Refounding Governance:
Transforming the Science to Master the Art

A Thesis
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PLEASE NOTE

The greatest amount of care has been taken while scanning this thesis,

and the best possible result has been obtained.
Acknowledgements

I attest that this thesis is all my own work and that all direct sources of substantiation have been acknowledged.

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Bruce Cutting

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Preface

Since Montesquieu's (1952; 1689–1755) incisive differentiation of the principal forms of governance and their components, the rate at which different theories of governance have been proposed has exponentially grown until now when we have a plethora of different theories on the best way to govern, lead and/or manage. Anyone interested in this topic is confronted with the many conflicting schools of thought, from Weber's (1948; 1864–1920) theory of the "iron cage" to Wheatley's (1992) new-age concept of leadership. This seemingly maze of different theories can be seen merely as different perspectives on the overall embracing concept of governance which is essentially the holistic conception and explanation of differentiated purpuse human systems—about paradigms and systems that have their inception in and are limited by, the human mind. The core challenge, then, is to put some order and rationale into the understanding of this "many-headed" concept of governance. This thesis meets this challenge by mapping out a cognitive framework that is capable of embracing and ordering all the multitudinous differentiated conceptions of human governance experienced at the different levels of society.

In essence, this thesis reformulates the concept of organizational governance in terms of the metaphor of the human mind. The cognitive model of governance formulated can be used to explain how and why different modes of governance are embraced by the different organizations in different circumstances and why this is appropriate and necessary, how and why governance changes over time, and how it is important to institute processes of inquiry, dialogue and reflection in order to know and choose more consciously.

Essentially, the thesis reformulates the principles and understanding of organizational governance as an outcome of a scientific process of validating the veracity, realism and prognosticating value of the particular form of institutional archetyping that is based on the metaphor of the human mind. It does this in a three-step process:

- **First**, **formulating an expression of the immediate knowing** (or seeing, as in aesthetic appreciation) that the essence of an institution's decision-making processes can be explained in terms of the mind metaphor.
- **Secondly**, **the structure and dynamics of the mind metaphor are conceptualised and formulated** by a process of scientific reasoning of why and how the philosophical concept of man can be taken as determining the structure and dynamics of the two principal personality typologies.
- **Thirdly**, **the true fit, merit and power of the mind metaphor in explaining organizations' governance is validated** by using the cognitive conceptual framework to analyse and prognosticate on the nature and dynamics of governance in the private corporation of the US economic sphere, the public administration of the political sphere, and the institutional Church in the social sphere.

As a consequence of this scientifically oriented process, the author has arrived at a "yes" or a personal cognitive commitment to the following key "truths" or "facts" about organizational governance:

- **The nature and dynamics of governance in organizations reflect the way humans think**—OR, the nature, dynamics and development of organizations can be reasonably known, intelligently understood, and wisely developed by using the conceptual framework suggested by the metaphor of the mind.
- **The essence of human thinking results from a process of cognitive differentiation that is faithfully based on hierarchically structured trinities of abstraction** (as originally identified by the Greeks and carried forward by the Western scholastic philosophers), which express the different cognitive perspectives that one constructs to perceive,
understand and know reality. The key heuristic insight contained within the metaphor of the mind, therefore, is to reinterpret Aquinas' (1952; c.1225–1274) trinity of abstraction (Lonergan, 1967) as a trinity of cognitive perspectives relevant to a particular aspect of governance. Essentially the effect of this intellective insight is to transform Weber's (1949; 1962) ideal types into a newly created concept of a trinity of menetypes (numbered ideal types in an ordered set). The principles underpinning the concept of menetypes facilitate understanding and meaning because the conceptual framework of the mind metaphor can be seen to be based simply on this trinity of menetypes, repeated again and again. Therefore, even though the conceptual framework of governance might seem expansive, fluid and complex, it can be viewed simply as a hierarchically structured, interdependent pattern of cognitive perspectives arranged at each point of focus in the form of the basic trinity of menetypes applicable to that level of thinking.

- The conceptual framework of the mind metaphor has great explanatory, heuristic and prognostic power and can be used to guide the individual or group process of reaching judgments of fact, assessments of value and decisions of intent. This inherent power of the mind metaphor is validated by the comprehensive, structured and probing analysis conducted into the governance of the private corporation and public administration within the US society. Although the thesis discussion is principally focused at the level of theory and principles, it is clearly evident that the conceptual framework of the mind metaphor does provide a powerful means of analysing the authority, culture and participants within particular real-life organizations. This ability to integrate the analysis of governance over the range of levels of understanding is a key contributor to its explanatory and prognosticating powers.

As a consequence of using the mind metaphor to analyse governance in Western society, the key conclusion is that there has been a substantial shift or evolution in thinking from a managerialist mindset to the more abstract politicist mindset (which has alternately been described as postmodernism). This fundamental shift in mindset is pervasive and influences the perspectives taken at many levels in the human governance systems. In particular, the analysis of governance in the US society concludes/prognosticates that:

- corporate governance should be treated more consciously as a political process by building in the necessary political checks and balances that cultivate the ethics of appropriateness, responsibility and accountability;
- public administration is only a second-order political power and should eschew any delusions to political equality with the Government's political arm, but rather be encouraged to maintain and develop further its ethics of clarity, order and loyalty in assisting the Government of the day; and
- there are changing demands on the education and development of aspiring executives and future leaders to enable them to work in more abstract, political and interdependent systems of governance. This new operational environment requires them to develop the capacity to think more politically and at more abstract levels, and to be able to coach others to develop their cognitive powers likewise. Education should therefore be a more experiential, personal and reflective whole-of-life learning experience that is in stark contrast to the current approach to university mass education and the MBA production lines.

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1 Introduction

For how shall we know the source of (good governance) between men, if we do not begin by knowing mankind?

(Adaptation of Rousseau, 1952: 329)\(^1\)

Governance is taken as the conscious exercise of direction, regulation and control over a human system. At the simplest level there is the governance of the self and from the earliest Greek times, the oracles of society have urged people to “Know Thyself.” But humans do not know themselves as in isolation from others as by themselves, they are very limited and unfulfilled.\(^2\) So they join together in purposive groups or organizations that are about pursuing some good, however well articulated or ill-defined it might be. Such groups or organizations need good governance to thrive and to be satisfying enough to the individual members for them to remain within the group—and such governance is orchestrated through and by some members of the group providing leadership of some kind.\(^3\) Neither the members of these groups nor the organizations govern themselves in isolation but rather they do so as members of a larger collection or society of people,\(^4\) which itself must be subject to some form of governance. “No society can subsist without a form of government. “The united strength of individuals,” as Gravina well observes, “constitutes what we call the “body politic”” (Montesquieu, 1952: 3). Again there are some members of this body politic who take on positions of leadership or governing. The practice and understanding of governance at this highest level of society is much more obtuse, complex and intellectually challenging, as has been evidenced by the attention it has received in philosophical writings since the earliest of times.

Governance therefore needs to be understood and explained in the context of it being operative in some form at all three levels of the individual, the organization, and society.\(^5\) Moreover, there is interaction and influence between the different levels of governance principally because it is people themselves who are involved in all three and are required to balance the often-conflicting demands of each.

This thesis is primarily focused on the middle level concerning governance within organizations, which are composed of individuals that also need to exercise a degree of self-governance but which operate within a particular society that lays down principles of overall societal governance. These societal principles determine and shape the form and dynamics of governance that are exercised within the different organizations. And there are indeed a plethora of different types of organization and faces of organizational governance, so much so
that it has been said that 'there is no such thing as the theory of organizations. Rather there are many theories that attempt to explain and predict how organizations and the people in them will behave in varying occupational structures, cultures, and circumstances' (Shafritz and Ott, 1996: 4). That is, society's appreciation and understanding of organizations has become more differentiated and complex, and the dynamics of organizations have become more intricate and subtle.

Moreover, change is a fact of life and everywhere the pace of change seems to be accelerating. The social and economic worlds have been undergoing such tumultuous change that modern theory and understanding has largely proved inadequate in the multitude of individual and group mindsets and particular circumstances. This is especially true in the realm of management, which has been subjected to such a dizzying round of short-lived "latest fads" that managers are now eschewing the lot just so they can get on and do the job required of them. As Mickethwait and Wooldridge (1996: 18-19) observed: 'The real problem with management theory is that it is pulling institutions and individuals in conflicting directions... These contradictions within forms reflect a deeper intellectual confusion at the heart of management theory, which has left it not so much a coherent discipline as a battleground between... radically opposed philosophies.'

Therefore, there may not be much mileage in canvassing the vast array of theories or recipes for good management—or good governance. Rather, like Montesquieu (1952), this thesis struggles to understand the spirit of governance in organizations. And the obvious common, core principle of organizations is that they are comprised of humans who think and act as though there is an organization, and therefore there is one—irrespective of whether or not there is a physical building, a formal organization chart, or an IT (Information Technology) network connecting all the members together. In essence, the nature, shape and dynamics of any organization are fabrications of the human mind and, in that sense, it looks and acts very much like a more complex, more capable and more power-oriented thinking human.7

As the key to any scientific understanding of phenomena is in the system of conceptual differentiation that is applied in observing and analysing the empirical data, this thesis searches for an understanding of governance in the structure and dynamics of human thinking or the philosophy of mind. As a consequence, the thesis postulates a philosophy of mind which is used as the basis to view the framework of governance in terms of a metaphor of the mind. The metaphor of the mind is applicable at all three levels of the individual, the organization, and the society, which means that the interrelationships between these three
different levels of thinking can be handled in a consistent and reinforcing manner within the
one, overall comprehensive framework.

The key heuristic development in this thesis is the reformulation of the meaning and use
of ideal types—which, though severely critiqued, have proved to be a useful tool in
sociological theory since being coined and introduced by Weber (1962). However, their
understanding and usage have been unduly limited and their basic conceptual development
has essentially withered on the vine. The growth and realisation of their potential have been
stunted because Weber (1947; 1962) did not spell out any underlying coherency in the
conceptual framework of ideal types, and nobody since seems to have been able to
understand it in such a way as to develop the notion and use of ideal types. An ideal type is
still regarded essentially as an isolated, theoretical, working hypothesis that describes a
situation rather than explains it, and which is not intended to help predict or suggest what
decisions/actions should follow as a consequence (Weber, 1962: 14). The concept of ideal
types has never developed because the so-defined types always stand alone and no attempt has
been made to incorporate an account of their associated dynamics and interactions. Put
together in the way explained in this thesis, “types” can be more than just stand-alone,
descriptive classification schemes: they can represent reality and they can be used to inform
what action should or should not be taken—and its likely consequences.

This thesis, therefore develops a radically different approach—yet, it is essentially in
keeping with the spirit of Weber’s (1947; 1949; 1962; 1968; 1978a; 1978b) original thinking
because the use of the metaphor of the mind provides an integrative explanatory focus on the
underlying motivations of the individual participants. As with Weber (1962), the underlying
premise is that it is individuals ultimately who think, decide and act—even if they are heavily
influenced by the organizational or societal thinking that they consciously or unconsciously
take on board. Instead of proceeding to develop different ideal types for each observed reality,
it is much more instructive to begin from the basic understanding that it is humans who think
and it is they who therefore interpret and explain the reality that they encounter. Is there an
identifiable pattern of thinking that can encompass the many and varied perspectives humans
can experience? Can some sense be made of the structure and dynamics of such a pattern and
can it be harnessed to understand the dynamics of human social action and interaction? Can
current understandings of human dynamics be used to inform a metaphor of the mind that can
enhance our understanding of governance? The three outcomes from tackling these questions
essentially encapsulate the extent of the contribution of original thought proffered in this
thesis, as it:
• Encapsulates and articulates a metaphor of the mind that expresses a philosophy of mind that can be seen to have its roots in late Neoplatonic philosophy, and is evident in the work of many Western philosophers/social scientists [including, in particular, Montesquieu (1952) and Weber (1962)] over the centuries and also in the particular expression of Eastern philosophy that is captured in the personal typology called the Enneagram (Riso, 1987; Palmer, 1991). In particular, this thesis explains how Jungian typology (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) is an underdeveloped expression of this Eastern philosophy of mind, and how it can be more usefully reformulated in such a way that it corresponds directly to the Enneagram typology—which is captured in the JEWAL Synthesis philosophy of mind (Chapter 8).

• Uses the metaphor of mind to develop a theory of governance to explain the dynamic pattern of interrelated rationalities governing motivation and behaviour at the individual, group and societal levels of authority. This theory of governance introduces the concept of *menotypes*, which are a reformulation of *ideal types* into a “numbered”, coherent, interrelated set of perspectives of a particular aspect of reality—The JEWAL Synthesis Theory of Governance (Chapter 9).

• Revisits some well-worn management polemics to explain the dynamics of the modern private and public organization and, in so doing, builds up the hierarchical analytic framework with which to understand governance at the many levels of human activity—*An analysis of governance in Western society* (early chapters).

For heuristic reasons, the explanation of this thesis is presented in the reverse order to its formulation in acknowledgement of the difficulty and tedium involved in grasping, from a cold start, the theoretical technicalities employed in developing the philosophy of mind and the theory of governance. An analysis of governance in the real world is therefore presented prior to the explanation of the development of the underlying philosophical concepts. However, it is important to register that the analysis of governance in US society is informed and propelled by the author’s cognitive knowing and commitment to the particular philosophy of governance explained later in this thesis. This makes for a much more authoritative tone in explaining (more so perhaps than analysing) how the author’s developed philosophical framework can inform the analysis and critique of US corporate and political governance theory, rather than analysing how other academic perspectives of governance could inform the development of the conceptual framework presented in this thesis.
To compensate for this rearrangement of the logical order, therefore, there needs to be a quick summary of the basic insights that are developed later in the thesis (Chapters 8 and 9) to inform the early analysis of economic corporations, political administration and social organizations.

1.1 Basic Insights of the Thesis

The basic insights on the philosophy of mind and human governance that are presented in this thesis are as follows:

- All human affairs and the experience of those affairs at each of the levels of the individual, the group and the society have their genesis and fulfilment in the human mind. In particular, an organization is such only because the participating individuals are able to think of it in such a way.

- Any view of reality is only ever a partial view and the power of that partial view in experiencing, understanding and knowing that particular reality is critically dependent on the cognitive framework employed by the individual.\(^{15}\) This thesis is generated out of the mindset moulded by the metaphor of the mind, which is informed by the reworked philosophy of mind explained in Chapter 8.

In particular, one is able to think of an organization or a society in the same way as one thinks of an individual, except that the thinking is at higher levels of abstraction.

- Humans have the capability or potential to think in any of all possible ways, as the limits of their potential to know are infinite (Proclus, 1963/15\(^{th}\) Century: 149). However, if one tries to think of all perspectives at once, one would be pulled in all directions and so get nowhere—and would probably be overwhelmed.

*This principle of needing one phase of a trinity to dominate can be illustrated by imagining three people of about equal size and strength standing back to back with their arms interlocked. They would each be facing outwards in one of three different directions at roughly equidistant angles around a circle. If they all tried to move forward with the same force there would be no movement. One has to dominate for there to be movement and in that case there will be a secondary individual who is also moving partly forward (in an extreme case this could be in*
equality with the dominant individual), while the third will need to be repressed and essentially move backwards.

Differentiation and choice is the key. Very early on in life, therefore, one chooses a particular perspective and, in so doing, other conflicting perspectives need to be consciously repressed. Through constant use over time (namely, because it works for the individual), this cognitive dynamic makes for the development of one's personality. Individuals also exercise this cognitive orienting in the development of their concept of an organization or society, and the result of this is their perceived culture.

With each separate personality or culture found in individuals, organizations or society, comes a patterned set of perspectives, motivation and predictable ways of behaving. This is well captured in the explanatory dynamics of the Enneagram and Jungian typologies as understood in the terms of the insights provided by the philosophy of mind (Chapter 8).

The explanatory power of this system of cognitive differentiation has been captured in a conceptual framework of the metaphor of the mind. The key operative principle that informs the structure and dynamics of this metaphor of the mind (Chapter 8) is in the way Aquinas (1952/1225–1274) captures the structure of human thinking in terms of his trinity of abstraction (Lonergan, 1967: 39–43). The key insight is that human thinking can usefully be considered structured in a hierarchy of these three levels of abstraction in much the same way as the Neoplatonists (from the 3rd and 5th Centuries, respectively) Plotinus (1952/3rd Century) and Proclus (1963) did to explain the celestial sphere. The Enneagram typology (Riso, 1987; Palmer, 1991) captures this trinitarian hierarchy within the human psyche and expresses the differentiation between the three levels of abstraction in terms of individuals' different motivations that are chosen to define their character/personality. For instance, at the broadest level of the three centres in the Enneagram's personality typology, the differentiation into the three levels of abstraction takes the following form.

- **Psychic Level #A**—the first level of abstract motivation capturing externally oriented, practical conation or expression of the human will, which is called the HEART Centre.

- **Psychic Level #B**—the second level of abstract motivation capturing internally oriented, imaginative thinking or the exercise of reason, which is called the HEAD Centre.
• *Psychic Level #C*—the third level of abstract motivation capturing the prescinded perspective of continual assessing and deciding according to the individual’s value framework, which is called the GUT Centre.

• *Psychic Level #O*—the other, which captures the notion of the personal unconscious and the transcendent potential.

However, as well as being of use in explaining the structure and dynamics of the individual’s differentiated motivations and therefore his/her personality, the trinity of abstraction can also be used to capture the nature of the individual’s thinking about the objective world that he/she experiences. In simple terms, individuals interpret the external world of experience according to their own developed personal psychic cognitive framework and predilections (aptly explained using the personality typology). Therefore, it is justifiable and useful to analyse the nature of the objective world in the terms of the differentiated structure of human thinking, namely in the terms of the three levels of cognitive abstraction (which is further explained in Chapter 8).

Weber’s (1949; 1962) theory of *ideal types* goes part way down this path of differentiating the objective world according to the way humans think about it. That is, ‘Weber asserts that ideal types are syntheses of characteristic or significant features constructed on the basis of logical and meaningful compatibility, as opposed to general concepts that are syntheses of average or common features’ (Hekman, 1983: 31). Of importance is the appreciation that these “syntheses” take place in the thinking human mind. Therefore, the way any such synthesis is carried out within the mind of the individual is determined by the way that he/she thinks. For instance, it could be directed in terms of assessing the concrete potential to achieve some desired good (*psychic level #A*), or be a reasoned analysis to determine the truth of the particular facts (*psychic level #B*), or be a value assessment on the reality in terms of whether it is good or bad, right or wrong, black or white or some shade in between (*psychic level #C*).

The subjective way in which the individual interprets the external reality can therefore be explained in terms of his/her personal motivations, which are captured in the trinities of abstraction that inform the Enneagram personality typology. In similar terms, then, the objective assessment (i.e. one that can be usefully shared) of the external reality can be expressed and explained within a framework of appropriately formed trinities of *ideal types*—that is three quite distinct (and somewhat opposing or in tension) syntheses of “characteristic or significant features.” This resembles putting together a trinity of three different perspectives of the same reality that are formed by looking at an image in a hologram from three (3-D) perpendicularly separated viewpoints and then having an integrating system for
reconciling and interpreting those quite distinct perspectives. Each of the three different viewpoints is defined by the position from which it is viewed and can therefore be numbered accordingly.

Menotype is a new word construction that brings together the words “mene,” which means numbered, and “type,” which echoes the meaning of type as conveyed in Weber’s (1962) ideal type. Menotype, therefore, simply means “numbered type.” The proposed concept of a trinity of menetypes, then, captures the experience of viewing the same reality from the three radically different (i.e. perpendicularly separated) perspectives that are defined by the differentiation into the three distinct levels of abstraction. As will be explained more fully later, Weber’s (1962) ideal types of authority are actually such a trinity of three quite distinct perspectives on the reality of the power forces at play. The three types of authority—charismatic, rational-legal and traditional—are radically different and can be numbered according to which of the three levels of cognitive abstraction it is that explains the particular mindset at work in the authority dynamics. In this sense, they present an instructive example of a trinity of menetypes and will be so identified immediately below.

To say it another way, a trinity of menetypes is a trio of ideal types that are numbered in a particular way and brought together in the trinity in such a way that honours and expresses the interrelationship and interaction between them—the interrelationships that bring them together into a single unified whole that is the one reality which each of them is trying to express in its own way. This trinitarian relationship is well termed as ‘unity-in-distinction’ (Dodds, 1963: 300), which contains three different phases of thinking about the same reality. The particular way in which each of the three different ideal types is numbered (according to the trinity of abstraction) to form a trinity of menetypes is as follows (for those who, like the author, are more visual-oriented, understanding may be helped by reference to Figure 1).

- **Menotype #A**—the first level of cognitive abstraction, capturing the externally oriented, concrete perspective—encapsulated in Weber’s (1962) notion of charismatic authority.

- **Menotype #B**—the second level of cognitive abstraction, capturing the internally oriented, imaginative perspective—encapsulated in Weber’s (1962) notion of rational-legal authority.

- **Menotype # C**—the third level of cognitive abstraction, capturing the prescinded perspective that can be some kind of compromise between the dialogue of the other two perspectives, but can more gainfully lead to transcending the particular conflict
and rising to a new level of understanding—encapsulated in Weber’s (1962) notion of traditional authority.

- **Menotype #O**—the other, capturing all that has not been made conscious in the patterns of the three principal perspectives of the trinity, including that which is more than (or operating at higher or lower levels of abstraction than) that of the particular trinity—which essentially captures Weber’s (1962) holistic-type notion of the rational belief in absolute value that goes beyond and encapsulates the other three types of authority.

The value-added of recognising the existence or manifestation of a hierarchy of such trinities of menetypes is that the human mind processes thinking about them in a particular way that can be defined and predicted. The principles and dynamics of the hierarchy of such trinities of abstraction are explored later, but the essential aspects can be summarised as follows.

- It is not possible to think at all three levels at once, as each perspective takes the thinking mind in an essentially different direction. There is normally then a focus on a particular cognitive orientation. Focus on a particular perspective or menotype cognitively defines the secondary menotype as the next highest level of abstraction (in the sequence #A—#B—#C—#A etc.) and the third menotype thinking is cognitively repressed.

- There is much meaning in the direction and movement of thinking between the three menetypes. In particular, there is the dynamic of cognitive reversion (going against the arrow in Figure 1) or evolutionary, inner-directed learning; the dynamic of cognitive procession (with the arrow) or revolutionary, externally directed learning; and the process of combining both dynamics.

This is a key attribute of the trinity of menetypes and used throughout the thesis. The movement in a clockwise direction from the principal menotype of focus to its secondary supporting menotype involves a movement to a higher level of abstraction after being informed by the lower level. This movement is therefore one of progress and development and is defined as evolutionary.

On the other hand, a movement in an anti-clockwise direction involves a step back to a lower level of abstract thinking that had hitherto been repressed and, as a consequence, the actions resulting from this new mindset would likely be underdeveloped and clumsy. This movement is therefore retrograde unless it is part
of an act of passive reflection, in which case there can be a revolutionary breakthrough in thinking that, paradoxically, takes the individual to a more expansive level of thinking.

- The trinity of menetypes is repeated at successive or different levels in a hierarchy of abstract thinking about natural and social phenomena. Of particular significance is the property that each of the menetype phases (i.e. all of the menetype #/As) at the different levels are imbued with a similar “spirit”—or set of like motivations and characteristics much the same as those that characterise and determine an individual’s personality. This is in the same vein that charismatic authority (Weber, 1930; 1962; 1968) can be explained in similar relatable terms when applied to the leadership of a society, the leadership of the Church, the leadership of capitalist enterprises, and individual creative endeavour. The following organizational analysis draws heavily on this property of the trinity of menetypes (which is explained in more detail in terms of the Neoplatonic-like hierarchy of trinities at Chapter 8) when discussing the likely reactions of participants in particular organizational processes. This is the particular power of using the metaphor of the mind as it allows ready discussion across the different levels of thinking—in particular, when discussing individuals in organizations in societies. However, though these interrelationships and similarities across levels are familiar to the author they may at first be a little challenging for the reader, and it is hoped that the necessary insights will come sooner rather than later.

- The outcome, manifestation, and evolutionary change of phenomena and the way one thinks about them, need to be understood holistically in terms of not only the conscious structure and dynamics of the trinities of abstraction, but also the unconscious other that is also operating in a similar but complementary manner.

To recapitulate, then, the concept of differentiating our thinking in terms of the three levels of abstraction is used to inform, on the one hand, an explanation of the individual’s motivations and consequential personality and, on the other, the structure of explanation in analysing the objective reality that the individual experiences. In particular, in this thesis, a hierarchy formed by the repetition of these three levels of abstraction is used to analyse the world of human organization. The newly introduced tools of a menetype and a trinity of three interrelated menetypes represent three different perspectives of the objective reality that are defined and numbered according to the particular level of abstraction they represent. A different phase of thinking is used to capture an understanding of each of the different
menetypes within a trinity, where a phase of thinking is thinking at a particular level of abstraction. That is, the inner subjective world of thinking is structured in terms of a trinity of phases of thinking, which, in turn, interprets reality in terms of a similarly structured trinity of menetypes. So, in terms of Weber’s (1949: 78) observation that an individual only “sees” what he/she is interested or educated to “see,” an individual whose personality expresses a preference for a particular phase of thinking (i.e. phase #A, #B, or #C, or their sub-sets) is more likely to be attracted to and be influenced by an external reality that expresses and is explained in terms of the similarly “numbered” menetype (i.e. menetype #A, #B or #C, or their sub-sets). The focus of this thesis is essentially on the structure and dynamics of the external organizational world (defined in terms of menetypes) but there will be continual reference to the interpretation and reactions of the individual participants of organizational life.

1.2 Manifestation in the Real World

It is worthwhile at this point to give an example of the use of this trinitarian structure to interpret some aspect of the real world of human organization. The spirit and dynamics of this trinity of ways of thinking have been effectively captured in the recent literature by the analytic device of differentiating societal and organizational action into essentially three ways of manifesting; namely, in markets, hierarchies, or networks (Thompson, Frances, Levacic and Mitchell, 1991; Kooiman, 1993; Rhodes, 1997). The following short explanation of the essence and dynamics of this trinity of markets, hierarchies, and networks is intended to give a flavour of the differentiation of thinking that underscores the whole theory of governance expounded in this thesis. These three aspects of organization are quite general and play themselves out in all sectors of society. The following short explanation of the three social phenomena in terms of the properties of their particular phase in the trinity of menetypes should be read with reference to Figure 1. The discussion is structured to focus on the demonstration of the attributes that characterise the particular phenomena of the respective menetype orientations. For each of the societal manifestations below, there is first an explanation of the primary cognitive perspective, then an explanation of the secondary supporting aspect around the trinity, and lastly a reference to the depressed aspect that is necessary in order to give full influence to the predominant aspect.

Markets. This follows from a menetype #A thinking—essentially a doing, conation-oriented sub-system at the most basic level of the trinity—as it is dealing with the exogenous commodities that can be seen and handled by all. The need for buyers to desire commodities
or some different reality that they are willing to pay for, is well defined in the economics literature and is promoted by the marketing efforts of the business sector. In the extent that participants follow the role models defined by classical economics, there would be a perfect market. However, as well as all the other influences and considerations that can impact, individuals themselves can be of different psychological orientations (phases #A, #B, #C) and have different intentions. A number of variants of market outcomes therefore emerge.

In more sophisticated markets, participants group themselves into hierarchies to produce more and, in response to the concerns of the community at large, regulations are established to guide the markets. Thus, the menotype #B governance orientations of legal order and hierarchy can be developed in support of the primary menotype #A operation of the markets. The markets have been notoriously unable to regulate themselves (and, in fact, often regard it as an irrelevance—they repress it) and so somebody else has to do it. It is, therefore, necessary that the legislature, as the other separate section of society, is required to formulate such regulations. The regulations so formed are ultimately a balance between the free but harsh competitiveness of the markets and the comforting, but restricting, policing of the regulations.

Collusion between players, cartels, or networks of buyers (and sellers) has always been frowned upon and actively discouraged or outlawed. Market economies actually establish a regulatory regime to repress and police such practices that are sustained by a menotype #C orientation.

Hierarchies (i.e. formalised hierarchies). This is a menotype #B, legal-rational sub-system at the second level of abstraction, which involves a more sophisticated exchange interaction between participants. It is essentially dealing with endogenous variables and is needed to provide internal order and predictability. For instance, the mass production of widgets, once promised, is usually only undertaken to guarantee greater predictability than could be achieved through purchasing elsewhere in the marketplace. The roles for participants are defined through the formal rules and structure of the hierarchy and it is these and the loyalty for the institution that are of primary influence. The exercise of hierarchical authority as a secondary aspect (menotype #C) is only in support of this basic, rule/process-bound culture.

There has been widespread acknowledgement of how important the operation of informal networks is within bureaucracies. This is essentially a menotype #C secondary function of networks used to supplement the main rule-oriented culture. In more sophisticated hierarchies, the secondary aspect of authority and networks is strengthened by reforms such as flatter structures, “let the manager manage”, the use of consultancies, and outsourcing. In this way
managers are required to go beyond the rules to allow more flexibility in exercising their authority (but still in keeping with the prevailing culture) and to network more with others to find better ways to deliver the products prescribed.

Essentially, the will of hierarchical bureaucracies has to be defined by higher authority. The focus is so much on getting the process right, that the urge to create new possibilities or objectives (menotype #A rationality) actually needs to be repressed—that is, those in hierarchies do not overly question the rules or orders of what to do once they have been given by a legitimate authority. In addition, there has always been a constant cry from the private sector about the involvement of public-funded agencies in providing goods and services for sale in the market. This aspect (menotype #A) has been consciously repressed. In keeping with this attitude, most Western public administrations have been through periods of identifying those products and services of public agencies, which can be traded on their exogenous value (price) in the marketplace. These activities have been seen as not having a place in public administration and, where there is adequate predictability in market supply, their provision has been gradually moved out into the market. Internal charging in both the private and public sector has been a bit of a fad but has not proved to be a long-term successful practice in hierarchies. Rather, it has been but a stepping stone to the provision of goods via the market when the predictability of their supply is not compromised—which is as it should be.

