

Notes for Sustainability Camp 2008 Session

From BAH to *ba*: Valence Theory and the Future of Organization

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A Tale of Two Organizations

- Culture of collaboration, irrespective of status, hierarchy, seniority, and relative experience
- Collaboration as opposed to teamwork [Teamwork in the context of bureaucracy is grounded in what some might call the flow of information, essentially everyone at the table can justify their presence based on predetermined potential to contribute. True collaboration brings more balanced aspects among all five of the valence relationships, and is grounded in the notion that certain participants' contributions may be unpredictable, yet beneficial. Another take: collaborators are "like-minded" – those who are "willing to at least ask the same questions, even if we're not coming up with the same answers," when those people come from different contexts.]
- Culture of "checking in" rather than "checking up" ⇒ collective accountability and responsibility, rather than individuals being held to account
- Performance is not so much based on revenue, "objective" quantitative measures, or attainment of predetermined objectives, but on how well others believe you're collaborating and contributing
- Strong emphasis on emotional and psychological wellbeing (e.g., having fun), and embodying a holistically healthy environment
- Considerable autonomy and individual agency – if you want to make something happen, it's very easy to initiate and gain institutional support.
- Strong and explicit rejection of Command and Control model of leadership (both active and passively aggressive C&C)
- Inter Pares: Global social justice NGO based in Ottawa, explicitly organized on feminist principles. Not-for-profit; politically active; tends to work with marginalized and oppressed people (most often women) in the emerging world; large focus on issues like water autonomy, sustainable agriculture, etc.
- Unit 7: Direct marketing and advertising agency in NYC, part of Omnicom. For-profit, responsible to the conglomerate for meeting imposed revenue and profit objectives, tending to work with some of the largest pharmaceutical, financial, health care, industrial and manufacturing corporations in the U.S.



Key Questions of Context

- How to reconcile the polarities with the parallels? Conventional theory and management education deals with these as exceptional “cases” (i.e., so-called best practices, a.k.a., monkey-see, monkey-do), essentially asking, how to make the best out of problematic circumstances?
- Frederick Taylor is alive and well... ⇒ Best practices, case-study method, knowledge management, and many of the supposedly humanistic advances of the past 25 years are all premised on a foundation of Scientific Management, and Bureaucratic, Administrative, and Hierarchical Theories. BAH is taken as given, almost as human nature rather than socialized and learned behaviour.
- (Bureaucracies have been with us for a long time, e.g., Roman Empire, Catholic Church) Industrial Age institutionalized & secularized BAH in companies with primacy of purpose ⇒ “form follows function”
- Interesting consequences:
 - Organizations are primarily purposeful, i.e., all other considerations are secondary to the nominal purpose, often expressed as its mission or vision (e.g., Milton Friedman – “The Social Responsibility of Business is to Increase its Profits”)
 - Organizations have well-defined boundaries
 - Externalizing costs (outside of our boundaries)
 - Interchangeability of people (people as machine components)
 - Phenomenon of individual humanity scaling to collective callousness
 - Privileged involvement in decision making (some people are thinkers, others are doers)
 - Command and control management (most effective form of power is coercive (reward & punishment))
 - Individual disempowerment via “change begins at the top” ⇒ direct consequence of hierarchy, the myth of hierarchical merit linked to patriarchal social model
 - Work and life are mutually exclusive
- These notions became widely realized, foundational, and operationalized in the Industrial Age, and helped to create the language that was fundamental to sense-making throughout the 20th c. This language and resultant socialization shaped education, commerce, governance, public policy, and the way that most people in the developed world make sense of everyday life.

Everything's Been Changed!

