LEADING AND MANAGING IN A PROCESS WORLD
Laurence R. Smith, GOAL/QPC
Perspective ................................................................. Page 43
Leading and Managing in a Process World

Laurence R. Smith, GOAL/QPC

Organizations are complex responsive processes of relating. — Ralph Stacey

Life is a megacluster of complex mental, emotional, and physical processes; and some would add another process to the mix—spiritual (but not necessarily religious). Certain processes are mechanical and lend themselves to engineering, linear thinking, and a high degree of predictability. Some are social (relationship-based) processes. These are nonlinear and generally not amenable to precise predictability, human engineering, or human command and control intentions. To achieve good mid- to long-range results, it is important to avoid treating social systems as though they are mechanistic in nature.

People are social beings who live, work, lead, and manage as best they can in the moment, usually creating or following numerous processes that they hope will all work together for their good. People may also find that life does not always give them what they want, and those occurrences can influence their thoughts, feelings, beliefs, attitudes, and behaviors. The complexity multiplies exponentially as life happens 24/7 in and among nearly 200 hundred nations, hundreds of thousands of organizations, millions of species, and billions of people.

From a global perspective, process flow involves virtually uncountable instances of both stability and change everywhere and all the time, and often occurring paradoxically and unpredictably. We have to learn to live with paradox and unpredictability because they can’t be eliminated. They are part of the complexity, mystery, evolution, and wonder of life.

Clearly humanity has in many ways engineered and managed amazing life-enhancing and life-threatening accomplishments. I call this “creationeering.” It is also clear that humanity has not learned how to lead, manage, and cooperate very well with regard to complex social and natural systems, considering all the disease, poverty, pollution, waste, national and international strife, drugs, crime, violence, abuse, and war going on. Of course “society” invests a great amount of attention, time, money, and energy on these negative issues, and not as much on positive issues, so it shouldn’t be surprising that the negatives grow more abundantly than the positives. An additional contributing factor is the cultural paradigm that competition, rather than cooperation, is a panacea for growth and excellence. When we think that competition is an answer to all our problems, then competition is universally structured into our social systems. When the systems fail to produce what is wanted, we tend to blame the agents and not the system design.

The reality is that all of the world’s human and social problems are the result of
how people who have risen to leadership positions think about and have designed, structured, led, and managed the social processes and systems that exist in the world. Within these problem-filled systems, there are a lot of good and caring people, too, but they don’t effectively turn their attention to redesigning and restructuring their own failed and failing systems, even though the means and need for doing so exist. We have a cultural blindness to systems and processes, and prefer to blame individuals operating the systems they didn’t create for any undesirable outcomes. That’s like designing and building a faulty airplane, then blaming pilot error or weather for crashes.

I would hypothesize that most of the good and caring things that are happening throughout the world occur as a result of individual people making individual choices to care about someone else, and then simply performing an act of kindness when and where needed. And it would appear that most of the troublesome things that happen do so as a result of the behavior of unaccountable people who seek to control the behavior of others—acting on their thinking about human motivation and resource availability—through their design and management of various social systems: science, economics, psychology, money and banking, business and industry, religion and government.

When I studied psychology with Professor Donald Snygg, who developed what came to be known as Field Psychology, I was taught that the purpose of psychology was to enable the prediction and control of human behavior. When I studied economics, I was taught that economists work to design economic and monetary policy (both of which are social systems) to predict and control economic behavior, but since people are the only economic agents, this is really about a select few trying to predict and control human behavior, too.

In the 1800s, a social and economic transition from an agricultural to an industrial economy began in the United States. Some of that history has been preserved in the form of urban parks: nineteenth-century New England textile-mill buildings at the Lowell National Historical Park and the Lawrence Heritage State Park in Massachusetts. In the 1980s, I visited the parks, where I learned that textile mill owners—“leaders” in the nineteenth-century industrial revolution—would segregate employees, keeping different nationalities on different floors of the mills, so that workers wouldn’t learn to communicate with each other and create a common bond. This was a prime example of economic elites controlling the behavior of large numbers of people so as to continually maximize their own monetary wealth, often with the tactic of keeping employee wages as low as possible, and typically with a mindset that people were an economic commodity that factory owners could have power over by controlling access to jobs and money.

This is an example of trying to treat people—agents in social systems—mechanistically, as though they are merely interchangeable and disposable parts of a mechanical system. This strategy never works for any extended period of time. The result is bad mechanisms producing bad economies and societies. It is key to recognize that there is a need for management to focus on building an environment, climate, or system that facilitates cooperative working relationships that develop and flourish, with an intent that all will gain.
Lawrence, Massachusetts is a small, totally planned, industrial city designed and created in the mid-1800s. In 1912, some sixty-five years after it was founded, Lawrence experienced what became a landmark event in U.S. labor-management history. A state law reduced the workweek by two hours, from fifty-six to fifty-four, and management at the factories cut the workers’ pay by two hours. At the time, most of the city’s textile workers averaged $8.76 a week. More than 20,000 workers walked off the job, staying out for nine weeks. It was a difficult mid-winter experience for the workers. But the issue was more than money. It was about total quality of life.

The strike became nationally conspicuous as a result of the ensuing violence against the strikers, cooperation among immigrant workers, support for the role of women, and the sense of community and power that emerged from the strikers’ practice of expressing themselves in song. Some women paraded with banners—We Want Bread! and Roses, Too!—that expressed their need for both physical survival and human dignity. The event became known as the “Bread and Roses Strike.”

During the strike, mill owners and city authorities called on the state militia, jailed many strikers, and even planted explosives in an attempt to discredit the strikers and their union. Public anger erupted, however, when police used force to prevent strikers from sending their children out of the city (for safety) to sympathetic families. The public outrage that followed led to a Congressional investigation, and in turn to the mill owners yielding to most of the strikers’ demands.

The strike served to highlight child labor, workplace safety, and subsistence wages. It became an important event in a national environment that had long ignored workers’ long struggle for the economic, political, and social needs and rights that many people in prosperous nations now take for granted.


People often speak of their company, organization, or profession as though it were a physical thing that can be designed, engineered, constructed, bought, sold, and even improved. But that’s only true in a partial and limited sense. It is important to understand this because if one’s underlying thinking is in error, then the processes and systems can never produce the results wanted, and leaders will be at a loss to explain why. Leaders may then feel defensive and may even isolate themselves within their inner peer-group protective circle, seeking to blame other people or outside events rather than their own thinking and the resulting defective systems built on unreliable foundations of mistaken thought.