Networks. A menotype #C, traditional-type sub-system at the third level of abstraction, which clearly involves the most sophisticated and subtle interaction of participants. It is not only dealing with products and services but is also concerned with building long-term relationships that can be trusted to provide cooperation in a future endeavour. Networks are held together by participants’ commitment to a common set of values and trust in each other as the basis of all interactions. The role of each of the participants (as the secondary menotype #A aspect) and the “rules” or mores of their interaction are known in a more subtle way and are deliberately not spelt out formally as within a hierarchy. What is shared in the relationships is often tacit but cumulative, and participants would need to be cognizant of the network’s other members in using whatever knowledge is shared. One aspect of networks that has not been given much attention, at least in the public administration literature, is that it is essentially about the “goodies” and the “baddies”. The “goodies” are ones that you can trust and the “baddies” not only cannot be trusted but also are probably colluding with the enemy and are out to get you. There is, therefore, a notion of conflict around networks, and they are actually a mechanism designed to help handle that conflict and increase the chances of survival and prosperity for the individual and/or the group.
In more developed and healthy networks, participants are able to coalesce and reach a consensus about "the good" they wish to achieve; that is, the collective will (menotype #A) of the group which is the secondary aspect that takes expression in the marketplace is developed to such a point that it can be well articulated and modified as circumstances dictate. In such a manner political parties, lobby groups and industry control groups can be formed around a core set of values that can be given expression in a countless number of ways in the marketplace (unlike the pure menotype #A entrepreneur who can get fixated on his/her particular well-developed vision).

However, formal rules within networks are always despised and repressed, as they seem to mollify the effort to build up a relationship of trust between individuals. With such formal rules that do exist, such as the Australian Liberal Party's rules on disclosure of pecuniary interests, there is always difficulty in enforcing them while trying to foster the bonds of trust that hold the network together. Another manifestation is the way semi-government market-oriented authorities, in particular, argue successfully to be released from the normal public service rules and regulations. In being distanced from the Minister they are created as part of the wider political network and prefer to act with a menotype #A entrepreneurial, secondary function and repress their hierarchical aspect (which is usually not true for regulatory authorities which are usually fashioned in a true hierarchical manner).

The ensuing explanation of governance in society and its organizations explores the implications of the interactions of the many interrelated levels of the differentiated perspectives that help one to understand the sociological dynamics of the human interactions. It should be emphasised that this is not the first time this type of approach to sociological analysis has been used.

For instance, Mooney (1947) used such an approach based on the hierarchy of trinities in his classic work, The Principles of Organization. It is contended that this present thesis is more richly informed by a greater understanding of the Neoplatonic foundations of the philosophy of mind that employs the trinitarian hierarchy. More recently, Handy (1978) also essentially captured the manifestation of this line of thinking in his Gods of Management. His understanding is traced back to the 19th-century philosopher, Hamilton (1859), who grasped the significance of the trinitarian mode of analysis from that used by Aquinas (1952/1225–1274) and other Scholastic philosophers. Of course, seemingly like most other ideas, this thinking had its origins in Plato (1952/428–348 BC) and Aristotle (1952/384–322 BC) but was most clearly enunciated in the writings of the two Neoplatonists, Plotinus (1952/205–270) and Proclus (1963/410–485). This trinitarian structure of analysis has also been used intuitively by
many other great thinkers over the intervening centuries. Weber (1930; 1962; 1968), in particular, could be said to have used such a conceptual framework to great effect to underpin and inform his employment of sociological analysis. Weber’s (1962) trinity of the charismatic, rational-legal, and traditional “authority types” is well known, but the concept of three interrelated factors or aspects seems to be used to good effect in many other areas of his work. Hegel (1952/1770–1831) also framed much of his analysis and discussion in the trinitarian framework, as exemplified by the structuring of his analysis of the Philosophy of Right in terms of a hierarchy of trinities.

1.3 Methodology

All ordinary theses are alike but each extraordinary thesis is unique in its own way.  

This thesis began with a question with regards my observations on Cabinet budget decision-making processes in Australia while working as a senior public servant in the Commonwealth Department of Finance (which was responsible for coordinating the Government’s budget processes). As part of my personal journey, I had become acquainted with the modern character typology known as the Enneagram, which provides an integrated, comprehensive and dynamic system of self-awareness and self-development. The main questions that arose for the author were in terms of:

- What is it about the Enneagram that imbues it with the power to explain and pattern the dynamics of the Cabinet decision-making process and the role adopted by each of the players?
- Principally, what is the secret of the power of the triadic arrangement that informs the Enneagram structure and interrelated dynamics?
- How can this key understanding be harnessed to improve both the governance system itself and the relative performance of each of the players in it? And, holistically,
- How can this understanding be extended to explain and improve other situations of social action as occur within both the public and private organizations that serve the modern society?

As a consequence of these primary questions, the study effort of this thesis pursued the core ideas in an ordered way through many psychological and philosophical writings. This did not comprise a literature search in the normal sense but rather an intense research activity to
discover the true essence of human thinking. There has been no attempt in a formal sense to summarise, critique, or deconstruct any of the writings encountered—though this could be undertaken very easily. Rather, it was all worked through and critiqued informally as I developed my understanding and thinking on the core psychological/philosophical principles. The progress of this intellectual search and development of my conceptual thinking is well documented in the many notebooks that I filled up along the way and presented in a digested form in the papers that were presented and/or published (as listed in the bibliography).

It is fair to say, however, that, towards the end of my lengthy intellectual pursuit, I found to my delight that most of the key ideas and principles of the philosophy of mind that I had developed along the way were essentially a mirror of the basic principles concerning the structure of all life that are explained in great detail in the works of the 3rd and 5th Century Neoplatonic philosophers, Plotinus (1952) and Proclus (1963), respectively. Their works had a different focus, of course, but the parallels between the content of what is explained are easily drawn if it is appreciated that the detail of the essentially unknowable spiritual realm (of monads and angels) can be regarded largely as a projection of the deeper inner realities of the human psyche.

The significance of recounting this intellectual journey of the thesis is to make the point that the author is informed by an intimate knowledge of the Enneagram typology in formulating the explanation of the synthesis of traits and characteristics that go into the recognition and definition of a trinity of menetypes. Likewise, exploring the scientific understanding of the three levels of abstraction and their manifestation in the world of human organization enhanced the author’s appreciation of the dynamics of the Enneagram personal typology. However, the principal influence is in terms of transforming the personal character typology into institutional archetyping but in such a way as to lend a certain “scientific truth” to the validity of the exercise.

The approach and conduct of the thesis study are therefore characteristic of a typical cognitive journey in reaching a scientific discovery, a new policy formulation, or a personal commitment of knowing. As questions are posed, tackled and reflected upon, discoveries made and formulated, and options assessed, committed to and articulated in formal conference papers and journal articles, thinking is moved between the different levels of abstraction in the to-and-fro process of cognitive reversion and cognitive procession. However, the methodology of this thesis can be summarised in terms of the following three phases.
Phase 1: Identification and Focus

- Identification began with the immediate intuitive recognition (cognitive procession) of the reality or phenomenon that the main players in the Cabinet decision-making process played out their roles in a way that reflected the same patterns of behaviour expressed in the principal personality typologies.

- The phenomena associated with this connection between decision-making relationships and personality typologies were explored and articulated in a couple of formal papers. The personal conviction that these phenomena were important fuelled the spirit of inquiry that drove the thesis study forward to determine the reasons why this metaphor of the human mind was such a powerful explanatory metaphor.

- The direction of further study was therefore focused on coming to an understanding of the nature and dynamics at both the personal and group levels of thinking. Such questioning drove the cognitive reversionary process of research to discover the essential meaning of the relationships and the universal principles that would underpin such institutional archetyping as identified in the Cabinet decision-making process.

Phase 2: Discovery and Understanding

- The initial questioning was in relation to what philosophical meaning could account for the intricacies and complexities of the Enneagram and Jungian typologies, and why it was that, although both typologies professed to portray the same psychic reality of the individual, there seemed to be a fundamental difference between their systems of personal differentiation. Many proponents/psychologists have conducted empirical research to document the linkages between the two typologies by correlating the personality profiles of individuals who had identified themselves in both personality typologies. However, there was an obvious unexplained mismatch that required a different approach to understand the differences in the driving principles of the two typologies.

- Therefore, the thesis questioning stepped outside the "pop psychology" paradigm of personality typologies to a philosophical approach to search for the commonalities in the modes of thinking being represented. The questioning was aimed at an analysis of the philosophic/cognitive significance of the dualistic (e.g.
conscious/unconscious) and triadic (eg body/soul/spirit) representation of man’s thinking in the writings of a number of philosophers/psychologists through the ages since the time of the Neoplatonists. The insights gained through this phase of critical questioning and research contributed to a personal transformation in thinking to grasp a new synthesised conceptual framework that could unite the principles and meanings of the philosophical models of human thinking and the two personality typologies.

- There followed a confident personal judgment of the truth in the proposition that human knowing relies on cognitive differentiation according to Aquinas’ trinity of abstractions—as conveyed for instance in the notions of concrete reality, abstract understanding, and prescinded universals. Secondly, there was a personal judgment that the Enneagram typology accorded with the application of this principle of trinitarian differentiation but that the Jungian typology was an incomplete expression which needed to be supplemented by additional cognitive perspectives. Further, it was assessed that all these essentially similar differentiations of human thinking were contained within the Neoplatonic view of the world as comprising hierarchically structured trinities of interdependent cognitive phases or perspectives of reality. Thirdly, it was logically reasoned that these systems of thinking embraced the more abstract human thinking in relation to organizational governance, but it was necessary to test the validity of this hypothesis with an analysis of the experience of particular types of organizations and comparing it with other scientifically established truths about organizational governance.

**Phase 3: Validation and Commitment**

- The reasonableness, applicability and usefulness of the mind metaphor as a conceptual framework for organizational governance were tested by analysis of the experience in organizations of each of the economic, political, and social spheres of a Western society; namely, the private corporation, The Public Administration, and the Church institution as they operate within the US capitalist democracy. The rationale and adequacy of the different forms of governance in each of these organizations were questioned in the light of the governance principles embedded in the conceptual framework of the mind metaphor to prognosticate about the further development of the organizations.

- Many insights and understandings were reached with regards the governance of these organizations and tested against the judgments of other commentators. There
is therefore considerable reference to the corroborating evidence of other scholars in the use of the mind metaphor to establish both the facts and the prognoses for effective governance in the changing environment. The key insight was the need to transform Weber’s (1962) *ideal types* into *menetypes* (numbered *ideal types* in a trinitarian order) to provide for an ordered application of the cognitive conceptual framework to organizations. The approach with the use of the mind metaphor provides both for an appreciation of the whole and an understanding of the dynamics of the differentiated parts of organizational governance.

- After the rigorous testing of the conceptual framework, a “yes” can be said to the truth that the essence and dynamics of governance can indeed be reasonably expressed by the metaphor of the mind and to the veracity of its formulation in the proposed theory of governance. Thus, a confident “yes” can be given to the validity of institutional archetyping by means of the governance framework of the relevant *trinities of menetypes*, because the principles of the mind metaphor generate valid understandings, appropriate value assessments, and practical intentions for action. This personal commitment to the “yes” is the basic reason for the conviction or authority of the writing in the body of this thesis and the conclusions reached.

Needless to say, there is no absolute certainty because one could never hope to capture all possible perspectives of organizational governance or the precise extent of their interrelationships if for no other reasons than that they are multitudinous and continuously changing according to the particular situation. Perhaps the modern large computer will now do some justice to the modelling of the multitudinous, complex but ordered intricacies of organizational governance according to the algorithm contained within the developed theory of governance. However, this would still only be a limited replication of the power of the human mind because, as even the 5th century Neoplatonist Proclus (1963) reiterated so long ago, the power of the human mind is virtually infinite and contains the potential for all perspectives of thinking about everything. However, there is a practical need to focus one’s cognitive power to address the particularities at hand and, therefore, only a fraction of the potential knowledge is brought to consciousness in the particular human mind with the rest continuing to reside in the personal and collective unconscious. Just how this conscious content and pattern of thinking are brought to bear is captured in the conceptual framework of the mind metaphor, the power of which is underpinned by the following attributes.

- *It reflects the way humans actually think* and therefore it can inform about the different ways there are of perceiving the particular reality and enable the selection
of the appropriate mindset for perception—in much the same way as the view through a hologram can be varied until lighting on the preferred one of the many perspectives of the one same reality.

- *It explains the rationale for different perspectives or mindsets* and how the different mindsets of groups or individuals result in different judgments, actions, and impact in the external concrete world. As a consequence, the mind metaphor can be used to define the appropriate questioning required to guide understanding and deliberation according to the different relevant perspectives.

- *It provides an integrated framework for individual and group decision-making* and facilitates the conscious choice of the appropriate judgments, assessments or decisions required for the particular set of circumstances across the various phases of human activity.

The metaphor of the mind informs and propels a particular philosophy of governance (Chapter 9) which explains the processes and different viewpoints generated in the following analysis of governance in the US society. In terms of the metaphor of mind, the thesis' analysis of corporate and political governance in the USA is an act of cognitive procession that flows almost involuntarily but informatively out of the author’s definitive “yes” at the highest cognitive level of knowing, that the philosophy of mind is indeed “true”, “real” and “good.” The flow of analysis is therefore more similar to an explanation in the light of the established theory of governance. Moreover, the way of cognitive procession also demands that the analysis should begin at the level of Western society which influences and shapes the nature of the organizations that are formed within the nation’s economic, political and social spheres—namely because higher-level abstract thinking drives the lower-order thinking.

This approach has been used in preference to conducting a truly empirical analysis in the way of cognitive reversion, where the analysis of basic information “from the field” on real-life governance is used to provide insights that can then contribute to the construction of a conceptual framework for the theory of governance. The reason for this is that the way of reversion used to establish the theory of governance in this thesis was through the fields of philosophy and psychology and, though this path of insights is not documented, the results in the form of the philosophic framework are explained and justified in Chapter 8.

As such, understandings, meanings and connections flow freely in the early explanation of real-life governance and put the author in a cognitive position of confidence to critique the governance perspectives of others against those that emanate from the developed philosophy
of mind. In a sense, then, the validity of the *JEWAL Synthesis* theory of governance which has been formulated in this thesis can be tested by judging the quality of this analysis and critique of the corporate and political governance theory in the USA.
2 Governance in Society

A society and the organizations within it are so because people believe or cognitively accept that they are so. In essence, the organization is not a concrete reality in the same way as one of its buildings or one of its employees. It is an abstract concept or belief, which has been called an institutional fact (Searle, 1995: 2ff), relative to the concrete knowledge that one is real and that one’s workmate is also real. That is, an organization is an organization because we think it to be so, but an individual human is real whether we choose to think about it or not, or whether we necessarily believe it or not. When individuals participate together in an organization or society, they are thinking and interacting in a language that is at a higher level of abstraction than they would do if they met socially. That is, the individuals are thinking and speaking of organizations or groups as though they are a single entity with personal characteristics. Moreover, they will tend to think and speak of the organizations out of particular mindsets that reflect some kind of inner beliefs or implicit assumptions. For instance, ‘practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist’ (Keynes, 1936: 383–384). The particular ideas that these practical men do pick up on in preference to other ideas, have something to do with the inner developed cognitive preferences of the individual as is explained throughout this thesis.

Our belief or implicit assumption about an organization is qualitatively different from our belief about a society. For an organization, one could point to the legal contracts, sight and list all the buildings and physical resources, identify all the people and their respective roles, and then imagine the sorts of relationships that exist between all these facts and the potential capability of their collective creative, knowledge and political power. The notion of society, however, is really yet another level up beyond our imaginative faculty and is often difficult to grasp or articulate. One is usually content to grasp more at universals or the totality of the belief, such as the concept of a nation-state, and complement it with a secondary understanding of what it means to be an individual citizen.

It is also worth noting at this stage that, while thinking at the level of society represents the highest level of abstraction in the intellect, there is a whole higher level of the spirit of man. The workings of the spirit sphere of the mind are at a higher level of abstract thinking than that usually associated with the intellect or rational mind (Chapter 8 refers)—that is, the spiritual machinations (or phase #C) of the soul are prescinded or beyond the concrete body (phase #A) and thinking intellect (phase #B). It is for this reason that our spiritual beliefs that
are formed and operate at the highest level of abstract thinking, have the power to influence and frame the individuals’ thinking about their approach and understanding of society, the group and the individual. In these terms it can be seen how astute and correct Weber (1930) was to focus on the way man’s changing spiritual values helped frame the development of the modern capitalist society. After the same manner, an individual’s thinking at the higher level of abstraction in which society is treated as a single entity, in its turn, affects the individual’s way of thinking at the organizational and personal levels.²⁴

‘An institutional fact cannot exist in isolation but only in a set of systematic relations to other facts’ (Searle, 1995: 35). That is, each individual has these particular sets of beliefs and knowledge operating at three levels of abstraction: namely, what it is to be an individual, a group, or a society. These sets of understandings that comprise our knowing in terms of an individual, or a group, or the society have been defined as menetypes—i.e. “numbered” ideal types or groupings of like, mutually supportive information. In this case there are three interrelated menetypes and conceptually they can be represented as a trinity of menetypes as depicted in Figure 2. That is, the trinity of menetypes grasps three different perspectives or three phases of thinking based on the three different levels of abstraction. Considered in this context (in keeping with the metaphor of the mind), it can be seen that our thinking about the individual influences and is influenced by our thinking about the organization and the society the individual is part of and vice versa. Our thinking about these three aspects is interrelated but differentiated, differentiated but interdependent. This is what is meant when it is said that man is a social animal. It means that one is able to, and moreover cognitively looks to, think on these three levels of abstraction and to think of oneself as an individual, as a member of a group, and as a member of society. However, it is cognitively impossible to think simultaneously in terms of each perspective equally, but rather one of the three levels of thinking is given predominance at one particular time.²⁵

The modes of thinking in terms of the individual, the group and society constitute the core, central differentiation in the cognitive framework of the intellect. There are three insights that can be interpolated from this key trinity of menetypes and their associated cognitive dynamics.

- One’s commitment to a particular concept of society flows readily and involuntarily into framing one’s conceptions of how an organization should be and then how one personally should be²⁶ (in keeping with the concept of cognitive procession explained in Chapter 8 and as depicted by going with the arrows in Figure 2). It does not work so easily going in reverse (i.e. going against the arrow
in Figure 2), where one has to labour under cognitive tension to question what is this so-called organization one is experiencing in the light of one’s focus on the individuals who make up that organization, and so on to conceive of the truth of the society in light of one’s knowledge of the individuals and organizations of which it is comprised.

- No individual can think at all three levels at once. There is an irreconcilable cognitive tension when trying to inform a line of thinking with the three countervailing perspectives of being simultaneously an individual, a member of an organization and a member of a society. For instance, what one needs to do to survive as an individual may be in conflict with the loyalties owed as a member of an organization or with the responsibilities of being a good citizen (i.e. when one either emigrates or sacrifices one’s needs in subjugation to the needs of the state). One therefore chooses to accord an importance in thinking at one particular level of the individual, the group or the society, and that determines how important one holds thinking at the other two levels—namely, the next highest level is secondary and the lower level is consciously repressed. For instance, the so-called “company man” is an archetypal conception in which it is imagined the individual is focused entirely on the “good” of the organization and therefore thinking principally at the level of the group (as opposed to his/her own personal advancement). Consequently, it is relatively easy for such a person to see what the organization needs to be doing as a good corporate citizen but he/she is not so prepared to focus on what he/she should be doing to be a balanced, healthy individual himself/herself (because he/she tends to repress the thinking of himself/herself as an individual human with his/her own personal/individual needs and aspirations).

- There are similar subsets of cognitive trinities supporting each of the three levels of abstractive thinking. Essentially, one tends to think of each of the individual, the organization and the society as though they were a unit or a real individual. One is inclined to say that the organization did this or that the nation did that, and even personal characteristics are attributed to them, such as referring to the organization as being a tough, or inward-looking or irresponsible. This is a natural outcome of the similarity of cognitive explanatory patterns used to categorise in one’s mind the notion of another individual, an organization or a society, albeit at increasing levels of generality accorded to the higher levels of abstracted thinking. The implication of this is that the explanatory patterns of the Enneagram and Jungian typologies
used to explain the motivation and thinking of individuals, can legitimately and usefully be adapted to explain the way one thinks about the dynamics of organizations and societies.\textsuperscript{27}

This thesis is principally about the dynamics of organizations. As identified above, how one understands the nature of these organizations is determined by the nature of the society they find themselves in.\textsuperscript{28} This follows, in principle, from the cognitive law of procession that decisions and beliefs adopted at the higher levels of abstraction (namely, society) flow down automatically to inform and shape the thinking and actions at the lower levels (namely, the thinking and action about groups and, then, as individuals). Therefore, it is necessary to discuss the nature of society before analysing the dynamics of particular organizations.

Moreover, this discussion of society and organizations will focus mainly on the experience of the Western industrialised society, particularly that of the United States. This is for three main reasons.

- As merely an outside observer of the US society, I will be excused for the seemingly generalised, simplistic approach and any accusations of not seeing the trees for the wood—purposely phrased, as it is important to stick to the key driving principles and not to get too distracted by the detail.
- Most of the management, sociological and political literature covered refers to the United States and so can be used as a source of examples to illustrate the key concepts.
- The US experience provides a clearer example of the interplay of the key cognitive insights and concepts at work.

Needless to say, however, the analytic framework and concepts can be used to explain the dynamics of the society and life of any other country, and some reference will also be made to the experience in Australia and in the United Kingdom.

In general, individuals begin to frame their views on the society in which they live at quite a young age. It is essentially something beyond them and is broadly taken as given. The way individuals frame their "knowledge" about how their society operates is through a process of experiential learning and adaptation (i.e. through seeing and realising or acceding to what is or is not, what is right or wrong, what is valued or not, etc.) and by accepting what they are told by their significant elders or peers. Cognitively, this process essentially involves seeing and experiencing at the phase \#A of knowing and adopting the knowledge transmitted about society into the intellect at the menetypc level \#C of knowing (i.e. going with the arrow in
Figures 1 and 2). This is the cognitive process of belief and involves very little questioning or intellectual processing by the individuals—any of the "why" type questioning is usually met with rationalisations to justify why it is so; and that is that!

In the life of young individuals, therefore, the notions of society are formed unconsciously in the main. They are not an issue, and thinking about them is actually repressed in going about their day-to-day living as individuals, focused on surviving and thriving at the menetyp A level of the individual. Any conscious thinking about the nature of their society is largely irrelevant. Of more immediate relevance is what role they are required to play in their immediate groups—which involves the secondary thinking at the menetyp B level—such as the family, their peer group, their school, sports' teams, etc.

Problems arise, of course, when the individual migrates from one society to another at an advanced age, particularly when the essential characters of the societies are different. It is very difficult to change the belief system at such a high level of abstraction that constitutes the individual's thinking about society. It is not quite as dramatic as changing one's religious/spiritual beliefs (which are formed at an even higher level of cognitive abstraction), but it is still much more difficult than say changing groups (including even perhaps the family). The different ways that the individual could adjust would take some explaining but an understanding flows directly out of the cognitive dynamics of the philosophy of mind (Chapter 8).

In what way, then, do individuals structure their thinking about their society? One's thinking about society has been most usefully considered to comprise three interrelated sectors of activity, namely the economic, the social, and the political.29

The notion of the economic life (menetyp A) of a society captures the concrete material aspects of the communal experience. It is about those aspects of the social catallactic30 system that can be externalised and concretised to allow a materialistic exchange between different parties. Essentially, it captures the external expression of the "consumer wants" in the market of exchange of goods and services and anything else that can be formulated in an external manifestation—such as patents on particular knowledge or process. The measure of performance in this menetyp is external success; for instance, the show of great production, consumption or wealth—the more, the better. It is about the individual and collective will to act, to co-create or to fabricate a new reality; achievement is the driving motivation and it is continuous and never ending. No single achievement is ever enough as there is always another possible achievement in sight. As a result, production and consumption are taken well beyond
the level of basic needs. ‘He saw deeply into the role of work that it continued long after they had become rich’ (Tocqueville, 1966/1835: lxxvii).

The social life (menotype #B) is less tangible and comprises more the imaginative framework of the desired way of personal life, civic life and aesthetic fulfilment. Essentially it captures the inner life of a society that goes to make up what is called its culture. It is about the associations of life that are valued and fostered within the social catallactic system; for instance, whether to have insular households or extended families or neighbourhoods, how personal and neighbourhood security is to be provided, the mix of voluntary and professional association, and the regard for aesthetic pursuits. The concern in this menotype is the degree to which citizens have an inner sense of belonging and security within the group (as opposed to danger from outside foes). Loyalty and ordered living are the driving motivators and there is constant peer pressure on each another to live a life that supports the ordered life of the whole group.

The political life (menotype #C) of a society is the least tangible, most abstract form of exchange in the social catallactic system. It is characterised by an endless and largely indeterminate myriad of interlocking webs of personal and group alliances. These alliances are not formalised or even imagined as something that could be formalised in a concrete, unchanging way (noting the historic experience of the convenience factor in the adherence to particular treaties). The manifestations of the political system such as the promises, the policies, the spending programs, and the edicts and laws that emanate continuously are certainly visible and tangible—for the moment anyway! However, though there are many claims, nobody can really get a detailed grip on how such decisions have come about—sometimes not even the players themselves really know. It is characterised by a trading in power that can be assembled in a particular situation. The overall concern in this menotype is the level of trust that is assessed or “felt” to exist throughout the catallactic system. The degree of personal satisfaction of the individual is influenced by the degree of power that he/she “feels” he/she can bring to bear. Personal, group, and national survival are high priorities in exercising the political catallaxy, and it is here where the values of the society have greatest conscious impact in the making of decisions.

These three menotypes of the social catallactic system are taken to contain an explanation of all conscious social action within the society, as interpreted in terms of the inherent pattern of these menotypes themselves. In so doing, they therefore comprise a trinity of interrelated menotypes as depicted in Figure 3. As a consequence of acknowledging the economic, social and political spheres as a trinity of menotypes, some key insights follow.
Insight 1

First, society as a whole will hold up a collective focus on one of the three sectors as a priority, which then determines the lesser order of the other two sectors. For instance, in the feudal times after the collapse of the Roman Empire, the focus was on the stratification or politicisation of their societal life—that is, who was aligned with whom and who is going to provide for one’s safety and physical security. In keeping with the dynamics of the trinity of menetypes, because the prominence was given to the political and manorial alignments, the social life of the population at large (with its institutional serfdom) was subservient to the class system of rights and privileges. This subjugation of the vast majority of the population was accepted as a legitimate state of affairs and even promoted by the Church of the day as in keeping with the divine state of affairs. The enlightenment was the breaking out of this traditional politically oriented mindset into the more entrepreneurial doing, give-it-a-go mindset that led to the industrial revolution. The advent of the modern capitalist era encapsulated the shift of the society’s collective focus from political alignments to economic alignments—from the question of “who ruled” to the different question of “for what purpose did they rule”. “It’s the economy, stupid!” as some modern-day politicians would say. This represents an evolutionary (it is explained above how this is regarded as an advancement in the maturity of thinking) movement around the trinity from menetype #C to menetype #A. This movement only occurs after much internal tension (rather than external tension as suggested by Marx, 1952)\textsuperscript{32} and painful repositioning of the thinking.

This focus on the economic sphere (menetype #A) was no more evident than in the United States. It was evident back in Tocqueville’s time, ‘The ethos he saw in America was an economic ethos... Because Americans all aim at the same prizes, the diversities of personality are levelled out’ (Introduction to Tocqueville, 1966: lxxvii). Moreover, this observation was also supported by Charles A. Beard (as quoted in Miller, 1969: 274) ‘in his famous book maintaining that economic determinism was behind the drafting of the American Constitution.’ It was even more evident through the time of the great capitalists and is clearly evident today.\textsuperscript{33} For instance, material success is highly valued and even the measure of the success of the Government is in large part assessed by its success with the domestic economy. And who can argue about the power wielded by the great multinational corporations of today.\textsuperscript{34} This focus on the economic sphere has a number of implications.

- The other social and political spheres are then made subordinate to the economic sector in the minds of the citizens and in the practices and institutions they create.\textsuperscript{35}

Tocqueville (1966: lvi) was pointed but insightful when he observed, “men only
undertake to direct the fortunes of the state when they doubt their capacity to manage their private affairs." It was a shrewdly expressed half-truth—that in a democracy where the prestige lies with the economic action, those who can, do, those who can't, govern.' While these comments were made at a time when the USA was only a fledgling capitalist democracy, it is still true even today in the world of more sophisticated politics of parties and powerful lobby groups that greater esteem and remuneration is accorded the captains of industry than to the power-wielders of politics.

This is saying that when thinking is focused on the economy as menetyp #A, then society represses (in keeping with the dynamics of the trinity) the importance of menetyp #C which is the political aspect. For instance, there is constant pressure for the Government to maintain the laissez-faire approach to business and exert as little power as possible in regulating commerce. Moreover, it is obvious that the Government and society (through the press) of today are preoccupied with the state of the economy and the almost divine status given to economic growth. The Government works for the betterment of the economy rather than the reverse. For instance, the Government puts a lot of effort into gathering and circulating economic statistics, much more so than for social or political statistics. Much of the superstructure provided by the Government is for the facilitation of commerce, aiding the producers, workers and consumers to participate in the economy which is controlled by the private sector (for instance, higher education is pressured to become more and more vocationally oriented). The Government sector is actually quite large but often it is only providing those services and products which are not as readily forthcoming from the private sector, and if perchance there is a so-called market for a more concrete voluntary exchange, then there is a predilection for the Government to give way to the economic imperatives (i.e. privatising, user charging and outsourcing, etc). Even family life is subjugated to the needs of the economic life, as families in the USA are much more atomistic and mobile units with much weaker ties to the extended family than is the case in other cultures.

