business operations:
The static, inherently inert nature of Hierarchical Systems makes compatibility with a virtual marketplace characteristically impossible. Why? The “market-pull” of the virtual marketplace is inherently a “whole system” that is generated in real time. In this

programmatic relationship to the core mission, vision or strategic goals and objectives. This

reduces fees and fines and work stoppages for non-compliance. (In this type of environment it is far more likely to “know what you don’t know” and thus seek out the information needed to comply.)

**Growth and Sustainability
Open and Fluid Systems:**

Whole Systems are dynamic systems that are fluid in their ability to move and adapt to changing market needs in congruent rhythm with both internal management and the ever-changing marketplace.

Expansive System and Environments:
The “expansive posture” of Whole Systems environments make growth and sustainability highly fluid and dynamic as they fortify cross-directional understanding (internal and external), heightening operating and human-resource efficiencies, global congruity and adaptability (internal and thus external).

Environments of Self-excellence and challenge that Enhance Competitive Edge:
Consistently challenges employees and promotes self-excellence and Corporate/Organizational Excellence. This increases the competitive edge for each employee, the program, department or division, and the primary mission, e.g., the competitive edge of employee. Thus the competitive edge for the over-arching mission of the corporation or organization is enhanced.

Compatibility with virtual business operations:
The dynamic inherently fluid nature of Whole Systems renders it characteristically compatible with a virtual world. **Why?** Whole Systems mirror/reflect the “market-pull” of the virtual marketplace which is inherently a “Whole System” that is defined in real time. Therefore the systems



Hierarchical Systems vs. 4th Wave Whole Systems [Organizational]

context, the consumer public or customer defines the market through measures that cast instantaneous public opinion on product or service performance, value, integrity, quality, operational and fiscal responsibility or irresponsibility. The ONLY means of competing in a virtual world is to meet the virtual world on its own playing field with a virtual dynamic whole systems management approach.

are congruent in the manner through which each dynamically defines the market through measures that cast instantaneous internal or external opinion on product or service performance, value, integrity, quality, operational and fiscal responsibility or irresponsibility. When corporate or organizational management utilizes a Whole Systems approach they meet **any** virtual market on the market's playing field. In this context, interaction and business is conducted as a dynamic and fluid relationship where competitive edge and sustainability is defined by ever increasing levels of excellence in demand and performance. **This is the future of all business and "The Future" is NOW.**

Competitive Performance Enhanced: As we evolve from hierarchal management to whole systems management, interestingly, this area is where the greatest paradigm shift occurs.

- In a hierarchal structure competition is reductionist, consisting of right or wrong, black or white and most dominant: winners and losers.
- Therefore, hierarchal competition withholds information rather than expands; it hoards resources rather than shares; it competes employees, boards, ideas and outcomes in a context of survival of the fittest – e.g., win or lose.
- But in the context of 4th Wave Whole Systems, at all points of performance, the individual, the corporation or organization, the leadership, the leadership purpose, the community it serves and the greater society that is benefited - these interdependent relationships will always enhance independent performance.
- Likewise, as independent performance increases, it will simultaneously enhance interdependent outcomes.
- At its most basic level, competition becomes an internalized force of ever-increasing levels of excellence; where in the dynamic exchange from independent to interdependent, the competitive strength of both expand in tandem.
- What opportunities are created for those that transform from hierarchical systems to 4th Wave Whole Systems:
 - increased knowledge and business expertise;
 - shared resources that reduce costs and increase efficiency and performance;
 - expansion of existing markets;
 - entrée to new markets shared in common, and;
 - the opportunity to “blueprint” a new business paradigm where by serving the organizational mission, the same kindred benefit is accrued in serving their own intra-personal or personal mission in life.