Someone might say: I work for “the government” (an “it”). But if I responded by saying, “That’s great! Will you bring the government over so I can meet it?” you’d think I was strange. That’s because at one level we do know that “the government” or “my company” is not a physical thing. But at other levels we actually do behave as though it were. We try to lead it and direct it and we even want people to obey it. We also try to manage it and improve it. And we do even get happy or frightened or angry over what we think of as its behavior, as well as over how others speak about and behave toward it.

So how is it that we can deliberately and quite seriously spend money, time, and effort toward planning, leading, directing, managing, and improving this thing when
Is an organization a thing? continued

Organizations as complex responsive processes of relating

We know there’s really no thing that we can see and talk to, reason with, influence, or change?

If we were to stop and think realistically about what is really happening in our organizational lives, we would realize that everything we do—and everything that everybody else is doing—is a process of responding and relating. Individual people are constantly engaging in a process of relating to themselves and to others, to their own thoughts and to other people and their thoughts and behavior as they perceive it, in an environment that is dynamic, complex, and often nonlinear. People and events dance around and in and out, rarely moving in a predictably straight line.

These are processes of relating in which everyone is constantly deciding how they will respond to what they think is happening and may happen. One can describe all of this activity in a single concise sentence, as Professor Ralph Stacey has done: “Organizations are complex responsive processes of relating.”

There are some complexity theorists who try to describe organizations as “complex adaptive systems,” but Stacey rejects this description, pointing out that people often intentionally choose not to adapt. But people do respond, Stacey says, hence his conclusion that organizations always involve responsive processes, which may be adaptive but don’t have to be and often aren’t.

Of course, that’s probably not news to most of us. Certainly anyone who has or works with children, for example, knows that a child may, at times, choose not to adapt to another’s wants. The child will respond, however, which may not be adaptive or to a parent or teacher’s liking, and then the parent or teacher will respond, which may not be adaptive or to the child’s liking. When a child frequently does not adapt to a parent or teacher’s wants, the “adult in control” may—in order to maintain his or her own self-image of being the expert in control—label the child willful (or ill) and then, armed with the justification of their labeling, feel free to try to manage the child’s behavior using a variety of unilaterally imposed tools, e.g., rules, reason, education, reward, scolding, punishment, medication, rejection, and dismissal. As a child grows up, he or she may bring that learned mindset into the home in their own parent-child relationships, into school design as teacher and student, into workplace design as boss and employee, into religion as clergy and congregation, and into government as ruler and ruled.

What is happening is that parent and child, student and teacher, employer and employee, want to be in control of both themselves and their environment. Both are expressing an attitude and a style of their own learning and/or choosing. Both are trying to manage. Both are using a process of their design and choice (or at least their acceptance).

But do they realize that the attitudes they have, coupled with the processes they’re using, are producing the results they’re getting? And do they realize that a different attitude and a different process would produce a different result? Simply put, people can choose an attitude of having competitive head-to-head relationships with people, for example, and they can choose an attitude of having cooperative heart-to-heart relationships. It would be helpful if we would ask ourselves: How do we want to live and lead our lives? How do we want to be led? How do we want to manage our way in life? How do we want our organizations to be managed? Do we...
lead and manage by defaulting to competitive and confrontational head-to-head process design and implementation? What results do we get from that? Do we lead and manage by defaulting to cooperative heart-to-heart process planning and implementation? What results do we get from that?

In short, our views about humanity and the world, our beliefs about the way things are and the way things can and can’t be, become part of the underlying thought-process design criteria whereby our attitudes are formed, which then become inputs into organizational process and systems design, which then lead to creating the world we live in.

Physically we are all a part of a single incorporation—Earth, Inc.—comprising billions of people and other life forms in hundreds of thousands of organizations that are each complex responsive processes of relating. Do we believe that we are apart from and constantly endangered by other people and life forms in the world? Or do we believe that we are a part of the world, part of a family of people and a multiplicity of organizations? The reality is that the result—the product—of the current cornucopia of beliefs, and the complex of social processes and systems that are born of those beliefs, is the way of life and the world that we experience today.

Before continuing on, I will interject a quick example, one that’s been in the news recently, to show species interdependence and the need to take a 360-degree view of human activities and demonstrate a realistic concern for the common good.

One thing all humans have in common is that they need to eat well to stay alive and healthy. Our ability to eat well is dependent not only on farmers and machines and stores, but on climate and bees. Recent news stories have reported an alarming decline in bees. Why should a decline in the world’s bees be alarming? Can’t we live without honey?

Albert Einstein is sometimes quoted about the importance of bees: “If the bee disappeared off the surface of the globe then man would only have four years of life left. No more bees, no more pollination, no more plants, no more animals, no more man.”

Bees, Einstein recognized, pollinate many fruits and vegetables, including alfalfa, almonds, apples, avocados, cantaloupes, cucumbers, peaches, pears, and watermelons. Bees pollinate cotton plants and plants that line waterways and control erosion, form the forests, grasslands, and jungles that provide habitat for animals throughout the world. In short, plants and honeybees and human beings all get something from their relationships. Plants and their pollinators and people have been benefiting from the earth’s natural systems and processes for millions of years.

In this article we are primarily interested in a relatively narrow field of processes—processes for doing work in organizations. This involves a number of interrelated processes: thought processes, leadership processes, planning processes, teamwork processes, resource utilization processes, competitive processes, cooperative processes, and management processes. We are also interested in the basic, or foundational, needs of life on Earth.
Foundation for leadership and management

The foundation for the design and deployment of the leadership and management processes used by people in organizations is the thought and behavioral processes of all the people involved. This includes those who think they are leading and managing and those who think they are being led and managed. These foundational matters may be thought of as being psychological and sociological “realities.” They may also be thought of as being “academic” or “theoretical” and irrelevant to everyday economic life.

It is important to realize that the psychology and sociology we have learned, which we may think of as “truth” and “reality,” is often speculative and theoretical: certain people think they objectively observe human behavior, conduct experiments, think about them and develop theories, and publish results in papers and books, and teach what they think and believe to others. These theories and results are read and discussed by other people “in the field” of human behavior, and some theories are “adopted” by some teachers and practitioners who apply those particular theories in their work and teaching. So in today’s world many different “experts” are conducting their work as psychologists and sociologists, or leaders and managers, by using theories of certain others and, perhaps, adding to them, subtracting from them, or otherwise modifying things to their liking.

The way people work in studying and applying their own and others’ theories become their processes. The result is that there are different “schools” and theories of the “art” and “science” of psychology and sociology and leading and managing being practiced by “experts” who believe in the theories they have adopted. And their theories, deployed via the deployment processes they create and use, have impacts on other people’s thinking, beliefs, and behavior, as well as on the development of their own theories and processes. We all do similar kinds of things in our own learning, development, and work. Everything is invented in our minds and then played out on the stage of life.