- In keeping with the dynamics of the menetyp trinity, a focus on the economic sphere actually means a deliberate suppression of the political sphere and a harnessing of the social sphere as a secondary support to economic life. 'What strikes every traveller in this country... is the spectacle of a society proceeding all alone without guide or support by the single fact of concourse of individual wills. It
is useless to torment the spirit seeking for the government; it is nowhere to be perceived, and the truth is that it does not, so to speak, exist’ (Tocqueville, 1966: xlix). This comment is in keeping with the still current, almost religious dogma that small government is best and that the Government should keep its nose out of the private sector (unless, of course, it is called upon to help). ‘Nothing in American business attitudes is so iniquitous as government interference in the internal affairs of the corporation. The safeguards here, both in law and custom are great’ (Galbraith, 1967: 77). There is, therefore, a predilection for individuals to focus their collective thinking more consciously on matters dealing with economic life and to repress thinking through political (or philosophical) issues. This emphasis on the economic and the diminution of the government life can be conceptualised as depicted in Figure 4, which captures the psychic understanding that the repression pushes this sphere of thinking down into the unconscious—and, as a consequence, people come to view politics and politicians with great cynicism (and in quite an unproductive way). This perhaps explains in part why the Presidential race has needed to evolve into such a glitzy, sales-oriented, showman-like affair so as to reach the nation’s repressed political consciousness (i.e. the world of the collective unconscious, emotions, and unarticulated social values). It also explains, in part, why the public administration apparatus has not really been allowed to develop (as has occurred in the English and Australian “Westminster” systems). ‘The United States has never and does not now have a genuine civil service, in the fundamental sense of a reliable civil-service career, or of an independent bureaucracy effectively above political party pressure... Neither professional party politicians, nor professional bureaucrats are now at the executive centres of decision’ (Mills, 1956: 239; 241). The subjugation of the public administration by continuously importing its leaders from outside (being usually from the market sector), has ensured that the “public good” which the public administration holds to serve is principally held to mean “the economic or corporate good”. Or ‘what is good for the United States is good for the General Motors Corporation and vice versa’ (Charles Wilson’s much-used quote as taken from Mills, 1956: 285).

- This spirit of the menotype #A economic sphere of the national psyche becomes imbued in the collective (or society-level) thinking of citizens and influences their thinking on the other levels of abstraction. This means that the material success that is captured as a high priority in the collective psyche colours the individual’s thinking in the other political and social spheres. For instance, it is the President
and the Executive arm of government that is held in highest esteem and treated almost like monarchy (which is after the menetyp A spirit). The menetyp A spirit is an achievement, expansionist motivation that drives an enormous amount of activity to "do something", to achieve one goal after another, and then to go looking for yet another goal to strive for. Corporations will keep getting bigger and keep competing with others for greater renown (in terms of size, market share, profit or any other tangible manifestation of success). It was correct to observe that for him, the distinctive feature of the modern capitalism is that it is the "first mode of production to guarantee" long-term economic growth (Habermas, as quoted in Burns, 1974: 134). That is, all energies of the menetyp A spirit go into material achievement, there will be persistent efforts until success is achieved, and there will never be enough achievement.

The early entrepreneurial capitalists were the archetypal encapsulation of what the menetyp A success and achievement orientation is all about. It was under their watch that the companies cum corporations, as the main institution of the market economy, underwent their spectacular growth spurt in the latter 19th and early 20th centuries (Berle and Means, 1991/1933; Galbraith, 1967). Given that the corporations are nurtured in the collective menetyp A spirit, it is no wonder that they have grown to be the largest and most influential presence of the "American way" throughout the world.

**Insight 2**

*Secondly*, it means that the particular menetyp emphasised at this highest level of thinking also influences the thinking and operations at the lower levels of collective and personal thinking (in keeping with the cognitive laws of the trinitarian hierarchy). For instance:

- The big corporations started under the capitalists, and the majority of these corporations are still being ruled in the menetyp A spirit, with the all-powerful executive chairman being relied upon to lead the corporation into the next promised land—and, if they fail, they are jettisoned to the corporate grave (Galbraith, 1967: 96–97) in the same way that the failed monarchs (also menetyp A) of the past were put to death for the good of the country. How the actual operation of these corporations was subsequently transformed to the new so-called managerial society, will be explored later under the detailed discussion of the private corporation.
• The priority given to enhancing and protecting the living conditions of those who have been successful in the economic sphere at the expense of those who have not made it. Even social welfare when it is regarded in the light of the “winners” having to give charity to the “losers” is in keeping with the menetype #A spirit.

• The manifestation of the relative choice for economic freedom ahead of social equality and political fraternity mirrors the collective choice for the menetype #A spirit of the economic life. Freedom (as it also expresses the spirit of the menetype #A) and, particularly, economic freedom is made a high value—and the measure of achievement of this freedom is the availability of opportunities for everybody to make the same success and reap the same rewards as others have done and are doing. Freedom takes pre-eminence over equality (a menetype #B value), which in the face of economic freedom is held down to equality of opportunity and equality before the law. Even the practice of equality before the law is compromised by the clear experience of the wealthy being more equal (because they can afford the better lawyers and the longer trials). Under this collective regime the ideal of fraternity (a menetype #C value) or close-knit community is devalued and repressed, and the so-called individual (economic) freedom turns into individualism and very isolated, insular, atomistic social lives for the citizens. ‘The greatest enemy of the human spirit he found in what he called “individualism”, by which he meant the separation and loneliness of men in a mass society, without a principle of social authority to serve as a cement between them’ (Tocqueville, 1966: lxxx). Such a “social authority” would be the ideal of fraternity or social networks.

Insight 3

Thirdly, it demonstrates that the evolutionary path of progress for societies is towards an increasing differentiation of reality by a process of collective cognitive reversion (going clockwise against the arrows in all Figures).³⁶ That is, there is a development from a focus, say, on the political sphere to a focus on the economic sphere and then onto the social sphere. Going in the reverse direction is the way of revolution, with a regression in the quality of life of the society.

For instance, the experience of the Western civilisation in moving from feudal times to modern capitalism as described earlier is a move in this direction of evolution. As for the US experience, the early days would have been marked by a focus on the social order as the religious groups that had emigrated sought to survive and hold their group together and true to the faith. ‘The framers of these penal codes (i.e. in Connecticut) were especially concerned
with the maintenance of good behaviour and sound mores in society... in America one may say that the local community was organized before the county, the county before the state, and the state before the union’ (Tocqueville, 1966: 35; 37). Then through the War of Independence and the establishment of the nation the focus would clearly have shifted to the political sphere. But, by deliberate design of the founding fathers, the political life was held to a minimum and this focus of the new country shifted quickly to the economic sphere, and that was essentially where Tocqueville found it a mere 50 years later.

**To repeat**, the purpose of a cursory analysis of the dynamics of the level of society is to frame the influence that this higher abstract thinking has on the lower levels of thinking regarding the nature and dynamics of organizations (and below that of the life of the individual as a separate individual). The following chapters are aimed at explaining the dynamics of organizations, principally the private corporation, the public administrative agency, and the not-for-profit organization. Each of these units “lives” in a different sector of society, namely in the economic, the political, and the social spheres, respectively, which are the first-order trisection of society described above. It is therefore useful to consider in more detail the internal fabric of the way that individuals have structured their thinking of these three spheres of a society to help locate the individual agencies in the collective psyche. What follows now is the application of the trinitarian concept of *menetypes* to the next lower level of abstract thinking about society and its component parts that can be thought of as distinct but all interacting as a whole—that is, “unity-in-distinction” (Dodds, 1963: 300). A system of superscripts has been employed to distinguish the lower level of abstraction from the higher, eg *menetype #A* represents the lower-level *menetype #A* perspective within the higher-level abstract *menetype #B* perspective. It is written in this order because the orientation of the lower level is more immediate and relevant to the particular situation but is affected from on high by the influential higher levels of abstract thinking. The logic of lettering would follow by reflecting the higher relevant levels as successive superscripts: *menetype # (C)* would represent the *menetype #C* orientation at the lowest level within the *menetype #A* orientation of the intermediate level, which was within the *menetype #B* orientation of the highest level.

The key, then, to establishing the context for the organizational analysis is to break down the thinking gradually within a consistent framework by moving from the broader more abstract notion of society through a trinitarian hierarchy of perspectives until each of the organizations to be studied is positioned (within the human’s cognitive framework). What is contended in pursuing such an approach is that each aspect of society can be thought of as comprising three differentiated “spirits” of operation, and this trinitarian pattern can be
usefully repeated to build up a comprehensive explanation of the essential operations of society, and the role of human organization within the US society in particular.

2.1 Economic Sphere (menetype #A)

The individual’s thinking on the economic sphere of a society can be framed in terms of the following sub-menetype trinity (as depicted in the lower right-hand sphere of Figure 5).37

- **Consumption (menetype #A^4)**, which captures the concrete, external aspects of the economic sphere—it is where the actual product ends up. The consumer is real and identifiable, and the things exchanged to and from the consumer are real, tangible, identifiable entities. Essentially, if the consumer cannot physically acquire the product or service, meaning that if the consumer cannot acknowledge that he/she actually has it, then it does not form part of the economic sphere. This aspect is the raison d’être of the economic system and captures the principal reason that the economic sphere itself takes on the menetype #A characteristics.

- **Production (menetype #B^4)**, which comprises the systems that organize the acquired raw materials into the “imaginative” processes that fabricate, offer and deliver finished products to the consumers. The system of processes used ranges from the simple one-person “back-yard” effort up to the large modern multinational corporation. It is well-documented (Berle and Means, 1991/1933; Galbraith, 1967) how the vast bulk of the production of goods and services is now concentrated under the control of the large corporations. This is a secondary supportive role to the process of making the products available for consumption.

- **Market Exchange (menetype #C^4)**, which is the event that sets some value on what is being transferred; in particular, what it costs the consumer to acquire the product from the producers, such that an exchange can actually happen. The value or price is arrived at in many different ways, but the bottom line is that each of the parties reaches agreement and commitment to effect the change and each trusts the other to deliver that which is agreed. If consumption (i.e. menetype #A^4) is the primary aspect of the economic sphere, then market exchange is the cognitively repressed (as menetype #C^4) aspect—or Adam Smith’s (1952/1776) “invisible hand” as it is well known. Economists, in general, have failed to realise and expound that the basic underlying mechanism of market exchange is essentially one of power dynamics.38 As observed by Burns (1974: 168), ‘The third obstacle to traditional
economic solutions lies in the inability of traditional economics to understand the sources of power in society. The notion of rational economic man is therefore largely seen as irrelevant in the aspect of market exchange, though it might be seen to operate through the repressed menotype #B aspect of the market mentality (i.e. menotype #B^C of the menotype #A economic sphere)—in which case it is likely to be an undeveloped and primitive expression of what economists would have us believe as rational economic man.

That these three aspects can be analysed as a trinity of interrelated menotypes gives some interesting insights of the dynamics of the economic sphere.

- Consumers embody the wellspring of desire and exercise the will to acquire that desire. If the consumer does not look for or does not want the product there is no market exchange. That is, consumption (or menotype #A^C) is predominant in the economic sphere. This comes back to the well-understood but sometimes ignored truths of the power of knowing your market to appreciate what the potential consumers desire, and the power of advertising to help stimulate and influence the consumers’ desires. It is all about an activation of the consumer’s will by conscious or unconscious means. But it means that the consumer has to envision a better reality than the present if his/her will is to be activated to acquire the product. There is nothing objectively rational about what a person can envision or desire—in fact, the scope is only bounded by the need for the possibility of that desire being made concrete, or realisable.

- Neither does the spirit of the market exchange embody any notion of objective rationality [in the sense of Weber’s (1962) legal-rational approach]—that is, it does not fit the mould of the rational economic man. This menotype #C is the place of subjective personal or group value within the higher economic sphere, and though value—or Jung’s (1971) feeling function as opposed to emotion—may be arrived at rationally (i.e. for conscious reasons) it is not arrived at by objective logic (as implied in the notion of the rational economic man). Values are internal to the individual or group but manifest in external actions. This spirit would be in agreement with Oscar Wilde’s (Bartlett, 1968: 839) scorn of the cynic who knows the price of everything, and the value of nothing. Although true values and feeling are determined rationally (i.e. personal decisions through conscious reasoning) by people mature in the phase #C spirit, they are normally termed irrational in the economics discipline, mainly because there is some live cognitive connection of the
phase C spirit to the influence of the lower level emotions. Essentially, the spirit of the menotype C is the “right” (as decided by the person with the power) exercise of power and so it is relative power that really matters in the market exchange sphere. Money is the most obvious and brute expression of power and hence the preoccupation of economists with the role of price in the marketplace. However, individuals’ personal response to external power is not linear, and so what economists are really measuring in the marketplace is the spread of individual tolerances to the imposition of external price power. Intuitively, the same analysis could be applied to the citizen’s response to an increasing autocratic political power—that is, one by one (or two by two) they drop out of civil support as the flaunting of power escalates. The dynamics of power interactions should be the focus of the economists’ study in of the market, rather than some notion of a logical economic man.

- The only real area of rationally objective, logical behaviour is in the production sphere (menotype B), which is clearly exhibited in the operation of the large corporations. Here there is a focus on planning, efficient processes, order and control desirably in all aspects of their operations, and a hierarchical structure and mentality are favoured to bring this about. Moreover, Galbraith (1967: 198ff) goes to great lengths to explain how the large corporations put a high priority on stable, predictable prices (so they can plan logically with confidence), and use their oligopolistic power in the markets to achieve them.

Much, of course, could be done with this analysis to rework the understanding in the field of economics. This, however, is beyond the scope of this thesis, which must stick to the task of analysing the principles of organization and management. In summary, therefore, the main points to note and take into the following analysis are that the corporation is framed in terms of a type B spirit operating in the menotype A economic sphere of the type A oriented US culture, which, in turn, has a very important influence on the actual thinking and behaviour of the corporation (as opposed to say a public service agency). The other aspect to note is that a mature corporation gets to be well-steeped in the type B spirit of hierarchy, planning, efficiency and control and, to do so, is in danger of repressing its orientation and sensitivity to the type A spirit—which just happens to be that spirit which is encapsulated in the potential consumers of its products!

Again, the overall point is that no individual or group can think simultaneously in the spirit of all three menotypes to the same degree—there has to be some focus and priority given
to one of the three to ensure movement. However, this thesis will be concerned with how processes can be set up to at least make sure some attention is being given to thinking in the spirit of the other cognitive spheres, and that they potentially can have some voice. In this way, they can be heard at the times when the situation demands that their thinking should come to the fore, and if they have been exercised a bit then their thinking and recommendations have a chance of being more mature and worthwhile than otherwise might be the case (if they are neglected).

2.2 Social Sphere (menotype #B)

The individual's thinking in terms of the social sphere of a society can be framed in terms of the following sub-menotype trinity (as depicted in the lower left-hand sphere of Figure 5).

- **Living Standards** (menotype #A^B of society), which encapsulates the concrete, external aspects of the social fabric. This aspect incorporates the physical attributes of one's personal and communal existence, such as the developed environment, the mode of dwellings and the urban infrastructure. It also encapsulates how personal and communal resources are allocated as might be picked say in a household activity/spending survey. How do the citizens spend their time and resources in work, education and leisure pursuits?

- **Associative Arrangements** (menotype #B^B of society), which capture the societal links in families, neighbourhoods, local communities and as a broader body of people. Religious associations have tended to be the most important of these but it includes any associations that go to support the inner life of the society. Voluntary associations and the not-for-profit organizations (which are to be analysed in this thesis) form out of this social spirit. It is all about fostering a sense of belonging and loyalty amongst the citizens on the basis of equal rights (or otherwise) to live and partake of society.

- **Aesthetic Life** (menotype #C^B of society), which captures the more intangible aspects of society such as the mores and values of the society in an artistic or tasteful way (meaning that some assessment on society is conveyed in artistic form). Not only is this spirit expressive of what is real about the way society is operating and where it is putting its focus, but it can be a force encouraging commitment of the collective to move in another direction. It has the power to
enjoin and hold up the perspectives of the standards of living and associative patterns to transcend them to form a higher level of culture.

How these perspectives are played out determines the perceived culture of the society. In this light there are some useful insights to be drawn about the dynamics of this lower-level trinity of \textit{menetypes}.

- It is one of the properties of the hierarchy of \textit{menetypes} that the basic \textit{menetype \#A} of any trinity should define the notion of “the good” aspired to by the spirit of the next lower trinity of \textit{menetypes} in the hierarchy. In this case, the US collective conception is that the aspiration of their living standards should be defined in terms of individual material affluence: ‘a family’s standard of living becomes an index of its achievement’ (Galbraith, 1967: 38). This concept of individual material affluence then defines “the good” that is strived for throughout the entire \textit{menetype \#A} economic sphere—i.e. individual material affluence is the star in the sky and the measure of success achieved by the economic system, or ‘that social progress is identical with a rising standard of living has the aspect of a faith’ (Galbraith, 1967: 164). This aspect should be noted to inform an understanding of the later analysis of the private corporation.

- Too much of a focus on material living standards (\textit{menetype \#A\textsuperscript{B}} or \textit{type \#A} at the ground level) results, according to the dynamics of the cognitive trinity, in a conscious repression of the value of aesthetic life (\textit{menetype \#C\textsuperscript{B}} or \textit{type \#C} at the ground level)—arts and philosophy are devalued.\textsuperscript{41} This seems to have been the experience in the United States, where there does not seem to be a lot of social encouragement for individuals to pursue the aesthetic life—particularly at the expense of their work life or material success. For those who do wish to pursue an aesthetic life, it is often much tougher and less remunerative than normal pursuits. This is changing to a certain extent in the so-called postmodern age, where societal thinking has shifted to a more amenable attitude towards aesthetic reality. This aspect together with the above-mentioned tension between the predisposition, or spirit, of a particular individual and that of the group or the society are issues that will be taken up later.

- US history has seen a strong presence of voluntary associations, but in recent years it has been reported to be on the wane (as it has also in Australia) as the society achieves material success and seems to pursue it even more vigorously. In \textit{menotype} terms this is bad news and is going in the wrong direction for collective

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psychic health. In recognition of this there has been a call from some academics (eg Etzioni, 1995) for people to build more community links, and unless this happens individuals will suffer the consequences.

Finally, it is important to note for the upcoming analysis of the not-for-profit organizations that essentially they are imbued with a menetpe \#B\textsuperscript{B} spirit within a primary menetpe of the same ilk (i.e. the menetpe \#B social sphere). This coincidence of the two phase \#B spirits is mutually reinforcing but the overall psychic importance is dampened by the fact that at each level in the American psyche, they are only in a secondary supporting role behind the menetpe \#A economic sphere and the menetpe \#A\textsuperscript{B} living standards. Nevertheless, the mutual reinforcement means that the not-for-profit organizations are doubly endowed with the spirit of loyalty and efficient service to their community of members, and should actually doubly eschew the menetpe \#A spirit of the economic sphere.

2.3 Political Sphere (menetpe \#C)

The nature and dynamics of the individual's thinking on the political sphere have been well expounded by Montesquieu (1952) and comprise the following sub-menetpe trinity (as depicted in the top sphere of Figure 5).

- **The Executive** (menetpe \#A\textsuperscript{C} of society), or the President in the case of the United States, which encapsulates the most concrete aspect of the political sphere.\textsuperscript{42} This is the arm of Government that expresses and carries out the will of the Government. It is about envisioning a better present (or creating the policy options), about devising the implementation of policy, and about doing—but not the deciding or committing on Government policy unless delegated by the legislature to do so. To the extent that the President rises above this operational level to encapsulate the vision and direction of the whole country, he/she, in one sense, can then encapsulate the “Good” at the next level up—beyond this level of society (i.e. it is more closely akin to the spiritual!) This is, essentially, the higher level of thinking that aspirants attempt to encapsulate when running for election to office—the “vision thing”. John Kennedy is perhaps the President who was most successful in holding onto this higher collective thinking while in office (eg the vision to put the first man on the moon)\textsuperscript{43}—at least in retrospect, that is. Administrative agencies are set up beneath this authority to support the implementation, but it is the Office of the President that is responsible. As it is about expressing the society's will, the
Executive needs to conceive and promote creative acceptable solutions to the society’s desires or problems—and this is achieved by sponsoring spending programs that are directed towards areas of priority. In essence, this is the same spirit as principally enshrined in the monarchies of previous ages, who were required to deliver prosperity and perhaps expansion. To fail to achieve this is death. Like all menetyp #A spirits, it is imbued with some measure of charisma which means that citizens must be able to project their wish-fulfilment (or often unconscious desires) and inner-valued ideals onto the particular incumbent.

- **The Judiciary** (menetyp #B^C of society), which is responsible for enforcing the laws and norms that are established by the people’s government. This is the sphere of law and order, and maintenance of civic harmony. Equality before and loyalty to the law are high qualities practised in this sphere. While the pursuit of truth is really in keeping with the spirit of this menetyp #B, it does not seem to be always the case in practice. This spirit is in keeping with the countries (i.e. European) where the judge is responsible principally to inquire after the truth. The US practice is more in keeping with a competitive encounter to determine innocence or guilt—which is more in keeping with a menetyp #A spirit. This is probably as a result of the all-influencing dominance of the primary type #A spirit of the American psyche which is about competing and winning in the marketplace. As a consequence, the power of the Judiciary is diminished in terms of its core spirit of equality and truth, with greater power being handed to the creative and practical (i.e. type #A) lawyers (which really represents the repressed/inferior aspect of the Judiciary menetyp #C^6)

- **The Legislature** (menetyp #C^C of society), which is responsible for capturing and processing the debate on the society’s issues to be resolved. It is the ultimate sphere of political actions, being a lower-level menetyp #C in the menetyp #C sphere of political life. It is primarily about power, the exercise of it, the compromise with it, and the rights in determining it. This is also the place of values, of collective values, and so it quite readily bends to serve the value that the society holds most dearly—namely, in the US case, the economic imperative (as expressed in a phase #A mentality). National security is also a natural high priority for it is important to this mentality to protect the survival of the country and the group. If the individual has a character that is personally oriented to phase #C thinking, then he/she will also have very strong self-preservation instincts.
The following are some useful insights that can be observed in the dynamics of this particular trinity of lower-level menetypes.

- It is perhaps easier in this case to grasp how a trinity of menetypes encapsulates three quite different ways of exercising power amongst people. In this case it captures three different ways in which political power is exercised. By political power, is meant power that derives from the decision by the one person or group (because of this personal balancing of relative costs and benefits) to accede to another the authority to decide and commit on their behalf. The rationale is about power for power's sake and not necessarily because it is objectively or logically better, but it is a commitment made for now in recognition and assessment of the existing exigencies. Political power (menetype #C) is power expressed in the particular individuals themselves, rather than in the idea or vision (menetype #A) as in the case of a charismatic leader, or in the process (menetype #B) which is normally expressed as a bureaucrat filling a position in the hierarchy.

- Each of these political powers is of equal validity and importance for the healthy operation of the political sphere of a society, but different societies choose to give prominence to a different power. If the powers were to be in perfect balance they would nullify one another and there would be stalemate—there would be no net movement. Therefore, one phase of the political power cycle has to take the lead and it should be the most appropriate for the circumstances. Needs change from time to time and so it is important that a system exists to allow the other phases of political power to be called into prominence, when appropriate.

- Montesquieu's (1952) well-known concept of the separation of powers focuses on the key to understanding how to govern the dynamics between the three equally important power relationships expressed in the trinity of menetypes. Each of the three powers captures a different perspective of the totality of political power, and so they each need to be able to operate for the health of the whole polity of the society. Montesquieu (1952) explains how, in the governments of earlier times, all three powers were often found vested in the one person. Even with the wisdom of Solomon, it would be humanly impossible for one individual to be able to carry out the thinking and functioning demanded by each of the three perspectives effectively, particularly in the modern, more complex society. The individual might be great in some areas but there will be some aspect(s) in which the person's thinking is undeveloped and primitive in execution, which would be something less
than and could, perhaps, lead to calamities. By separating the powers and putting them in the hands of different players, not only is despotism avoided, but also each perspective is given a chance to develop its thinking and reactions, so when the time comes to be heard or it is appropriate for it to take the centre stage, it can do so much more maturely than otherwise might be the case. That is, the people involved have trained their thinking in the ways of the particular perspective (of the three) that their role is meant to represent, and so they are capable of making rational decisions or recommendations—which can then be stood up against the suggestions of the other mature perspectives and the ultimate decision can be taken that is most appropriate for the circumstances. The US experience of practising the separation of powers in its polity has clearly demonstrated the success of this approach.

Finally, it is important to note for the upcoming analysis that public administration does not yet appear in the collective psyche. That is, the public administration is located at an even lower level in the cognitive hierarchy of thinking about the distribution of political power within a society. In particular, it comes under and in support of the Executive, which is the expression of the President in this case. In broad terms, the role of public administration is to be the medium through which the political authority delivers its favour and disfavour to the society as the public. Its impact or acknowledged importance in the collective psyche of the society is correspondingly the lesser. Moreover, the nature of a public agency is essentially a menetypé #\((B^3)^C\), which is two levels down the hierarchy in support of the Executive which is a menetypé #\(A^C\) policy entrepreneurial spirit serving a political sphere which has a different spirit again (i.e. menetypé #\(C\)). Even more than that, this primary political sphere holds the least priority in the American collective psyche of how it runs its society. Right up front, this makes for a clear expectation of a diminished role for public administration and minimal power in the conduct of the nation's affairs. This has definitely been the case in the US experience, as observed by Mills (1956: 237), 'The civilian government of the United States never has had and does not now have a genuine bureaucracy.' Although the size of the public sector has definitely increased since that time, the basic nature has remained essentially the same: in essence, it is less than. However, to the extent that the President rises above the society level of thinking by being the charismatic and almost spiritual leader of the nation, the importance of at least some parts of the public administration will be lifted with him/her (such as the positions of Secretary of the Treasury and the Secretary of State).
Because of this interplay of the spirit of different menetypes, it can also be appreciated that the motivation and driving force of public administration could get much more muddled and diffused than that of the private corporation. Moreover, it does not enjoy, and should not enjoy, the autonomy that is accorded the private corporation because it has a lower (more subservient) status in the schema of people’s thinking about the service to the nation. With respect to the national psyche, the private corporation is regarded almost, in one sense, on the same level of thinking and psychic appreciation as the Executive power—and the public agencies are left to try and catch the crumbs that fall from their table.

The only thing that US public administration has going for it is that, in serving the Executive, it is at least serving in support of the psychically most popularly respected player in the political sphere (which is in keeping with the national predisposition to the general menetype #A charismatic spirit). It therefore makes sense in terms of the disposition of the collective psyche for the Government to bring in leaders from the economic sphere to lead the public sector agencies—but more of this later.

**In summary**, this cursory explanation of the structure of the US society in terms of the metaphor of the mind is meant to have achieved three developments in understanding.

- Cultivate an appreciation that the society is the way it is because individuals have organized their higher modes of thinking to understand and know in that particular way. That this is achieved unconsciously in the main still does not belittle the fact that individuals adapt to thinking about different sets of beliefs and values if they are born in different countries—their thinking is just directed differently.

- Provide some sense of the dynamics inherent in the trinity of menetypes by focusing on some of the parallels that can be drawn with the evolution of society. Were this a social science thesis, these parallels might have been explored and explained in much more detail—in much the same way as Weber (1930; 1948; 1978a; 1978b) in his many societal level studies [particularly the way he (1930) focused on how the higher level conceptual/spiritual thinking of humans influenced their spiritual and societal beliefs and habits]. However, in this case, it is just meant to add some legitimacy and/or credibility to the philosophical framework that will be used mainly to analyse the management in organizations.

- Establish the nature of thinking at the societal level that influences heavily how individuals think about the organizations they come into contact with. People in different societies regard their organizations in different ways and as a consequence
act differently. For instance, in many Asian countries, the focus at societal level is on the political sphere (menotype #C) rather than the economic sphere as it is in much of the West. As a consequence, and particularly with different religions, the way individuals in Asia view their organizations is fundamentally different to the way individuals experience organizations in the USA. This will be explored in more detail later in the thesis.

Imbued with the understanding that the American psyche is oriented predominantly towards the menotype #A economic sphere of the society, the thesis will now look at the basic nature of organizations before going onto discuss in turn, the private organization, public administration and, thirdly, the civic not-for-profit organizations.
3 Governance in Organization

Although it was intended to put some more coherence and rationale (plus some interesting observations) into the particular exposition on society explained above, the observations and conclusions have essentially been discussed by other commentators. The new idea presented was therefore on how the various modes interrelated. The now-to-be-explained governance framework of organization, however, is rather novel in its comprehensiveness and cohesion. Though all aspects would have been canvassed in some manner on previous occasions, the following exposition attempts to bring them all together in an intelligible, dynamic and useful way. In essence it is all in how we choose to look at the phenomenology of organizations—that is, how we choose to differentiate what is held to be involved.

In seeking greater explanatory power, the overall framework, of course, takes on greater complexity (as explained above), but the underlying, core fundamental of the framework remains the simple trinity of *menetypes* already introduced. The complexity and with it the ontological, epistemological and heuristic power, comes in the hierarchy of how the sequential trinities of differentiated perspectives are built together to comprise the system framework that explains how an organization works. Mooney (1947) perhaps also approached it in this way but failed to employ the core understanding or rationale of how the trinities are actually constructed and so resulted in giving an analysis of organizations that was not quite as powerful as it could have been.

Rather than regurgitating a lot of organization theory, it is more appropriate here to start simply with the basic definition of organization as the basis to generate the core differentiation into the three principal *menetypes* of organization, then further differentiate into the nine basic *menetypes* or perspectives of thinking at the group or organizational level. This basic hierarchically trinitarian framework of how one thinks about organizations will give a rather different perspective of how the corporation works (compared with say Drucker, 1964/1946) and provide the foundation from which to build a different understanding of three key polemics of organization: namely, the Iron Law of Oligarchy, the transition from a Capitalist to a Managerialist Society, and the nature of Decision-making in a Capitalist Society.

The definition of an organization is essentially encapsulated in the two of the more accepted and quoted definitions to date, namely:

Organization is the form of every human association for the attainment of a common purpose (Mooney, 1947: 1).
The definition of a formal organization as a system of consciously coordinated activities or forces of two or more persons...

