Organisations, AQAL, and the Impact of Globalisation

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Organisations

There has hardly been an epoch in which organisations played a more prominent role than our own. Be they governments, businesses or non-governmental organisations (NGOs), all of them deeply affect our lives and society as a whole. Moreover, at this time of deepening global crisis and change, understanding the systemic ways organisations impact on society and the natural environment is becoming critically important.

From the perspective of Ken Wilber's integral theory, it is the *leadership* of organisations that has thus far attracted most attention among integral theorists and practitioners. Thus, Wilber's AQAL model has been used to analyse organisations mainly with a view to how their leaders may, through deeper consciousness and integral awareness, lead their organisations to ever-greater success.[1] In this article, by contrast, we use AQAL to analyse organisations as entities on their own terms. For although organisations are, of course, heavily influenced by their leaders, all organisations co-evolve with their exterior environment. Moreover, and as we'll be suggesting, the advent of globalisation significantly increases and complicates the impact of these exterior influences. A broader view which takes these wider influences and factors into account is therefore needed.

How do organisations fit the AQAL matrix?

When using AQAL to consider organisations a number of questions immediately spring to mind. For example, is an organisation a *collective* holon because it involves a number of people, or is it an *individual* holon because it acts in the world as a single entity? Beyond that, to what extent can organisations be said to reflect the values of their employees? Or do they mainly reflect the values of their leaders? And if the latter, to what extent are leaders influenced by the wider economy and society? Moreover, are a leader's private *values* always aligned with their professional *behaviour*? Or can there be a divergence between the two and, if so, why? And finally, given that many organisations now operate globally, to what extent are they still embedded in a wider social context? In other words, how socially *accountable* are today's organisations?

Let us try, then, to answer some of these questions.

Individual or Collective?

Concerning whether organisations are individual or collective holons, we can note that organisations, almost by definition, involve more than one person. To that extent organisations are clearly *collective* (or social) holons. That is, employees and managers are not *parts* of the organisation (as your arm is part of your body) but merely its *members*; members who can choose to remain or who may, if they wish, leave the organisation (Volkmann, 2010). But because an organisation always exists to fulfil a common purpose—a purpose that is *shared* by its members—it can be said to act in the world as an *individual* holon. That is, organisations act in the world as single, individual entities and have their own distinct pattern of wholeness and unity that, in formal organisations, is also underpinned by a legal form of some kind. Their wholeness or unity, however, is always a matter of degree. For while there is a great deal of unity and coordination within organisations, divergences and differences are also in play and can often be quite pronounced. Ideally, then, there will be a dynamic balance between an organisation's internal unity and its internal diversity; a balance which allows the organisation both to function as a coherent unit but also with a healthy and vibrant diversity of internal opinion directed towards serving the organisation's purpose.

Organisations, then, are both individual *and* collective holons. They are social constructs created by humans. They have no lower, component parts because, as we explained, an organisation's employees are not its parts as such, but its members. In the opposite direction, however, organisations, especially privately owned corporations, can evolve to transcend and include many levels, with layers of subsidiary organisations being ordered beneath a holding organisation of some kind. Another example would be national governments which evolved to transcend and include Middle-Age small-states and now include them as lower-level regional governments or authorities.

Organisations can broadly be said to fall into two main categories or types; Public and Private. The Public category covers governments and other publicly-owned organisations. The Private category covers all other organisations; a category which can itself be sub-divided into Profit (corporations) and Non-profit (NGOs).

Leaders vs. Employees

Having established the holonic nature of organisations and their main types, let us now turn to the subject of their leaders and employees. Although leaders can arise informally in organisations, here we are referring particularly to leaders or working owners who are in a formal, hierarchically elevated management position.

Integral literature, we mentioned, tends to focus on leaders and leadership rather than on the organisation as an entity. While this reflects a recognition of the powerful influence leaders undoubtedly possess, it tends to obscure the relationship *between* leaders and employees, as well as the interaction *among* organisations (such as among competitors), and the interaction *between* organisations generally and their wider environment. An example of these shortcomings would be Fig. 1 below.[2]

Fig. 1, we can firstly note, makes no distinction between leaders and employees, so begging the question of the extent to which leaders influence employees and vice versa.

Figure 1

This is important because, if most of an organisation's employees were operating, say, at a Green level of awareness while the leader was at Orange, there would likely be a tension or conflict in value-sets. Moreover, the disproportionately strong influence wielded by leaders means a greater emphasis being placed on *their* values; values which employees, if they want to stay with the organisation, will have to broadly accept. Or, more likely, they may not join such an organisation in the first place. The reverse, however, could also be the case. If a leader were operating from a *higher* level of development than employees, this would likely have a positive, elevating effect on their consciousness and behaviour.[3] All this is not to say that employees have no influence on leaders; indeed they do. But it cannot be escaped that in the vast majority of cases this is far from an equal relationship.