If the organizations we are involved with are not “its,” i.e., physical objects like automobiles, buildings, and cities, then what are they? An organization is nothing more than the people who comprise it and what they are thinking and doing at the present time. And what they do is a result of what the people involved choose to think and say and do. In short, an organization is the thoughts, words, and deeds of the people involved. This is why an understanding of psychology is so important in organizational development and performance. After decades of teaching and consulting, Dr. Deming recognized how vital a good knowledge of psychology is to everyone in management. He included psychology, along with an understanding of systems, variation, and the theoretical nature of knowledge, in what he called profound knowledge, a personal competence that had to be a part of effective management.

Simultaneously, a continent away in Great Britain, Dr. Ralph Stacey had come to similar conclusions. When Professor Stacey developed his theory that organizations are complex responsive processes of relating, it was only after decades of work that included studying and teaching economics in a university, working in business and industry, researching and teaching management, studying and writing on chaos and...
complexity theory, and finally, studying individual and group psychology, a lengthy journey because all of the previous studies, in isolation, failed to provide a sufficient and effective body of knowledge for successful organization management. Effective organization leadership and management require many different kinds of specialized knowledge and skills, depending on the size and scope of the organization. A common knowledge and skill set necessary for any organization’s management involves psychology and sociology—knowledge and skill about individual behavior and group behavior.

A useful frame of reference about human behavior in the workplace and society can be found in the work of psychologists Donald Snygg and Arthur W. Combs, authors of the book: Individual Behavior. They write:

The satisfaction of human needs cannot be achieved by control over our physical environment alone. It is a function, even more, of man’s relationships with man. In fact, the advances of the physical sciences, which have placed in our hands the means for our own destruction, have made the problems of human behavior and human relationships the most pressing of all. Our success in meeting the challenge posed by our possession of these new tools depends, in the final analysis, upon the behavior of individuals and their relationships with each other. It confronts us at a time when the ordinary citizen has achieved a power in society that makes any individual’s behavior a matter of concern to all of us.

Our society has become so complex and its people so interdependent that the failure of one individual among thousands can disrupt the delicate balance of an organization so that millions may suffer. The behavior of an individual is no longer the concern of his own little group. It concerns us all. But to deal adequately with the problems of human relationships, we shall need to understand as never before the whys and wherefores of human behavior. (Individual Behavior, page 3)

I studied social psychology with Dr. Snygg, a prestigious “University Professor” in the State University of New York and chairman of the psychology department in the college at Oswego. Snygg believed that he and Combs developed a practical frame of reference that enables a clearer and more meaningful understanding of human behavior, one that they found to work well in educational psychology, the psychology of learning, clinical psychology, mental hygiene, and the psychology of personality. Originally developed by Snygg as a phenomenological system of psychology, it is an approach that works to observe human behavior from the point of view of the individual rather than the typical point of view, which is that of an outside observer. This phenomenological approach later became known as perceptual field psychology, and then field psychology.

In field psychology, people have their own individual view of the entire universe. This is the “field,” which includes our perceptions of ourselves and is, the authors state, a unified field of “figure-ground” phenomena in which those things that an individual is more interested in and conscious of are in “figure” and those things one is less conscious of are in “ground,” as in background. An individual’s constant motivation is to maintain and enhance his or her field, and sense of self. Another way of saying this is that we all, at times, can be so intent on our own agenda, our own beliefs about the rightness or wrongness, or goodness or badness of someone or something, that we fail to see other important things right in front of us. Sometimes we say we were “blindsided,” which means that we were so “tunnel focused” that
we didn’t see something important coming at us. Or we might simply say, “I didn’t see it coming.” Snygg and Combs urge that we recognize how this self-awareness is working in us, that we are always choosing to bring some things out of ground and into figure, whereas other things are being allowed to move from figure to ground.

Snygg and Combs state:

Each of us is constantly searching his field (the universe, to him) for details and meanings that will better enable him to satisfy his need. This process involves a continuous change in the field, by the constant rise of new characters into figure and the consequent lapse of other characters into ground. This process, from the point of view of the behaver, is one of increased awareness of details and is therefore called differentiation (i.e., of knowing a difference, the basic act of knowledge). (Individual Behavior, page 28-29.)

So we see that Snygg and Combs believe that a person’s behavior is caused by continuous efforts to maintain and enhance his or her own phenomenological or perceptual field, which includes the sense of self:

• Whether we like it or not, people are always striving for the satisfaction of their need; they are always learning. If they are to learn the attitudes, skills, and facts that are socially desirable the situation must be arranged so that they can further their own ends by such learning.

• To maintain their organizations is the dominant characteristic of all living things; indeed, it appears true of non-living things and of the universe itself. The simplest atoms tenaciously resist disruption, and heavenly bodies maintain their established orders.

• What the individual is seeking to preserve is not his physical self but the self of which he is aware, his phenomenal self. The phenomenal self includes not only our physical selves but all those things we describe as “me.” (Individual Behavior, pg. 50-57.)

In today’s congested and highly specialized world, individuals have virtually no choice but to rely on organizations to have their needs met. In a word, that’s interdependence. People live interdependently through their processes of relating, individually approaching the external parts of their universe from within their own field, operating from their own perceptions of the reality they see and feel before them and around them, and textured with their own sense of self and others. Individuals are trying to have their needs met. Truly, they can’t live any other way. Snygg and Combs write:

It is to the non-self aspects of the field, his phenomenal environment, that the individual looks for the means of satisfying his need. Whether his immediate goal is food, air, money, friends, or any other of the countless goals he may seek in his effort to maintain and enhance his phenomenal self, he looks for it, for the most part, in his environment. He is always seeking some goal, because his need to maintain and build up his phenomenal self is insatiable. So he is constantly and persistently exploring this non-self part of his field, which he assumes to be external reality. As a result of his explorations he is constantly changing his field. This process of search and change is a process of differentiation from the total situation under the stress of need. It is an effort to satisfy need. Therefore only those characters emerge with clarity in the phenomenal environment which are, at least tentatively, pertinent to the attainment of the individual’s immediate goals. Since these goals differ from one individual to another, the phenomenal environments of two people in the same objective environment may and often do differ very widely. (Individual Behavior, pg. 207.)

The important thing in the determination of behavior is, not the objective description of objects and facts in the phenomenal field, but the meaning that those objects and facts have for the individual. This meaning is found in the relationship of the object to the phenomenal self, in the role that the object or fact is felt to have in the satisfaction of need. (Individual Behavior, pg. 210.)
Snygg used an example from his youth in which a friend saw a rabbit on an otherwise empty country road that he was driving on and became so intent on chasing it with his car that he didn’t realize that he had driven off the road, through a barbed-wire fence, and into a pasture. Chasing the rabbit with the car was so strongly in “figure” that everything else faded from consciousness into “ground.” Another example is the phenomenon known as “being in the zone,” in which one is so focused on something that one loses a sense of time and anything else.