- Characterizing the contemporary cultural epoch: Ubiquitous connectivity and pervasive proximity
- Not “form follows function,” but the reverse: function increasingly is following the forms of interaction in the UCaPP world. This creates tensions and power

dynamics of control and resistance among ideas that are polarities: e.g., corporate hegemony vs. sustainable local and indigenous practices; new capitalism vs. social economy; neo-liberal market economics vs. social innovation

- Lots of examples of new forms of organization (e.g., the two I cited, many that share space at Centre for Social Innovation, communities of practice, trans-national research networks, Obama Presidential campaign) but not as many good theoretical models that allow us to explain these organizations, provide effective guidance for decision-making (especially in complex or problematic circumstances), develop praxis for change from traditional forms to these more contemporary forms, address the objections of entrenched privilege, without ignoring, dismissing and disregarding the reality of the vast majority of formal, informal and non-formal organizations. In other words, how do we have productive and useful conversations about *organization* without being beholden to language that is grounded in BAH?

Basic Structure of Valence Theory

- Fundamental effect of UCAPP is relationship. Hence, in terms of people coming together, introduce the vocabulary of valences – the capacity to connect, unite, react, or interact – among individuals and organizations. *Organization* is thus provisionally defined as that emergent form resulting from two or more individuals, or two or more organizations, or both, that share multiple valences at particular strengths, with particular pervasiveness, among its component elements at a particular time.
- Five fundamental relationships (there may be others that cannot be expressed as combinations of these five): economic, socio-psychological, knowledge, identity, and ecological
 - Economic valence relationships represent connections or bonds established among individuals, organizations, or both founded on exchanges of value – goods, services, commodities, money, and combinations among these;
 - Socio-psychological valence relationships represent emotional and psychological connections, be they positive or negative in effect. These are affective bonds that might account for volunteerism, charitable works, emotional or psychological dependencies, feelings of security or insecurity, intrinsic motivation and demotivation, and the like;
 - Knowledge valence relationships refer to connections established on the basis of exchanges of experience, expertise, skills and learning, both what an individual might bring to an organization, and what an organization might provide to the individual or another organization. It is not obvious from early empirical observations whether knowledge provided as a commodity in a primarily economic exchange would be more usefully understood as contributing to the strength of the Knowledge or Economic valences. However, this question itself might enable one to usefully problematize the concept of “knowledge economy”;

- Identity valence relationships reflect the observation that individuals construct their identity partly on the basis of their associations with organizations in which they are members, and an organization constructs its identity partly on the basis of its individual and collective associations with its members, be they individuals or other organizations; and
- Ecological valence relationships respect the reality that organizations do not form in an environmental vacuum, but rather are in relation with the natural environment, and therefore exchange energy with, and occupy space in their terrestrial surroundings. Including Ecological valence relationships among the foundational organizational relationships may facilitate minimizing externalities among a collection of interacting organizations.
- “Measure of goodness”
 - Traditionally, organizations could be measured according to their effectiveness – how well they are able acquire and deploy resources (capital, people, raw materials, etc.) and achieve predetermined objectives (various measures of productivity, usually relating to production and financial measures). This is entirely consistent and appropriate for a primarily purposeful organization.
 - The problem with “vision”: Vision is a long-distance sense that necessitates separation. The UCAPP world is predicated on the experience of proximity, for which the dominant sense is touch; hence *tactility* instead of vision.
 - Tactility statement answers the question: Who are you going to touch, and how are you going to touch them, today? (An inherent expression of complexity) *Effect-ive* Theory of Action measures how well an organization can anticipate the effects it will create within its total environment (i.e., complex sphere of influence), how well those effects match the organization’s expressed tactility intentions, and how well both feedforward and feedback loops inform the organization’s ability to express and enact those intentions.

The Problems of Knowledge and Tacit, Shared Intention

- Two problems emerged during the research process:
 - How can we distinguish between knowledge that is commodified and sold as one’s labour product (i.e., a fungible commodity, accounted for by Economic-valence), and knowledge that creates connection and relationship?
 - How do we account for the AECPP Department Strategy Session, from which no one assumed accountability or responsibility for any action, yet much was accomplished. And, it is likely that if traditional responsibility and project management style approaches were taken, little if anything would have been accomplished?
- Example of the elimination of traffic signs and signals in Bohmte, Germany so that motorized vehicles, cyclists and pedestrians all share common space. Minister Stefan Schwegmann said, “Shared space is not only a traffic concept, but it has something to do with lives, meeting and communication.”

