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Change of Paradigms and Concepts of "Relationship"
The MBS philosophy at a glance

A time of change, re-thinking, evolutionary management, virtual organizations, holistic, post-modernist, multi-cultural and multi-optional society etc. are modern terms which aim to describe a phenomenon which occupies our minds in the late stages of the second millennium. A decisive factor for the emerging spirit of change is an increased complexity, which in its turn affords the painful experience that certain problems now defy "linear" methods of solution and that causal reasoning [i.e. because a) can be applied, b) must follow] is often inapplicable.

The Evolution of Paradigm

Paradigm =
"The inflections of a word tabulated as an example" - Oxford Dictionary
Thought pattern, common sense, dominant logics, set of assumptions, frames of reference.
Basic understanding, according to which man made reality can be influenced, shaped and therefore understood.

"...In the beginning God created heaven and earth". Largely theological concepts form the base for the first paradigm, familiar to us to this day:

The Belief in Omnipotence or the acquiescent acceptance of authority. Many early cultures and religions, but also the majority of forms of government, display a high affinity with this paradigm. Even nowadays we find a marked degree of this omnipotence concept in certain cultures, such as the Japanese. The emperor's, samurai's or company owner's authority is - or used to be - almost unlimited. The concepts of "total identification", a variety of "deference rituals" frequently encountered in such cultures can be traced back to the unquestioning acceptance of authority. We find in these behaviour patterns the remains of subordination and a certain "omnipotence-based claim to leadership".
Humans perceived themselves to be objects in the hands of higher powers, fate was endured and accepted. Thought and behaviour patterns were determined by deep religiousness (religiosity) - even infinite humility or fatalism. Power in the hands of few and the devotion of the "powerless" conditioned the culture as well as political, economic and religious everyday life. The leadership concept that the few existing leaders had of themselves was "God-like" (see the claim to leadership of certain Mullahs or sect leaders in today's world...), and the self-perception of those being lead was expressed in conformity.

The paradigm of omnipotence - deeply rooted in human nature - is still to be found in authorities such as fundamentalist-orientated courts of law, where humans are brought to trial and possibly convicted; in social and charity organizations, where individuals sometimes are required to "serve in humility"; shop floor cultures, where the workers' impotence manifests itself in passivity; religious institutions, where no dissent by the faithful is tolerated; or in schools where the pupils are expected to "believe" every word the teacher says. Critical opinion claims that these basic conceptions are also deeply ingrained in the relationship between man and woman, and in patriarchal societies.

A paradigm is not therefore tied to just one epoch; peoples' behaviour is strongly influenced by implicit concepts - concepts which are unreflected and even unconscious. Knowledge and faith, assumptions and ideas generate a picture of self, which is able to outlast its origins. Reason and logic by themselves are not strong enough to overthrow a paradigm; a fact that must be considered, especially with a view to the ongoing change.

It was knowledge gained in the natural sciences which led to the emergence of a new paradigm in the Middle Ages:

The Belief in Feasibility

Over a period of approximately 300 years people felt more and more that they were "in control" and no longer "at the mercy" of higher powers; increasingly, faith was replaced by explanatory models and emancipation and enlightenment began to spread (cf. Richter, 1989).

Those who had knowledge possessed power (the Christian Church in particular is known for trying to monopolise knowledge), and those who had power could be leaders. The relationship between the leader and those who were led developed into a subject/object concept, which, in the context of the feasibility approach meant nothing other than that the leader (subject) was able to direct those who were lead (objects) towards the desired target or towards the required actions. Leading means to achieve one's own targets by using a work force, imposing standards, instructions and supervision. ("Getting things done through other people").

Not only did this very clear subject/object concept determine the leadership style in politics, the army and in business - it also influenced the concept of science and thus affected practically all theories and concepts of problem solution.