Snygg sought to understand human behavior. He wanted to know, and be able to predict, how people come to behave the way they do, in order to facilitate better learning and educational systems. He thought of behavior change as natural, happening all the time through a process of learning that he called differentiation: As people become skillful in differentiating content and relationships between figure and ground in their field, in an ongoing desire to fulfill their needs, learning takes place. Snygg viewed education as fundamentally a process of change in an individual’s phenomenal field.

I think Snygg believed that the prevailing thinking, processes, and systems that people have created in their largely individualistic attempts to satisfy their needs by controlling the physical environment are putting humanity on a dangerous course. The pursuit of individual needs without regard for common needs leads only to common loss. Like the boy chasing a rabbit that is being held rigidly in figure, we fail to notice that the ground around us has become dangerously rough at a minimum and may possibly bring us and our passengers to death and destruction. Another example of this kind of thinking and behavior is the voyage of the Titanic. On the Titanic, as with so many disasters, a series of misguided thoughts and intents, along with resultant operational errors, built upon one another to create the disaster, there is rarely a single cause of a catastrophic event.

Clearly we need to pay much more attention to the fact that leaders are behaving as though their only choice is to drive our economic vehicles as though we’re on a competitive speedway, accelerators held to the floor, spiraling dangerously, with crowds of investors and economists cheering safely from the stands, and cheering even more as the wrecks are pushed off the road. Is this the road we want to be on, the game we want to be playing, following obsolete absurd system rules that we simply believe to be “the reality” along our life’s journey to…where?

The company I work with, GOAL/QPC, was created in Lawrence, Massachusetts, a city that was long in search of a viable road to prosperity for all of its citizens, a desire that became the impetus for the formation of GOAL/QPC in 1978. Lawrence is the city where Robert Goulet lived and went on to play Sir Lancelot in Broadway’s Camelot, a fable about the human struggle for love and honor. Lawrence is the city where Leonard Bernstein lived and went on to write West Side Story, a tale of inner-city struggle, racial prejudice, and human relationships. Lawrence is also where Robert Frost attended high school, began to write poetry, and went on to ask questions about the internal struggles we make regarding the paths we choose to take in our life’s journey. Frost expressed this struggle of thought and decision-making in his most famous poem, The Road Not Taken.
The Road Not Taken, by Robert Frost

Two roads diverged in a yellow wood,
And sorry I could not travel both
And be one traveler, long I stood
And looked down one as far as I could
To where it bent in the undergrowth;
Then took the other, as just as fair,
And having perhaps the better claim,
Because it was grassy and wanted wear;
Though as for that the passing there
Had worn them really about the same,
And both that morning equally lay
In leaves no step had trodden black.
Oh, I kept the first for another day!
Yet knowing how way leads on to way,
I doubted if I should ever come back.
I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I-
I took the one less traveled by,
And that has made all the difference.

It is now more than a half-century since Robert Frost wrote The Road Not Taken and Donald Snygg developed his theory of field psychology. It seems as though the world is still traveling along the same old roads (claiming it’s the best way to go while never being able to know what life would be like along a different road), only wanting to go faster, led by the prevailing attitudes and styles of economy and management. Some would now say that the wheels are starting to come off the buses, while the drivers are in denial about their creation of the problem, and its dangerous acceleration and direction. The drivers’ cry is just for more and cheaper fuel, as though all we need to do is go faster and cheaper along the current road to get us to the promised land. Perhaps leadership thinking is along the lines of the story of two hikers coming upon a mountain lion in the wilderness. One began to run away and the other quickly ran after his friend exclaiming, “What are you doing!? We can never outrun the lion!” And the other replied, “I don’t need to outrun the lion. I just need to outrun you!”

So we might want to consider asking ourselves a couple of questions: Is this our theory of work and life? If so, does it have to be this way or is this just the way we’ve made it because we’ve come to believe that social systems, like management and economics, are not based solely on human thought, but instead have the same reality as natural systems?

Do we write our life scripts in versus?
sessed with a radical belief in scarcity — that there can never be enough of anything on this earth for everyone (except weapons of individual and mass destruction; there always seem to be enough political will, popular support, time, and money for more, bigger, and deadlier weapons). Do we have no choice but to live either as nomadic hunters or sedentary gatherers, being ever ready to fight and defeat predators and those who get in our way? Is life only a zero-sum game in which there has to be a loser for every gainer?

In today’s world most individuals have little choice but to seek to have their needs met in an environment that requires a combination of independent and interdependent thinking and behaving. Therefore, people will benefit from knowing how to lead and manage independently and interdependently. This modern—perhaps even post-modern—understanding of management reflects a radical transformation of how we think about and practice organizational management, which is something that management expert W. Edwards Deming advocated in his book, *The New Economics*. Deming, after decades of watching, consulting, and teaching in the major organizations of the world, said we must transition away from “living under the tyranny of the prevailing style of management” that has caused “huge, long-range losses” and “led us into decline.”

The roadmap to transformation is something Dr. Deming called “Profound Knowledge,” which involves an understanding of systems, variation, knowledge, and psychology; there needs to be an awareness of the interdependencies and interactions in organization life—how each affects the others.

People who expect to lead and manage organizational transformation successfully need to have some expertise in the psychology of individuals, groups, and society, as well as in the psychology of change. They must have an understanding of variation, including appreciation of a stable system, and special cause and common cause variation. They need to realize that “knowledge,” including a belief that we “know” something, is always based on some “theory” that must always be subject to testing, verification, and new theory. They also need to think, lead, and manage in a complex global environment of interdependent natural, mechanical, and social systems. The ability to do all of this involves the quality of learning, the freedom to learn, and the capability to continually improve one’s learning, creativity, and innovation, all of which takes place in a complex environment of independence and interdependence, which requires all leaders to have an interest in the common good, along with the good of their individual organization and the people in it, if humanity is to survive and thrive.

Once we understand that individual people are always seeking to meet their needs at the moment, to maintain and enhance their perceptual field, and that this often requires interactions with other people and institutions in society, we can now try to understand how people tend to relate to groups. Snygg and Combs suggest that the relationship of individuals to groups has at least seven characteristics:

1. Individuals tend to seek self-enhancement through identifying themselves with and winning the approval of groups or individuals they believe to be important.
The relationship of individuals to groups, continued

2. People tend to withdraw from groups whose approval they are unable to win and from groups that no longer satisfy their need.