Formal organization is that kind of cooperation among men that is conscious, deliberate, purposeful (Barnard, 1938: 73; 4).

The central tenet of this thesis is that the power of any analysis is in the way that one differentiates one’s thinking. In this case, it is about the way one differentiates thinking about organizations. It is contended that the most powerful way to differentiate one’s thinking is in terms of the triadic differentiation along the lines of the three levels of abstraction (namely the concrete, the imaginative, and the prescinding) as used above for societies and explained later. In this vein, the three key aspects or ideas that would form a triadic differentiation of thinking about the organization, are extracted from the above core definitions.

- The first fact is that an organization is comprised of humans. This is the essential concrete manifestation, in that there are at least two humans in any organization. This then comprises phase #A of the differentiation of thinking about organization and is termed the menotype #A of the Participant.

- The second notion is that there is “consciously coordinated activities” or “conscious, deliberate” “association” amongst the humans involved. That is, there is some kind of concept or design conjured up in the imagination of those involved about the way they are to work together. This could be implicit or explicit but, if required, some notion of it can always be articulated. This conceptual conceiving of the processes of working together comprises the phase #B of the differentiation about organization and is termed the menotype #B of organizational Culture.

- The third notion is that there is some intentionality or “purposeful” endeavour underpinning the existence of this organization of humans. This is not to mean the tasks or actual things that are done by the humans (which is really a phase #A activity), but rather the more nebulous decisions and understandings that define the raison d’être and direction of the organization. Each of the humans involved would have his/her own conception of what it is all about and so, therefore, somebody or some group needs to be given authority to choose and express a commitment to a particular purpose, direction or way of doing things for the whole group. This encapsulation of the essence of what the organization is about within the decisions and actions of certain humans comprises the phase #C of the differentiation of thinking about the organization and is termed the menotype #C of legitimate organizational Authority.
These three levels of differentiation of the nature and dynamics of an organization are not mutually exclusive perspectives but rather interrelate and form a trinity of menetypes as depicted in Figure 6. This should be taken to mean a depiction of the conscious action of the organization as a cognitive reality of abstraction by each of the individuals involved. It can be regarded in much the same light as a hologram in that it contains the whole but each individual approaches it from his/her own particular perspective and sees only some particular aspect of this whole concept that is the organization. That which is outside or unconscious to the organization is encapsulated in the surrounding sphere of the Other, but any aspect or understanding can actually be stimulated to consciousness either through the right conscious processes or by serendipity (i.e. it just occurs and it is then just a matter of noticing and admitting it).

An alternative way of grasping an understanding of this principal trinity of menetypes explaining an organization is in terms of the external manifestation, the internal dynamics, and the means to dialogue between these two basic, often competing, perspectives. The interlocking circles of interaction and the arrows of procession capture the notion that all aspects are in play and there is influence and movement between them. In other words:

- The participant menetype #A is the external, concrete face of any grouping and encapsulates the execution of the collective will of the group and the vehicles for any action taken. This aspect captures the decision or action outcome of the interplay between the roles assigned to individuals and the inner character orientation of the particular individual concerned.

- The culture menetype #B captures those explicit and implicit, stated and un-stated understandings within the minds of the individuals within the group that guide or inform the day-to-day operations inside the organization. These internal understandings are manifested in the formal and informal organization structures and processes of the group and in the nature of the decision-making processes adopted to reconcile these often-competing interests. This is the phase of thinking, in particular, which regards the organization as a whole, or as a separate entity apart from the individuals (although the thinking of the organization in terms of individuals as participants is essentially repressed, it is still existent but usually in a more unconscious way).

- The authority menetype #C encapsulates the collective discernment of value of how the group is operating that reconciles the visible, external actions of individuals with the internally generated and acknowledged modus operandi of the
way it should be done. The responsibility to assess and commit the organization to a particular course of action based on the competing viewpoints has to be invested in designated individuals who are given a tacitly approved legitimate authority of some sort. Just how this legitimate authority is distributed and how it operates can be explained in terms of the dynamics of political, management, and leadership power. There is always one or other of these possible patterns of authority in operation—either it is collectively discerned as right by the organization, thereby making it legitimate authority, or it is regarded as undesirable or out of kilter with the prevailing mindset, and there is dynamic tension within the organization.

These three principal menetypes are taken to embody an explanation of the nature of conscious organizational thinking within the particular catallactic system that comprises the organization. Although the frame of reference includes an understanding of the stance of those within the organization to the objects and events outside, it does not go into a detailed objective analysis of how they see and differentiate their external environment. However, a similar framework to that outlined in this thesis could be constructed or interpolated to capture their subjective perspective of the world outside their organization.

This explanation of the three principal menetypes sets out the particular viewpoints of each of the phases of thinking about the objective social reality and, at this stage, is generally applicable to all organizations. What specific characteristics or viewpoints one’s thinking of the organization takes on when imbued with the particular spirit of “the good” of the private, public and not-for-profit sectors will be analysed in the following sections. For now, it is to be remembered that for each of the individuals involved, this thinking about the organization and himself/herself in relation to the organization is taking place at the second principal level of abstraction in the intellect, which stands between his/her thinking of society and his/her thinking of himself/herself as an individual human.

In acknowledging the participant, culture and authority phases as a trinity of interrelated menetypes, some key insights follow as a result of the dynamics of human thinking.

**Insight 1**

First, the collective or group cognitive appreciation will tend to focus on one of the three phases as a priority, which then determines the pattern of thinking in the other two phases. The nature of this pattern of conscious thinking and action of an organization determines the nature of the pattern of its associated unconscious (or shadow) thinking, particularly in the other two lesser phases. For instance (as depicted in Figure 7), when the thinking about the participant (menetype #A) is given the highest priority, then the thinking about authority
(menotype #C—being at the other end of going with the arrow) is repressed and occurs more as unconscious thought in processing reality. This dynamic of conscious versus unconscious action has significant consequences, so let us look at each in turn.

- Collective thinking focuses more on the participant menotype #A when the survivability and success of the organization relies on the individual efforts of the employees. This is the phase of thinking encouraged by the well-known mantra that “our people are the most valuable asset.” This is evident on the “factory floor” in large enterprises and in relation to such areas as sales, entertainment, practical research and development (e.g. in IT), and advertising, where group success is primarily the sum of the creative talents or skills of the individual participants. A typical attitude might be that of an actor who is singled out for praise for the way that he/she performed his/her own role well, even if the overall production did not generate such similar mass appeal. The focus of collective thinking is on the external, concrete manifestation of the organization through the role of the participants—how well they are doing, how they can be encouraged and supported, and how they can be held accountable through rewards and penalties. Individual and hence group success is the key performance driver in this phase of thinking, and failure to live up to the expectations of the role spells death for either the participant or the organization. This is the phase of thinking that best captures the image of the lone, private sector, entrepreneurial, achievement-oriented endeavour.

This participant menotype #A thinking finds great support from the secondary development of thinking about group dynamics in terms of the culture menotype #B. This helps the participant to see his/her role in the context of something bigger and helps define what is required of him/her and how he/she can harness the cooperation of others to help him/her succeed in his/her role. Hence the encouragement to work in teams gets some emphasis though purely as a secondary priority to the need for the individual participant himself/herself to perform well. That is, the development of teams is geared towards supporting the performance of the individual rather than fostering the need for all members actually to coordinate or enmesh their thinking and actions together. Their interaction as a team is therefore more likely to be on the surface and geared to feeding and encouraging each individual’s will.

When the focus is primarily on the participant menotype #A, the notion of authority (menotype #C) is consciously repressed—but is then lurking in the
unconscious as a black or white force. Individual participants are essentially biven significant autonomy and when authority is interposed, it is usually in a crude or undeveloped manner. For instance, the manager of a sales team can set targets (of which there are often complaints of them being arbitrary and unrelated to conditions on the ground) but, beyond basic training, it all works better if he/she stays out of the picture and lets the sales person do what he/she does best rather than any hand-holding or continual looking over his/her shoulder. The only remedy then is to encourage or cajole intermittently, or ultimately give a bonus or the sack based purely on the results as measured against the organization’s needs—not how well the salesperson actually goes about the process of selling the product or service. As a result, there is an air of disconnectedness between the individual participants and the authority of the organization. The participant is focused on getting his/her job done and “can’t afford” to stop and reflect on what the organization’s leadership might think about any particular situation that he/she is confronted with. The people caught in this mindset are usually the last to appreciate that there might be a takeover or a change in direction of the organization. They can detect whether something is working or not working on the ground (or in the external environment) and what they need to do, or have done, to fix it up. However, it takes considerable cognitive effort to process it further to assess how the organization as a whole could respond—and they are just as happy to leave that thinking process to the others whose role it actually is.

- When the focus of group thinking is on the level of culture menotype #B, there are a different set of cognitive dynamics in place. The principal integrative characteristic is an overall trust in the process—if you get the process right, then everything else should follow. This is the heart of group (or bureaucratic) thinking, where the importance of the explicit or implicit process is elevated and the part played by individual participants is repressed. This mentality is often prevalent in the middle management of large firms, in public enterprises, or in those not-for-profit agencies that deliver social or welfare services. The formal organization chart of duties and the implicit understanding of “the way we do things around here” guide the key thinking. To understand the facts of how the organization really works takes learning and knowledge of the facts, and until the individuals learn it for themselves, there is a required reliance on external authority to spell it out.
As a consequence, authority menetypc #C is seen to play a secondary supportive role to this thinking on the level of culture (menetypo #B) with regards organizational processes and group coherence. It is not acceptable for the authority to do its own thing, but rather, the authority is looked to for guiding and monitoring the orderly operation and development of the group process. The individuals in this mindset will accept (or even depend on) constant attention and interaction from the authority, which all reinforces the sense of proper process and security within the group. Admonitions and corrections are also accepted if given in the context of the proper and logical order of processes.

For the system to work properly, the role of individuality (menetypo #A) has to be suppressed. It would be disruptive to the orderly process if individuals were to do their own thing. Do as required or as you are told and refrain from the unexpected is the type of thinking that is encouraged, as it is much more comfortable and safe. Hence, sins of commission are avoided but sins of omission are more likely to be tolerated. Whereas people in this mindset might regard an entrepreneurial individual as gifted and even envy him/her as a carrier of projections of his/her repressed creative potential, they are unlikely to trust the entrepreneur sufficiently to put them into a position with too much responsibility. Moreover, this undeveloped thinking in terms of individual participants usually results in poor staff-management practices (because the sense of empathy has been repressed) and the image of the uncomplaining, self-sacrificing “company man” is held up for emulation. An individual’s performance is judged more in terms of conformance and contribution to the group process.

- Shift the focus of the group to a priority on the authority menetypo #C and we find yet a different set of cognitive dynamics. A focus on authority means a preoccupation with power and the execution of it. This orientation of thinking is most prevalent in politics, of course, in small (family) companies where the owner is the “boss”, in start-up enterprises where the leader carries the vision that provides inspiration to the participants, and at the top of any large enterprise. As will be elaborated shortly, the expression of this power is most commonly understood, discussed and analysed in terms of leadership, management and political power. However, all menetypes capture an expression of some kind of power and it may help to recap and clarify the differences between them if they are now spelt out.
For instance (as explained to above), the participant menotype #A thinking essentially vests the power of decision and action in the personal skill or creativity required in the particular role, and the greater the creativity and skills of the individual who fills the role, the greater power he/she has over those involved in his/her situation. For the culture menotype #B thinking, it can be seen that the power is vested in the rules and the logic of the system, and the hierarchy of authority that is relied upon to interpret them. For this authority menotype #C thinking, the power resides in a particular person(s), who is accepted as a significant individual(s) within the group and whose judgments and actions are heeded by the group because of who he/she is. The particular individual(s) must ensure sufficient support from others or have sufficient control over resources to make their judgments predominate. Their power is quite different to that enjoyed by a person in the menotype #A situation, as in that case his/her decisions/actions impact directly only on themselves and indirectly on the rest of the group. Whereas the decisions/actions of these individuals with the menotype #C authority power affect directly other members of the organization and perhaps only indirectly affect themselves. This investment of authority power in a particular individual results in a continual paradox, in that while there is a recognition and compliance with the exercise of that power, there is always a potential threat and competition from others who wish to have that power embodied in their own selves.

The direct execution of authority or power relies on followers or individuals who are prepared to commit to acting upon the decisions/actions of the person in authority. Therefore, the secondary focus of this menotype #C mindset is on participants (menotype #A)—essentially, how to garner the support of other individuals to exercise the power of one’s decisions and actions. This is made even more essential by the fact that the decisions of authority inevitably require the actions of others to be implemented. This secondary focus on turning individuals into followers relies in some way upon developing a combination of reward-and-punishment expectations (which would be a different mix according to the choice of which sub-phase of authority power was being used). That is, the prevailing authority has to establish some form of legitimacy with the followers that are to be relied upon—and the sub-phases of legitimate authority can be explained in terms of leadership, management and political power.46
Those in authority do not need to rely on proper process or rules to reach their judgments of what is right or wrong, or what is necessary. They are not there to protect the rules but rather to do what has to be done, to protect and bolster their own positions, and to make new rules if that is what is required. Thinking about the rules and proper process is therefore put into the background so they will not get in the way of a good decision. As a consequence, when rules or regulations are trotted out, it is usually in terms of a blunt and unsophisticated means of justifying what the authority figures wanted to do anyway. This phenomenon is most evident in the party political scene, where the Government has been obliged to set personal financial reporting rules for politicians only to find that the enforcement of such rules is very disruptive to the party’s effectiveness in governing and staying in power—and, besides, those actually in the power positions do not really believe such rules are necessary anyway.

*In summary,* there needs to be thinking in all these three perspectives because different thinking is required to handle different situations effectively. What is readily apparent is that a single individual not only finds it cognitively impossible to think in all ways at once, but also he/she has so developed one way of thinking in his/her personal career that he/she is unable to think in terms of his/her inferior function except in a very primitive and undeveloped way. The well-established applicability of the Enneagram (Riso, 1987; Palmer, 1991) and Jungian (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) personality typologies bears witness to this human characteristic of only developing a narrow span of their thinking potential. It is not much of an extension in logic to appreciate that the human thinking on the group level is similarly limited, if not more so. What is found then is that human thinking about organizations that is shared with and encouraged amongst others takes a particular focus that can be categorised and analysed in terms of the trinity of *menetypes* encapsulating the participant, culture and authority levels of the organization. To think in terms of all three *menetypes* at once is impossible, as the different mindsets are contradictory and in tension. For instance, the leader of a sales team could not simultaneously think in terms of exerting his/her personal authority, making sure the salesperson followed established procedure, and giving the salesperson freedom to use his/her own talents. There has to be a choice of one way or another or they will all be going round in circles, and when one particular choice is found to work well, it is usually repeated and hence its selection becomes reinforced by repetition.

What is required for the continued health of an organization, however, is to foster the capability to think and operate in the other mindsets in case circumstances change and call for
a different mode of thinking—in which case one would wish the other type of thinking to be mature and effective rather than undeveloped and clumsy. The only way this can be achieved (because it cannot be found in one person), is to establish processes or understandings that allow the other perspectives to have a voice. Through such dialogue between the different perspectives, the thinking in each mindset is encouraged to develop and mature within the world in which the organization operates. Such a dialogue is not always seen as useful (particularly in a stable environment) and so in a way such a seemingly time-wasting practice should rather be regarded as “cognitive slack” within the organization. However, it is necessary slack, and the more turbulent the environment the more necessary it is to have these other mindsets available to be heard. Otherwise, it will be much more difficult to come up with the most appropriate decision to meet the circumstances and there is a much greater danger of the group entering a groupthink experience. Groupthink could be understood as occurring when all the participants of the group lock-in on a particular mindset and prevent other voices from surfacing. In such cases, consensual agreement would likely be reached fairly quickly without all the relevant questions being addressed or much incisive dialogue. Moreover, the establishment of such processes for dialogue are required to handle or work through the inevitable conflicts and tensions that arise when different participants focus on different phases of thinking—otherwise, there is breakdown and death of some sort.

The other important aspect to note is that it is essentially the same mindsets or viewpoints that are encapsulated in the organizational menetype spheres of the participant, culture, and authority on the one hand, and in the societal menetype spheres of the economic, social, and political on the other. There is a similar cognitive focus and dynamics in each of the corresponding pairs of menetypes, namely:

- the participant and the economic menetypes, which focus on the external and concrete performance;
- the culture and social menetypes, which focus on the internal cogitations and processes; and,
- the authority and political menetypes, which focus on the distribution and use of power within the catallactic system.

There is a supportive, reinforcing type of cognitive connection between the two menetypes in each of these pairings. Those individuals that have adopted a preference for the viewpoint of the economic menertype of the society move easily into thinking in terms of the participant in thinking about organizations—such as the archetypal salesperson.

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Secondly, with some intellectual effort, one can shift one’s focus of thinking on a particular menotype to thinking on any of the other two menotypes in the trinity. There is, however, cognitive significance in the way the focus of thinking moves between the menotype phases.

- The way of cognitive reversion (going against the arrow in Figure 6) captures the consciously inward-directed evolution of knowledge and understanding. It is the way of questions and dialogue to generate insights on how the parts of the organization fit and work together. That is, one starts off by looking at what the participants or groups of participants do, including their product and connections with the external environment. Next, one asks how they are organized and how they actually operate together, which can only be revealed by close association and even participation. Then one can go on to see how power is distributed and used to direct, encourage, or coordinate action by the authority of the organization. This is effectively how a new recruit gets indoctrinated into an organization and is the way of conscious factual self-learning.

A learning organization would also look to this way of cognitive reversion to guide the path of continuous learning. This process is similar to the two-stage analysis of single-loop learning in moving from an understanding of the individuals’ involvement to group processes, and then double-loop learning in moving from an understanding of a particular process to an overview of the interconnectedness of the systems and the interacting forces that persons thinking at the higher level of authority should pick up on (Senge, 1990; Argyris, 1982).

- The way of cognitive procession (going with the arrow in Figure 6) captures the conscious outwardly orchestrated transmission of knowledge, understanding, and action. For instance, the manager of a plant might undertake a “best-practice” study of operations in another organization. As a result of this “best-practice” study, there is a commitment by authority (menotype #C) to introduce a new way of doing things. It is then effectively formulated and articulated by the authority or executive mindset of the organization. Next, this new way is implemented and reflected in the systems and processes (menotype #B) of the organization to infuse the culture of the organization with the spirit of the authority’s formulation of what to do and where it wants to go. The transfer of ownership of thinking may best be achieved by including early in the process of formulating the new ways, those principal...
organizational players who will then go on to implement the processes. The implications and requirements for each participant (menetype #A) are then formulated and communicated so they can all participate and get it done. Such are the dynamics of successfully implementing the new ways of operating.

- There are also particular ways in moving from, say, this level of thinking about organizations to the level of thinking in terms of society. This shifting of thinking mainly happens through the internal tension of cognitive procession by question and dialogue, resulting in the procession of thought from the highest level of thinking on the organization (i.e. menetype #C authority) to the lowest level concerning societies (i.e. menetype #A economy). That is, those individuals with the mindset in tune with the spirit of the authority sphere are more able than those more in touch with the culture mindset, to raise their level of thinking to reflect on the place of their organization in the marketplace of their external environment.

Another way is to move thinking between the same phases of menetype pairs such as phase #A—participant to economic; phase #B—culture to social; and, phase #C—authority to political. The insights and understanding generated in moving between the participant to the economic menetype would be qualitatively different to those in moving from the authority to economic menetype. In the former case, the insights would be more related to the personal perspective in terms of specific possibilities for the participant, whereas, in the latter case, the insights would be more abstract in terms of the overall performance and positioning of the organization.

In summary, one can consciously move one’s mindset to different perspectives but only with varying degrees of cognitive difficulty. There is either the way of internal tension through questioning and dialogue as one tries to fit the pieces together, or otherwise through external tension where one passively reflects on what one sees and hears and then relies on the unconscious to slot it into its place. The latter processes of reflection incorporate a range of possible cognitive actions from gut reaction at one end of the scale to a mystical-type transformation in consciousness at the other end. The nature and direction of these movements between menetype mindsets can be orchestrated by either internal or external catalysts, but with different effect. The mind can be trained and this is the process of learning, both for the individual and for the group of individuals who need to focus their thinking on the similar sorts of levels. There are also complementary unconscious processes of procession and reversion, but that requires a deeper and more intricate exposure to the cognitive
dynamics, which is inappropriate for this thesis. Though not handled in detail, the effects of such associated unconscious processes are included in the following explanatory exposition of *menetypes* and the movement between them.

*Insight 3*

Thirldly, to follow through on the thinking of each of these *menetype* mindsets (i.e. participant, culture and authority) leads to different perspectives and decisions about what the organization should be doing. This obviously leads to tensions and conflicts between the different viewpoints, which can occur either within a particular individual or, more likely, between individuals. The conflicts could be destructive and debilitating but they can also be seen as healthy and necessary for the individual(s) to reach higher levels of understanding and operating. What is required, therefore, are processes of questioning and dialogue about which is the most appropriate or useful perspective to interpret the situation and to decide what needs to be done. To orchestrate this effectively, one needs to appreciate “the good” that each perspective is aiming at delivering. That is, none of the different *menetype* perspectives offer a universal solution but one needs to identify and choose the particular “good” which is most appropriate for the circumstances. This “good” actually is encapsulated in the nature of the reward of struggling towards the next level of abstraction.

- “The good” to be pursued by the *participant menetype* #A thinking in an organization is captured as much as possible in the exposition of the formal organizational arrangements of which the participant’s role forms part. That is, in the external expression of the *culture menetype* #B. This takes the form of a participant successfully fulfilling the expectations of his/her particular role in the context of the formal expectations of the group to which he/she belongs. This need to meet formal expectations generates anxiety to action, but if expectations are not fulfilled, it is regarded as failure (which can seem like a death to the individual).

- “The good” pursued by the *culture menetype* #B thinking in an organization is the sense of orderly progress towards the objectives that have been laid down by the *menetype* #C authority. This takes the form of a series of measured, logical steps of decisions and actions taken in the belief that if proper process is followed then the objective, or “the good,” will eventually be attained. This need to stick to the orderly path generates fear to step outside the defined boundaries and should this occur and one loses control, a sense of isolation and helplessness sets in.
• "The good" pursued by the authority menetype #C is being right about the position and direction that the organization takes in the external marketplace of society. This takes the form of making the right judgments and taking the right actions for the organization to survive and flourish in terms of the success as defined by society's marketplace. This need to make the right decision in the present circumstances generates anger against those forces that might try and get in the way, and should one be blocked the anger turns negative with an attempt to deliver retribution rather than to further the company's "good".

In summary, it can be seen that each "good" is admirable in itself and independently useful, but each requires a different mindset and a different decision-making path to achieve. They cannot all be pursued at the same time by the same individual or unit, so there needs to be choices. There should be a predominant focus on the appropriate mindset to fit the particular circumstances, and the appropriateness of this cognitive orientation needs to be continually assessed and adjusted when the circumstances demand.

The organization is the main area of focus and, therefore, to prepare for some substantive discussion on management issues, it is needed to finish off an explanation of the menetype framework by looking in more detail at each of these three principal organizational perspectives in turn; namely, the sub-menetype trinities of the participant, culture, and authority menetypes.

3.1 Participant Sphere (menetype #A)

The individual's thinking on the participant sphere can be framed in terms of the dynamics of the following sub-menetype trinity (as shown at the bottom right of Figure 8):

• Role (menetype #A^A of organizational governance), which captures the concrete, external aspects of how the individual is expected to behave with the physical world both inside and outside the organization. This role is explicitly formulated by the organization but what is important is how it is understood and accepted in the mind of the individual. The role defines how the individual is required to act for the group by approaching issues and interacting with others in a particular way.

• Personal character (menetype #B^A of organizational governance), which captures the internal cognitive predispositions or mindset of the individual. That is, the character orientation of the individual incorporates the way the individual sees the
world, his/her prime motivation and his/her personal reward system. This personal nature of the individual may be prominent or repressed but it is always present as the individual acts for the group.

- **Commitment** (*menotype* #C of organizational governance), which captures personal formulation of intent in response to the particular situation. This formulated choice is explicit to the individual but it is not always made explicit to others (it may be a decision to keep quiet and to do nothing). This decision/action will be taken in the context of the particular individual in a particular situation as the choice is an outcome of the tension between the nature of the individual and the role he/she is required to play in the organization, and the "political" forces that are brought to bear on the individual to act.

That these three aspects can be analysed as a trinity of interrelated *menotypes* brings out some interesting insights on the dynamics of the participant sphere within an organization.

**Insight 1**

- The participant *menotype* #A is the external embodiment of the execution of the will of the organization, and the roles (*menotype* #A) which are defined and required to be executed by individuals are themselves the external mechanisms used by organizational-level thinking to execute its will. That organizational-level thinking maintains a cognitive distinction between the reality of the roles played out by individuals and the individuals themselves, can be readily seen in the societal thinking about those with careers such as politicians, business executives, clergy, and sportspeople where, in general, their private lives are generally regarded as their own—unless of course something happens that impacts on their ability to perform or that is particularly newsworthy! Nevertheless, even then the debate still maintains the cognitive distinction between the private individual and the role or public persona that is recognised by the public.

In the US-type society where there is a heavy emphasis on the *phase* #A of thinking, this aspect of the role within the participant *menotype* #A takes on added emphasis within the organization-level thinking of individuals. That is, it is not so much that individuals themselves are eulogised but rather their external performance in carrying out the roles they have chosen to follow. This is particularly so when the organization is in the economic sphere of society but less so in government bureaucracies and political parties. But still there is a colouring in the US *menotype* #A society that accords status and respect more towards what
has been achieved in one’s life rather than who you are or who you know. It is this *phase \#A* achievement attitude that underpins the great American dream of rags to riches.

This cognitive emphasis on the *menotype \#A^A* phase of the role carried out by the individual would mean that the cognitive energy going into reflecting on the appropriateness or morality of the decision or action is that much diminished. This is saying that all decisions should actually be in keeping with the expectations of the role that is being executed, so in a sense the individual’s choices of response are largely predetermined. However, to the extent that there is a tension between the individual’s character and the role he/she is required to play, every now and then there will be an eruption against the generally pre-programmed decision expectations and something different will come seemingly out of the unconscious. Whether it is more constructive or less so, depends on the maturity of the individual in his/her capacity for independent action.

*Insight 2*

- The personal character orientation of the individual is well-captured by the Enneagram and “modified Jungian” (as explained later in this thesis) typologies. Such character typologies not only capture the predominant thinking modes of the individual (as expressed in the preferences to think in terms of particular *menotype* spheres), but also the associated and connected passions at a deeper level within the particular individual. The nature and dynamics of the role can also be characterised in terms of the typology of different perspectives that are required to fulfil the expectations defined for the role. For instance, the incumbent of the role might be required to market and sell an idea or product to others [in the vein of *menotype \#(A^A)^A* thinking], or to create well-connected processes and procedures to develop a particular product or service [in the spirit of *menotype \#(B^A)^A* thinking], or to position the group in a relationship of alliances to guarantee support when it is needed to help its decisions and actions carry the day [in the spirit of *menotype \#(C^A)^A* thinking].

When the personal character orientation of the individual is essentially similar to that required in the defined role there is usually very little personal tension and the individual has little difficulty in learning and picking up on the requirements of the position. When individuals slot into a role of similar cognitive orientation, they are often called a natural for the job, such as the natural salesperson, the natural
bureaucrat, or the natural politician. Such a line-up between individual and role leads to a no-surprises dependable performance of the role, but the lack of any inner personal tension usually works against the likelihood of any dramatic improvements to the way the role is carried out. Everything just seems to go according to plan, but if there is a sudden change of external circumstances requiring a different response from the role, such an individual may lack the flexibility to make the necessary change in choices. For instance, when a salesperson finds himself/herself confronted by customers with a product or service that is inefficient (as opposed to not what they wanted), then the natural salesperson might lack the flexibility of thinking to be able to analyse the logic of the customers’ processes to identify whether the product could be used in a more efficient manner.

When, however, the personal character orientation of the individual does not line up with that demanded by the role, there is cognitive tension that can be played out internally or externally. Where it is played out externally the individual learns by having his/her mistakes pointed out and then taking to heart the feedback on how it should have been done. This process requires close supervision in the beginning but the individual can learn the tricks of responding correctly to the right prompts. When the nature of the prompts begins to change substantially, however, there may be mental blockages and difficulties in adapting. Where the tension is played out internally, the individual goes through a process of inner questioning and dialogue (complemented by dialoguing with others) in an attempt to come to a deeper understanding of why the role requires it to be done the way that it does. When the individual comes to appreciate that the mindset necessary to execute the role is different from his/her own preferred cognitive processes, he/she is in a good position to adjust his/her thinking and work his/her way through to appropriate and effective decisions and actions. The individuals who learn and broaden their minds in such a way would then have the flexibility of mind to think through the appropriate choices when their environmental circumstances change substantially.

A significant determinant in the capacity of an individual to learn in such a productive way is the nature of the difference in character orientation between the person and the role. If the role requires a personality orientation that is similar to the secondary function of the individual’s own personality then there is likely to be a constructive adaptation. Where the role requires an orientation that is similar to
the individuals repressed or inferior cognitive phase, then any adaptation will be much more clumsy and have much greater danger of failure. For instance, a natural bureaucrat is much more likely to make it in the world of politics than is a natural entrepreneur, who will always have difficulty with making the necessary political compromises on his/her grand vision of the way it could be made better.