The golden age of the feasibility concept began after the Second World War and continues into the present day - for many people this paradigm has still not lost any of its validity (see how in politics, economics and science, complex problems are "solved" to this day). It does not come as a surprise that feasibility concepts were established in the Fifties and Sixties, since these two decades were dominated by the virtually limitless conviction that anything was feasible: travel to the moon, supersonic flight, heart transplants, computer and gene technology, nuclear power, etc. provided clear cut evidence of the unlimited possibilities of human intelligence. In this context, the management and leadership concept valid over the last 30 - 40 years is an interesting focus for our topic and will now be explained briefly:

# The Age of Organization from 1950 to 1975

Post-war reconstruction of the destroyed Europe - known as the Economic Miracle - took place in the context of unsaturated markets, a craving for growth and wealth and in basically stable framework conditions (exchange rates, raw material prices, political and social realities). Almost all industries thrived in this atmosphere, securing rising sales and profits every year. The only problem faced by the companies was coping with permanent growth. Executives proved themselves to be qualified managers if they could cope with the structural problems arising. All efforts went into achieving the optimal organization by various structural adjustments, and it is not surprising that organization theory was central to the teaching at universities and management schools (cf. Harzburg model, matrix, profit centre and similar organization forms, specifications, job descriptions, work regulations, flow charts etc.) Only in the mid-seventies, when even huge amounts of "organization" failed to secure recovery from the major slump the economy had suffered as a result of the "oil shock", the relevance of topics such as market saturation, substitution, customer requirements/benefits was acknowledged at last.

Assessment Dimensions in this area where:

- Skills and talents in organizing, structuring and fulfilling tasks / work
- Ability to assert – self assertion, having authority ("strong personality")
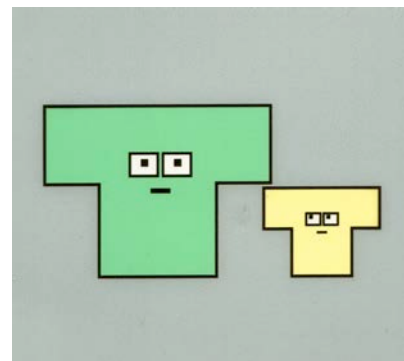- Being a "doer"
- "Handling people"

Leadership approach – relational aspects:

In this area, Leadership was dominated by two relational aspects:
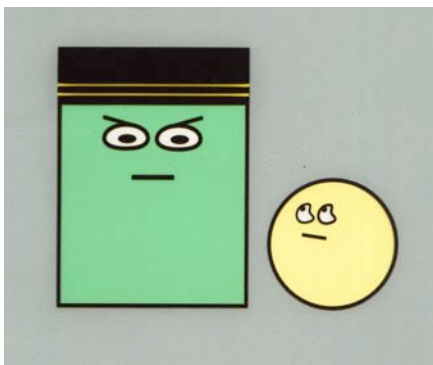
Subject – Object "Hardliner"

Leaders understands themselves as "doers" as the ones, who are solely responsible and also entitled to command subordinates…….

Object "submissive to rules"

Leads to a typical bureaucratic understanding of Leadership. Peoples follows rules and regula - tions – no responsibility………

MAN POWER was asked and with both approaches this was also within reach!

After doing all kinds of reorganizations and reengineering processes – more of the same…. (Mc Kinsey and others) finally at the end of the seventies beginning of the eighties a new area began:

The Strategy Age from 1975 to 1985

The initial reactions to the a fore mentioned slump were more or less typical for the thought process within the paradigm of feasibility: "If something is good, more of the same is better!" (Watzlawick et. al., 1969). Therefore, if "organizing" could solve all real or hypothetical problems, it was now necessary to organize or re-organize even more, in order to overcome the present turbulence. Management consultancies specialised in these operations which always had some effect but, in retrospect, did not in most cases contribute to the solution of the basic problems.

In the context of feasibility, problems therefore had to be tackled differently: The validity and usefulness of strategic planning were recognised. From now on, the focus was no longer on structures but shifted to strategic potentials for success: markets and customer requirements, creation of value and ROI, the life-cycles of products etc. Companies became hives of activity for vast numbers of strategy experts who promised that - with the "right strategies" - things could be brought back "under control": still, and in spite of all adversities, feasibility remained the main principle. This time, the understanding that strategies, however well-founded and thought-out, were no guarantee for survival, was not long in coming.

Assessment Dimensions in this area where:

- Having visions and being able to put them into strategies
- Ability think on different dimensions (Marketing, Finances, Technologies..)
- Realizing Strategies into Business Plans
- "Motipulating" (Manipulating and sort of Motivating) peoples for own goals

Leadership approach – relational aspects:

There was not too much of a difference with the former area. Thus might have been the reason, that people like Tom Peters, Bob Waterman, Henry Mintzberg and others saw the need of changing the relational approach:
It was in the mid-eighties when a new term appeared on the manager's firmament:
Corporate Culture!