3. Identification of an individual with a group leads him or her to adopt and defend the standards and behavior of the group.

4. Having adopted the standards of one group, the individual has adopted a set of standards by which he or she evaluates the behavior of other people and the importance of other groups.

5. Members of a group accept and approve those individuals who see them to be important.

6. An individual in one culture adopts those aspects of another culture that make possible the enhancement of her or his phenomenal self. These are selected in terms of her or his existing field.

7. Conflict between groups must, in the long run, end in the assimilation of the two groups, with each giving up its claim to exclusive right and superiority and modifying its institutions. The only other way in which group conflict can end is by the destruction or reduction to impotence of one group culture by the other. This is what wars have attempted since time immemorial. (Individual Behavior, pg. 187-193.)

Means of reducing group conflict

We live in a world that is dominated by a mindset, an attitude, an unexamined belief, that competition between individuals and groups is universally both necessary and good. Children are taught to compete in school, are required to be graded and ranked, and only those who score high grades are considered good. Economists, whom we allow to create the systems we live in, preach competition—and only those corporations who compete well enough to achieve high monetary earnings are good. Sports are about competing and beating others, and only the winners are good. Being first, being the champion, having the most money is the end-all of life, it seems. Being from the best school, the best neighborhood, the best city, the best house means being a winner in life and, by implication at least, not having these things means one must be a loser, a failure. So there is not only a psychological motivation for conflict, there is also an intentional social structural component to foster conflict (i.e., competition) that is designed by “leaders” and academics and incorporated into the social systems we function in.

We can gain some useful process and systems insight about conflict from Snygg and Combs. They inform us that:

Conflict between groups is, in some degree, the result of aggressive and dominating behavior within one or both of the groups, since there is a strong tendency for individuals who are unable to secure adequate satisfaction of need in their own society to seek such satisfaction by dominating and aggressive behavior against members of weaker groups. It is quite possible that the most effective way of reducing group conflict would be the reduction of domination and aggression within the groups themselves.

Since conflict between groups is always carried on by individuals who think of themselves and their antagonists as group members rather than as individuals, group conflict can be prevented by creating opportunities for the members of the two groups to differentiate one another as individuals.

A productive method of reducing group conflict lies in the development within a society of individuals who feel adequate to deal with their perceptions. We are afraid of that which we do not feel capable of handling. What we feel adequate to deal with does not threaten us. Thus the society that can produce adequate phenomenal selves in its members can tolerate or accept differences in others, and group conflict will thereby be reduced or disappear. A society composed of non-threatened, non-threatening personalities will not be in conflict. (Individual Behavior, pg. 194-196.)
If we think of philosophy professor Anthony Nemetz's teaching that community is based on conversation and a shared perception of right and wrong, perhaps people could agree that a common human rightness is that its members and neighbors are able live with health, security, self-respect, and dignity. This perception of right could provide the basis for community and a good society, and the achieving of it can be approached through conversation that includes people with competence, jurisdiction, and interest in the common good, which leads to programs to achieve it being decided, planned, and accomplished. But how would one define a good society? Snygg answered that question by saying that a society is good to the degree that it enables its members and neighbors to live with health, security, self-respect, and dignity. Snygg also spoke about the ideal society, saying it has to be dynamic:

The ideal society cannot be described in terms of its institutions. All planners of Utopia, except More himself, have made a fundamental mistake in conceiving of a society which reaches an ideal state and remains unchanged thereafter. No static changing Utopia can be the psychologically satisfying “good” society that we are seeking. The culture of such a society must be dynamic and flexible rather than static, because the individual’s need for the preservation and enhancement of his phenomenal self can never be completely satisfied. Further achievement and growth are always necessary. As a result no society that attempts to remain static can adequately satisfy the needs of its members. A “good” society must provide its members with opportunities for self-enhancement by pioneering in new fields and at ever more difficult problems. This will result in a dynamic society continually pushing on to new areas of achievement and growth.

In brief, the essential characteristics of a good society may be summarized as follows:

1. It should be sufficiently productive to maintain the health and physical well-being of its members and the necessary equipment and supplies to carry on its institutions.
2. It should institutionalize and encourage techniques of production and cooperation among its members. Techniques of domination and aggression should be discouraged and avoided.
3. It should contribute to the development of an adequate phenomenal self in each of its members. This it can do by aiding each to the most effective satisfaction of need. In order to make possible the satisfaction of human need in a wide variety of conditions over a long period of time its institutions and customs should have a high degree of flexibility. They should be recognized as means toward an end, not ends in themselves.

There can be more than one “good” society. Any society that satisfies the above criteria is a good society and it would be impossible to say that any society now existing could not develop into a good society. Very definitely, attacks upon other societies cannot make them into good societies. People are not free to change under threat and a group under attack simply accentuates its distinctive characteristics. A good society can only grow where there is a minimum of conflict between societies, so that the people of each feel free to move and change. (*Individual Behavior*, pg. 200-201.)

People form processes to do things and then those processes start to form people; we forget that the process is the cause and start to blame individual people when we don’t like the result the process is producing. That happens because we don’t pay much attention to learning about process thinking and we just don’t see how processes are causing the results; we just see certain people and the things those people do that we like or don’t like, and we blame and praise those people. We also tend to think in terms of machines and mechanical systems because machines are so much a part of our lives. We love machines. We can design, build, and control them. They do, in some sense, become a part of us. We can own them. We can sell them. We can destroy them. We can discard them. We can make them do what we want. We study engineering so we can design and build machines. And then we then simply carry this machine-like thinking over into the design of people-systems,
designing organizations with machine-like intentions that we can have power and control over. Those who build and own these people-machines then want the machine to control the people.

One type of control mechanism used in organizations is financial and accounting systems and processes. The well-known accounting and management professor H. Thomas Johnson has radically changed his views on the ability of traditional management tools to create good organizations, good economies, and good societies. He writes:

People in Western cultures have premises for explaining or understanding the world at two main levels. At one level, call it the mechanical, all events are explained by the influence of external force or impact on independent objects. At the other level, call it the living, all events are explained by patterns of relationships connecting a world of self-organizing beings. The premises at the first level have been successfully used for nearly two centuries to study mechanical processes and to promote engineering technology. They are the basis for scientific and business education and practice in the Western world today. But problems have grown increasingly severe from the erroneous application of these premises to human dealings with nature and to social organizations, such as businesses, that embody principles of living systems. For example, viewing reality through the premises of the first level, a management accountant in modern business views a spreadsheet of financial results as the company. Oblivious to premises at the second level, this person fails to see the system of human relationships that produces those financial results as the company. As a consequence, the person promotes policies to “improve financial results” by arbitrarily destroying relationships through layoffs or outsourcing, not by nurturing and reinforcing the features of those relationships that produce robust results. The long-term outcome, predictably, is less than expected.