Insight 3
- The *participant sphere* #A is the one area where organizations have used personality typologies to great effect. Not only have they been used by the participant to obviate the tension that arises between the individual and the role required to be carried out, typologies are also helpful to suggest how management needs to interact with the different staff to have some confidence that the roles will be carried out to meet their expectations. Personality typologies, such as those formulated by Myers-Briggs (Myers, 1980), which is a development of Jungian typology, have been used in staff selection and development including the teaching of such skills as personal communication, negotiation, strategic thinking, staff management, and decision-making. Although much time and effort have been expended by organizations, there has been limited success in achieving the anticipated value in the use of such typologies. This is partly because the Jungian/Myers-Briggs typology needs correction (or more correctly termed, completion) as explained later in this thesis, but also because it is communicated in isolation of the other levels of thinking within organizations. There is also a basic lack of understanding of the real nature and power of the underlying dynamics of these typologies—as outlined in this thesis. For instance, the author's personal experience is that most people (which is a vast number of managers who work in organizations) who have undertaken a Myers-Briggs personality test some time ago have some difficulty in not only recalling what particular character orientation they were, but also what were the options and their particular relevance. Part of the reason for this is the way the typology is communicated and taught, but it is really that there has not been the necessary understanding to convey the relevance and use of the typology in a learning workplace, and this lack of immediate usefulness leads to its abandonment by the individual.
3.2 Culture Sphere (menotype #B)

The individual's thinking on the culture sphere can be framed in terms of the dynamics of interaction of the following trinity of menotypes (as shown at the bottom left of Figure 8).

- **Explicit formulation** (menotype #A^B of organizational governance), which captures the formal expression of what the group is about, including explicit objectives but, more importantly, a statement of the means by which those objectives are to be pursued. This would take the form of formal organizational charts and duty statements, written rules and procedures, explicit skills, espoused values, language used, formal codes of behaviour, statements of objectives, organizational artefacts including the physical layout and surrounds.

- **Implicit understandings** (menotype #B^B of organizational governance), which embrace the underlying assumptions and core beliefs that are at the heart of everything undertaken by the group. This aspect encapsulates group norms, shared meanings, shared mental models or mindsets, implicit skills, informal communication structure, and the symbolic life of the group. The shared meanings include the worldview that underpins shared assumptions on such aspects as the nature of reality and truth, the nature of time, the nature of space, the nature of human nature, the nature of human activity, and the nature of human relationships (as explained by Schein, 1992: 94ff).

- **Decision-making processes** (menotype #C^B of organizational governance), which capture how the group formulates its commitments to act and which, therefore, reflect the reality of the particular individual(s) who are actually predominant in establishing the rationale that underpins the significant decisions (this is largely un-stated but is clearly evident in the nature of decisions and actions and the processes of formulating them). This aspect integrates an appreciation of the internal requirements and intentions with the demands of the existing circumstances and surrounding environment in deciding how the group should be responding and interacting.

The fact that these three aspects can be analysed as a trinity of interrelated lower-level or sub-menotypes, brings out some interesting insights on the dynamics of this culture sphere within an organization.
Insight 1

- In any well-developed organization there is normally a certain coherence in the pattern of shared beliefs or understandings. That is, there is a certain shared worldview or mindset underpinning the set of implicit assumptions about the nature of reality and truth, the nature of time, the nature of space, the nature of human nature, the nature of human activity, and the nature of human relationships. Schein (1992: 94ff) explains that to the extent that organizations can effect an integration of their basic assumptions on such abstract thinking, they can develop a coherent organizational culture. Since this is clearly a case of lining up the thinking dynamics of a group of individual people, the worldview or mindset that underpins such a pattern of shared assumptions can be differentiated into the same typology that has been used in this thesis to differentiate one individual’s levels of abstract thinking.

One way of explaining the nature and dynamics of the resulting phenomenology is to use the Enneagram and “modified Jungian” typologies to describe and explain the pattern of shared assumptions that comprise $\textit{menotype \#B}^9$ implicit understandings. Another way is to recognise that this inner sanctum of implicit understandings (menotype $\#B^9$) is the inner generator of the type of organization that is forming and can be seen to take on a preference for one of the three generic shapes of markets, hierarchies and networks explained in Section 1.2. These three generic shapes essentially embody the three basic organizing principles and reflect the mindsets captured in the typologies. They are essentially universal and found in different forms and combinations in organizations in the economic sphere, the social sphere, and the political sphere.

Insight 2

- On the other hand, the explicit formulation ($\textit{menotype \#A}^8$) of the organization also expresses a certain way of thinking or worldview. The particular worldview found expressed in this external formulation ($\textit{menotype \#A}^8$) sphere may, or may not be, the same as that evident in the implicit assumptions ($\textit{menotype \#B}^9$) of the organization. Whether there is a match between the inner and outer expression of the organization would normally depend on the way the different authority teams have developed the culture sphere of the organization over time, either in a conscious or unconscious way. For instance, a government bureaucracy filled with natural bureaucrats might get a new management team that introduces a new set of
formal operating procedures that are more in keeping with a political ideology that
expresses a different mindset to that which is held in the hearts and minds of the
serving bureaucrats.

As occurred in the participant sphere, there may be a happy coincidence or there
can be a tension between what is being prescribed in the explicit understandings
menotype $A^B$ and what is held in the implicit understandings menotype $B^A$. The
most obvious tension develops between the formal organizational structure and the
well-operating informal communication structure. The more closed to the outside
world an organization is, the more likely is the mindset reflected in the explicit
formulations likely to correspond to the implicit understandings held by the group.
An essentially closed organization such as McDonald's would most likely have its
formal operating structure and procedures closely aligned to its implicit
understanding of how a business should be run. That is, its espoused values line up
with its theories-in-use (Argyris, 1976; Argyris and Schon, 1974). The more open
is the organization the more likely is it that the explicit structure, rules, and
language take on a different character to respond to external pressures—such as
equal employment opportunity and environmental concerns to show that it is a
good corporate citizen, or just to reflect the predispositions of a newly appointed
organizational authority from the outside. A few rounds of the latest management
fads are sure to drive a wedge between the mindsets of the two competing sub-
menotype phases. That is, the espoused values differ from the theories-in-use, and
the resolution of this conflict plays out in the "real" decision-making process
categorised in the lower-level menotype $C^A$ phase. This captures the workings of
what many call the informal organization that is used to reach group commitments
in the decision-making and implementation process, a dynamic that is essentially
political in nature.

**Insight 3**

- This culture menotype sphere is where the heart of the organization is formed and
particularly in the inner sanctum of the implicit understandings. This is a lower-
level menotype $B^A$ phase of the menotype $B$ sphere of culture of the organization
which expresses itself in the menotype $B$ phase of the particular societal phase of
operation. The operations of all these phase $B$-type aspects interact and reinforce
to capture and express the true inner essence of what the organization is about. If
the organization gets this right it is seen to exhibit a personality of its own and is
more likely to survive and flourish, \(^4^8\) but if there are internal contradictions and basic inconsistencies then the organization is undermined at its foundations and is likely to fracture, jeopardising its survival. Many organizations in the early stages take this core set of implicit assumptions about the world from their entrepreneurial founder and there is an inner consistency that helps contribute to the success of such companies—and such success helps embed further the shared set of implicit assumptions. Where the organization remains closed and tight-knit this coherence is maintained and strengthened, and will continue to contribute towards organizational success until the nature of the external environment undergoes a dramatic shift and demands that the organization should respond with a different predominant mindset.

The true bureaucratic organization puts its primary emphasis on this strand of menetypex #B phases and gives particular importance to maintaining the inner sanctum of shared assumptions (menetypex #B\(^B\)). That is, the emphasis is more on developing the individual’s thinking to acquire factual knowledge and to apply that logically so as to encourage evolutionary rather than revolutionary progress. Because everybody is thinking the same way and can be relied on to do what is necessary, the explicit formulations of rules are there but are not often relied on or referred to (it is written on their hearts and the big book of procedures sits there gathering dust on the shelf!), and the formal structure is embedded in the exercise of the authority through the decision-making hierarchy. The explicitly defined role (menetypex #A\(^B\)) acts more as a negative constraint in that the particular position points to some constraint on the individual’s limited field of power within which to operate, after which it is logical to refer the matter to some higher authority. The effective limits of an individual’s power, though, are conveyed through the informal power hierarchy (menetypex #C\(^B\)), which is based on the authority’s level of trust in the individual’s personal alignment with the organization’s core set of implicit assumptions.

### 3.3 Authority Sphere (menetypex #C)

The individual’s thinking on the authority sphere can be framed in terms of the dynamics of interaction of the following trinity of lower-level sub-menetypexes (as shown at the top of Figure 8 and expanded to the even lower sub-sub-menetypex levels in Figure 9).
• Leadership power (menotype $A^C$ of organizational governance), which is the expression of the collective will to achieve the practical "good" which essentially is the replacement of the current organizational reality with a new organizing reality that is potentially better. If this vision or image of the "good" is captured and articulated effectively, individuals in the group can acknowledge it and sign up to become followers and be led in the expectation that it is the answer for their own "good". This is the generic expression of Weber's (1962; 1968) charismatic leadership and is found most purely expressed in the creative entrepreneur in the private sector.

• Management power (menotype $B^C$ of the organization), which is the collective acceptance of the authority of an incumbent of an official position in a hierarchical structure to interpret the rules and logical order of actions to decide on what to do next. There is an inner search for the "true" way, or the path of correct processes that will naturally lead to good outcomes. This encapsulation of the implicit notion of cause and effect in the rationality of actions involves a higher level of abstract (or imaginative) thinking than does delivering the practical vision (or the "good"). The implicit understanding is that this allegiance to hierarchical authority facilitates orderly and efficient processes, and everything progresses smoothly by degrees. This is the generic expression of legitimate authority equivalent to the concept of Weber's (1962) legal rationality and is found most purely expressed in the diligent and loyal bureaucrat in the public sector.

• Political power (menotype $C^C$ of the organization), which is the exercise of power that accumulates to an individual directly to effect the acceptance of a decision or action that impacts on the collective in a particular situation. The power stems from the collective willingness of the other individuals to compromise their personal agendas to the dictates of the acknowledged boss in the current political reality—that is, a recognition that one has to subjugate one's will to another in this instance to ensure support or protection at some time in the future. This represents an expression of a value assessment on the "reality" of the situation and that it is right to accede to the particular person's authority. This cognitive act requires thinking at an even higher level of abstraction again because it is difficult to articulate why or the logical cause and effect of doing so—it is just the right thing to do in this set of circumstances. This is the generic expression of authority in keeping with Weber's
(1962) traditional rationality and is most evident in the career politician (i.e. as his/her vocation).

The fact that these three aspects of authority power can be analysed as a trinity of interrelated sub-menetypes, brings out some interesting insights on the dynamics of this authority sphere within an organization.

**Insight 1**

- Each of these expressions of authority power is fundamentally different and heads in a different direction on the nature and type of actions and how they are legitimised. As in all the other menetype trinities there is a tension between them, which requires the individuals to choose. Each of the individuals in the authority team would have built a preferred way of operating which can be expressed in terms of these three modes of authority, and the collective of the group will have developed its preference for the way it should be. Where the preferences of the authority and the followers line up there is what Weber (1962) called legitimate authority, and where they do not line up, there is conflict and something usually has to give. The principal archetypal roles that encapsulate these three fundamentally different worldviews or mindsets can be described as follows.

*Entrepreneur or Leader.* They are people of vision about what can be achieved. They operate within a sphere of cognitive activity oriented towards deciding in what way the present situation could be made better. They, then, try to “sell” their visions of a better world to others. They constantly scan their environment and check with their constituency to keep formulating and revising their view of how it could be and the changes needed to achieve it. There is more emphasis on action and change than reflection on past experience. They have a drive to deliver their vision and a willingness to use all means possible to succeed. They operate out of an ethic of responsibility in the sense that there is a focus on the “ends” rather than the “means” and a readiness to be answerable to (or to take credit for) the consequences of the actions they promote. Their level of influence and authority is based on the belief of others in their particular vision and on their personal ability to secure wider support and deliver on promises.

*Manager or Bureaucrat.* They encounter the world with a reasoning mind, with a sphere of cognitive activity oriented towards reasoning their way through life. Their method of inquiry is objective and linear, with a preference for facts, information and logical analysis. All communication with others is soundly based
and they really prefer to dialogue with the world in the written medium. They are inculcated with a sense of obligation to do what is asked for by rules or by recognised authority. Their decisions are guided by the ethics of intention—as long as they do the right thing and follow the right procedures, the right ends will logically follow. Their source of power and influence is based on three inherent traits: namely, their unquestioned loyalty to the group or organization, their belief in process which leads them to adopt their role as custodian of the established rules and edicts, and the persuasive logic of their analysis of the causal links between proposals and perceived impacts in the real world.

_Boss or Politician._ They are people of action, with a sphere of cognitive activity oriented towards constantly assessing their current reality in terms of their value set. They encounter the world as it happens and judge and decide as appropriate for the present moment in that particular situation. They are at home with their emotions and employ them effectively in the process of negotiating with others—displaying a clear preference towards a political process of developing a negotiated order. Their principal driving concern is for the security, survival, and continuing health of their world, including the club of their people (be it kin, class of peers, family company or company executive). Their method of inquiry is very instinctual and grounded. There is vigilance in relation to other players and an ability to grasp the reality of the world. There is also an ability to transcend “means” and “ends” to see what action fits the particular situation. They find it easiest of the three orientations to understand the perspectives of the other two (the bureaucrat and entrepreneur). They naturally manoeuvre to accumulate personal power and influence and are comfortable in exercising it once they get it. They rely on traditional respect and fealty accorded to the actual individual who can legitimately be called the “boss”. They have a personal strength to stand firm in a situation and take control as they are accountable principally to themselves and believe that they are doing the right thing.

*Insight 2*

- It is important to appreciate that a particular individual would find it near impossible to master all the three forms of authority (namely, executive, management, and political authority) to the same degree. There will always be one aspect of authority that has been repressed to make the predominant aspect work most effectively, and the individual will not have given himself/herself the
opportunity to develop that phase of thinking adequately—and hence his/her resulting actions in this inferior authority orientation will be much more clumsy than in his/her preferred mode. This can be illustrated with reference to the archetypal roles described above.

The *entrepreneur or leader* pursues a vision of the way things should be. To play politics and build up alliances on other bases (such as “what the others would want from them”) would compromise their personal pursuit of the “good”. They would want to persuade others to believe that they have the answer and the way ahead (the vision), rather than to “buy” the support of others with distracting (or even conflicting) political favours. On the other hand, an enduring leader needs constant successes to maintain the belief of the followers and so looks to management skills as secondary support to implement his/her vision. They need to organize their followers in an orderly manner and coordinate the tasks to be done to produce the better world.

The *manager or bureaucrat* needs to pursue an orderly, logical path towards clearly defined objectives. They do not want to be disrupted or sidetracked by any questioning of the objectives. Such entrepreneurial-type thinking would throw out the whole logic of their formulated processes and leave them in limbo until the objectives are redefined with certainty. On the other hand, to carry out their plans and processes they do require resources and cooperation from others not under their control. The art of political alliances is therefore developed as a secondary support to enable them to secure the necessary wherewithal to proceed with developing and implementing their processes.

The *boss or politician* needs to pursue a network of relationships that guarantees support for a decision or action that they judge as right. They do not want to be compromised by a set of rules if they want to help any of their allies to garner support for their own ends. Nor do they want to condemn any of their allies for breaching the rules when the breach has not impinged upon their principal cause and relationships. Rather, they need to work at some external formulation for their allies to group around and that is in the form of policies that concretise their values. To do this they need to draw on the visionary capacity of the entrepreneur as secondary support in framing persuasive conceptions of their new or reframed policies.
As demonstrated above, each of these three authority perspectives search out a different intelligence from the world and look to different means and ends to make their way in the world. A small organization in a relatively stable external environment may be able to survive and flourish by relying only on one predominant authority mode, but probably only for a limited time. However, large organizations that are confronted with a turbulent environment and complex issues are regularly confronted with a variety of circumstances requiring different types of response. They need access to mature thinking in all the sub-menotype phases of organization, particularly with regard to the different modes of authority. A "healthy" organization does not, however, necessarily have to have all these capacities in equal measure, because different situations call for differently oriented responses. For instance, in a stable situation with a stable market, a focus on management is appropriate. In times of change, a focus on leadership (or entrepreneurial activity) may be more useful. In more turbulent times, when it is difficult to set clear and lasting objectives, or when the cooperation of significant others is required, or when there is a particular threat that requires immediate action, then a political approach may work best. The crucial requirement, however, is that organizational processes are such that they allow the emergence of each and any of the orientations as the situation deems their application appropriate.

Therefore, processes need to be established that allow for dialogue both within and between the different voices of the authority mindsets. In one respect, this could be regarded as building in some organizational "cognitive fat", but it is necessary fat to be called upon when the prevailing mindset cannot effectively digest the new circumstances. The clearest example, which will be elaborated on later, is the Cabinet process of Executive Government, which orchestrates a dialogue between the entrepreneurial or new policy voice (the Spending Minister), the managerial or devil’s advocate voice (Finance Minister or Office of Management and Budget), and the boss’s or the political voice (the Prime Minister or President).

**Insight 3**

- Each of the three expressions of authority power can in turn be understood in greater detail in terms of the types of leadership, management and politics that are being encapsulated (as shown in Figure 9). For instance, the nature of the political power dynamic of the organizational authority sphere can be understood as having three principal faces.
Compromise politics \( [\text{menotype } #(A^C)^C \text{ of organizational governance}] \), which involves negotiation to find an outcome that is voluntarily accepted by the independent parties as broadly in keeping with what they had required. For instance, compromise politics is epitomised in a Westminster government's incremental competitive budgetary process. In corporate management, it is a key dynamic in the matrix or hypertext organization as described by Nonaka and Takeuchi (1995: 166ff), where a number of project teams involve cross-hierarchical membership. Normally such project teams would have a sponsor who would be constantly involved in political negotiations to secure resources and support for the project while at the same time being required to support those projects sponsored by their allies. That is, the corporate board would be constantly negotiating a compromise between which of the competing new initiatives should be supported at this particular time. The metaphor of the resultant pattern of power is the organizational matrix comprised of a mixture of weak and strong links depending on the development of the various allegiances.

Power politics \( [\text{menotype } #(B^C)^C \text{ of organizational governance}] \), where there is an overt use of superior power to compel acquiescence in a manner attributed to the autocratic "boss" (or "godfather"). Such a blatant boss–subservient dynamic relies on the esoteric appreciation of what would happen if those underneath did not obey or if they were not under the protection of such a powerful person. Where there is open use of power there is usually some element of fear in the followers, namely the fear of either external threat to the organization or internal threat to their personal position. Such a "boss" would have to carry the hopes and fears of the group as in the case where there is a strong CEO/Chair [of which "Chainsaw" Al Dunlap (Ward, 1997: 270) of recent times is an extreme example], who dominates proceedings and does not allow the formation of any coalitions that might develop some concentration of power in opposition. The metaphor for the type of power structure developed here is the web with strands going out to each of the principal followers of the "boss."

Moral politics \( [\text{menotype } #(C^C)^C \text{ of organizational governance}] \), when the "right" view has a power of its own to unite a group of people in one mind committed to the same ideological view. This political orientation has a slightly stronger secondary aspect of the entrepreneurial spirit in that the ideologues are enthusiastically trying to institute the right world with the right-minded people.
The commitment to economic rationalism and the recent wave of downsizing are particular cases in point where it is the believers that group together and survive. The ideology has to take voice in particular individual(s) and so it ends up more like the autocratic "boss" if there is one principal proponent or just as likely an oligopoly of like-minded individuals coalesce into the dominating power group. Such an arrangement can be thought of in terms of King Arthur's Round Table, where all the brave knights are grouped around a noble cause and the leader is more like the first among equals. 49

In summary of this section on Governance in Organization, all of these aspects of organization have been talked about in the literature in various ways. However, this essentially novel exposition of the comprehensive framework of one's differentiated thinking about a formal organization is meant to have achieved the following developments in understanding; namely to:

- Encapsulate an overall framework of differentiated thinking on organizations (which could always be extrapolated further into the more detailed aspects of organizational dynamics). This framework will be used to analyse the makeup and workings of an organization from the full range of perspectives or to choose a particular perspective with which to view some aspect of an organization. The basic contention is that all theory and practice about organizations can be explained in terms of the perspectives (and their extrapolated sub-sets) outlined in the above framework of menetypes. The value of this capability is obviously to be able readily to draw the connections between different ideas and phenomena. A deeper explanation of the laws of governance that pull all such threads together is put forward in Chapter 9 of this thesis, while Chapter 8 outlines the cognitive dynamics that underpin this more elaborate framework.

- Give some sense of the interrelationships and dynamics of this particular hierarchy of menetypes and the logic of its extension to lower levels. This understanding will be used particularly in the discussion of change and development in organizations, and in exploring the ways that are used to develop a learning organization. Ways of constructive change or evolution can be readily identified and pursued while risky change can be questioned and more carefully managed. In short, changes in the organization that follow the path of cognitive reversion (i.e. going against the arrows in Figure 8) and enhance the use of the secondary aspect of the particular organizational menetype can be a positive development. However, those changes
which require following the path of cognitive procession (i.e. with the arrows), require activation of that phase of thinking which had previously been repressed and therefore its implementation is liable to be more awkward, clumsy and problematic.

- Provide an adequate framework within which to explain why organizations are different from one another, particularly when they are in different spheres of the society. It also provides an adequate understanding to assess the appropriateness and usefulness of various organizational approaches in meeting the needs of the particular circumstances that bring forth the need for an organization.

This completes the brief exposition of the analytical framework, which is to be used to study organization management in this thesis. The summary of the conceptual framework for an organization is depicted in Figure 8 and that of the society, which heavily influences the nature and dynamics of the organizations, is depicted in Figure 5. The corresponding cognitive framework for the individual thinking in terms of an individual is developed in Chapter 8 of the thesis and is depicted in Figure 38. Constant reference will be made to the menetypes and dynamics encapsulated in the societal and organizational levels of thinking of the conceptual framework as the thesis explores first some general management polemics and then goes onto analyse in turn, the corporation, the public bureaucracy and the not-for-profit organization.
4 Evolution of Governance

In the light of the conceptual framework of societal and organizational governance outlined above, it is now relevant to reflect on how the focus on particular orientations of governance has changed over time (and also from society to society). This will help set the background on which to make sense of the nature of governance in the particular organizations found in the private sector, in the public sector, or in the not-for-profit sector. The discussion in this section also essentially follows the structure of human thinking as explained in this thesis and proceeds as a series of reflections on a number of prominent management polemics and associated questions. For example,


- What does the Iron Law (Michels, 1962) mean in a democratic society?
- Does Michels (1962) outdo Weber (1978a) on the evolution of authority types?
- How does Michels (1962) regard that people learn to be oligarchs?

(2) Capitalism to Managerialism:

- How did the West evolve from feudalism to entrepreneurialism to managerialism?
- How is power exercised in Mills’ (1956) power elite?
- What is needed to help the self-development of individual managers?

(3) Decision-making in a Capitalist Society:

- Is capitalism in ascendency or decline?
- What is the nature of group learning in the age of politicism?
- How do individuals attain a higher level of thinking?

4.1 The Iron Law of Oligarchy: Necessity of Governance to Harness Power

In the classic work Political Parties, which introduces the well-known Iron Law of Oligarchy, Michels (1962) concludes that pure democracy is unachievable and proves ‘the existence of immanent oligarchic tendencies in every kind of human organization which strives for the attainment of definite ends’ (Michels, 1962: 50). He “proves” this by observing that the Socialist Parties which espouse democracy for the workers as their core driving
principle, operate organizations which are, in fact, far from being democratic themselves—
that is, the oligarchic tendencies manifest even in that unlikely place, and are therefore
considered inevitable and necessary.

In order to develop our understanding of governance further, the significance of Michels’
three main empirical observations cum conclusions are now analysed in the context of the
conceptual framework outlined above.

- First, democracy in any society is doomed as soon as it is implemented because
  ‘the government cannot be anything other than the organization of the minority’
  (Michels, 1962: 353). There will inevitably be the leaders and the led because
  ‘leadership is a necessary phenomenon in every form of social life... [and] the
  majority is... permanently incapable of self-government... The human species
  wants to be governed’ (Michels, 1962: 364; 353; 367). Pure democracy is therefore
  unachievable since ‘every system of leadership is incompatible with the essential
  postulates of democracy. We are now aware that the law of the historic necessity of
  oligarchy is primarily based upon a series of facts of experience’ (Michels, 1962:
  364).

- Second, ‘Organization implies the tendency to oligarchy... Who says organization
  says oligarchy’ (Michels, 1962: 70; 365). Although ‘the organization is based on
  the absolute equality of its members... the technical specialization that inevitably
  results from all extensive organization renders necessary what is called expert
  leadership... specialization implies authority... the principal cause of oligarchy in
  the democratic parties is to be found in the technical indispensability of leadership’
  (Michels, 1962: 66; 70; 114; 364).

- Third, as for the individuals who are involved, ‘the desire to dominate is universal’
  (Michels, 1962: 206). The leaders are seen to rise to the occasion and ‘belong to a
  higher order of humanity... he who has acquired power will almost always
  endeavour to consolidate it and extend it... Oligarchy derives... from the
  psychological transformation which the leading personalities in the parties undergo
  in the course of their lives’ (Michels, 1962: 93; 206; 365).

On the other hand, ‘the incompetence of the masses, which is in the last analysis
always recognized by the leaders, serves to provide a theoretical justification for
the dominion of these... [Moreover], the mass is sincerely grateful to its leaders,
regarding gratitude as a sacred duty... [and] the adoration of the led for the leader is commonly latent’ (Michels, 1962: 113; 92; 93).

It is seen, therefore, that to establish his Iron Law of Oligarchy, Michels (1962) reasons at each of the three levels of society, organization, and the individual. Specifically, he relies upon the assertions and observations of others that it has always been so, particularly at the level of society. However, his main burden of proof is at the level of organization, where he points to its appearance in the least expected, namely in the organization that rails against oligarchy and preaches democracy for the proletariat. At the level of the individual, he not only rests on the assertions of others that there has always been the mass willing to be led and grateful for it, but he also establishes some insights on the psychological development of the leaders. He observes that through hard work and experience over time, their thinking and competence rise to a higher level than the others in the mass to be led. We will now take these three levels of analysis one at a time.

4.1.1 What is the essence of democracy?

At the level of society this thesis will look at how one is thinking before analysing what democracy is really about. Thinking seriously and constructively in terms of society is a sophisticated exercise and takes place at the highest (i.e. third) level of abstraction of the intellect. One does not think readily in those terms when a child. Indeed, one thinks in terms of the level of the individual because that is the most necessary for immediate needs and survival, and to relate effectively with those other principals in one’s life. As a result, one’s thinking in terms of society is very undeveloped and is largely formed unconsciously, basically because one does not focus on it. This can remain the situation for the individual through adulthood unless he/she personally takes steps to change his/her cognitive focus. This can only be achieved through hard mental exercise to go on the path of cognitive reversion through inner questioning and dialogue. In this way one’s thinking evolves to begin operating well on the group level and then by further work50 and the necessary insights the level of thinking evolves to focus mainly and effectively on the level of abstraction that relates to regarding society as a separate entity.

The point is that not everybody desires to go on that hard intellectual path as it takes a lot of thought and, by and large, it is irrelevant to the task of daily living. In fact with societies such as the USA, which are focused on the economic (menotype #A) sphere with personal status and rewards being given to individual economic success, there is more incentive to keep the cognitive focus squarely in the individual (and economic and entrepreneurial) sphere of thinking. This was even more the case in earlier historical periods when life was simple.

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and more immediate for the vast majority of the people. It is quite understandable, then, for the vast majority of the people to keep their thinking focused mainly at the level of the individual—because it pays them to. That is why not only Michels but also many writers, including Weber (1948; 1978b), Jung (1964a; 1964b), Marx (1952) and the ones quoted by Michels (1962: 85), observe that only a relatively few people go on the journey and attain a higher intellectual life, whereas the vast masses are happy to continue operating at the lower levels of abstraction.

One can understand why the mass of people are happy to keep thinking at a level to support their daily living, but to understand why leaders are necessary let us focus on the meaning of democracy, which allegedly is meant to be self-governing and have no leaders. There is no one, clear definition or conception of democracy, and what it has been taken to mean has changed over time. Schumpeter (1950), for instance, abandoned reliance on the classical understanding of what democracy meant to redefine it as a method to elect leaders, basically as practised in the Western countries. Held (1996) presents a number of models of what people have taken and do take democracy to mean, and so his simple observation of the root meaning of the word is a good place to start.

'Democracy is derived from demokratia, the root meanings of which are demos (people) and kratos (rule). Democracy means a form of government in which, in contradistinction to monarchies and aristocracies, the people rule. Democracy entails a political community in which there is some form of political equality among the people' (Held, 1996: 1). The three basic ingredients coming out of this explanation and which are repeated in some form in all models of democracy are the notions of government, rule by the people, and the underlying principles of liberty (Held, 1996: 19–20) and equality. Each of these three notions is taken in turn.

- To govern means to steer, direct or control actions and affairs, and government implies that it is to be done by a human or humans in a conscious, coordinated process. We have seen above how focusing on different worldviews or mindsets leads one to different rationales and courses of thinking and action. To get some direction one needs to choose. Where there are many people there will be many different mindsets wishing to do different things, all of which may be worthy in its own right. Unless they remain as a group of individuals doing their own thing independently of each other, there needs to be some way of choosing which path to take or which direction to steer. One can only know what oneself is thinking (and sometimes even that seems hard enough) and one cannot think for somebody else.
It is even difficult to appreciate how somebody else is thinking if they are focused on a different mindset.

Therefore, it is logical that if the group chooses from the alternative directions then the main initiators or thinkers of the path should be entrusted to guide the thinking and action of the group. Individuals are therefore selected as the embodiment of the direction, and the minds of the mass of citizens are prepared to trust and rely on the selected few to express the conscious intent of the group. This happens in the external world but it is a natural cognitive process because individuals have done basically the same thing in their own minds. They have chosen to rely on a particular mindset(s) and their other potential mindsets are subjugated to fit into the dominating authority of their chosen, primary cognitive orientation. That is to say, what happens on the inner is repeated quite naturally on the outer. This is true for any organization of people and even more so in respect to larger groups of people such as societies. It can be readily appreciated that training in this cognitive interdependence, reliance and trust begins from an early age and is reinforced along the way as the individual lives and learns in a society. That is, each individual’s thinking at the group and societal level is trained or educated to operate the same way as he/she does in thinking and deciding for himself/herself as an individual, except that he/she learns to rely on other peoples’ mindsets to guide the thinking at that level of their minds (in the initial stages, at least). This is why writers such as Michels (1962) can so confidently report that ‘here as elsewhere, the saying is true that no undertaking can succeed without leaders, without managers... Leadership is a necessary phenomenon in every form of social life’ (Michels, 1962: 114; 364). This is an echo of the same observation made by Aristotle (1952) all those centuries ago. In actuality, it is true because it is a cognitive necessity—our minds do not have the capability to be everywhere at once (Aquinas, 1952: 457) and we have to be cognitively selective in both the inner and the outer in order to move with conscious intent.