Organisation and Environment

The disproportionately strong influence leaders possess brings into sharper relief the importance of how *their* worldview is shaped. Like anyone who works in an organisation, leaders are not only private citizens but, at the same time, professionals; in this case, leaders of their organisation. In this sense leaders "wear two hats": one personal, the other professional. This distinction is important because it could be that the *personal* values of a leader could come into conflict with behaviour that may be required in his/her *professional* capacity; behaviour which may become necessary due to difficult market circumstances, for example, or due to some other pressure coming from outside the organisation. This raises, then, a further aspect that is absent from Fig.1: that leaders and their organisations exist within the wider environment or market in which their organisation operates; an environment consisting of the organisation's peers or competitors, regulators, and, ultimately, of the whole global economy and the biosphere itself. Such a more complete and accurate view of the organisation's situation within the AQAL matrix could therefore look more like Fig. 2 below.

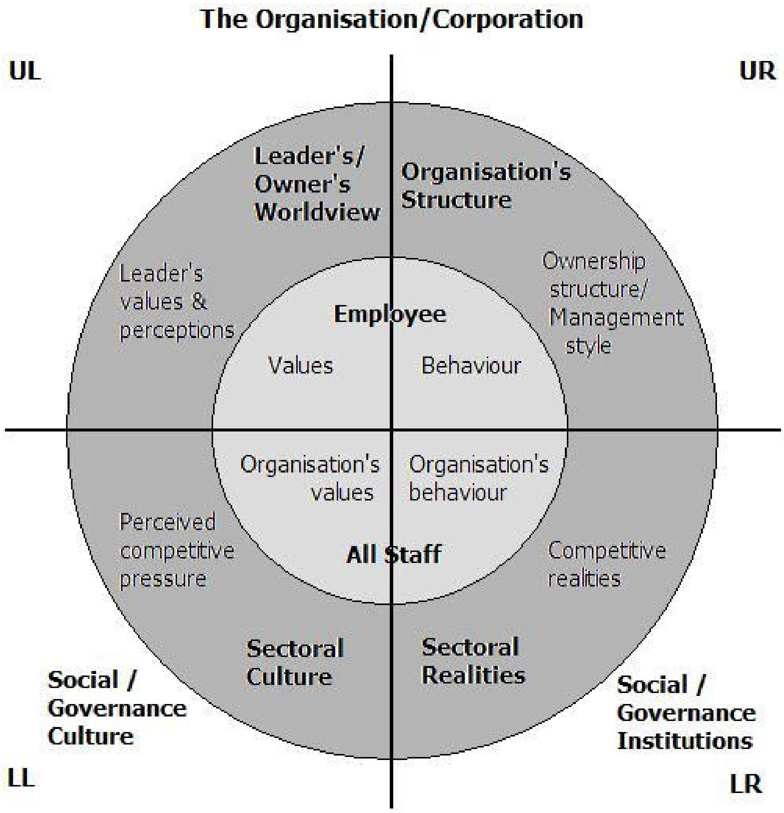

Figure 2

In Fig.2 we see, firstly, a clear distinction between, on the one side, the leader of the organisation and, on the other, the organisation's employees or staff. The *inner* circle in the upper quadrants represents the individual employee and, in the lower quadrants, all employees: i.e. the organisation as a collective entity. Meanwhile, the *outer* circle in the upper quadrants represent the leader's worldview (UL) and the organisation's structure and management style (UR), while the lower quadrants represent the wider sector in which the organisation operates (LR), and the particular culture of that sector (LL). A corporation, for example, competes with other corporations in a wider market sector, such as the contract flooring sector, or the food and beverage sector, etc, and that sector will, to some extent, have its own shared norms and values.

Beyond the outer circle in the LL, we find the still-wider context of the market and governance culture of the society concerned, as well as in the LR, the specific governance institutions that make laws and regulations to which all organisations within the society must conform. The institution concerned, here, will typically be a national government. As we'll later see, however, this relatively simple picture has become considerably complicated with the advent of globalisation.

For the moment, we can note in Fig. 2 that the more encompassing outer circle in some sense *transcends and includes* the inner circle. That is to say, the leader situated in the upper quadrants of the *outer* circle has a strong downward influence (downward causation) on all employees, so influencing the overall values and behaviour of the whole organisation in the lower quadrants of the *inner* circle. At the same time, however, the sectoral culture and realities (in the lower quadrants of the outer circle) will also have a strong downward influence or causation, both on the organisation as a whole and on leaders, so affecting their decisions and behaviour, and even whether the organisation can exist at all in its wider environment. One such influence would be an organisation's competitive strength or weakness; a phenomenon which, by definition, arises *relative* to its peers and is therefore a *collective* phenomenon that appears in the LR. But that phenomenon is then *perceived and internally evaluated* by leaders (i.e. in the LL) and is then fed back into their individual values and behaviour (in the UL/UR). Indeed, what arguably distinguishes leaders from employees is their ability to *read and interpret* the wider context in which the organisation operates so as to better chart the organisation's successful course into the future.