In their customary way of doing things in business, managers confuse linear cause-effect connections at the abstract quantitative level of financial results with the nonlinear, complex cause-effect connections that naturally exist at the concrete level of relationships among employees, suppliers, customers, owners and community. Their business training and experience cause managers to believe that linear cause-effect connections at the abstract quantitative level apply everywhere in the world, including the level of real operations. Thus, they proceed to manipulate and control people and things at the complex and nonlinear operating level as though they behaved according to the linear principles that apply at the abstract quantitative level.

Therein lies what I refer to as a “confusion of levels”— failure to see that whereas in a mechanical system one-dimensional quantities can both describe results and enable one to control the linear process that produces those results, in a living system quantities can only describe results, but cannot explain or enable one to control the multi-dimensional interactions and feedback loops of the process that produce the results. This “confusion of levels” invalidates all management accounting practices in which businesses attempt to use financial quantities to explain and to control financial results.

The prevalence of management accounting control systems in American business probably contributes more than any single thing to the confusion of levels that causes American managers to believe they can run operations mechanically by chasing financial targets, not by nurturing and improving the underlying system of human relationships from which such results emerge. It is significant, then, to note that where this confusion of levels is not present, as in Toyota, one sees virtually no use of management accounting targets (or “levers”) to control or motivate operations. I argue that this is an important reason why Toyota’s financial performance is unsurpassed in its industry.

People at Toyota place great importance in problem solving on genchi genbutsu, or “going to the place” where the problem occurs to see for yourself, firsthand. You don’t rely on second-hand reports or tables and charts of data to get true understanding of root cause. Instead, you go to the place (gemba) where you can watch, observe and “ask why five times.” This attitude reflects, of course, no “confusion of levels.” Instead, it shows a deep appreciation that results (and problems) ultimately emanate from and are explained by complex processes and concrete relationships, not by abstract quantitative relationships that describe results in simple, linear, additive terms.
The question most companies ask now is how to control the financial results of business operations as if financial results are a linear sum of individual contributions from separate parts of the business. Accounting control information seems the logical way to show how those contributions, and changes in those contributions, add up to the organization's overall financial results. But if we assume that financial results emerge from complex interactions and nonlinear feedback loops in the interrelated parts of a natural living system, then attempting to control those results with linear accounting information is not only erroneous, but possibly destructive to the system's operations in the long run. In this case, the new question is: "How does one control, if at all, the financial results that emerge from operations that abide by the principles that govern a natural living system?"

An early answer to this question was provided in the 1930s and 1940s by Walter Shewhart and W. Edwards Deming, both trained in mathematical physics and both experienced in using state-of-the-art statistical tools in business and government. One of their lasting contributions was to devise a scientific way to estimate the "control limits" within which a business system's results would normally fall until one of two steps were taken that altered the limits. One step was to ignore all but abnormal variation in results and work to improve the system itself, thereby narrowing the control limits and improving long-term performance. The other step, a less desirable but more common way of managing, was to try to improve long-term performance by intervening in the system every time results varied from a desired target. The inevitable consequence of the second step, Shewhart and Deming proved, is to widen the system's control limits and impair its long-term performance.

In essence, Shewhart and Deming likened a well-designed business system to a living system in nature. Its results vary over time, but the range of variation has limits. However, in a human system such as the operations of a business, managers can improve performance by taking steps to reduce that range of variation. The key to performance improvement, then, is to nurture the system that produces results, not to drive the system to achieve targets that fall outside its normal performance limits. In his early work, Deming articulated 14 principles (or points) that defined what he meant by nurturing the system. Those principles included things such as create constancy of purpose, constantly improve systems by reducing variation, cease dependence on inspection, do not base purchases on price alone, do not reward individual performance, institute training, eliminate management by objectives, and more. This is precisely the approach that Toyota takes to manage its operations.

Financial quantities cannot reveal if a system is improving or not. To assume otherwise is to fall prey to "confusion of levels"...the demand to justify operational decisions with cost information confuses levels, causing people to forego root-cause problem solving and, instead, to build "cost-effective" work-arounds that violate system principles. Eventually the system principles are forgotten and managers spend increasing amounts of time working to improve the efficiency of the work-arounds.

No amount of financial manipulation will ever improve long-term results. Performance in the long run will improve only if managers ensure that the system from which the performance emerges adheres more and more closely to principles resembling those that guide the operations of a living system.

Management accounting controls impose a curse on lean management programs; they cause managers to believe that addressing the imperative of growth is compatible with the possibility of systemic wellbeing. Abstract quantities by themselves can of course grow without limit. However, the universe has never allowed any real, concrete system within it to grow endlessly. Such attempts to grow endlessly inevitably fail.

Nevertheless, all businesses that chase accounting targets for revenue, cost, profit, or return on investment somehow believe they are an exception to this universal pattern. They "confuse levels" and are deaf to the primordial message being delivered every time their real operations fail to deliver the long-term performance that their abstract equations and their occasionally favorable short-term returns seem to promise. They fail to see that the pursuit of endless growth is incompatible with the long-term survival of the system.

Even if every company in the world were to become as "lean" as Toyota, today's economy in which they operate is not sustainable. Forces drive it to focus on quantitative goals, hence, on extensive growth. Government tax, spending, and monetary policies promote more and more production and consumption, to grow GDP endlessly. Financial markets drive companies, including Toyota, to play in the same game. But an economy that lives...
on steroids is no more sustainable than any growth-driven organization operating within it. Until they can escape the curse of endless growth, both the economy and all its members are doomed to collapse and die.

By using quantitative targets to manage results without regard to the effect our actions have on the underlying system from which the results emerge we close fields of possibility and limit ourselves to what our measures will produce. In effect, that describes existence inside a machine, not life. Life implies flourishing in fields of continuously renewing possibility. Mechanistic existence suggests a repetitive, homogeneous system running down to death, without hope of renewal or new possibility. Our worship of quantity virtually guarantees that the economy we inhabit today and the businesses within it are life-denying, not life-enhancing.

H. Thomas Johnson is Professor of Business Administration at Portland State University in Portland, Oregon. These excerpts are from Lean Accounting: a living systems approach to lean management and learning, Joe Stenzel, ed (New York: John Wiley, 2007), Chapter 1.

Innovation and Creativity

There is a generally recognized sense of urgency being stated by many leaders in the global marketplace that organizations have to be continuously innovative if they are to remain competitive and stay in business. This call for innovation, however, seems to be only a rather narrow top-down push for students and workers to become more technologically capable and innovative.