Moreover, when Michels (1962) talks of oligarchy he means to include the whole breadth of different authority regimes including the rule of a single individual. ‘The most restricted form of oligarchy, absolute monarchy, is founded on the will of a single individual... One commands all others obey... The legal justification of this regime derives its motives from transcendental metaphysics. The logical basis of every monarchy resides in an appeal to God’ (Michels, 1962: 43). There are
other legitimate forms of authority such as the despot, which is based on personal power rather than power from above, and very often the boss of a small enterprise is the one and only authority. What he is saying about the "corruption" of bureaucratic power in hierarchies will be studied more closely in the next discussion at the organizational level. In a more accurate sense, then, it is not oligarchy but authority—and oligarchy may just be the most prevalent form of authority in large communities and groups of people. The Iron Law of Oligarchy, therefore, is more correctly expressed as the basic human necessity for governance—governance at each of the levels of the individual (personal governance), the group (organizational authority), and society (government). This drive to orchestrate conscious intent is what makes one human.

- What can then be meant when democracy calls for the rule of the people when, as in a society, there are such a large number of people involved? Moreover, how could this possibly be effected when it has just been established that to govern requires the people to choose and put their trust in a few who can hold the focus of thinking that has been chosen to take the society into the future?

This is exactly the same situation that pertains in the human mind where there can be shown to be many, many possible mindsets within the hierarchy of trinitarian phases of thinking. However, in one's early years one chooses and develops a focus on a very limited range of mindsets, which represents a fraction, or a small minority, of the possible mindsets that could have been chosen. This manifests a particularly autocratic governance of one's minds but it is instinctively deemed necessary to develop our persona to make it in the world. As one matures, one tries to develop additional perspectives to be more flexible in responding to the varied situations we meet in this complex world. These different perspectives are not easy to acquire and it takes some intellectual effort (i.e. cognitive reversion or reflective transformations of thinking\textsuperscript{53}) to learn how to think in such a different way. Depth psychology would suggest (Jung, 1960; 1964a; 1964b; 1969a; 1969b; 1970; 1971) that there are so many different possible mindsets that we just cannot hope to access all of them and certainly will only be likely to develop a minority of them adequately. The undeveloped phases of thinking continue to reside in the unconscious and, when they speak up to be heard by the conscious, they are usually very awkward and primitive. At most times one probably ignores them but sometimes they gather force with other unheard voices and one is swept away into
doing something that one would normally consciously avoid. The sense afterwards is “that wasn’t like me!”

The modern call, then, to self-knowledge, self-realisation or personal balance is a call consciously to provide opportunities for these hitherto repressed inner voices or mindsets to speak up, and for the conscious to enter into a dialogue with them. In this way one comes to understand consciously the differing points of view of the other mindsets and also it offers the possibility for those underdeveloped mindsets to develop some maturity in conscious thinking. A very effective way of accessing the thinking of these other perspectives or mindsets is through inner questioning and then to continue on with the inner dialogue. This is tantamount to a democratisation of the mind—the path to such a cognitive democracy being one of inner questioning and dialogue. Where this process is taken to its logical conclusion if, indeed, this were humanly possible, every different mindset or cognitive perspective would have the opportunity to enter the dialogue and question the predominant mindsets, and to have their different points of view heard. However, they would not, or could not, all be active at once and, moreover, there is a real danger. Those individuals that fail to control this process of allowing other mental voices can end up in mental chaos where all they hear is a cacophony of voices and hence lose the ability to focus and effect any conscious intent—that is, they go mad.

So it is with the democratisation of a collective of human minds, each with its own perspective and voice to be heard. It was discussed above that many of these voices have been unused and undeveloped and so, when they are allowed to speak up, they are bound to be awkward and relatively primitive in what they say. Schumpeter (1950: 262) observes that, ‘He argues and analyses in a way which he would readily recognize as infantile within the sphere of his real interests. He becomes a primitive again.’ but Michels (1962: 111; 353) is more blunt in assessing that ‘the incompetence of the masses is almost universal throughout the domains of political life... The majority is thus permanently incapable of self-government.’ Their personal competencies lay in other areas of daily life but since the decisions and actions of the Government impact directly or indirectly on their living, democracy says they should be able to have a say in such decisions. There needs to be process [much in the vein as suggested by Schumpeter (1950: 269) but more embracing], therefore, to ensure that those who want to question and join the
political dialogue can do so, but in a controlled way to the extent that is practical. It does not, however, mean that they should necessarily make decisions, because that would severely undermine the conscious intent that is deemed a prime necessity for society and is vested in the Government. Eventually any attempt to hand the decision-making over to the people at large would likely result in anarchy.

It could be contended that where this direct democracy is alleged to have happened in ancient Greece, the numbers were restricted to “citizens” and were manageable, and it was, perhaps, more like dealing with a social organization than with a large nation-state. In Ramos’ (1981: 131) terms, it could be regarded as an isonomy, which is ‘a setting in which its members are peers. The polis, as conceived by Aristotle, was an isonomy, an association of equals constituted “for the sake of a good life.”’ Things were simpler then and a case may be made that the level of thinking was more at the level of the group rather than of society. That is, it was at a lower level of abstraction and was therefore readily accessible to those who were more concerned with their day-to-day affairs—even though it is understood that many of the politicians had more leisure, in any event, to exercise their thinking. Any moves to so-called direct democracy, therefore, should be aimed towards more effective questioning and dialogue between the people and the politicians, rather than any direct decision-making capacity.

Democracy, then, can be taken to mean a form of governance that provides a means whereby the people have access to processes that allow, primarily, a choice of who comprises the government that is needed at a particular time to identify and express the conscious intent of the society, and, secondly, some practical opportunity to participate as effectively as possible in the political questioning and dialogue—the more effective are such processes the more democratic the society. Periodic elections are the modern means to achieve the primary requirement, and the many open-government initiatives, political parties, conventions, lobbying and access to politicians, free press, and opinion polls are some of the means to deliver on the second. In a mature democracy, it would be a particular responsibility for the politicians to take the initiative in questioning the people on their views and keep making opportunities to improve the dialogue—but it is still the politicians who lead and have a role to influence societal thinking for the better. This is not a political science thesis and so there is no attempt to be more definitive.
The important point to appreciate here though is that democracy is essentially about community processes that help define the parameters for the political sphere and, as such, it is very much a menetyp e #B sphere type of thinking, which captures the heart or spirit of the people. Democracy stands for a set of implicit assumptions shared by the community about the way it wants to live and order its affairs, primarily in the social sphere and secondarily in the political sphere. Thinking in the economic sphere is repressed.  

Democracy, therefore, is more than just a suite of sanctioned processes to effect the conscious intent of the society—it needs to underpin, and be underpinned by, the principles (or collective values) of liberty and equality. How could this key requirement be interpreted in terms of the modern society that is so large and complex?

The elements in the principle of liberty are the ability to rule and be ruled in return, the freedom to participate in societal governance, and the freedom to live as one likes [interpreting Aristotle’s (1952) The Politics as quoted in Held, 1996: 19]. This principle refers essentially to the sphere of the individual (menetyp e #A). In a society such as the United States, where the societal focus is on the economic sphere (menetyp e #A), it is the last of these three elements (namely to live as one likes) that is most important, and it is most important in the economic sphere. The freedom to live as one likes translates most importantly to what is most valued in the US society, namely the freedom for anybody to “make it” in society no matter what their background, and to “make it” means to be an individual, economic success (i.e. menetyp e #A success). ‘A society is called capitalist if it entrusts its economic process to the guidance of the private businessman’ (Schumpeter, 1989: 189), or its focus is on the economic sphere (menetyp e #A) as is the US society. For the moment, the reader should hold onto the understanding that there is a lot of support for the primary capitalist (menetyp e #A) orientation of the US society.

The concept of equality can be interpreted in three ways; namely, equality of opportunity in the economic sphere, equality before the law as ‘in abstracto, it [i.e. democracy] makes all citizens equal before the law’ (Michels, 1962: 43), and equality in politics where ‘one man’s opinion could be held, without glaring absurdity, to be roughly as good as every other man’s’ (Schumpeter, 1950: 254). Both from the voluminous commentary on democracy and from how it is popularly held, equality may be taken to be the pre-eminent principle of democracy, with the
most important aspect being equality before the law. Even freedom is freedom before the law. Moreover, ‘equality is the practical basis of liberty. It is also the moral basis of liberty’ (Held, 1996: 20).

That equality and order (i.e. the law) are the core implicit assumptions means that the heart of democracy lies squarely in stimulating the menetyp B thinking in the individual. That is, democracy rests at the heart of society as driving the implicit assumption of equality in the heart of the culture. The core meaning is the equality of each and every citizen just because they are human and belong to the society. This menetyp B thinking then percolates through into the other spheres of society, though not with as much force.

What this means is that when a country such as the United States opts for capitalism by putting its primary focus on the economic sphere (menetyp A), then democracy which promotes menetyp B thinking provides sound secondary support for the main activity. That is, the spirit of democracy is the secondary support needed for capitalism or as Schumpeter (1950: 297) says ‘modern democracy is a product of the capitalist process.’ This is offered as the one key reason for the unexpected stability of capitalism—namely, that it is properly and soundly supported by the right secondary focus. Therefore, as long as there is adherence to the belief in economic freedom and democratic rights of equality, capitalism will continue to survive in its various manifestations despite the pessimistic predictions to the contrary. Those that predict the demise of capitalism point to the growing economic inequality, but this is the least important aspect of equality in the human psyche’s thinking in a capitalist society. The most important is equality before the law and if this is seen to be undermined democracy and perhaps then capitalism may be in some danger. The next most important is political equality, and the notion of economic equality is much less developed—it has merely been taken to mean equality of opportunity to succeed economically.

Since the maintenance of the principle of equality is so important for the stability of capitalism, it needs to be seen to be embedded in the political process. That is, people have to see that they can participate equally if they want to. However, because the political sphere is the lowest priority in the capitalist society, there is no need to compel the citizens to participate. What is needed, though, is the sense that anybody can participate at any level if they want to, and that is why in the US
case, the lowly beginnings of President Lincoln are so important to hold up for
acknowledgement and encouragement.

4.1.2 How do Michels and Weber differ on the evolution of authority?

Michels (1962) focuses the main argument of his empirical analysis at the level of
organization. He uses a series of facts of experience to establish ‘the law of the historic
necessity of oligarchy’ (Michels, 1962: 364). It has already been established that this could be
more accurately understood as the basic human necessity for governance, but what more is
Michels (1962) saying in terms of organizations.

Not only does he maintain that the oligarchic phenomenon is a natural consequence of
organization but, even more than that, he also asserts that the organization is also a natural
necessity of life: ‘Be the claims economic or be they political, organization appears the only
means for the creation of a collective will... the organization is based upon the absolute
equality of all its members’ (Michels, 1962: 61; 66). It is almost as though an organization is a
natural extension of a human—which it is, of course, because the organizational level of
thinking is the very accessible and secondary, supporting level of thinking to the individual’s
thinking on the personal level. It is much more natural to think in terms of a group or an
organization than it is to think in terms of society, as history has shown and as today’s
fracturing of nations into tribalism is continuing to show. However, individuals do not always
enter into organization with a sense of equality—one only has to think of joining the gang of a
despot (for personal protection), a religious sect, a small family firm, or an expanding
entrepreneurial capitalist to appreciate that there are a number of frames of mind that can
drive the mechanics of organization. Michels (1962) even acknowledges this when he
observes, ‘Haller long ago noted that in every form of social life relationships of dominion
and of dependence are created by Nature herself’ (Michels, 1962: 366). That is, rather than
naturally coming together as equals, humans come together in power relationships, one of
which is to regard one another as equal.

Of the basic three types of legitimate authority, it is management or legal-rational
(menotype #B) thinking that is underpinned by the menotype #B implicit assumption or
principle of equality. In a pure bureaucratic hierarchy, it is not so much that one person is
better than another, but rather that one person is in a position that is hierarchically above
another and therefore has the duty to issue orders and the one in the lower has the duty to
obey those orders. Each has the duty to be loyal to the other but more importantly to be loyal
to the organization and its order. But within the dynamics of the hierarchy some people
become more equal than others.
What Michels (1962) is advocating is that every organization has large doses of the oligarchic phenomenon, which can be taken to mean political power, or power that is accumulated more with the person rather than the formal position or role. Every organization of people manifests all three forms of power but as was discussed in earlier sections one form of authority predominates. What Michels (1962) is saying is that the authority in all organizations heads towards the political menotype #C spirit, even that of a bureaucracy—which is really the central point of his argument. Even the organization of the Socialists, which is meant to exude equality both because it is a bureaucracy and because of their democratic ideology, ends up by manifesting this oligarchic or personal political power in its leadership. This conclusion stands alongside Weber’s (1947; 1978a) conclusion that all forms of authority head towards and culminate in the legal-rational bureaucratic form. Michels (1962) is now saying that the real power progresses on and rests in the political/traditional form (menotype #C). Both acknowledge that change is brought on by a shift to the entrepreneurial or charismatic authority but both agree that this form of authority is short-lived and is routinised into bureaucratic normality reasonably quickly. However, only Michels (1962) acknowledges that it then moves into the traditional/political mode from whence it came (but it is now operative at a higher level of sophistication).

This empirical conclusion not only confirms the path of evolution as being that of a continual process of cognitive reversion (going against the arrow in the Figures and then in a spiral fashion to higher levels) around the menotype trinity of authority, but it goes further. From his substantial empirical evidence, Michels (1962) is really saying that the authority orientation at the top of all large, mature organizations inevitably ends up as that of political power (menotype #C). It is true for bureaucracies and it is also true after a time for the entrepreneurial charismatic-led private capitalistic organizations. This finding is also echoed by Burns (1974: 164): ‘It is this situation which accounts, I think, for the growing impression, amounting now to a conviction, which my own experience over the last dozen years has forced on me—that organizations of all kinds, and particularly the larger kinds, industrial and non-industrial, are preoccupied more and more with internal politics and careerism… senior management is forced more and more to rely on the power which comes from its right to adjudicate between rival groups and departments, from its role as monitors of performance and court of appeal.’

This top-level orientation to political power is a very interesting finding and one that has not had a lot of emphasis in the management literature though there are a number of notable exceptions (namely, Mills, 1956; Kakabadse and Parker, 1984; Yates, 1985; Boulding, 1989.
Pfeffer, 1992; Morgan, 1997). In the corporate governance debate, the prerogatives of the super-saviour CEO (Chief Executive Officer) are still maintained in the face of the ever-increasing visibility of corporate political behaviour and battles. In US public administration literature the imposition of the top political layers from outside is bemoaned and the (now evidently forlorn) implication is that if only these political placements were replaced by career bureaucrats, then the operation at the top of the bureaucracy would become very objective and professional. Michels (1962) is saying, however, that the power relationships at the top of these organizations will still inevitably be political.

In terms of organizational structure, the movement that swept in the ideas of delayering and flatter structures quite obviously entails a shift from the close managerial hierarchical control to the more diffused political network of status and power. There has also been a growing interest in emotional intelligence and the ability to use emotion in the right circumstances. The importance of intuition is now being highlighted. ‘The word “intuition” found frequently these days in business and management publications, is a relative newcomer... A recent book on intuition in business defines it as “a process of knowing without the intervention of reason or analysis”’ (Harman, 1993: 227). This intuition is associated with a deep sense of values that are cognitively connected to the emotions and is associated with a menotype #C preferred cognitive process. This cognitive reorientation from the menotype #B scientific, objective, analytical thinking to the more immediate, intuitive, value-oriented approach of the menotype #C mindset is also the reason for the greater focus in recent times on morals and ethics (and codes of conduct) in business life. ‘The “rules of the game”—of any and all such games—are therefore in quite specific and commonsense ways, moral codes’ (Burns, 1974: 145). The characterisation of this shift in thinking is also grasped in Ramos’ (1981) The New Science of Organizations, which advocates the replacement of the parochial Western rational concept of organization with ‘an endurance-centered science of organizations’ (Ramos, 1981: 171)—or survivability, which is principally a menotype #C preoccupation.

The cognitive dynamics of all this political life in the heart of entrepreneurial business are also interesting. What we have, cognitively, is that in a capitalist society (menotype #A), carried along by large public corporations (menotype #B of society), we have in the governance of these large organizations, a predominance of political authority [menotype #(#C)^A of society]. So the society consciously restrains the political sphere (small government) yet practises political power avidly in the upper reaches of the most important societal organizations, but by and large refuses to acknowledge that it is really going on.
as though it is operating in the collective unconscious, which means that the society is not handling this aspect of its operations as maturely as it could. There is obviously room for improvement but this will be discussed later in respect to each of the types of organization discussed.

4.1.3 How do people learn to be oligarchs?

It makes for a complete and powerful analysis in the way Michels (1962) also tackles what happens on the level of the individual. The main focus of the study is the Socialist organization, and when dealing at this level of abstraction it is normally expected that the role of the individual would be played down or treated as unimportant. In tackling some of the personal, psychological dynamics, Michels (1962) contributes some valuable insights.

Most prominent is the vast bulk of people who form the politically uneducated, incompetent mass who look to be governed or led, even duped for such a long period of time. Out of this good-for-nothing mass, however, always rises a few people to lead them forward—even though these select few may outwardly be no different, being workers themselves. Yet, propelled forth from the mass they are transformed and become the power-hungry, smart, esteemed, revered, but controlling oligarchic elite that corrupts the democracy that these organizations were made to experience. Something happened along the way and it was not something they ate!

What Michels (1962) goes to some length to describe is the nature and importance of individual whole-of-life learning. The process of going from thinking as an individual worker focused on the day-to-day earning of a living to the stage where one is committed to an organization and working for its good, which means one has to think in terms of the group. And, from there, these individuals go on to train their minds to think in terms of the “good” of the organization and then broaden their thinking to society as a whole so they can articulate the issues of concern and become a leader among their fellows in carrying on the external struggle in the political sphere. Michels (1962: 90–91; 265) stresses that the individuals have to work hard to achieve this but in the process they are transformed and their level of thinking is so elevated that they are held in great awe and respect by the others.

Encapsulated in Michels’ (1962) explanation of the learning process of such leaders is both evolutionary learning through cognitive reversion of inner questioning and dialogue, and the transformational procession through deep reflection on the reality of their experience. All of this learning progress takes great devotion and intellectual effort. What are required foremost are the desire and then the tenacity to stick with the hard work through thick and
thin. What Michels does not talk about is the actual process or cognitive dynamics of learning, or the many that try but do not make it. The way the individuals handle their roles must play a big part. However, Michels (1962: 102) does acknowledge that many of the leaders of the organization are imports from the outside, namely those who have already attained the higher level of thinking and esteem. Unfortunately, this does not leave us with any sense of how one’s experience in the various roles within the organization would help train the individuals’ thinking at higher levels.

Nevertheless, what is important is that Michels (1962) shows that with the desire, substantial effort and the opportunity to practise and benefit from it, individuals can lift their focus of thinking from the level of individual day-to-day practical survival to a focus on running the organization as an entity to focus on the thinking in terms of an operating society. That is, they raise their focus of thinking to higher levels of abstraction and this promotes a focus on the higher political mode of thinking. There is no indication as to whether those that make it to the leadership positions have a predisposition to that political way of thinking, or whether they cultivated it along the way. Michels (1962: 207) notes that when the individual reaches this higher level of thinking, the old way of thinking is left behind and the individual loses all desire to revert to being an ordinary worker again. Moreover, at this stage he/she refocuses on himself/herself as an individual in a new way as standing high in the society and, as a consequence, that aspect of day-to-day living or mere mortality is repressed. The result of the combination of the higher level of abstract thinking and the now more unconscious attitude to menial pursuits, is that the individual is often seen as aloof and arrogant.\(^8\)

**In summary**, the principal conclusions from the above discussion on the Iron Law of Oligarchy (Michels, 1962) are as follows:

1. **In order to give effect to conscious human intent, governance is a basic cognitive necessity at each of the levels of the individual (personal governance), the group (organizational authority), and society (national government).**

2. **Democracy (and particularly the democratic principles of equality and participation) is an important and necessary cognitive support structure for the continuing successful operation of capitalism.**

Where democracy is a form of governance, whereby the people have access to processes that allow them the opportunity: (a) to choose who comprises the government that is needed to identify and express the conscious intent of the society; (b) to participate as effectively as possible in the political questioning and dialogue; and (c) to be able to participate at any level of the political process.
(3) The spirit of authority predominating at the top of all large, mature organizations is found to tend inevitably to the practice of political power (menotype #C authority).

(4) With the personal desire, testing roles and continuous hard intellectual endeavour, an individual can raise his/her focus of thinking to attain higher levels of abstraction and think in terms of groups and societies as separate entities, but there is an associated real danger of psychic inflation. Most people (the mass), however, retain their more basic levels of practical thinking.

4.2 Capitalism to Managerialism: Consciously Harnessing the Power Elite

The "evolution of the intellect" Comte asserted, "determines the main course of social evolution" (Mills, 1956: 301).

It has long been held that capitalism was passing into corporatism and there was forming what could be called a managerialist society. Weber (1947) long ago identified this shift as the inevitable march to bureaucracy and Marx (1952) saw real power being held by those who held control over capital, namely the large capitalist enterprises. The focus in this thesis, though, will be on the works of Berle and Means (1991/1933); Burnham (1941); Schumpeter (1950); Mills (1956); and Galbraith (1967), who earlier than others identified, diagnosed and prescribed for this phenomenon in the modern economic world—namely, 'the shift of power from owners to managers in large corporations' (Galbraith, 1967: 49), which affected the way the society did business. This issue will be studied more closely later when analysing the control of the private corporation but, for now, the following key aspects will be addressed in order to help ascertain where the areas of focus should be in a capitalist society such as experienced in the United States.

- First, where does this shift to managerialism take us? Schumpeter (1989: 208) saw it as 'the individual leadership of the individual entrepreneur tends to lose in importance and to be increasingly replaced by the mechanized teamwork of specialised employees within large corporations.' Berle and Means (1991/1933) defined in great analytic detail, the extent that this shift had already happened and the pace at which it was moving. Galbraith (1967: 86ff) described the shift in terms of the development of the "technostructure" which took over power from the
entrepreneur and grew unfettered in the form of the large corporation. Galbraith (1967) saw the key to the strength and never-ending growth of the corporation as being in its discipline of group planning for 'its organized use of capital and technology' (Galbraith, 1967: 354). These large corporations have great oligopolistic power over the markets and give great power and standing in society's business affairs to those holding the position of chief officer. Burnham (1941) and Mills (1956) were more pointed in claiming that these corporate managers were a key part of the new power elite in control of both the economic and political spheres of society. The starting point for the discussion is the divergence in the paths taken, on the one hand, by Burnham (1941), Schumpeter (1950), and Galbraith (1967), who all saw this shift to such a managerialist society as a definite step in the downfall of capitalism which would soon give way to socialism (by transferring the now management task of control to government) and, on the other, that taken by Berle and Means (1991/1933: 311), who advocated that corporations should be conducted more in the interests of all stakeholders including the public as consumers and shareholdes, and not just for the owners or managers.

- **Second**, how is power exercised within the power elite and how can the "good" that it pursues be influenced in any way? Mills (1956) identifies the power elite essentially as those occupying the top positions in corporate and the military bureaucracies, and the key political roles in the President's administration. These 'economic politicians of the corporate world' (Mills, 1956: 115) are enjoined by a common purpose, by common interests, by mutual assistance to one another in getting things done and by 'social similarities and the psychological affinities of men who occupy the command posts of these structures in particular the increased interchangeability of the top positions in each of them and the increased traffic between these orders in the careers of men of power' (Mills, 1956: 296). Their power is uncontested as 'there is no effective countervailing power against the coalition of the big businessmen... [This power elite] are not merely brokers of power, resolvers of conflict, or compromisers of varied and clashing interest—they represent and indeed embody quite specific national interests and policies' (Mills, 1956: 267). Moreover, Mills' (1956: 348ff) caricature of those in the power elite is that of persons who are successful, self-made, more into appearances (ie 'a personality market') rather than substance, smart rather than wise, and who are caught in a higher immorality of accomplishment rather than sensibility. 'The elite of power, wealth and celebrity do not have even a passing acquaintance with the
elite of culture, knowledge and sensibility' (Mills, 1956: 351). And the process that these persons indulge in is largely invisible to society as 'there is no set of men with whom members of the mass public can rightfully and gladly identify. In this fundamental sense, America is indeed without leaders' (Mills, 1956: 360). We need first to name this unconscious process of power and then work out whether anything can be done to bring it out into a more conscious intent.

- Third, what can be done to imbue the thinking of individuals destined to become part of the power elite of tomorrow with those perspectives that could foster a more healthy society? Here we are essentially referring to those who are headed for the top of the corporate and public (i.e. military) bureaucracies. Accession to the power elite is not hereditary but normally has to be earned by hard work, learning the ropes, and by accrued successes that impress the current power elite. As Mills (1956: 136) identifies, 'the man who rises to the top is the broadened man whose “specialty” coincides with the aim of the corporation, which is the maximizing of profit. As he is judged to have realized this aim, he rises within the corporate world.’ They need ‘an element of luck... [which means] an accumulation of corporate success... sound judgment, as gauged by the men of sound judgment who select them... [and] qualities judged useful to “the team.” On this team, the prideful grace of individuality is not at a premium... We want a well-rounded person who can handle well-rounded people. Such a man does not invent ideas himself; he is a broker for well-rounded ideas: the decisions are made by the well-rounded group' (Mills, 1956: 138; 141; 142; 145). The person learns along the way and is usually expected to do tours of duty in the other agencies of power. There are very strong forces at play but there may be some levers that could be identified and other development opportunities injected into the current processes of progression to the top.

Essentially these issues concern the dynamics of change and whether there is any realistic way that conscious influence can be exerted to affect the outcome for the better. We will now analyse what these dynamics of change mean, in turn, at the level of society and whether capitalism is really in danger of collapsing into socialism, then at the level of the organization to make visible the allegedly invisible power processes of the power elite, and thirdly at the level of the individual where we can but hope to see some opportunities to influence the outlook of the future power elite.
4.2.1 How did the West evolve to managerialism?

It has been brought out above how the capitalist society supported by democracy holds its focus primarily on the economic sphere of the society with a secondary focus on the social sphere. The concepts of corporatism and managerialism are processed by the individual at lower levels of thinking than those used in thinking about the society. Specifically, these concepts concern the way the economic sphere is organized and managed.

The principal means of production used in the economic sphere (menotype #B^# of society, see Figure 5) is the firm or, more specifically, the large corporation—which is therefore thought of in terms of a managerial process (menotype #B^# of society) driven by economic imperatives (of the menotype #A higher-level economic sphere) where ‘material success is their sole basis of authority’ (Mills, 1956: 328). To observe that society is becoming corporatist is to say that there has been a shift of focus from the idea that the consumer (menotype #A of the society) is sovereign to the pre-eminence of the producer (menotype #B of society) and that this producer or corporation has become the primary engine or power of the economic sphere. The fact that the corporation is still driven by the higher-level capitalistic thinking (menotype #A) is the primary reason that corporations keep on growing and expanding into new markets, because, in keeping with the phase #A mindset, no material success ever seems enough. The sense is almost that they have to grow or otherwise they are dying. To talk about them becoming managerialist is to descend to yet another level of thinking. What is being described is the shift from the spirit of the entrepreneur (menotype #A of the organization) to that of the manager (menotype #B of the organization) (which is a shift from phase #A to phase #B in the organizations’ authority trinity of menotypes, which can be seen in Figure 8).

Moreover, the changes are mutually reinforcing because they involve the same cognitive movement from phase #A thinking to phase #B thinking, and so the shifts in thinking become even more pronounced. Essentially, these movements are a product of the capitalist system maturing, and their combined effect actually supports and strengthens the main philosophy of capitalism. This greater development of capitalism’s secondary, supporting cognitive structure (phase #B thinking) also flows over into the social life of the individuals concerned through the phase #B thinking connection. In a real sense, this managerial bureaucratic thinking tends to supplant the individual’s concepts of social life and he/she tends towards becoming “the company man.”

These developments are therefore seen to be healthy and productive for capitalism, but whether the changes are good for other concepts of living is a different matter. That is to say,
rather than heralding the demise of capitalism as suggested by Burnham (1941), Schumpeter (1989: 189ff) in his 1946 paper on Capitalism, and Galbraith (1967), these shifts are entrenching and bolstering its existence. The constant pace of change and new development is the clear sign [as suggested by Schumpeter (1989: 178) as the key difference from other systems] that the capitalist system is still alive and well at the highest levels. A clear illustration of this creative entrepreneurial spirit that colours all the thinking and actions is the current huge technological and economic leap forward with communications, which are not only a more efficient means of production but also a powerful force in all of the economic spheres. Galbraith (1967: 11ff) asserted that it was technology that had a mind of its own in driving the huge growth in the size of corporations, but it is rather that the basic motivation (at the societal level of abstract thinking) to succeed and achieve that is at the heart of the societal economic imperative. This driving motivation to achieve continually has driven the search for new technologies that has in turn enabled great physical achievements—the new possibilities that individuals were becoming cognitively disposed to look for. Moreover, capitalism has seen great stability in general economic equity terms, as ‘the rate of economic growth and the shares in which our increasing product has been distributed to the various recipients have remained remarkably stable... so far as the essential rates and percentages that describe the performance of our economy are concerned, the key word is stability’ (Mason, 1993: 138–139).