Realms of physiospheric, biospheric and noospheric exchange

We could broadly conclude, then, that in Fig. 2 the *inner* circle as a whole represents an organisation's relations of *physiospheric and biospheric* exchange, whereas the *outer* circle represents its relations of *noospheric* exchange. That is, the inner circle is where the organisation's purpose is actualised on a daily basis; where, for example, products get made and customers get sold to—the realms of matter and body. Whereas the outer circle is where the organisation's purpose was conceived in the first place, and where it is continuously re-interpreted and may be modified as the organisation and its environment co-evolve. The outer circle, then, is the realm of mind. That's not to say mind isn't involved in the inner circle, i.e. in the daily processes of an organisation; only that its involvement there is directed more or less exclusively towards carrying out the organisation's purpose. Whereas in the outer circle, mind determines the organisation's purpose itself, whether that purpose should change, or indeed, whether the organisation has a purpose at all. The outer circle thus transcends and includes the inner.

Before moving on, I acknowledge that some may find the distinction made here between leader and employee rather crude since employees are today considered more as stakeholders. Moreover, leaders do not simply "lead" employees but have a multiple role which takes into account the interests of *all* stakeholders, be they employees, shareholders, suppliers or outside local interests. My purpose in starkly distinguishing leaders from employees, then, is not to ignore those other aspects of leadership, but to indicate that while leaders can do much to meet the needs of stakeholders, the fact cannot be escaped that, for all private organisations, those interests can, in the final analysis, only be guaranteed by law—that is, by governments. This is a point which should become better understood as our discussion progresses.

Accountability of Organisations

What is notable in the *upper* quadrants of Fig. 2, however, is the absence of any correlating context *beyond* the outer circle of the organisation's leaders. That is to say, there is nothing that correlates in the *upper* quadrants with the wider Social/Governance culture and institutions in the *lower* quadrants. How can this be?

By way of explaining, we should note that an exception to this arises in the case of democratic governments because, unlike any other organisation, democratic governments have relatively strong correlates in the UL/UR in the shape of the right to vote possessed by every individual citizen. It is this legally binding right which allows citizens, in principle at least, to influence how their government is constituted and its political orientation. The influence individual citizens possess in the UR/UL can be said to demonstrate, then, an organisation's public *accountability*.

All organisations *other* than democratic governments, by contrast, have little or no such correlation in the UL/UR because individual citizens generally have little or no direct influence on those organisations at all. In other words, private organisations are bindingly accountable to citizens *only indirectly*, that is, only via wider governance culture and institutions: i.e. via government. That absence or lack in the UL/UR indeed demonstrates, in the case of all private organisations, their *private* nature—that is, it elucidates the very essence of what makes them *private* organisations rather than public. What it equally elucidates, however, is that because their only line of binding accountability to citizens runs via governments, it is clearly of prime importance that it be kept clear and robust. This is a vital point we will return to shortly.

On a scale, the degree of accountability of organisations in a country governed by representative democracy could in principle look something like Fig. 3 below. It is important to point out, however, that the degree of accountability of organisations will tend to reflect the degree of accountability or otherwise of the government of the society itself; a factor that will also reflect that nation's level of cultural development. In a country governed by dictatorship, for example, the degree of accountability of all other organisations in the country is unlikely to greatly exceed that of the dictatorship itself. For this reason, the relative accountability of organisations in a society can only be sensibly assessed in the context of a single nation. In Fig. 3 we therefore look at organisations in a representative democracy.

The relative degree of accountability of the various organisations indicated in Fig. 3 is, of course, somewhat arbitrary. Nevertheless, given the strong impact of organisations on our lives, the question of their accountability is a critical one. Indeed, the fact that the general level of accountability of private organisations will tend to reflect that of the government emphasises that private organisations operate within a *national* legal and regulatory jurisdiction. Consequently, their rootedness within a national jurisdiction is crucial if they are to remain accountable.

Accountability of Organisations in a Representative Democracy

Degree of Accountability	Public Organisations	Private Organisations	
		Profit	Non-Profit
High			
	Representative democracy government		
			Open membership NGOs
		Common ownership companies	
		Publicly quoted corporations	
		Private limited companies	Closed membership clubs
Low			Secret societies

Figure 3

But what would happen if that rootedness were to become loosened or substantially severed? In our present epoch of globalisation, it has for some time been evident that many private organisations—especially transnational corporations—operate in multiple countries and can move their operations or tax domiciles from one country to another with relative ease. Under these circumstances, accountability becomes complicated and conflicted. Indeed, as we'll now see, globalisation has far reaching implications both for the accountability of private organisations to governments and even for the accountability of governments to their peoples.

Implications for Organisations under Globalisation

It may at first seem unlikely that globalisation can have much to do with organisations. But once the pressures and forces it unleashes are understood, it becomes clear that its effect on organisations is profound. To better understand these effects, we will first sketch out some of the key dynamics of this new globalised environment.

One of globalisation's key features has been more open international markets, especially financial markets. This has given rise to the greater ease with which capital and corporations—particularly transnational corporations—can move across national borders (Soros, 1998; Martin & Schumann, 1997). This radical and often instantaneous free-movement of billions of dollars to wherever may be the most profitable destination has, we must firstly note, a critically important effect on governments.