The Age of Corporate Culture and Human Resources with integration of Strategy and Structure (St. Gall Management Model) 1985 - 2014

The comprehension that strategy plans are useful only if understood and lived by the employees was crucial. There are still too many companies in which strategy documents are "classified" and known only to the top management.

It goes without saying that employees in such companies are unable to conform to the corporate strategy and that such strategy documents were no use to anyone - except for the consultants who had created them.

Loosely based on concepts described in books such as "In Search of Excellence", "The Art of Leadership", "Up the Organization" and many more, as in other parts of the world, the focus in Europe and also in the US shifted more and more towards the human being. The involvement of employees by means of team work, co-operative leadership, bottom-up strategy, self-fulfilment through work and the term "human resource" make up the up-to-date terminology applied by modern managers and in modern management theories.

Authors such as Schein, Weik, Mintzberg, Berger, Wever, Naisbitt, Herzberg, Gerken, Neuberger - to name but a few -have studied intensively the phenomenon of corporate culture. All of them found that an optimum achievement of targets is possible only in an atmosphere of trust and acceptance.

Furthermore, it was recognized that there is a certain, network-like connection between "everything and anything", necessitating a networked method of thinking. "Companies are networked systems. Their relationship-structure constitutes a complicated network in which all individual components are linked in the most complex manner (translation of Ulrich/Probst, 1990; cf. Katz/Kahn, 1991).

Up to this point feasibility thinking stood or continues to stand godfather for conceptions of leadership and management. All that has changed are the issues. "Success through" organizing, strategies, motivated employees etc. - but still under the premise that employees, markets or even entire systems are controllable, provided the manager does the right things (see Peter Drucker, Fredmund Malik and others). But employees, markets or systems are, after all, no objects in the hands of all-powerful subject-managers.

Assessment Dimensions in this area where:

- Ability to listen to employees needs and requirements
- Creating an atmosphere of trust
- Creativity and Innovation (mind set and tools)
- Motivating peoples for company goals
- Understanding coherence in a complex context

Leadership approach – relational aspects:

As Employees where spotted as the most important assets of companies and knowing, that all other assets can be duplicated (i.e. Strategies, Structures or Technologies) the focus became more and more onto the relational dimensions. It was clear, that with an bureaucratic or an authoritarian relational approach one never can get BRAIN POWER or Innovations, which where of high importance in the phase-out of the last century.

To be careful with the human resources or to give them more space and freedom to explore new dimensions where perceived as "modern management style" – what came out is visible in the two following graphs:
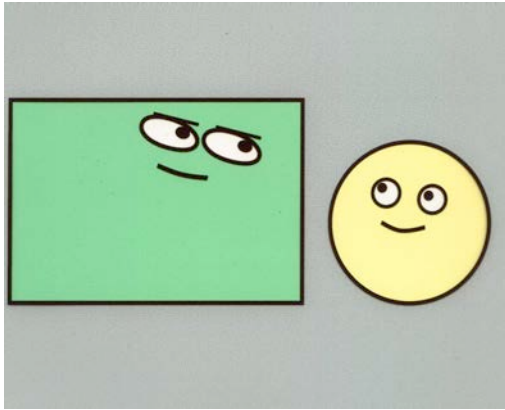
Subject – Object "caring"
The "care-taker" or the "patriarch" …
Treating the employee still as an
Object but much more careful like
the authoritarian did!
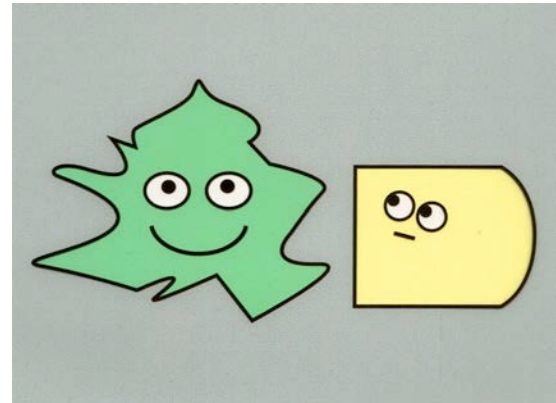
Subject "chaotic, creative"
The Individual or the Egocentric ….
Cares mostly about himself, "live and
let live" is the motto – mostly visible
In R&D or Start up Businesses (Silicon
Valley Companies of the late eighties)

During the late Nineties the uneasiness concerning feasibility concepts increased steadily. With increasing vehemence, executives demanded new concepts - suspecting, however, that recipes would not be on offer.