The only way that these changes could be undermining capitalism is if there were to be other substantial autonomous changes in the social life of the society that were significant enough to effect a shift of the primary cognitive focus of society from the economic sector to the social sector. This would mean a fundamental shift in the nature of society and, if it were to happen, it would be in the cognitive direction signifying the positive evolutionary progress of society. The commentators who talk of change do not report any prospect of these sorts of wholesale changes in the social sphere but rather complain that the social life is becoming a bit too supportive of capitalism.

What is clear, however, is that the suggestion that these changes are driving capitalism towards state-controlled socialism is patently incorrect. This would entail a shift in the focus of society’s thinking from the economic sphere to the political sphere so that, in effect, political thinking drives the dynamics of the economy. This is not only cognitively going in the opposite direction to that supported by their facts (i.e. corporatism and managerialism), but it would also have quite destructive effects on the society (which are not showing up in the thriving capitalist economies). This experience of society heading in the wrong cognitive
direction is actually the way of the communist manifesto and can really only be effected by revolution or some such societal death. This is because to bring it about, everybody’s thinking at the level of society would be taken into the repressed unconscious political aspect and they would be so clumsy and inept at bringing it about constructively that the only way would be to enforce it—and it would still be very chaotic.

It is important to remember in such quite general discussions as these, that the conceptual framework explains the fact that all spheres contain something of the other spheres. Or to put it another way, as expressed by Schumpeter (1989: 176): ‘every society contains, at any given time, elements that are the products of different social systems. Thus, feudal society harboured, besides the lords and peasants and artisans that constituted the essential elements of its system, also other elements—traders, for instance, and certain classes of producers—that did not belong to the feudal organism and dwelt in towns which that organism failed to subjugate or to assimilate. In the capitalist epoch, the classes that are the products of the capitalist process are hardly ever found alone. Practically always they exist in symbiosis with an aristocracy and a peasantry of non-capitalist origin. And this fact is not only, as one might think, responsible for frictions and other secondary phenomena. It is of the essence of the social process.’

The feudal system was a society cognitively focused on the political sphere, as is communism, which can therefore be regarded as a sort of latter day feudal system [i.e. the version found in China, rather than that used in Russia which was undermined and doomed from the start by its reliance on central bureaucratic control (i.e. a menotype #B unsuccessfully trying to be a secondary support to the menotype #C primary) rather than the provincial- (or feudal-) type economic lord as perhaps existing in China]. Many of the South-East Asian societies are also cognitively focused on the political sphere, and this is why their economies operate differently and with different values to those in Western economies.

The other major type of society is the one cognitively focused on the social sphere, which, it may be argued, was the case in Athens, the home of pure democracy in ancient times. This assessment is principally based on Finley’s (1985) fulsome explanation of the reasons for the success of democracy in that ancient city-state. Finley’s (1985: 29) key conclusion was: ‘It was that sense of community, I suggest, fortified by the state religion, by their myths and their traditions, which was an essential element in the pragmatic success of the Athenian democracy.’ This and other details indicate they had a strong primary focus on the social sphere, a secondary focus on the political sphere, and the economic sphere was largely repressed and was, in effect, non-existent for the citizen (Finley, 1985: 85). They remained
stable and prosperous for so long essentially because in keeping with their living out of the social sphere, they had a well defined and stable class structure (male citizens, women and children, aliens and slaves), and a strong military “bureaucracy” that enabled them to extract rents from their subservient dominions. This is perhaps why it is so difficult and a bit unfair (as well there was the lower level of abstraction needed to handle the simpler and smaller-scale life) to compare the experience of modern democracy in capitalist societies with that of the more “pure” version practised in ancient Greece.71

The point of this slight digression is that no society can be made perfect. In selecting the good points of one, the society is obliged to forego in large measure the good points of the other options. Individuals that make up a society cannot focus on all three societal spheres at once and somehow have to make their choice, and once made it gets reinforced and entrenched and takes quite a lot to change it (at such a high level of abstract thinking). Capitalism could be transformed to something like pure or communitarian democracy focused primarily on the social sphere, but it would be a very, very different society—and probably a poorer one. The citizens would need to repress most of their thinking and energy for matters economic. They would need to repress their notions of success being a good thing (i.e. the “great American dream”), of materialism, of the entrepreneurial spirit, of the expansionary spirit, of the spirit of individual freedom, and of what has come to be regarded as the “American way of life.” In popular opinion of today, some of these aspects have been criticised for the harm they cause to the “true” living of humans, but they are not being put down on any large scale.

What can be achieved, however, is to help along the progress of evolutionary development by stimulating some more healthy interest in the thinking about the secondary supporting aspects associated with society. In the case of the US capitalist society (i.e. menetyp #A), this would mean to bolster the constructive contribution of the thinking associated with the social sphere (i.e. menetyp #B). This is where Berle and Means (1991/1933) were very perspicacious with their recommendations for the future of corporate governance. They identified the great and accelerating dilution of corporate ownership. Today, ownership of these private sector corporations is even more widely held by the public.72 We will look at the implications of this shift in more detail later but, for now, it is enough to recall their recommendation that, rather than submit meekly to management control (as it may be interpreted has happened):

The control groups [i.e. executive management and directors] have, rather, cleared the way for the claims of a group for wider than either the owners or the control. They have placed the community in a position to demand that the modern
corporation serve not only the owners or the control, but all society (Berle and Means, 1991/1933: 311).

To date, the notion of corporate governance has largely been regarded rather narrowly as referring to financial accountability, though more and more voices are being heard that it should mean more than this. What Berle and Means (1991/1933) are essentially saying is that the quality and focus of corporate governance need to be developed to reflect better the needs of all society—that is, corporate governance needs to reflect much more of those values and thinking that are associated with a healthy social sphere (i.e. about phase #B order and equality). Political intervention is not being called for, as it would likely have more deleterious effects than help, though that is not to say that some legislative assistance may be required to help the social sphere thinking get a bit more of a foothold.

We will abstain from dwelling on any of the core institutions (i.e. menetype #B of the menetype #B social sphere) such as religion, clubs, and neighbourhood groups, as it goes without saying that these need to be working well for any chance of the social sphere to have a positive, healthy support role for the economic sphere. Such core institutions have served well in the past but many would say that they are perhaps in the decline and some resurgence is needed, but not necessarily involving the same institutions. The most obvious source of support could come from those social institutions in the explicit formulation phase of the social sphere (i.e. menetype #A of society), which is the closest to the economic sphere and helps define the economic “good”. The principal ones of these are:

- The social and recreational sector, which has provided organized physical and social activity for the citizens. The recreational and sporting clubs involved provide a diversion and compensation for the rigours of participating in the workforce. Through participation in such organizations, individuals have the opportunity to maintain a healthy, balanced lifestyle and productive social contacts. Involvement in such activity is so supportive of the individual’s effectiveness in the economic sphere that where such organizations have not existed, firms or corporations have actually encouraged their formation and supported their existence. The recent trend to commercialised, professional sport has undermined their value to a certain extent, as the associated negative cognitive move towards the more economic menetype #A orientation would suggest.

- The education sector (or educational estate)\textsuperscript{73}, which provides the formal education of workforce entrants and an increasing number of managers in advanced stages of their careers. Overall, the higher education institutions have helped enable the
majority of people to think at a higher level of abstraction if they choose to. The education sector has had an indirect effect on the economic sphere in what it has taught those being educated and through the ideas that are generated and given some currency by the academic community. They have had a large effect on the development of society’s thinking at the individual level and provided managers with the tools to think at the organizational level. Current trends seem to be that the education sector is being made to kowtow more and more to the economic sphere as the academic institutions are pressed to provide more vocationally oriented training and to work for the private sector to bolster their budgets. However, the considerable and growing consultation-type work and joint ventures could be an opportunity for them to engage with organizational management and influence the collective thinking at the organizational level in a similar way to that carried out by the unions.

- The professional sector (or scientific estate), which includes professional associations, scientific institutes, and the like. These associations have not only provided support and assistance to individuals but also have wielded significant influence in the economic sphere—namely, where “it pays to belong” because the organization has had some control over their employment prospects, like accountants, lawyers, engineers, etc. ⁷⁴ An impression is that these organizations have had some direct positive effect in instilling more-wholesome societal values into the way individuals go about their work.

Through the managerial era, the importance of the contribution from the higher education sector has increased dramatically with the proliferation of career-oriented knowledge courses and graduate management programs. This activity has helped bring the Western society to the seeming peak of modernism and establish the foundation for the emergence of the knowledge or information society. However, with the acceleration in the amount of information, knowledge and technology improvements, the working professional is now in need of something more to maintain his/her currency and usefulness in the more intelligent workforce. Formal education providers are responding and becoming more flexible in their approach but they are facing a challenge to hold onto their raison d’être at the same time as they try to become more effective contributors to the economic sphere. The higher education sector could perhaps take some lessons from the way the unions operated so effectively in championing the cause of the workers.
The unions have had the most direct influence on the development of organizational-level thinking of the developing managers. The unions were energized with the spirit of belonging and equality in the culture sphere (menetyp #B of the organization) of corporate life. The unions have been concerned with the workers’ financial and working conditions, as well as improvements in the quality of life for the workers. The sense of solidarity was a strong foundation on which to build their dialogue with management, which was carried on in the political spirit of the authority sphere (menetyp #C of the organization) where organizational decisions are made. That sense of solidarity culminated in some cases of worker participation in management or ownership. The unions seemed steadfast, operating from a base of inner convictions and dogma, and engaging with the authority in the hurly burly of the political life of the organization. Generally speaking, the unions seemed to have maintained their espoused values and integrity with their members (decreasing union membership to the contrary) even through the temptations of the power battles that they fought with the organization. The unions have had a dramatic impact on the production phase of the economic sphere and less directly on the consumption phase. The reason for their significant influence has been that they have been in constant combative dialogue with the management of organizations, which contributes to inner psychic tension and the opportunity for all to learn and think more broadly (i.e. move up the cognitive spiral of understanding). As a result, they have helped change the way managers think about how things should be on the level of the organization. In other words, they have played a large part in the development of society’s organizational-level thinking. However, their influence is on the wane, which will probably only accelerate in the new informational age.

The question now is whether there is an institution from the social sphere that can step into the vacuum being left by the demise of the unions. The higher educational sector (and perhaps the professional sector) seems well positioned to increase its direct involvement in the affairs of organizations. From the lessons of how the unions were able to have an impact for the better, the following conditions, at least, will have to be satisfied if the education sector is going to be in a position to help define the “good” for the organizational level thinking of the economic sphere.

- They need to be able to engage the authority sphere of organizations on an ongoing basis—ostensibly by getting involved in some way with the corporate executive to pose questions and dialogue within the corporate decision-making processes.
- They need to adapt their educational methods and content to focus more on the development of the individuals' thinking to play a part in forming their
organizational-level thinking—which could mean, inter-alia, making graduate management education more experiential and conducting it in groups within the organizations, perhaps over an extended period of time.

- They need to anchor and maintain the integrity of their basic underlying assumptions formed in the social sphere of thinking and resist selling out to the imperatives of the economic sphere (i.e. to participate in, but not be of, the economic sphere).

These issues which deal with the potential for influence of the educational sector will be analysed in a bit more detail in connection with the evolving governance of private corporations.

4.2.2 What is the significance of Mills' power elite?

This shift to corporatism and managerialism in support of capitalism has had most effect on societal governance at the level of the organization. This is mainly where the power elite operates to promote the success of the economy ‘in which political and economic affairs are intricately and deeply joined together’ (Mills, 1956: 260). Those at the top of the corporate or military bureaucracies might well echo Charles Erwin Wilson’s ‘oft-quoted remark that “what is good for the United States is good for the General Motors Corporation and vice-versa”’ (Mills, 1956: 285).

And what is it that the power elite or ‘ruling class’ (Mosca, 1939) do? ‘We must judge men of power by the standards of power, by what they do as decision-makers’ (Mills, 1956: 286). However, Mills observes that these power elite do not invent their own ideas and avoid overt decision-making, but rather choose sound advisers to assist decision-making within the group (Mills, 1956: 145). Therefore, in the shift to the managerialist corporations there has been a shift from personal decisions of a particular entrepreneur or their proxy to a group decision-making process. Previously, the decisions were made essentially to implement the entrepreneur’s vision, but in the managerialist world, the decision-making process normally chooses between alternative proposals or opportunities on the basis of their efficiency or logic. This latter decision-making process is more in keeping with decisions on production processes, the allocation of resources or the choosing between different investment opportunities rather than the creation of a brave new world as envisaged by the entrepreneurial capitalists. Therefore, any quest to improve corporate or organizational governance would need to analyse the decision-making processes of the corporate control
group. But there is an even more persuasive reason to focus attention on the executive
decision-making processes.

It was concluded above (in Section 4.1.2) that the Iron Law of Oligarchy (Michels, 1962)
is tantamount to saying that political power (menotype #C of the organization) is predominant
at the top of the large, mature organization. Mills comes to the similar conclusion about the
type of authority that predominates in the power elite at the top of the corporate world. They
concentrate on building alliances and personal social connections (Mills, 1956: 281–282) and
they identify and encourage political processes within their corporations. Mills (1956) would
have it that corporate personal politics might be the most important determinant of
advancement in the budding chief executive’s career. The big question they have to satisfy is
along the lines of whether they are appropriate, whether they fit in. ‘Chester Barnard, who has
had experience [in choosing corporate executives], strongly emphasizes the importance of
“compatibility of personnel”… Nor is the process of executive selection subject to higher
review’ (Mason, 1993: 148). This political aspect of the decision-making process is largely
unacknowledged and invisible to most people and academics included. There is a
concentration on the formal structure of groups such as corporate boards, but nowhere near
sufficient attention is given to the political nature of decision-making at this level. This
diminishes both the level of influence that can be brought to bear on existing decision-making
processes and the inherent quality of the decisions, which can, as a consequence, only reflect
the largely unacknowledged acquired values that the power elite individuals hold in
common—and as Mills (1956) disparagingly points out, this set of values largely reflects the
superficial materialistic, smart, achievement-oriented values of the economic sphere (i.e.
espousing the value set of the principal US type #A spirit). Or as Burns (1974: 140) says,
‘Corporation managers prove themselves by growth—either in turnover or in profit margin,’
and growth or constant achievement is the hallmark of the economic sphere. The task, then,
would be to identify decision-making processes that acknowledge the predominant political
dimension of authority at the upper echelons of the corporate world, and that provide the
opportunity to incorporate some of the thinking associated with the social sphere as identified
above.

This increase in prominence of the political nature of corporate decision-making has a
direct connection with the shift to corporatism and managerialism. As discussed above,
corporatism can be seen as an increase in emphasis on the organizational (menotype #B)
means in support of capitalism. Managerialism is the associated shift from an entrepreneurial
to a managerial emphasis in the exercise of authority. The secondary, supporting phase of the
authority trinity is the political perspective of authority, which is an aid to middle-to-upper managers where managerialism is most prevalent but becomes predominant in the control group of the corporation. Moreover, corporations have become so large and so like conglomerates that they cultivate a number of large autonomous fiefdoms that naturally are best controlled by political power. Thus there has been a further shift in the authority dynamic from managerialism to the politicisation at the top of corporate power. There is not even an “ism” yet to describe it, but I guess it could be termed “politicalism”. In the overall scheme of things, this can be regarded as a natural (cognitively speaking), positive evolutionary development in the progress of maturing capitalism.

4.2.3 What would help individuals learn and develop?

Mills (1956) explains that the individuals that are destined to make it into the power elite in this modern corporate world are essentially made for it, rather than being born into it. Individuals play personal politics at the top, and those that form the top elite choose those up-and-coming individuals who would fit in and be most useful to them personally in helping the group decide and act in an economically successful way (Mills, 1956: 141). There is not much emphasis placed on formal education or qualifications (which are taken as given) for the prospective power elite, but rather on the services successfully performed for those above and the demonstration of sound judgment as judged by those above with sound judgment, who have the sole responsibility for selecting the up-and-coming ones for advancement.

That is, prospective chief officers are groomed within the organization system to operate at higher levels of thinking and action. Through a lengthy process of indoctrination and service, they learn to think in a way similar to those already there. This process does not act so much on the person’s basic individual-level thinking that goes to make up his/her personality but rather in developing the individual’s thinking at the higher levels of abstraction of group-level and society-level thinking—which of course filters back down to influence or modify how he/she thinks and acts as an individual (but, according to the philosophy of mind, it does not really changing his/her base personality). By the end of the process, when he/she reaches the top, his/her higher levels of abstract thinking have been so moulded that Mills (1956) can regard such individuals, in general, as all having adopted the same set of perspectives on organizational and societal reality and how it works. The process trains the mind. It is an evolutionary, cognitive process of individual learning that has the twin dynamic of taking on the beliefs as handed down by the top echelon (cognitive procession), but then processing it all internally for the individual to work out the essential truths (cognitive reversion) of the system and society that they can personally rely on and flexibly.
use. As Schumpeter (1950: 262) observes, 'People cannot be carried up the ladder' and so it is the personal inner work of the individual that is most crucial in this learning process. In effect, the process equates to a spasmodic but persistent move up the individual's cognitive spiral of understanding that takes a lot of work both for the individual internally and less so for those conveying the beliefs externally.

What happens when individuals go through the phase of focusing on their organizational-level thinking is that they repress their thinking of themselves as individuals (menotype #A). As Mills (1956) observes, this is encouraged in the organization as it helps individuals to focus specifically on the good of the firm and allows the individual to develop his/her secondary thinking on the level of society (menotype #C) to see the good of the organization in the context of its external environment. The individuals continue to develop their thinking until their focus is shifted onto the societal level of thinking and in so doing they automatically repress somewhat their adherence to the organizational level of thinking. 'In short, they must be able to move from one company's policy and interests to those of the industry' (Mills, 1956: 121). Rather, then, they refocus in a secondary support way, on themselves as individuals (back to menotype #A perspective) from this new societal mindset and tend to adopt the stance of a states-man or states-woman, and leave the self-concept of the company man/woman behind. That constitutes the cognitive rationale why they are no longer too attached to their organization and are able to move around to other organizations (such as serving on other corporate boards), and why the processes at that level have become more personal and politic rather than group and managerial.

This whole process of formation or education takes place over a lengthy period of time and goes largely unheralded or focused upon by management theorists. Since Michels (1962) wrote there has, of course, been a huge explosion in the numbers submitting themselves to formal, external management/administration training at all formal academic levels. This training has essentially been on substance, knowledge of facts about what is and how it fits together. Individuals are left to make sense of it in the context of what they are experiencing elsewhere and so it can only have an incidental effect on the development of their powers of thinking—which, arguably is the most important aspect of learning, particularly for those destined to become part of the power elite. There has not been much attention to the appropriateness of this aspect of learning in the formal institutions. There are not many, if any, experientially based MBAs oriented towards the need to develop thinking practices. The need and interest in learning how to develop one's thinking processes and how to learn, are witnessed by the press reports of the growing popularity of things philosophical as interpreted
for management (both in books and speakers on the circuit). However, any organized experiential learning is usually delivered by consultants in the context of the workplace—usually at one of the many types of organizational “love-ins” that are used these days. These experiential learning workshops have much greater impact on the development of the individual’s thinking at the higher levels of abstraction and, because such experiences are under the control of the organization, they reinforce the indoctrination into the organization’s accepted way of thinking, which is predominantly focused on the economic imperative.

An effective way to change the outcome is to change the process—by the use of some externally stimulated dynamic to inject some other perspectives into the formation of the individuals’ organizational-level thinking. The mindset of the top echelon of the organizations would be well developed and, of course, be difficult to modify, which means they will keep preaching and practicing the same messages. Modification of the decision-making processes and the requirements on outcomes as discussed earlier is a way of requiring all those involved to consider other perspectives or mindsets and modifying what constitutes economic success. It has been discussed how the higher education sector could play an important role in this process, but it could be even more valuable if it were to refocus its management education efforts more onto contributing to the development of the thinking processes of the upwardly mobile executives. The twin prongs of penetration into organizations by participating in the decision-making process and assisting the education of management learning would be mutually reinforcing and could lead to the development of a healthy, competitive dialogue over time. The task would be to identify what would best stimulate the higher educational sector to take on such a socially responsible task (perhaps it might be necessary to earmark it as a corporate sector joint endeavour).

In summary, the principal conclusions from the above discussion on corporatism, managerialism, and the power elite are as follows.

(5) Because of the shift of corporate ownership from the capitalist to the society at large and the consequential shift to corporatism and managerialism, there is a need to focus on the quality and substance of corporate governance to find ways in which it can better reflect the underlying assumptions of a “good” society (i.e. enhance the thinking associated with the social sphere menotype #B).

(6) The higher education institutions (and professional bodies) are perhaps well positioned in the social sphere to exert some positive influence in the formation of organization-level thinking in the predominant economic sphere, with the detail to be looked at later.
The nature and dynamics of the authority and its decision-making processes are the key to affecting the quality of governance in organizations. In this area of study, cognisance has to be given to the ramifications of the shift from managerialism to politicism, which means the politicisation of the executive decision-making processes of large organizations.

In this age of corporate politicism, the formal education of potential leaders needs to have a greater focus on contributing to the formation of the individuals' broader political-level and societal-level thinking to complement the seemingly narrow, self-serving learning experience provided by the organizations.

4.3 Decision-making in Capitalist Society: Learning or Dysfunctional Exercise?

Decisions are the bridge between the inner world of thinking and the external world of commitment. Decisions can be made more or less instantaneously or after much cogitation. The internally or externally oriented cognitive processes leading to a decision reflect the ends to which the decisions are oriented. The nature of change that takes place over time in the decision-making processes of any human system can be either constructive or destructive. That is, they can contribute to the expansion and evolution of human thinking and thus be called learning, or they can turn the perspective of thinking in on itself and heighten the narrowness of thinking, with the danger of leading in a vicious circle to dysfunctional behaviours such as groupthink.76 To consider this issue more deeply, it will be considered in turn what is seen to be happening in the modern capitalist society.

(i) Are there any shifts at the level of society that would incline one to agree with Schumpeter's (1950) conclusion that capitalism, through its very success, contained within it the seeds of its own destruction?

Schumpeter's (1950) principle contention was that capitalism was degenerating into managerialism.77 In Section 4.2, it was explained how this shift from the entrepreneur to corporatism and managerialism was a positive development and supportive of capitalism in the context of the economic sphere.78 The capitalist practice of old ways being replaced by better ways in either the production or the consumption spheres, is the essence of the entrepreneurial spirit (menotype #4), which is the driving force of capitalism as described rather mockingly 'as a
biological process in which the old and the senile are continually being replaced by the young and the vigorous’ (Galbraith, as quoted in Hirschman, 1970: 21).

What can be taken from Schumpeter’s (1950) analysis and the conclusions in the Section 4.2.1, then, is that the economic sphere of a capitalist sphere is, indeed, in a process of progress or evolutionary development. The economic sphere is the learning sphere, par excellence, of the US capitalist society, as the current revolution in communications technology bears witness. However, Schumpeter (1950) had other arguments on how destructive the changes in capitalism have been in terms of the society at large, namely that ‘the capitalist process in much the same way in which it destroyed the institutional framework of feudal society also undermines its own’ (Schumpeter, 1950: 139).  

Therefore, while Schumpeter (1950) would have that capitalism, through its own successes, is in a “vicious circle” leading to its eventual demise, the argument was established in last section that, at least on one level, capitalism was evolving in the positive direction of progress, but the situation is not so clear-cut from the perspective of society in its entirety. A more-detailed exploration is needed to determine whether the progress of capitalism is constructive or, as suggested by Schumpeter (1950), destructive.

(ii) Does the capitalist society have within it the inherent capability for organizational learning that is necessary to handle the latest shift to the new information age (or the new paradigm of meaning)?

Managerialism captured the notion essentially associated with Taylorism (Taylor, 1996) that the managers had to develop their thinking to understand the whole system and its interaction with the environment, while the workers could stay focused as an individual as long as they did what they were told by the managers. Growing corporations brought in new intellectual challenges for the top managers as they had to deal with multiple bureaucracies of production/administration, or fiefdoms of autonomous power, and they had to develop their thinking further to higher levels of abstraction. With this development there was an accompanying politicisation of the executive and management echelons of these corporations.  

In the new information or knowledge era, all managers are being asked to develop their thinking to higher levels of abstraction. Workers are required to develop their thinking as well because they are being asked to “manage” the
automated or informational systems using essentially the same cognitive-level thinking as managers used previously with people systems. Managers, in their turn, have to manage these new operators who are now managing systems in their minds as much as through the information system, and so the relationship becomes more personal and political. Similar to the political arena, then, 'authority is located in the process of creating and articulating meaning, rather than in a particular position or function' (Zuboff, 1996: 559). To put it another way, managers are required to govern a harmonious polity of "cognitive citizens" who need to be enthusiastic about being educated and about educating themselves—or, in the rhetoric of the day, managers are required to be coaches to a learning team.

Some fifty years ago, Berle and Means (1991/1933), Burnham (1941), and Schumpeter (1950) were reporting the shift to a managerialist society. What is now being reported is a further evolutionary maturing of capitalism in the shift to a politicist society. This can be seen as positive progress, from a capitalist viewpoint. The economic sphere of the capitalist society is proving to be an impressive learning system, but what about the corporations within that system and their need to be learning organizations so that they can continue to exist?

Managers and workers as individuals, therefore, are required to develop their level of thinking and understanding as they 'assume higher task responsibility, deal comfortably with higher levels of abstraction, and develop a deeper appreciation for the qualitatively higher levels of interdependence involved in their work' (Weick, 1996: 564). How can managers and workers personally attain the higher level thinking required and what sources of assistance might best be developed?

Organizational dynamics have provided a learning experience in the past and will continue to be the principal place of learning, but now the individual is required to make a much greater inner cognitive effort to pull it together better and faster. The key is a personal desire to know, and fuelled by this desire each individual needs to go on the journey of question and dialogue, both externally and internally—why, how, what, is that right? This is helped by new work situations, as 'when work becomes synonymous with responsiveness to data, it engenders inquiry and dialogue' (Zuboff, 1996: 555). However, it really calls
for an understanding of how one knows and learns, particularly if the individual is required to coach others to better personal understandings.\(^2\)

Learning and contributing to a learning environment are now regarded as a core competence required of managers. ‘It would assume shared knowledge and collegial relationships’ (Zuboff, 1996: 558). This is much akin to the operation of the higher education fraternity as it husbands and develops its body of knowledge. It also categorises a stable political-type environment where knowledge alliances are built up and there is mutual trust in the integrity of the knowledge shared—but always in a spirit of questioning and personally testing the relevance and usefulness of that knowledge. Organizations are still struggling to know how to provide such an environment and could really do with some help—and that does not mean the introduction of the next round of management fads being peddled by the stalking consultant set (Mickethwait and Wooldridge, 1996). But what is needed to help them get there?

Essentially, the above issues are about a paradigm shift in the cognitive life of modern organizations and how well positioned they are to cope. The post-industrial or knowledge age is unfolding a cognitive evolution to a new mindset that essentially is focused around the *menetype #C* worldview of sophisticated political-type thinking over many layers of perspectives. The questions for discussion, then, are (a) whether the progress of US capitalism is cognitively constructive or destructive, (b) what adaptations are required for corporations to continue as learning organizations, and (c) how can managers learn to attain the higher levels of thinking required in the emerging new economy?

### 4.3.1 Is capitalism in ascendancy or decline?

At the end of his edited book on *Power in Societies*, Olsen (1970: 371–372) summarises the broad observations on the power structures in society into two main trends; namely, that either ‘the scientific–educational–informational network would replace the economy as the major sphere of power in society... [or there would be a] continual growth in the size, complexity, power, and centralization of the national government.’ Olsen categorises these trends as ‘if carried far enough it could eventually lead to either a mass or totalitarian type of society—neither of which appear desirable to most people’ (Olsen, 1970: 372). In essence, Olsen (1970) has identified the three possibilities; namely, a shift of society’s focus from the economic sphere (*menetype #A*) to the social sphere (*menetype #B*), or alternatively a shift from the economic sphere to the political sphere (*menetype #C*), or thirdly, remain in the economic sphere, which in Olsen’s summation is the preferable option of most people. In
cognitive terms, the first possibility would constitute evolutionary but dramatic progress and be consistent with a learning society, the second would be regressive and a step back into the society’s shadow side, which would probably only come about through a violent transformation, while the third would indicate overall stability but perhaps with some continuous improvement. If the people’s preference is as Olsen (1970) says it is, then society is likely to stay focused on the economic sphere. But is society actually leaning in any particular direction?

In cognitive terms, then, capitalism is strengthened to the extent that the political sphere looks to the “good” of the economic sphere in its decision making, and to the extent that the social sphere is strong in itself (and serving the economic sphere as a secondary support), and is setting an example for the economic sphere to take into account in its decision-making. Capitalism is weakened (in cognitive terms) to the extent that the political sphere seeks to dominate and exert overt control of the economic sphere, or to the extent that the social sphere weakens and begins to take on the values of, or gravitates towards, the economic sphere.

It can be readily acknowledged that assistance from the political sphere has been supportive and played a big part in the rise of US capitalism (as explained by Miller, 1969). There is probably no definite answer but, certainly, Galbraith (1967) and Schumpeter (1950) before him saw the predominant trend as being from the economic sphere towards the political sphere. This conclusion essentially flowed from their observations of the growing concentration of power in the hands of the economic sphere and the inevitable peoples’ revolt against the consequences, which they would settle through the political process. The main trends towards a political takeover identified by Galbraith (1967) and Schumpeter (1950) are corporatism and managerialism—but there is another interpretation of these trends as discussed above.