To keep unemployment low, growth high, and to benefit from the corporate tax revenue generated, each government has no choice but to compete destructively with other governments to remain relatively more attractive to free-moving global investors and corporations (Gray, 1999). To remain attractive, business costs—and therefore social and environmental protection—must always be kept relatively low or, at least, no higher than present levels (Blair, 2008). In this way, globalisation in general, and the global free-movement of capital in particular, have placed governments in a fundamentally new relationship to transnational corporations, banks, and global investors. The radical loosening of the national embeddedness of corporations, banks and investors has, indeed, substantially *reversed* the polarity of accountability. Rather than corporations being robustly accountable to governments, governments, because they must now compete with each other to attract corporations and investors, effectively find themselves more accountable to global markets and corporations. The paramount need of all governments to maintain their competitiveness in the global market thus comes into conflict with their duty to exert proper, adequate regulatory control over corporations and markets on behalf of their citizens. And this occurs, we should note, just at a time when global problems demand significantly *tighter* regulations and governance. The ability of capital and corporations to move freely therefore significantly *weakens* corporate accountability to governments and, by consequence, to their citizens.

The crucial point we should note, however, is that this is not a matter of *choice* either for governments or corporations, but a deeply *systemic consequence* of globalisation. It is also, of course, a phenomenon that occurs in virtually all countries for the simple reason that nearly all countries are, to a greater or lesser extent, embedded in the global economy. A practical example from a UK perspective would be the global financial crisis of 2008 when the need for stronger government regulation was met by warnings from the financial industry that such action would only result in a loss of national competitiveness:

> **Row erupts as watchdog calls for tax on the City.** A fresh row has erupted over 'excessive' banking bonuses after Lord Adair Turner, chairman of the City watchdog, claimed Britain's financial sector has grown 'beyond a socially reasonable size'. His comments caused an uproar in financial centres yesterday, including Edinburgh, with leading figures and organisations warning that Britain would lose yet another major industry to competitors abroad. John Cridland, deputy director-general of the Confederation of British Industry, said: 'The government and regulators should be very wary of undermining the international competitiveness of the UK's financial services industry' (*The Scotsman*, November 29, 2009).

Given the importance of the financial services industry to the UK economy, and the relative ease with which the industry can move its operations elsewhere, it's hardly surprising that the UK government is vary wary of taking any but the most mild of regulatory steps. But the point here is that *all* governments, albeit each may have a different economic interest to protect, find themselves in substantially the *same* invidious position; as unwitting players in the game of having to compete with each other in a way that necessarily *favours* markets and corporations at the *expense* of wider social and environmental concerns (Gray, 1999; Sachs et al, 1998). This game, we can also note, has the nature of a global vicious circle; a vicious circle we are calling *destructive international competition*.

This predominance of national competitiveness concerns over social and environmental concerns thus results in a radical re-framing of the concept of public accountability and the public interest. This arises because, under globalisation, the definition of the public interest effectively becomes whatever will make the nation more competitive. Political decisions to weaken social and environmental regulations can, in that way, be argued to be in the public's interest even though they may actually harm the public. The justification for this being, of course, that *failing* to weaken them would only harm national competitiveness and so potentially result in even worse consequences; that is, in even *more* corporations moving elsewhere, in even *more* job losses, etc. Hence we see how the public have generally been prepared to put up with a worsening situation characterised by an on-going dismantling of welfare states, progressive privatisation, the weakening of trade union power, low taxes on the rich, and so on. But given that all governments are playing the same game, what becomes clear if one takes a broader, global perspective, is that the situation for *all* nations and peoples can only get steadily worse: everyone other than the rich and mobile will ultimately lose. It's perhaps little wonder, then, that regardless of the party in power, global problems continue to go substantially unaddressed and only keep on worsening.

Pseudo-democracy and Legitimation Crisis

Seen in a political context, the weakening of the accountability of investors and corporations to governments is also reflected, more worryingly, in a degrading of the very quality of democracy itself.

Since the free-movement of capital and corporations forces governments to maintain their international competitiveness, all political parties in power in virtually all countries not surprisingly end up implementing substantially the same, narrow, policy agenda; a generally right-of-centre, pro-market agenda designed to keep the economy attractive to inward investors. That is why we find *left*-of-centre parties adopting policies traditionally espoused by *right*-of-centre parties. It's why New Labour's Tony Blair was often said to be the best Conservative leader since Margaret Thatcher. Or, as the former Conservative Prime Minister, John Major, himself once put it, "I went swimming leaving my clothes on the bank and when I came back Tony Blair was wearing them" (*The Week*, 29 October, 1999). Thus one can see how destructive international competition causes democracy itself to be reduced, effectively, to what might be called *pseudo*-democracy; a kind of electoral charade in which it no longer matters much which party we vote for or whether we bother to vote at all (Bunzl, 2001, pp. 30-36).