- Concept of *ba*: From Nishida Kitaro, *basho*, the place of engagement in which self recognizes and engages other. It is a place of “pure experience,” in which “knowledge, feeling and volition are undifferentiated. Ultimate reality is not merely known cognitively but also felt or realized emotionally and volitionally. The unity of intellectual knowledge and practical emotion-volition is the deepest demand of human beings, and it indicates the living ultimate reality.”
- Nonaka and Takeuchi use the concept of *ba* to create a model of KM (*The Knowledge Creating Company*), identifying various places of tacit, explicit, exchanged and operationalized knowledge.
- Here, I distinguish between fungible-Knowledge, and Knowledge-*ba*, the latter being a cognitive, intellectual, and experiential space of engagement created through shared experience, wisdom, insight that enables environment and relationship. Whereas fungible-Knowledge is what I am paid to contribute, Knowledge-*ba* is information, experience, and expertise I freely contribute to create an amenable environment for collaboration, elimination of status, class, imbalanced power dynamics, individual autonomy and agency, collective responsibility, and other attributes of UCAPP organizations.
- For each of the valence relationships, there are (likely) both fungible- and -*ba* forms. The fungible- form is primarily instrumental in nature, and tends to be more isolated in effects from the other valences. On the other hand, the -*ba* forms are highly interconnected in complex networks among each other. Other (preliminary and highly contingent) examples:
 - Economic: *f*-Economic is the exchange of goods and services for same, i.e., the value of what I/organization provide; Economic-*ba* reflects how my contribution is valued (e.g., Loreen’s distinction between Boomer work/life balance – work as distinct from life – and the UCAPP generation conception of work/life balance in which work is part of life and the balance reflects how my various life activities are valued among those with whom I am in relationship).
 - Identity: Identity-*ba* may reflect the sense of belonging, community, and inclusiveness; *f*-Identity may reflect the value of the tacit endorsement of identification or membership.
 - Socio-Psychological: Socio-Psychological-*ba* reflects the overall affective connection created in spaces of engagement. It may correspond to intrinsic motivation based on the effects that one can create within one’s individual or collective environment (cf. role*). *f*-Socio-Psychological may reflect aspects of extrinsic motivation or behavioural manipulation.
 - Ecological: *f*-Ecological refers to exchange of energy *à la* Herman Daly and the Deep Ecology movement. Ecological-*ba* may reflect collective space and physical environment, e.g., an organization’s relationship and connection with public space (e.g., Yonge-Dundas square and its problematics, events such as Nuit Blanche, the collective sense of responsibility, autonomy and agency that come with institutional recycling initiatives, as opposed to the *f*-Ecological characteristic of Toronto’s garbage tax and enforced curbside recycling).

What Does It All Mean?

- Organizations are very rarely all BAH or all UCaPP. A better description might be a spectrum from BAH to UCaPP, with organizations expressing tendencies that shift them along this spectrum. Organizations that tend to be more BAH also tend to have fewer complex interactions among the various valence relationships, and more emphasis on the fungible aspects of the valences as opposed to the *-ba* aspects. BAH organizations also tend to have less balance among the valences, with a predominant emphasis on Economic valence.
- In a Valence Theory conception, traditional characterizing polarities tend to be irrelevant: for-profit vs. not-for-profit, private vs. public sector, corporate vs. volunteer, legitimate vs. ad-hoc, formal vs. informal vs. non-formal.
- Valence Theory tends to provide decision makers with a wider range of feasible actions than theories predicated on traditional conception of the purposeful organization. Certainly, it enables more considerations to be included in the conversation.
- Valence Theory provides a richer vocabulary with which to understand and anticipate the complex effects of decisions taken. It illuminates issues of individual and collective motivators and demotivators, and is more effective at identifying problematic issues of organizational culture, primarily because it focuses on interpersonal dynamics and relationships. This becomes particularly true, when dealing with organizational change.