Systemic Management Models

Real system theorists will find this term troublesome, as within the framework of feasibility (thinking) models were all too often created and explained as one- or few-dimensional structures, unable to depict processes taking place between the various model elements in real life.

Models are natural aids, created by every human being - automatically and unconsciously, in order to be able to comprehend and explain their complex environment. If, however, these models have been constructed in too simplistic a manner and are based on the feasibility thinking, they are of little or no use for understanding and coping with social and individual life.

All the important findings achieved over the last 50 years will, however, be of only limited use for the future. Far too much importance is still attached to feasibility-thinking, even in the most modern leadership theories.

Managers still see themselves as subjects who, by virtue of their correct actions - e.g. recognising the correlation between strategies, structures and cultures - induce objects (which may be problems, but also colleagues or customers) to take the correct actions and thus to find the correct solutions for problems (cf. Drucker, 1989; Bleicher, 1991; and many others). The error is that the so-called objects are not objects at all.

After nearly 500 years of feasibility-thinking we now realise that due to the increase of knowledge and increasing complexity, the limits of feasibility have now been reached. A new paradigm imposes itself:

The Holistic Epoch 2014 to ????

"Holistic" - unfortunately often interpreted as the stringing-together of many individual components - is actually and indeed something completely different. It is the processual, interactive co-operation of parts within a system (cf. Mann, 1998). Complex systems can no longer be created and controlled on the basis of feasibility concepts - i.e. the boss being the subject and the systems (or parts of the system) being the object. A new understanding of organisation and leadership is required. "Turn-around managers" who are able to cope with any kind of problem, are no longer in demand (real life demonstrates every day that this no longer functions). We need executives who are sensitive to process dynamics, who no longer see employees or colleagues as "objects", but have understood that leadership and management are inter personal relations phenomena and that relationships always comprise subject – subject processes: the employee's involvement in the shaping of relationships is as vital as the contribution of his superior, and leadership is therefore a process of mutual influence. Questions such as: "What can I, the boss, do in order to..." are absurd in this context and are inconsistent with holistic thinking.

If through our demand for holistic thinking we propose a new paradigm, the construction of our concept will be based on a new cognitive model. System-orientated approaches with only a hint of process-orientated thinking are supplemented by the interactivity and found between subjects within the systems.
In the future, holistic thinking as well will probably have to be replaced by another new paradigm. But until then, we must assume that holistic is superior to delusions of feasibility.

What are the Consequences of the new Paradigm?

For politics and economy the new paradigm constitutes a rejection of traditional leadership concepts. "Egalitarianism" is not required, but genuine emancipation and a maturing process of those who are led -> AUTHENTICITY (citizens and employees).

Leadership as a relationship phenomenon conclusively places the led and the leader on the same level.

Education and training must no longer be a privilege of the "Upper Class"; everybody involved in the process must acquire a higher level of understanding of correlations, consequences and relations within complex systems. Our education system, still based on feasibility-thinking and practised in the subject (teacher) / object (student) context, requires basic changes. In order to achieve those changes, the initial requirements are a new self-vision by the teachers as well as a different target from the present "performance through reproduction of knowledge".

Organizations which, to this day, are represented as "lifeless" entities by little boxes, hierarchies and functions, etc., must increasingly be understood as living organisms with their own process dynamics; they cannot be controlled solely by means of organization charts and regulations. The same principle applies to political systems (economic areas, countries, states or communities), where our politicians - unlike some managers - are rather backward in their thinking. It will probably be a long time yet before a change of paradigms can take place in political leadership concepts (especially since parties - i.e. "dissociating" bodies - are diametrically opposed to holistic thinking.)

Nor are the modern requirements set out in current literature sufficient for managers of the future. Personal characteristics or specialised knowledge do no longer take centre-stage in personnel selection and appraisal (although these aspects are still worthy of attention), the focus is now on a system- and process-conscious attitude.

Different potential assessment training methods and different training methods are required, and the state of business management studies as the classical representative of the antiquated feasibility thinking should be corrected as a matter of urgency. Findings from the areas system theory and systemic social and organisation psychology must step into the foreground.