Globalization in general, and destructive international competition in particular, we can note, have pushed the degree of government accountability, even of representative democracies, decisively down the scale on Fig. 3 towards a much lower level. And they do so despite the formal existence of free and fair elections. It should hardly surprise us, then, that citizens' interest in party politics is on the wane[4], nor that political support for the Far-right is on the rise. Nor, indeed, that Wilber, Habermas, and others refer to this as a "legitimation crisis"—a breakdown in the adequacy of the existing worldview and its governance systems to command allegiance (Habermas, 1973; Wilber, 2004; Bunzl, 2009b).

This radically changed governance and accountability landscape is depicted in Fig. 4 below.

Prior to the ability of capital and corporations to move easily across national borders—that is, *prior* to globalisation (depicted on the *left* side of Fig. 4)—corporations, by dint of their greater rootedness within a national society, were relatively firmly accountable to national governments and, therefore, to citizens. Pre-globalisation, in other words, governments substantially ruled the roost. Hence governments are shown in a dominant position and the lines of accountability are shown as solid. Also notable is that, because corporations at that time were more firmly accountable to governments, there was less need—and less public support—for NGOs (Johnston, 1996).

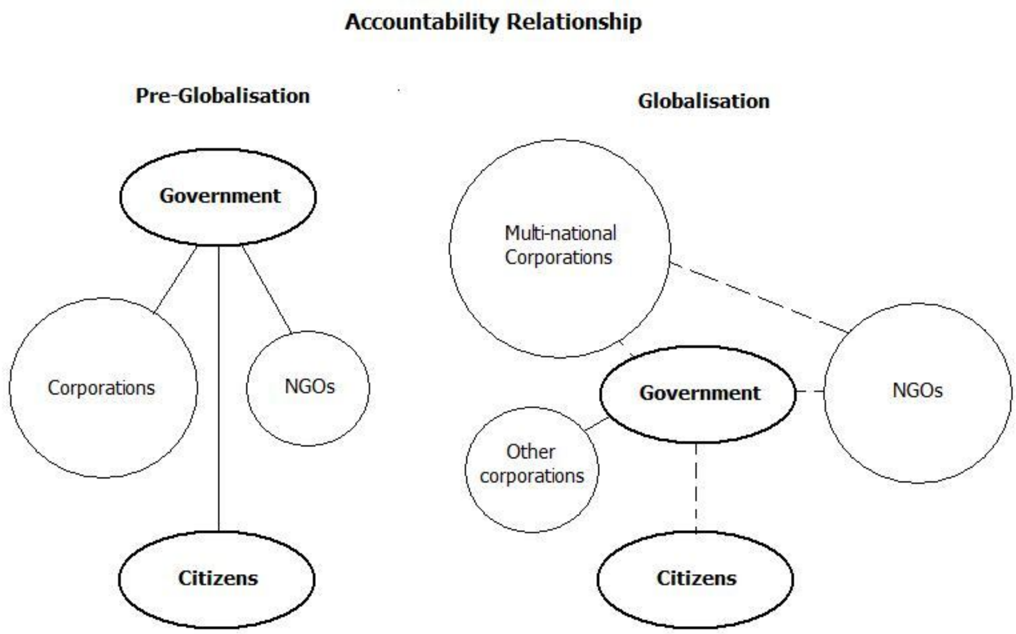

Figure 4

Under globalisation, conversely, (depicted on the *right* side of Fig. 4), we see that, through their ability to move across national borders, transnational corporations (TNCs) and global investors have substantially *loosened* their accountability to governments, partly because they can play one government off against another to gain favourable regulatory or tax concessions (Korten, 1995; Eisler, 2007), and partly because, as we have seen, governments must succumb to what is known as "regulatory chill"; that is, they are reluctant to regulate against corporations and investors in any case (Blair, 2008). As a result, many TNCs have become economically larger than many governments and the mobile rich only continue to get relatively richer.[5] Thus, the gap between rich and poor, both within and between countries, not surprisingly keeps on widening. For smaller companies that are *not* multi-national, on the other hand, they remain relatively firmly accountable to government because, being immobile, they have no way to avoid tighter regulations or higher taxes. Thus, a structural fissure opens up between TNCs on the one side, and small companies on the other; a fissure which leaves smaller companies at a competitive disadvantage (Monbiot, 1999).

As far as NGOs are concerned, public support for them has increased considerably under globalisation. Citizens, doubtless sensing the weakness of governments, instead place their faith in NGOs to hold corporations to greater account. Thus NGOs, like corporations, have become much more important and powerful in recent years (Johnston, 1996).

Looking overall at the impact of globalisation on organisations, then, we see that, although governments remain important, a more complicated, conflicted, networked relationship has emerged in which *all* organisations and forces—corporations, investors, NGOs, global markets and governments—play a more equal role (Rosenau & Czempiel, 1992). What should be clear, however, given that global problems continue to go substantially unaddressed, is that this networked arrangement is not working and that the key obstacle seems to be the inability of governments to regulate robustly; an inability that stems from the dynamic of destructive international competition we earlier described.