What is not widely stated is that the whole-truth need for innovation is not just about math, science, engineering, new products, and new services, although that is essential. Innovation is also needed to find and implement new and better ways to reduce both waste and a broad range of costs other than employee wages and benefits (i.e., social and environmental costs that aren’t measured and monetized), as well as new and better ways to lead, work, and manage, and new and better ways to learn and to manage knowledge.

The world needs new and better ways to be environmentally friendly. There’s also a need for new and better ways for people to be healthy and to have universally high-quality and cost-effective care when they become ill or injured. The world needs new and better ways to govern and improve our communities. The world also needs new and better ways to manage conflict and achieve peaceful relationships, and not just seek endlessly innovative ways of producing death, destruction, and mayhem.

Innovation is about inviting and accepting a degree of novelty into an organization, welcoming someone or something new: new people, a new product, a new look, a new service, a new way of doing, a new way of being, a new way of thinking. It also requires, to some degree, a new way of managing, which usually presents a problem.

The desire by today’s top managers to have continuous innovation presents many executives and managers with a paradox, a dilemma. The practice and culture of modern organization management that began with the industrial age now includes everyone who is alive. So the prevailing style of management is, effectively, “the way it’s always been done.” This is largely a culture of authoritarianism that wants control and predictability over other people and money.
Until fairly recently, matters of innovation were basically, and sometimes grudgingly, “outsourced” to R&D departments that essentially were separate from the rest of the company and allowed to hire creative, artistic, and otherwise unpredictable and uncontrollable people, and permitted to function as small worlds unto themselves. That was not a major problem when the speed of marketplace change was fairly slow. Before the 24/7 hectic pace of the late twentieth-century global marketplace, management was content to allocate some small percentage of sales to R&D in the hope and expectation that these creative people would come up with something innovative, in their own good time, that would be commercialized to help grow the business.

But now it’s a different world and a different marketplace. In the 1970s and 1980s there was a shock to U.S. manufacturing as Japanese export industries emerged as highly innovative, productive, and cost-effective in products, services, and management. The response was to learn the management and production systems used by Japanese industrialists, such as customer-focused process management, quality management, six sigma, and lean. But not many top-management leaders learned, and of those who did learn and successfully use it, their successors abandoned it as being “my predecessor’s style.”

An attempt to document, and then continually improve, a framework for effective leadership and management methods was made through the Malcolm Baldrige National Quality Award Program. A robust and carefully tested management framework was created, continuously monitored, and improved. This framework for good management and leadership is called the Criteria for Performance Excellence. The Baldrige program, administered by the National Institute of Standards and Technology (NIST), has specific criteria for all four major sectors of society: business and industry, health care, education, and not-for-profit and government organizations. The Baldrige Program also conducts an annual quality award program and the winners agree to share their innovative leadership and management practices and experiences extensively. For more information, visit: www.quality.nist.gov.

In the 1990s and into the 2000s there was a new shock to U.S. manufacturing and jobs as the global marketplace continued to expand, now with rapid growth in China and India as U.S.-based CEOs grew manufacturing operations in those and other countries. However, even in the face of these strong competitive pressures, there is a great unwillingness from all sectors of U.S. leadership to be innovative in their own thinking and behavior—to learn and adopt new and innovative management processes that are proven to enable high customer/client/patient/student/citizen/employee satisfaction, high quality goods and services, and reasonable costs.

One example of U.S. leadership knee-jerk reaction to competitive pressures is the issue of achieving a more innovative and life-enhancing education system. In her April 1, 2007, New York Times Magazine article, “Re-education,” Ann Hulbert writes:

> Even as American educators seek to emulate Asian pedagogy—a test-centered ethos and a rigorous focus on math, science and engineering—Chinese educators are trying to blend a Western emphasis on critical thinking, versatility and leadership into their own traditions. To put it another way, in the peremptorily utopian style of official Chinese directives (as well as of educationese the world over), the nation’s schools must strive ‘to build citizens’ character in an all-around way, gear their efforts to each and every student, give full scope to students’ ideological, moral, cultural and scientific potentials and raise their labor skills and physical and psychological aptitudes, achieve vibrant student development and run themselves with distinction.”
Hulbert adds that this Chinese government initiative reflects “a much-publicized government call to promote ‘suzhi jiaoyu’—generally translated as “quality education” or “all-round character education.” The goal of change, Hulbert writes, “is to liberate students to pursue more fulfilling paths in a country where jobs are no longer assigned; it is also to produce the sort of flexibly skilled workforce that best fits an international knowledge economy.”

Organizational innovativeness is complex, rather than simple, involving a number of independent variables. Organizational innovativeness is an outcome, a result of what is and what is not happening in different aspects of corporate life. Everett M. Rogers, in his classic book, Diffusion of Innovations, now in its fifth edition, describes the structural and attitudinal attributes of innovative organizations. Figure 1 highlights eight independent variables that facilitate organizational innovativeness, including whether the variable is positively or negatively correlated with innovativeness.

- Centralization is the degree to which power and control in a system are concentrated in the hands of a relatively few individuals. Centralization has usually been found to be negatively associated with innovativeness. The more that power is concentrated in an organization, the less innovative the organization is.
- Complexity is the degree to which an organization’s members possess a relatively high level of knowledge and expertise, usually measured by the members’ range of occupational specialties and their degree of professionalism (expressed by formal training). Complexity encourages organization members to grasp the value of innovations, but may make it difficult to achieve consensus about implementing them.
- Formalization, the degree to which an organization emphasizes its members following rules and procedures. The degree to which an organization is bureaucratic is measured by its formalization. Such formalization acts to inhibit the consideration of innovations by organization members but encourages the implementation of innovations.
Interconnectedness is the degree to which the units in a social system are linked by interpersonal networks. New ideas can flow more easily among an organization’s members if it has a higher degree of network interconnectedness.

Organizational slack is the degree to which uncommitted resources are available to an organization. (Perhaps one reason why organizational size is so highly rated to innovativeness is that larger organizations have more slack resources.)

Size of an organization has consistently been found to be positively related to its innovativeness. Larger organizations are more innovative.

System openness, the degree to which members of a system are linked to other individuals who are external to the system, is positively related to organizational innovativeness. (Diffusion of Innovations, pg. 411-412.)