Assessment Dimensions for the future Manager:

- Emotional Intelligence (s. Goleman, 1996)
- Creating and handling relationships
- Self Management
- Authenticity
- Holistic thinking
- Management and Method competencies

Leadership approach – relational aspects:

In the future we urgently need Managers, who are able to create relations not driven by a Subject – Object understanding; much more it has to be clearly an emancipated Subject – Subject understanding of relations.
"Future management style" is visible in the following graph:
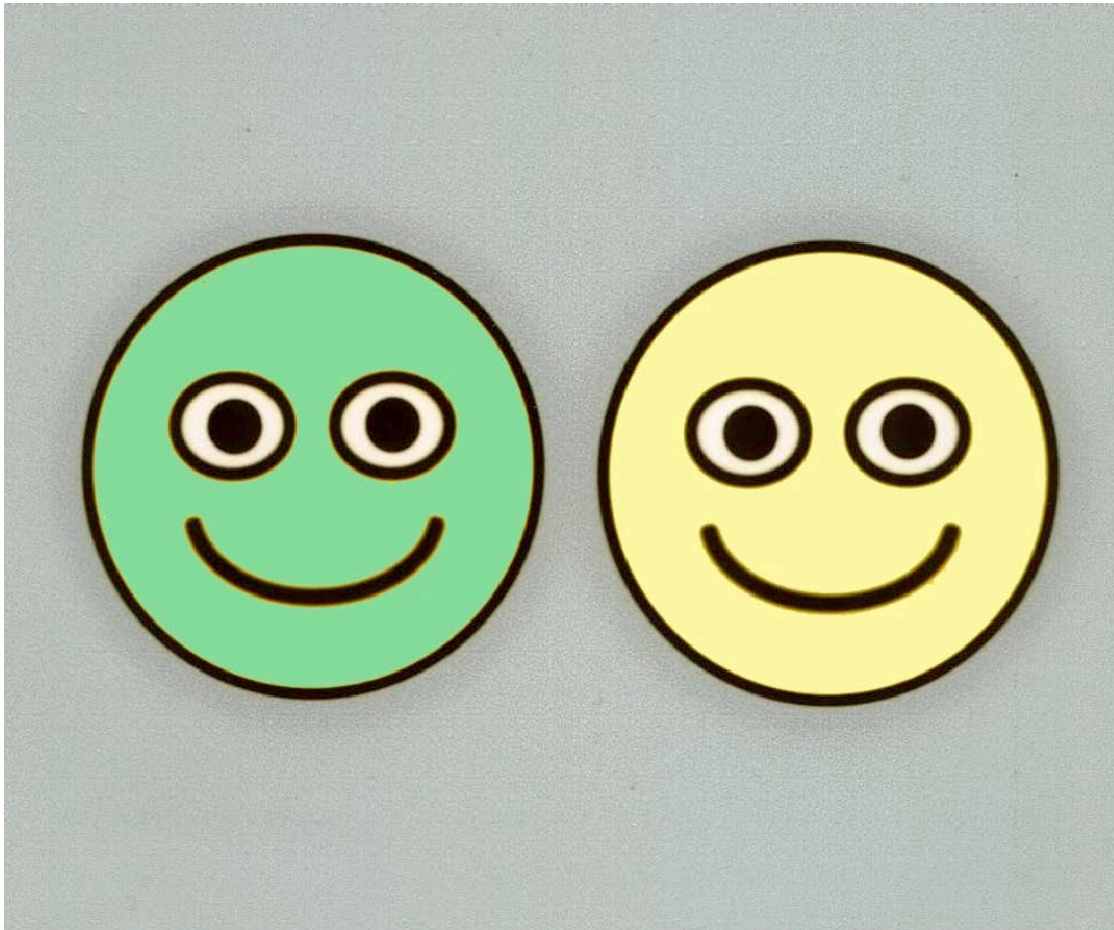
Subject – Subject (emancipated Subjects)

This kind of relationship has nothing to do with "being nice to the employee" (that's the caretaker-relationship) or with equality etc. In Organizations with a Subject – Subject Culture we still find leaders having the right of making decisions, setting goals with their employees and all the Management duties which we know from the past. The difference is only the mature and responsible RELATIONSHIP among people and a continuously emancipation process toward authenticity within a learning organization.