To put all this in a developmental perspective, we could say that, with globalisation, our techno-economic mode has gone global, that is, *world*-centric. But our mode of governance still remains essentially national, that is, *nation*-centric, and this gives rise to a mis-match or "governance gap"; a gap characterised by the world-centric pathology we identified as destructive international competition. Moreover, because this pathology substantially *reverses* the polarity of accountability between governments and markets, and because it has the nature of a vicious circle, it seems likely, if it is not soon dealt with, to result in a global collapse of some kind. Such, then, is the potential systemic consequence of globalisation both for all organisations and for citizens.

Globalisation: Consequences for Leaders

Having discussed the macro-economic consequences of globalisation, we now turn to its micro-consequences; that is, its consequences for individual leaders, be they corporate executives or politicians.

We alluded earlier to the possibility that market circumstances may lead to a conflict between, on the one side, a leader's private, *personal* values and, on the other, his/her *professional* behaviour. In the case of politicians in power, their need to attract inward investment and jobs represents, as we've just seen, exactly such a circumstance. For although politicians may personally *desire* and *intend* (in the UL) to have their government do good for its people, intense international competition (in the LR) often requires policies which severely compromise those values and intentions; a compromise which can be justified on the basis that not making that compromise would only result in even worse consequences.

Looked at from the point of view of corporate leaders, however, we see that the ability of corporations to move across national borders has become less of an autonomous choice and more of a competitive imperative. That is, any corporation *failing* to move across national borders to take advantage of lower taxes or labour costs in other countries, would only make itself uncompetitive compared to corporations that do. To refrain, then, would only invite lower profits, a relatively lower stock price and, ultimately, the prospect of either bankruptcy or an unwelcome takeover. The same, broadly, goes for global investors. Corporate leaders or investors who try to do the right thing by society and the environment thus put themselves at considerable risk should their peers not do likewise. They are thus in a position where they have little or no choice. Nor, as we have seen, can they count on governments co-operating with one another to ensure a level regulatory playing field. This double-dilemma was evidenced in an article in *The Economist* entitled “Regulate us, please” in which corporations complained to governments that they would like to do more to combat climate change but pointed out that, without a global and level regulatory playing-field, “firms that go green will merely burden themselves with higher costs than their less virtuous competitors.”[6]

Like with politicians, then, we see that corporate leaders, too, are caught in substantially the same vicious circle, a vicious circle they cannot escape. Thus, if they have a social conscience, their need to keep their companies competitive can only conflict with their personal values. Some examples of this conflict have been powerfully expressed in recent times. With respect to the ability of corporations to behave in a socially responsible manner, for example, David Korten points out,

> With financial markets demanding maximum short-term gains and corporate raiders standing by to trash any company that isn't externalizing every possible cost, efforts to fix the problem by raising the social consciousness of managers misdefine the problem. There are plenty of socially conscious managers. The problem is a predatory system that makes it difficult for them to survive. This creates a terrible dilemma for managers with a true social vision of the corporation's role in society. They must either compromise their vision or run a great risk of being expelled by the system.[7]

A similar, though more personal, account is given by the global investor, George Soros:

> As an anonymous participant in financial markets, I never had to weigh the social consequences of my actions. I was aware that in some circumstances the consequences might be harmful but I felt justified in ignoring them on the grounds that I was playing by the rules. The game was very competitive and if I imposed additional constraints on myself I would end up a loser. Moreover, I realised that my moral scruples would make no difference to the real world, given the conditions of effective or near-perfect competition that prevail in financial markets; if I abstained somebody else would take my place.[8]

Much like political leaders, then, corporate executives with a social conscience too often find their good intentions systemically frustrated and compromised by their paramount need to keep their companies competitive in the global market. The resulting psychic pain of this conflict is, as we saw in the case of George Soros, rationalised and justified (i.e. suppressed or split off) on the basis that "if I abstain, somebody else would only take my place."

Thus, under globalisation, one can see not only how organisations and their leaders tetra-adapt and evolve across all the quadrants, but also how the behaviour of both politicians and corporate executives is to a great extent determined not by their own free, autonomous choice, but by the systemic forces of globalisation itself. This indicates, then, that in our present age of globalisation, focusing only on leaders and their individual organisations gives only a very partial and incomplete view.

What all this suggests is that, while globalisation has brought very many benefits to humanity, it has also unleashed a vicious circle of destructive international competition from which it appears neither governments, nor corporations, nor market traders have a way out: a veritable "prisoner's dilemma" on a global scale. The result is what might be called a "governance gap"; a gap that major NGOs are presently trying to fill by holding corporations to greater account. But given that global problems continue to go substantially unaddressed, what is clear is that these attempts to make up for the lack of governmental authority are not bringing the world any closer to solving its problems.