Interesting Consequences

- Interesting contrasts compared to traditional conception:
 - Organizations are primarily relational, with the purpose, mission, vision, and especially tactility emergent from the relationships among people and other organizations.
 - Organizations are contingent and constantly in flux, with the actual constituents of the organization dependent on the context
 - Costs are, by definition, internal to the valence organization (via *f*-Economic) and therefore must be completely and collectively accounted for
 - People, by definition cannot be Interchangeable, since changing the people changes the nature of the relationships, and therefore changes the organization.
 - Individual humanity scales via effective theory
 - Decision making is collaborative, and decision making groups are most effective when heterogeneous and change from time to time
 - Command and control management cannot be effective, as it destroys the fabric of the relationships (most effective form of power is referent).
 - Change begins where it begins, with systems of individual and collective autonomy and agency. With a strong sense of organization-*ba*, when no one is in charge, everyone is in charge

- Work and life are integral
- Who is a member of an organization? According to Valence Theory, there is no difference among employees, customers and suppliers. In practical terms, it raises some interesting questions about engaging with all three (former) constituencies in new ways relative to marketing, product and service development, hiring and other personnel matters, partnerships and alliances, inclusion and involvement, etc.
- The case of Colin Wightman – professor at Acadia University who was fired for “personal activities in which there could be a conflict with the best interest of the university.” He apparently engaged in a consensual sexual liaison with a woman involving light bondage and spanking. He was investigated by the RCMP for sexual assault, but no charges were laid. Because of the investigation, he informed his employer, and was dismissed, even though the connection with the university was incidental to the case – the university administrator(s) were imposing their moralistic views of sexuality to create the institutional “best interests of the university.” Valence Theory provides an interesting understanding of the dynamics here (without necessarily condoning the university’s action). In fact, the distinction between *f*-Identity and Identity-*ba* might help to identify a resolution without resorting to morality-based arguments, or weak, technocratic justifications (such as using the work-issued computer for communicating about the trust). [Note how this ties to personal branding affiliations, e.g., one’s corporate identification on Twitter, blogs, or Facebook, even in personal matters.]
- The case of Youth Challenge Fund. A United Way-sponsored agency that acts as a mentorship and funding link between “legitimate” funding agencies and community-based, youth-led groups that otherwise could not satisfy the governance requirements for legitimate funding and support. I was asked to advise on “enhancing grassroots organizations with corporate leadership strategies.” The idea was to effectively create a hierarchical governance structure to create an externalized bureaucracy among these various community initiatives and YCF. In essence, this was reproducing United Way, with the help of guidance from the best practices of corporate partners. The problem was that many of these groups mistrusted corporate forms and bureaucracy and would become alienated from YCF, counter to YCF’s intentions. Valence Theory enabled an alternative model for governance and mentorship, prevented (by design) the domination of the grassroots organizations by corporate mentality while still involving individual’s guidance (balancing *f*-K and K-*ba*).

Summary

The industrial age organization focused strongly on controlling workers’ behaviours, and by extension, controlling the behaviours of people throughout the society. In the 20th century, this approach transformed into what might be considered more humanistic means of control, but always with the objective of first serving the predominantly economic aims of the organization. With a fundamental reversal of conception of organization, from a functional

or purpose focus to one that first considers human interactions and interpersonal dynamics, every aspect of management practice can be probed, questioned and potentially changed. The initial research from which Valence Theory emerged suggests that the ensuing changes in practice can be accomplished without necessarily compromising acceptable and respectful economic performance. Rather than living in a world in which people are wittingly or unwittingly controlled by organizations, a Valence Theory conception of organization reverses this dysfunctional dynamic, enabling people to be in charge of creating relationships and perceiving effects in the context of our contemporary UCaPP world.