It is widely accepted that human beings are naturally creative and innovative at birth and early childhood. William Glasser, M.D., well known for his many books on education and mental health, has this to say about creativity in Chapter 10, Creativity and Reorganization, of his book, Control Theory:

The behavioral system is a two-part system. One part contains our familiar organized behaviors; the other part, which is the source of our creativity, contains the building blocks of all behaviors in a constant state of reorganization. By themselves these building blocks could not be recognized as discrete actions, thoughts, or feelings; but as they reorganize, they may become recognizable and usable. Reorganization is an intangible process very hard to describe, but I visualize it as a kind of churning pot of disorganized behavioral material, a maelstrom of jumbled feelings, thoughts, and potential actions that are in a constant state of reorganization. As active as this process is, we may have little or no awareness that it is going on. The one time when we almost always become aware of reorganization is when we dream. Our dreams seem to be creative attempts to deal with the frustrations of the previous day and, “crazy” as they may be, they seem to help us control our lives by resting our minds.

From the bubbling, ongoing creative reorganization comes a random stream of mostly minimal but occasionally well-organized new behaviors that are available to us to try if (1) we pay attention to them and (2) we decide that those to which we pay attention may help us gain or regain control over our lives.

The way the creative system works, new ideas do not usually appear in their final form. An idea may start as a tiny thought, a different feeling, or some combination of both. If we entertain it, it tends to grow in an irregular, nonpredictable fashion, until we slowly become aware that we might put it into action.

Without any frustration or particular need for anything new at the time, as our creative systems idle along, they constantly “stick their noses into our business,” gently popping creative ideas into awareness. Most of these we reject with little or no consideration; but frequently, with little awareness of what we are doing, we accept small creative improvements in any organized behavior. Since I have become aware of its existence, I can’t say that I am measurably more creative, but I am more aware of what it offers and more open to its “suggestions” than before I knew about it. I believe that if we know of its existence, we will tend to “listen” more to its usually quiet suggestions and give more of them the careful consideration they may deserve.

When we are very young, we reorganize continually because it is the only way we can learn the countless behaviors we need to fulfill our needs. Moments after birth, we start adding creative additions to our total behaviors that, young as we are, seem sensible to us. These are the beginnings of our personalities, and even one-day-old infants have recognizable personalities to the trained eye and differ from each other markedly. Infants are similar for only a few moments after birth, and then they start the lifelong process of changing into what they will become.
Creativity is the creation of something new that has never before existed in the life of its creator. Creativity very often will provide the individual with more control over his or her life. But if it does not, it is not the fault of the creative process. If there is a fault, it is with how we, aware of it or not, decide to use this process. In and of itself, the reorganization system does not know right from wrong, good from bad, artistic from crass, scientific from silly. It doesn’t even know dumb from smart. All it knows is to create and to keep creating. If we use what it creates to take more effective control of our lives, this is fortuitous, but it is not and never will be the purpose of reorganization. Its only purpose is to create. If it had any other purpose, it would not work.

When it occurs, however, creativity is only as valuable as any of us first decides it is, and progress depends on how much we can convince others that our decision is correct. This tends to be a slow process; people do not easily or quickly give up their old, well-organized behaviors for new ones. It took the Catholic church over 400 years to make up its collective mind that Galileo was creative, not heretical, so don’t be impatient and stop listening to your creativity if what you discover is not immediately proclaimed as progress.

Building on a solid foundation

We began this article by noting that we live our lives in and among a potpourri of processes. Life really is a megascluster of independent and interdependent social, mechanical, and natural processes. Life, leadership, management, creativity, and innovation are all processes.

The common denominator is that all social and mechanical processes are based on what we think and how we think. The foundation for all we are currently doing and have done as human beings, how we lead and manage both ourselves and our organizations—including those things we don’t want to think about or do—flows from how we are using thought, mind, and consciousness.

Once we understand the nature of this foundation for how we are handling both personal and organizational management and leadership, a wide-ranging assortment of process tools and methods can be used to plan, organize, and accomplish work on small and large scales. This includes a general framework for leading and managing organizations, such as the Baldrige Criteria for Performance Excellence in the United States, or the European Foundation for Quality Management (EFQM) model in Europe. These frameworks, or management models, are non-prescriptive. They point out what any well-managed and led organization has to do but not how to do it.

There are numerous tools and techniques and methods for how to do the right things and doing the right things right. These are used within a management model like Baldrige or EFQM. They include process management tools such as statistical process controls, project management, six sigma, lean, total quality management, QFD, Hoshin Planning, creativity tools, seven planning and management tools, problem solving tools, and Kaizen (improvement) to name some of the popular ones. The goal is to think carefully and systematically about what you want and need, and select the management tools that enable you to do it well. And then be ever open to innovate, improve, and change as needed.

Laurence R. Smith has led and managed organizations, and has worked with a wide range of people on the process of organization improvement. His work includes being CEO of successful nonprofit organizations.

He is the Editor of the Journal of Innovative Management, published quarterly by GOAL/QPC, an internationally respected nonprofit organization that does research, de-
velopment, publishing, and training in performance excellence and organizational improvement processes and tools. Before being Editor of the Journal, Smith did coaching and training in quality management for nonprofits and local government.

While CEO of the Merrimack Valley Chamber of Commerce in northeastern Massachusetts, he led it to be one of only 10% of chambers of commerce in the nation to be accredited. He also won the top award in The President’s Citation Program for Private Sector Initiatives, in a competition with over 1,000 corporations and associations in the nation. The award was presented by the President at a White House ceremony.

Smith is one of only fifty-six chamber of commerce or association executives to have been admitted to the Academy of Organization Management by the University of Notre Dame and the United States Chamber of Commerce.

He was chairman of the Merrimack Valley Private Industry Council (a quasi-public agency that funded training programs for the economically disadvantaged), president of the Massachusetts and the New England Association of Chambers of Commerce, a member of the Governor’s Working Group on Youth Violence, a member of the Massachusetts School-Business Partnership Committee, and Treasurer of the Lawrence (MA) YMCA. He is listed in Who’s Who in America and Who’s Who in Finance & Industry.

A certified teacher, Smith has an AAS in Electrical Technology from the City University of New York–College of Staten Island, a BS in Education from SUNY–Oswego, and a MBA in Executive Management from St. John’s University.

Smith has completed numerous professional development programs in quality, organization development, economic development, community development, and emotional/spiritual development. This includes training at the Harvard Mind/Body Medical Institute, GOAL/QPC, the Institute of HeartMath, and the NLP & Coaching Institute of California. He is a certified one-on-one coach for HeartMath tools for Inner Quality Management, and a certified coach by the NLP & Coaching Institute of California.

He has been involved in church activities for over thirty years as a licensed lay minister, vestryman, senior warden, and church school chairman. He authored Godfidence, a book on spiritual growth, and an article, “Can Churches Help Society Recover a Sense of Community,” published in Social Justice Review.

Born in New York City, he currently resides in North Andover, Massachusetts, with his wife, Betty Ann (Larsen). They have been married for forty-two years, and have two adult children, Erik Lars, and Alesa Ann.