Arrogant Holons

What we are witnessing in the case of both TNCs and major NGOs, I would like to suggest then, is a case of what Wilber calls "arrogant holons" (Wilber, 2001, p.67). For both TNCs and NGOs have now usurped their healthy pre-globalisation roles, and have now assumed a holonic status which, we'll now see, has become pathological and "arrogant".

In the case of TNCs, there can be little doubt that their growing power is *itself* pathological (Korten, 1995). But what has hitherto been less well understood is that their attempts to off-set this power by improving their social and environmental performance and accountability are equally suspect and potentially pathological. These attempts, which have spawned a veritable explosion of initiatives including Corporate Social Responsibility (CSR), the United Nations' Global Compact, triple-bottom-line accounting and very many others, may on the face of it be seen as positive. But since the ability of corporations to live up to higher social and environmental standards is, as we've seen, strongly determined not so much by the desires or intentions each individual corporation (in the UL/UR), but by their need to stay competitive in the global market (i.e. in the LR), it is easy to see that for each corporation, self-regulation becomes something of an oxymoron. Being already loosened from their accountability to governments and by elevating themselves now to a position of self-responsibility they ultimately cannot fulfil, corporations have thus become "arrogant holons".

By the same token, this also brings into question the role of the growing body of organisational and sustainability consultants; consultants whose aim, broadly, is to align their corporate clients' behaviour with greater social and environmental responsibility. Their intention is that, beyond merely adhering to social and environmental laws and paying their taxes, corporations should go further to take the wider world into account. As one such organisational consultant opines,

> The enterprise can no longer treat itself as an island and hope to survive in splendid isolation … Ultimately, survival depends upon the capacity of management to transcend the limitations of the boundary of the enterprise and engage with responsibility both inside and outside the designated company domain.[9]

At first glance, this sounds perfectly reasonable and the good intentions are not in doubt. But since the issue, as we saw, is not so much a matter of individual, autonomous choice on the part of corporations, but that they are substantially driven by competitive pressures to behave in ways that are often harmful, it is clear that corporations simply do not have the power to ensure their own good intentions are fulfilled—and neither, consequently, do their consultants.

What both corporations and consultants are missing, then, is that the problem lies not so much with corporations themselves, but in the present *lack* of any globally binding regulations to which *all* corporations must conform, (a lack, that is, in the LL/LR). It lies, in short, in the "governance gap" we earlier described; in the present *lack* of global political consciousness and, likewise, in the corresponding lack of any binding form of global governance. Thus, by ignoring or simply failing to recognise the necessity of achieving global governance, organisational consultants, as well corporations themselves, not only foster a false sense of security in the ability of corporations to behave responsibly, they subtly *absolutise* the role of corporations and, by the same token, *negate* the proper role of government. By that omission, consultants are therefore complicit, unwittingly, in helping corporations to elevate themselves to their present "arrogant" holonic status.

Arrogant Holons: NGOs

NGOs too, however, and particularly campaigning NGOs, could be argued to be as "arrogant" as the corporations they so often criticise. This arises because, having sensed the weakness of governments under globalisation, NGOs have largely taken it upon themselves to become the arbiters of appropriate corporate behaviour by trying to hold corporations to greater account for their actions. Again, no one would doubt the good intentions involved. But in doing so, NGOs overlook that they have no solid democratic mandate to carry out such oversight. For although any member of the public can, for a small fee, join such organisations and so perhaps have some influence on them, the degree of accountability and democracy that exists *within* these organisations is often unclear, so bringing into further doubt their public democratic legitimacy. The point, however, is that, ultimately, such legitimacy can in any case only be provided by a *public* organisation; that is, *by governments*. So by trying to usurp that role, NGOs are thus subtly down-playing (i.e. negating) the role of governments while elevating themselves to an "arrogant" holonic position. This, like the elevated position of corporations, risks becoming pathological because it paradoxically invites more, rather than less, corporate intrusion into the public sphere of politics. For, if NGOs see fit to down-play the role of government and to take more of the law into their own hands, it should hardly surprise them (or indeed us) if corporations feel entitled to do the same.

This brings us, then, to the conclusion that, be it corporations or NGOs, their attempts to fill the governance gap (shown in Fig. 5 below) by trying to *compensate* for the weakness of governments is, while completely understandable, still a highly partial and, ultimately, a pathological pursuit. Moreover, since global problems remain substantially unresolved, it is clear that their attempts are not only “arrogant” but, more importantly, failing.

The Governance Gap under Globalisation

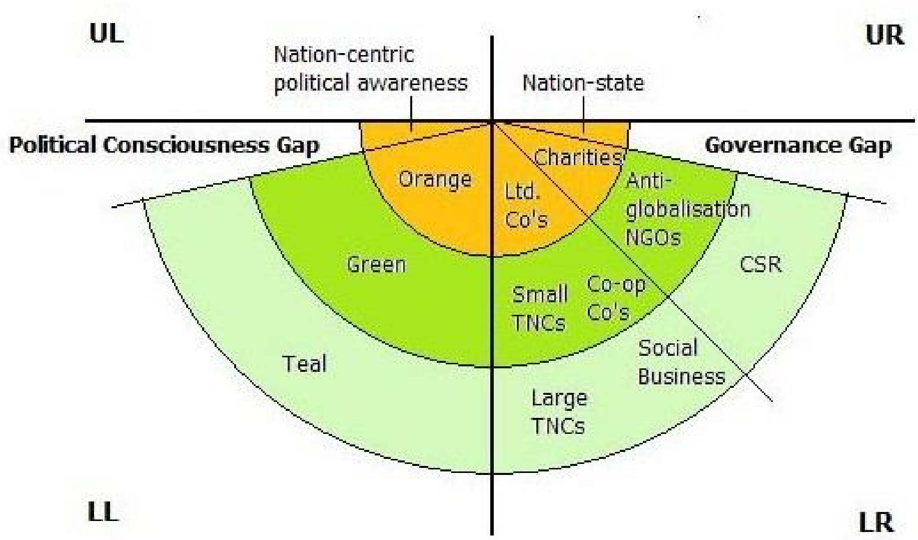

Figure 5

Rather, what is needed is not to *avoid* the problem of weak governance by trying to compensate for it in other ways, but to transform governance *itself* towards a more encompassing, global level. What is needed, in short, is to transform governance so it operates at the *global*, and not merely at the national, level. For, only such a transformation can hope to restore proper corporate accountability and, moreover, restore to national governments the ability to regulate adequately (Stewart, 2000; Bunzl, 2001, 2009a). Only binding global governance, in other words, can properly fill the governance gap. As Wilber also concurs: “The modern nation-state, founded upon initial rationality, has run into its own internal contradictions or limitations, and can only be released by a vision-logic/planetary transformation” (Wilber, 2000, p. 192). Of course, none of this should be taken to mean that corporations, NGOs and consultants should cease their activities; only that *they should give equal time and emphasis to achieving binding global governance*. They and we must move, then, to a higher, world-centric political consciousness and a corresponding form of political action capable of achieving global governance; a level of consciousness and action that Wilber points out is disclosed only at high vision-logic (altitude Turquoise). It is high vision-logic, he asserts, "that drives and underlies the possibility of a truly planetary culture…" (Wilber, 2000, p. 191).

Global consciousness and governance

For those of us interested and concerned with organisations and their role in society, our discussion has brought us, then, to a happy conclusion: that we need to create a *new* organisation! For, what is now needed if the above-mentioned conflicts and pathologies are to be resolved and re-integrated is an organisation that both articulates and facilitates a process for both achieving and delivering an appropriate form of binding global governance; an organisation, that is, which transcends and includes nation-states. And as to what such an organisation might actually look like, how one is already operating in the real world, and how it conforms to Wilber's "20 Tenets", and particularly to those that relate to vertical transformation, a presentation can be found elsewhere (Bunzl, 2009b).

But rather than put our minds to that difficult task, most of us avoid or ignore it; we split it off from our consciousness, pretending to ourselves that, because global governance will be difficult to achieve, we needn't waste our time bothering about it. But as is always the case if we are to live an integral life, our real task is never to *avoid* or *compensate* for what is lacking, but to *transform* it. For in splitting off from our consciousness the need to actively transform the nation-state system towards an appropriate form of global governance, we only find that we are contributing actively or passively, but always unwittingly, to the very pathologies we seek to solve.

Notes

[1] Articles on Integral Leadership have appeared in *The Journal of Organisational Change Management, The Leadership and Organizational Development Journal, The International Journal of Leadership Studies, International Journal of Work Organisation and Emotion*, and others.

[2] *The Rise of Conscious Business* - Why Everything Matters and How Values are Re-entering the Workplace, by Mark Walsh. Integration Training http://integrationtraining.co.uk/blog/2011/01/rise-of-conscious-business.html. Retrieved February, 2, 2010.

[3] But probably only if owners and managers are operating from a Turquoise (vision-logic) level. That's because only Turquoise recognises, and can therefore integrate, all the lower levels. If owners/managers are operating from First Tier levels, even relatively high ones (eg. Green), that may not have a positive effect on lower First Tier meme levels.

[4] *Voter Turnout Since 1945 – A Global Report*, available from Institute for Democracy and Electoral Assistance www.idea.int, shows that for many years voter turnouts were on the increase but, from the 1980s onwards, they went into decline. It is perhaps no coincidence that it was around this time that the Reagan-Thatcher "Big Bang" de-regulation of financial markets took place.

[5] Of the world's 100 largest economic entities, 51 are now corporations and only 49 are countries. Source: http://www.corporations.org/system/top100.html. Retreived February 7, 2011.

[6] *The Economist*, October 8th, 2005. Article entitled *Regulate us, please*.

[7] *When Corporations Rule the World*, David Korten, Kumarian Press & Berrett-Koehler Publishers, 1995.

[8] *The Crisis of Global Capitalism – Open Society Endangered*, George Soros, Little, Brown and Co. 1998.

[9] *Learning Systems and the Management of Change*, David Wasdell, The Meridian Programme, 1993.

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