The Judiciary gave great impetus when it took up a bias towards the economic sphere and acknowledged the pre-eminence of contracts between private individuals, and then regarded the corporation as a person in such contractual arrangements as well as assuming all the other rights granted to individuals under the constitution. Political financial aid has also been readily forthcoming and even the seemingly negative anti-trust legislation has been seen as ineffective mainly because ‘there is no substantial intellectual (or other) opposition to giant business’ (Miller, 1969: 299). The States showed particular favouritism to corporatism as they strove to encourage the corporations to domicile their headquarters in their particular state (Monks, 1993: 169–171). There is the continual (and growing, if anything) focus of Presidential elections and daily politics on the economic performance of the nation. There is
the continued staffing of the Executive and higher administration with outsiders, many of whom are from the economic sphere. There are the lesser agencies that are acknowledged as merely supporting lobbies for their economic constituencies. There is the Reserve Bank process that is not obtrusive but relatively open and reasonably predictable by the securities markets. The great multinationals do not seem to have been constrained and Presidents have even been seen to go on special trade missions to lobby foreign governments are their behalf. Governments are not overtly bailing out faltering corporations and the USA is still seen as the economic engine room of the world. There might be some discontent but it is hard to identify any strong trend that the political sphere should “own” the economic institutions.

It was discussed in Chapter 2 how Tocqueville (1966) reported the health and vitality of the life in the American social sphere. Of particular importance, then, has been the embracing of the democratic ideals and the high priority given to equality and voluntary joining together in groups to promote harmony and endeavour. Religious fervour and freedom also played a part as they encouraged the right kind of Protestant spiritual work ethic that Weber (1930) identified as being so helpful to the capitalistic cause. Voluntary associations, sport, the education system, and the spirit of professional associations all have worked in a strong way to have a positive influence on the development of the capitalistic economic sphere.

However, over the years things have changed and now the outlook is not so certain. Trends in the social sphere are not so comforting and, as noted above, this is the area of movement on which Schumpeter (1950) actually focuses. A healthy capitalist economy needs a strong supporting social sphere (menotype #B) and a positive sign would be a strengthening of the life and institutions in this sphere. There have been many such positive signs, including the huge influence of the social movements to improve the standard of living in such areas as the civil rights movement, social welfare and equal employment opportunity, but all of this seems to be a bit on the wane. Unfortunately, it would seem that there is also as much going in the wrong direction, as there are so many social aspects being made subservient to the economic imperative—social organizations becoming essentially economic organizations such as has occurred particularly in professional sport.

In the social life of the society, many say that the breakdown in the extended, and even nuclear, family life is a necessity to service a flexible, mobile workforce and a more materialistic consumer-dependent society. There is the reduced support for neighbourhood groups and volunteer services. There are the have-nots who have not been able to participate effectively in the economy and there have been growing numbers displaced in the downsizing epidemic, but their voices have been drowned out by the overwhelming good news of the
economy. Churches and charities have become increasingly commercial and “professional” (for instance, as those in Australia vie for government funding to provide job search services). Perhaps a bit more disconcerting is the perceived trend of the higher educational sector becoming more commercially oriented as it struggles for funding and is pressured to make its courses more vocationally oriented and to commercialise knowledge. ‘Modern higher education is, of course, extensively accommodated to the needs of the industrial system’ as identified by Galbraith (1967: 370) some time ago. Herein perhaps lies the biggest danger, as rather than oppose the “evils” of capitalism as predicted by Schumpeter (1950: 153), the educated seem to be selling out to the economic imperative.

Though it would take an exhaustive study to establish the nature and dynamics of such societal trends, the basic fundamentals certainly seem sound, but the problem is that they might prove to be too sound. There are dangerous signs that much of the thinking in both the political and the social spheres is taking on the economic imperative and is seen to be flowing into the economic sphere as though flowing into a vortex. One could be forgiven for concluding (summarily of course) that the (US) capitalist society is in danger of being caught in a vicious circle where it is pulling in everything into the vortex of its own economic imperative.86 In other words, it could be argued that the capitalist society is more or less caught in one giant case of societal groupthink which, in essence, could be defined as all participants effectively getting locked into the one particular mindset of the economic sphere. Even the political process of elections and the huge growth in financial litigation going through the courts, seem to be in the grip of the economic imperative. Mills’ (1956) description of the way all of the power elite are locked into the mindset of the material external success of *menotype #A* could certainly be taken as an instance of large-scale groupthink of that particular class in society. In the case of the pervasive application of the economic imperative, it could be argued that all of the Janis criteria for groupthink would seem to be met.87 The logical conclusion would be an inevitable implosion through the thorough frustration and discontent at the increasingly narrow viewpoint, in much the same vein as suggested by Schumpeter (1950: 163).88 In such an eventuality the most likely course is a violent revolution for a political takeover. But it is still far from that point and does not necessarily have to get much closer, as it can be effectively arrested with the right sort of positive action.

In the greatest danger lies the greatest opportunity. In this new knowledge era the economic sphere is going to be much more dependent on the educational sector, so much so that Olsen (1970: 371–372) saw the power of the scientific–educational–informational
network as surpassing that of the economic institutions. One only has to reflect on the development of the Internet, which started out as a means for the scientific community to share information and now has been taken over by industry to be used, for instance, as a basis for a huge change in the way business is conducted with the introduction of business-to-business (B2B) electronic-based supply networks. Moreover, at least one (Australian) university has formed a company to commercialise its control of a portal by selling domain names. The bigger likelihood is the sell-out to the economic imperative unless something positive is enacted. The higher educational (and scientific) sector is in a unique position to carry the voice of the social sphere (menetyp #B), in effect the social voice of the citizen, into the heart of the economic sphere and influence the way the citizens’ perspectives are framed as they all lift their thinking into a higher level of abstraction.

The higher educational sector is already interacting with economic institutions in many ways and so in this new age of politicism it should be feasible to organize it so that the nature of its engagement with industry is positive for society. Its involvement in corporate political action has to be thoughtful and differentiated from the motivation and the mindset of career corporate executive. In the same way that the general education sector has prepared people for the workforce in the past, the higher education institutions now have to provide the opportunities for effective lifetime learning to cope with the modern demands for higher-level thinking. What Kooiman (1993: 257) advocates for public administration is also true in its way for corporations, ‘it is better to acknowledge this political role of the administration in order to enable not only highly organized and strong actors but also individual citizens and social movements to infiltrate within the administration and to be represented in the policy making process.’ Galbraith (1967) saw the potential contribution of the educational sector as essential but mainly in terms of a broader education for individuals, particularly in an increasing emphasis on the aesthetic. This is much needed (as could be explained in the logic of the cognitive framework), but there is a much more important role that the sector is required to play. As has already been foreshadowed, this possibility will be taken up later.

4.3.2 What is the nature of group learning in politicism?

It has been made clear that the economic sphere of the capitalist society is an inherently driven learning system and that all organizations that survive in it have had to be learning organizations. But are they equipped to adapt to the learning challenges to survive in the age of politicism. The pressure is not so great or direct on those organizations in the public and social spheres, but they are carried along, particularly the more externally oriented organizations. There is still pressure for such public and social organizations to continue to be
seen as professional, relevant and useful—in keeping with the pervading current of the economic imperative. The nature and quality of the decision-making processes are key determinants of the success, and continuing success, of an organization. In other words, the decision-making processes are key determinants in what makes for a learning organization, because the greater part of management learning is done on the job.

It has been pointed out that with the emergence of the age of politicism and knowledge-creating endeavour, has come the formation of menetyp  #C perspectives or world view at the higher levels of management abstraction. This is mainly in terms of the shift from a group to a societal mindset and the accompanying shift from a bureaucratic or managerial outlook to more of a network or political outlook. The key features of a decision-making process in such a more menetyp  #C dominated environment are likely to be in keeping with the following.

- A more overt use of power with a focus on securing the “right” allocation of resources more through the strength of the claimant rather than the underlying objective logic of the proposal. That is, there is less focus on the inherent logic of the processes needed to get to the desired end. It is therefore more important to capture a shared expression of what the organization stands for and what its position is, in this very competitive (and) hostile environment. What the organization stands for seems to drive the core philosophy that will underpin the nature of its decisions. The vision of where the organization is heading is only of secondary importance because it can be changed if it is not working out and the corporation is under threat. In this mindset, therefore, downsizing is as good an option as any other (such as entrepreneurial expansion) for increasing profits and/or share price. There is certainly no grand vision encapsulated in the idea of getting smaller, and downsizing in essence is consistent with a political short-term approach. No longer important is a focus on the internal processes that these organizations are going to use to get there (because they can always buy them in or let them out).

- A greater use of an evolving strategy acknowledging that there is no one best way and that the best option available for the moment will do. There is an essentially short-term rather than long-term focus, as witnessed by the heightened focus on share market value and the way that organizations try to increase this market value by means of vulgar cost-cutting methods rather than through visionary expansion. This brings with it an understanding that things are constantly changing and that
there needs to be a constant state of preparedness to try something new if the current strategy is not working.

- An increase in the prevalence of networks and alliances rather than due process or bureaucratic procedures—which as a consequence then become more and more eschewed as a legitimate means of operation. The proper workings of networks require members to give and take, to compromise and, at times, even be compromised. This brings with it a need to develop a shared understanding of the "rules" or mores of the game, and the values or ethics to be upheld by the participants. An important value is trust in other participants, because the system may need to rely on their knowledge, their perspective, or just their support.

In assessing whether a decision-making underpinned by such characteristics would make for a learning organization, there needs to be some explanation of the types of learning practised. The basic different natures of learning can be categorised as below.89

- Externally oriented learning by envisioning the various possible ends that could be achieved, and this learning of teleological reasoning comes in the development of a knowledge and understanding of the whole (i.e. a systems view) in its various manifestations so that there is flexibility in knowing what actions are likely to lead to alternative possible ends (i.e. menotype #A processing).

- Internally oriented learning by taking one’s experience and breaking it into its parts so that in reverting (in the process of deductive reasoning) to higher levels of abstractive thinking there is an insight into how they work together in terms of cause and effect (i.e. menotype #B processing).

- Both externally and internally oriented learning by choosing between the different external options on the basis of an internally developed value system, so that decisions are made on the basis of a build up of experience of what would probably be right in the particular situation (i.e. menotype #C processing).

Each of these represents the workings of the different cognitive mindsets as indicated. The menotype #C preference for learning is effectively by doing, and if it does not work then something else is tried. This method of learning is commonly referred to as “on-the-job" learning and is particularly effective in a turbulent environment because it expresses a very flexible approach to the world. There is progress by attrition of the weakest and support for the strongest, and those that have succeeded in the past can be trusted to deliver again in the future. In more crass terms, it can be termed a process of learning by an experience of hit and
miss, in much the same way that the younger generation seems to approach computer technology. Rather than do the hard intellectual slog of working the logic through by themselves, there is a quick readiness to know who has got the right answer or somebody who they know can deliver. It is easy to appreciate how those with such an outlook on the way to do things better would be tempted to subscribe to the latest management fads if they came from a trusted source, or were backed up by the knowledge that such fads had worked elsewhere.

The danger, then, with this new menotype #C world is to proceed with decision-making within networks by simply conscripting the ideas of somebody who can be trusted to know. By so doing, there is a tendency to constrict unduly the options of choice and to proceed without any fundamental understanding of what is really entailed or what methodically and logically can be expected to work. The menotype #C viewpoint would rather rely on changing the ends if that particular strategy did not work out. What is important to encourage more informed decision-making and to cultivate a learning environment in this menotype #C world, is to establish deliberately a process of formal dialogue that gives the other perspectives a chance to be heard and incorporated. What is needed is a process to pit the voice of the entrepreneurial policy initiatives against the rational, objective voice of reason in such a way that a considered assessment can be made of the relative worth of the proposals in the context of the particular environmental/political imperatives of the situation. If this were not done then the other perspectives would atrophy through lack of use and, when it became more appropriate to listen to their voices, they would be too underdeveloped and uninformed to be of much use. For instance, the economic sphere corporations, as suggested earlier, need to build deliberately into their decision-making processes the voice of the social sphere. To put all this another way, organizations in the modern world need deliberately to build some "cognitive slack" into their decision-making processes, without weighing them down too heavily so they become too inefficient. Those organizations that do this will develop as learning organizations, whereas those that do not are in danger of falling into a vicious circle of inappropriate decisions and the lack of understanding of how to avoid them—or the potential to lock into groupthink around the boss's viewpoint would then be a real danger.

The most useful learning experience of such menotype #C oriented management groups is to go through processes of realistic scenario building and "what-if" exercises in much the same manner as practised by the executive group of Shell (de Geus, 1997). Such processes substitute in part for the real action of decision-making and develop the thinking patterns for application in real-life situations. Such preparatory cognitive work enables the appropriate
decisions to be made quickly when the time comes. In the turbulent environment of the modern corporate world it is necessary to make decisions in the moment before the opportunity is lost. Again, this could be seen as building “cognitive slack” into the organizations’ decision-making processes. It is readily seen that such a menotype \#C mindset of decision-making in the moment is the same as that required to handle crises, and the learning processes here described are just as applicable and useful to prepare the team or organizations to handle crises, should they emerge. And crises seem to be a way of life in a menotype \#C management world because that is the way of it and what gives it life in a turbulent, hostile environment—but it is also sometimes because not enough objective, rational planning has gone into the decisions in the first place.

4.3.3 How do individuals reach higher levels of thinking?

What, in effect, has been happening is that the roles of managers (and workers) have been changing fundamentally. Essentially, managers are required to operate at a higher cognitive level of abstraction, act in a political rather than a managerial way and learn how to learn so they can guide and encourage others to learn. This is a very tall order, particularly when the modus operandi of organizations themselves is still changing, which means managers do not have sufficient mastery to help one another but rather they are each struggling to survive and learn themselves. Those individuals who are personally oriented to the phase \#C political-type personality would probably cope best in the new environment, but they will still have the challenge of learning to think at the more abstract levels. For those who do not learn, the consequences might be harsh because the organizations will continue to learn by trying somebody else who might be able to do better—this is the way of the menotype \#C mindset; if it does not work move on and try something else.

In this time of transition between the paradigm of the manager and the paradigm of the organizational politician, some external educational assistance would seem most appropriate for the individuals to lift their own thinking levels. But the type of formal higher education that has got them to where they are is inadequate to teach them how to think and then to pass on what they have learnt. The type of education needed is that which has been most effective in the past for the managers (on-the-job) and that which is most in keeping with the menotype \#C orientation, namely that of experiential learning and by observing oneself thinking and learning. Essentially what needs to be handed on is the implicit knowledge of how to learn and how to develop managers’ patterns of thinking by exercising those patterns of thinking. The explicit knowledge of facts and processes that has been conveyed by higher education to date is only sufficient to develop former managerial-level skills, and is probably now most
pertinent to the thinking skills required by the operators of information systems, who still need to be governed by higher corporate authority.

The managers (or corporate governors) need something more, and only higher education is in any kind of state to provide such assistance. In fact, as identified above, what is needed is for the education community to transfer their knowledge and operation of the process they have used over the years to create new knowledge on the basis of already well-tested knowledge in their own areas. It is a process and a way of thinking, and an understanding of how it all works that is required to be conveyed to managers, so that they, too, can become leaders of knowledge-creating teams and be able to harness the fruits of their combined labours. The higher education sector is well placed, then, to advise and guide on the continual development of knowledge in the workplace in a very interactive way. However, to be able to do this effectively the current trend to reduce the effort in philosophy and the humanities would need to be arrested and desirably be reversed. Teaching the managers how to oversee the development of knowledge creation would best be carried out in an experiential situation connected to the workplace and probably over an extended period.

The actual mechanics of individual learning have been alluded to above but are explained in more detail below. What is important is that the practice of learning and learning how to learn has become core in the changing organizational environment, and also the associated fact that individuals and organizations need help to put into place mindsets and processes that can help their managers learn how to learn. Moreover, once again there is a timely challenge and responsibility for the higher education sector, but it needs to change its approach dramatically—but more of this later.

In summary, the principal conclusions from the above discussion on capitalism as a learning society are as follows.

(9) There is a danger that the US capitalist society may be entering into a type of vicious circle of “success,” characterised by an accelerated narrowing of society’s perspective into the purely economic, particularly at the expense of the social sphere viewpoint. To counter this negative trend there needs to be an organized voice that can effectively infuse the perspective of the social sphere into the decision-making processes of the economic institutions.

(10) In the menotype #C decision-making world that comes with the emerging age of politicism and knowledge creation, it is important that organizations deliberately develop formal decision-making processes that ensure all relevant cognitive perspectives get both a voice and the chance to develop their ideas into informed.
contributions—that is, organizations need to build some cognitive slack into their decision-making processes.

(11) The role of managers has changed substantially and they now need to learn how to think at a higher level and learn how to operate in a more political environment (as opposed to a bureaucratic environment), as they are required to govern effectively over the operators of significant cognitive systems.

(12) The higher educational sector is identified as being uniquely positioned and capable in this emerging age of information and knowledge to assist organizations to cope with this challenge of new ways of operating and learning, and to be able to assist at all the three levels referred to above.

We are now ready to move on to look at the nature and dynamics of the particular types of organization found in capitalist societies. We will study in turn the governance of the private corporation in the economic sphere, the public administration agency in the political sector, and the not-for-profit institution in the social sphere.
5.1 Corporate Power and Authority

This section looks first at the nature of corporate property, second at the appropriateness of the corporate power distribution, and third at the legitimacy crisis of the corporation as a legal entity.

5.1.1 How has thinking on property evolved?

People's understanding of the nature of property has changed and developed over time and largely reflects the thinking of the particular society. This analysis is not aimed at any historical development of the concept of property as such, but rather looks at the philosophical significance of the nature of corporate property and how that has influenced the development of corporate authority. Therefore, it begins by differentiating the concept of property, which emerges as similar to that achieved by Hegel (1952: 22–33) in his Philosophy of Right. Property can be defined simply as:

the permanent possession of an object, conferring the exclusive right to use it or to dispose of it (Lewinski, 1913: 5).

The key aspects of the concept of property that are reflected in this definition are as follows.

- Property needs to be objectified so that one can take possession of the object, in whatever shape or form it is. One not only has to be able to grasp it with one's will so that it is really in one's mind, but it also has to be recognised and capable of being desired by others. Hegel (1952: 25) characterises this aspect as taking 'possession of a thing (a) by directly grasping it physically, (b) by forming it, and (c) by merely marking it as ours...A person has the right to direct his will upon any object as his real and positive end. The object thus becomes his. As it has no end in itself, it receives its meaning and soul from his will.' The only clarification needed is that it does not have to be grasped physically because it can be an abstraction or product of the mind (or it could be part of the mind and body, as in slavery), but it has to be made explicit and be represented physically, so that something can be identified for grasping and potential exchange. This is the external, concrete aspect of property appreciated by one's menotype #A thinking that involves an action of the will (phase #A) to desire the object for one's use.

- Property needs to be possessed in the sense of one actually using it, or being able to use it. In this way the property is imbued with one's implicit assumptions of what it is and what use is made of it. It is easily appreciated that different people use
different objects or property differently basically because they view them differently—that is, they own them differently. As Hegel (1952) terms it, ‘The use of the thing is my need being externally realized through the change, destruction, and consumption of the thing.’ This is the internal, imaginative aspect of property appreciated by one’s menotype #B thinking that involves an action of logic, or cause and effect, in reasoning how one can make use of property.

- Property needs to be protected by rights so that it cannot be alienated unless one assents and commits to an exchange. This is the right of ownership that is exchanged when the property is alienated. The right can be enforced (a) by creation or first use (*res nulius*), (b) by law or (c) by moral right or might (i.e. force), and the employment of one of these methods varies in keeping with which of the three aspects of property is being given emphasis at the time. This rights aspect of property is the resolution of tension as the result of a divergence between the desire for the property that can be grasped and the ability to use it as one’s own. The tension is resolved by gaining, in some way, the assent of others in the group or society to the rights of treating the property as belonging to oneself. This refers to the power to own which is appreciated by one’s menotype #C thinking that involves an essentially political decision that one’s rights can be upheld. This political decision is made in light of the political milieu established by the society or group as ‘Hegel was able to state, as Rousseau had done before, that individual rights of property do not hold good against the commands of the state, of the general will. The rights of owners are always subject to the “the higher spheres of right, to a corporate body, e.g., or to the state”’ (Schlatter, 1951: 257).

Within this trinity of property menotypes (as depicted in Figure 10), there cannot be a personal or collective emphasis on all three aspects at once and so there is a cognitive choice to give predominance to a particular aspect. For instance, it is no good giving emphasis to one’s right to claim ownership by first possession if, in fact, the political might of the time says that everything belongs to the king or the state who hands out the rights as they see fit. In that case it would be even more dangerous to use the property as one’s own unless the delegation of those rights had been settled first. Thus in feudal times, predominance was given to the menotype #C thinking in terms of rights and the notion that one’s use (menotype #B) of the property gave any ownership was deliberately repressed and dismissed. The dynamics of all this interaction of one’s thinking and the formation of society are complex and interesting. For instance, does one’s notion of property flow from the spirit or
philosophic orientation of the society of the day, or vice versa? These issues would be a good topic for discussion at another time, but what concerns us here is to follow the development of this connection to help understand the cognitive forces that have shaped the power and authority of corporations and where these forces are taking them.

The notion of the charter that underpins the formation of a corporation had its roots in this notion of rights that was predominant in the feudal age. Berle and Means (1991/1933: 120) recounted that 'At that time a corporation was considered as a "franchise" (Norman-French "privelege"), i.e. the very existence of the corporation was conditioned upon a grant from the state. This grant created the corporation and set it up as a legal person independent of any of the associates. Not infrequently, the same grant gave to the corporation other privileges such as a monopoly to run a ferry... At the same time, the document of grant (commonly called the "charter" or today the "certificate of incorporation") embodied the outlines of the arrangement among the associates... As a result, each corporate "charter" was the product of a threefold negotiation involving the state and the combined associates, and between the groups of associates acting for themselves.' So let us now explore how collective thinking developed from this notion of rights and how it tracked with what was happening in the external world and how it influenced the type of authority that moulded the growth of the corporation.

In feudal times the predominant outer form of property was land and the predominant means of enforcing the political rights over the land was by political power, backed up by physical power or might. There were various manifestations, but the menetypa $C$ spirit underpinning the concept was illustrated by the "feudum," which 'was used to distinguish military service owed for the land... But it also became necessary to distinguish between land held by a man who was bound to his lord by the personal link and commendation or homage and fealty, as distinct from any less solemn relationship. The "feudum" was thus a particular kind of benefice fused with a particular personal relationship. But the personal relationship had in origin no necessary connection with land at all' (Kamenka and Neale, 1975: 53). The essential point is that the core reasoning behind the allocation of possession of the land was personal, politic and had no economic relation to the land itself. The ownership of the land stayed with the dispenser of the rights to do with as they personally saw fit (in the spirit of menetypa $#C$).

The shift from a predominant focus on rights (menetypa $#C$) to a predominant focus of personal achievement and taking possession (menetypa $#A$) is the story of the transition from feudalism to capitalism. This transition took place over a period of time and involved a destruction of the old through physical turmoil and violence and a construction of the new.
through new ideas and practices. There is much truth in Weber’s (1930) analysis of changes on the spiritual level of the human mind. The Calvinistic notion of a “calling” was a call to the human will, to doing, to achieving, to taking possession through work and business to create physical property (all menetyphe #A). The development of use (menetyphe #B) of this property was encouraged only to the extent that the use could help achieve more (i.e. encouraging a logical application), and not enjoyed for its own sake, which was discouraged by ascetic ideals. Such a change in thinking on the spiritual level would, by cognitive procession, lead to a similar shift at the lower levels of thinking. There was also the parallel development of ideas by the intellectuals, with the key shifts in thinking being the acknowledgement of man’s natural individual right to property and to individual freedom. If it was a natural right for all to own property [principally propounded in John Locke’s (1690/1965) theory of property] and not just the king or the state, then the importance of the process of asserting to a person’s rights is pre-empted and diminished as a result—that is, menetyphe #C thinking on rights is depressed. In a reinforcing manner, the growing focus on the rights of the individual and the acclaim for the importance of individual freedom promoted a focus on personal achievement as the road to property ownership—that is, the predominance of menetyphe #A thinking was intellectually promoted where rights were assigned to the creator on the basis of first use (res nulius). In support of all this was the outer success of mercantilism in gratifying the desires of a lot of people and the realisation of the new possibilities that became available through the enlightenment and the industrial revolution—that is, the success of the human will and creativity demonstrated and reinforced the attractiveness of menetyphe #A thinking. ‘Success and failure taught their lessons. And each lesson produced an increment of capitalist practice and capitalist spirit alike’ (Schumpeter, 1989: 191).92

That the change from feudalism to capitalism was essentially a change in collective thinking which was manifested in the outer in physical changes that have been recorded by historians, is encapsulated in the (undoubtedly disputable) marking of the date of the overthrow of feudal lords to the promulgation of Locke’s theory of property: ‘Before 1690 no one understood that a man had a natural right to property created by his labour; after 1690 the idea came to be an axiom of social science. That date might be taken to mark the year the middle class rose to power; the year in which their experience, through John Locke, was presented to the world as the eternal truth of things’ (Schlatter, 1951: 156). Be that as it may, the cumulative impact of the inner and outer events clearly shifted the cognitive focus of attention from land and the political power of allocating rights, to created goods and the entrepreneurial power of achievement and taking possession (as can be seen in the shift identified in Figure 11). This was a momentous shift that took place at the level of societal
thinking and embedded the spirit of capitalism that legitimised the way people thought about the endeavour of organizations and themselves.

This spirit of individual endeavour, achievement, and taking possession of growing amounts of new property began with ‘free trade, and free trade in turn was a major factor in a spell of unprecedented economic expansion’ (Schumpeter, 1989: 194). ‘With the industrial revolution and the great movement on the sources of power from the working capital of the merchants to the hard industrial capital of the industrialists came a marked advance in organization. A tightly organized labour force held together by wages replaced the near and distant suppliers of goods held together only by the act of purchase. There was a movement from the (possibly) more anonymous merchant to the more clearly recognizable personality of the industrial entrepreneur’ (Galbraith, 1983: 110). That is to say, that in this high-time of the capitalist entrepreneur, one had to move to develop processes or ways of using one’s accumulated capital and people to implement one’s vision of achievement. That is, menetype #B thinking about property had to be developed as a secondary support to develop logical, efficient processes to help deliver the main game. The role of the capitalist entrepreneur was still heralded as the epitome of achievement but with the cognitively driven hunger for more and more success through more and more achievement came the advent of the large corporation.

The success of the menetype #A spirit brought on the need for the menetype #B spirit to control the processes. That is, the success of the organization came to depend increasingly on the competence of the processes of production and less on the visionary flair of the entrepreneur. Henry Ford’s experience marked the transition when he truly initiated mass production with the T-model Ford but then went on to usher-in the demise of the sole entrepreneur when he stuck to his personal vision of things (e.g. “you can have any colour you want as long as it is black”), which only got in the way and nearly destroyed the company. The participation of all in the capitalist spirit to produce, to achieve and to create new things drove an explosion in new technology, which fed continuously into ever-changing processes required to produce the property that had to be sold to stay in business. Therefore, the outer changes saw more and more need for entrepreneurs to delegate more and more of the important business of managing processes.

At the same time, the drive for growth and achievement saw the need for financing from others to change the nature of ownership, as Berle and Means (1991/1933) so adequately documented. Moreover, US law confirmed the notion embedded in the original charters that the corporation was a person and was to be treated like a person in all manner as required
under the Constitution. \(^9\) Therefore the corporation owned much of the capital but nobody could effectively lay claim to ownership of the corporation—it was now its own person imbued with the societal-level abstract capitalist drive to achieve and possess more and more. Or, put another way, ‘the corporation’s “legal personality” raises questions about whether it can be “owned” in any meaningful and effective way’ (Monks and Minow, 1996: 75). The corporation as a separate entity now competed as a bigger equivalent with all the other little entrepreneurial capitalists that society has continued to throw up—but the large corporation, of course, had much more power in many ways. On the outer, this change from entrepreneur to an independent corporation run by hired managers was identified by many as the shift to corporatism and managerialism, which has been discussed above (Section 4.2.1).

On the inner, however, this represented another shift in emphasis in the way people thought about property. The rise of capitalism was a shift to a *menotype #A* focus on objectification and taking possession of property, whereas the rise of managerialism was a shift to a *menotype #B* focus on the use and application of logical processes to make the property one’s own. It has not been a decline in the power of property as such, as some suggest, \(^9\) but rather a change of emphasis—the aspect of using property as one’s own is just as important as taking physical possession of it, but different. It does not take much to appreciate there is more private property than ever before in Western society and, perhaps, because it had become so easy to acquire through modern production processes, the emphasis could then move onto the next scarce aspect of property, namely the control over the use of property, or the processes of production that determined the rate of creation and accumulation of property by the corporations. That is, societal thinking is still essentially focused on the economic sphere dealing in material goods, but the change in thinking about property is associated with the change in thinking at the organizational level. So, what is then meant by the next shift from managerialism to politicism that has been identified in the analysis above (Section 4.2.2)?

The two shifts in the focus of thinking about property (as can be seen in Figure 11) can be understood as the evolution of collective thinking on property through the process of cognitive reversion. Each shift represents a shift to a higher level of abstract thinking. The first is a shift from the notion of property as given in the form of land and the fact that it could be used to produce food was purely secondary (and, as identified above, played little part in the resolution of rights to possess the land), to the notion of property as something that has to be created. Capital could not just be picked up in the same manner as were the natural resources that went into the production of capital. Rather there was a contribution of a
significant component of abstract thinking in first creating the motivating vision of what could be and then providing the will to implement and achieve the vision. This more abstract thinking became the scarce resource and, as an economic consequence, attracted a much higher rent than the manual labour that then went into the actual production of the capital. That this shift in the level of abstract thinking needed to be rewarded was not given due credit by Marx (1952) in establishing his theory of surplus value—which undoubtedly meant that his justification of moving from capitalism to socialism was fundamentally flawed. The rise in the level of abstract thinking needs to be rewarded because it takes considerable intellectual commitment and effort to achieve the fruits of cognitive reversion and very few (but increasing numbers with the growth in education) take up the challenge and do the hard work.

The second shift is from regarding property as things that can be physically possessed, albeit after the exercise of the will and a bit of creative effort, to regarding property as embedded in a logical process, which, when carried through as planned, delivers the physical aspect to be possessed. This is equivalent to a step into the more imaginative because the physical property is somewhat further off and the control is over manipulating the logical potential to deliver. This is what managerialism has been about. How then, can the further cognitive reversion back to refocusing on the rights aspect of property be explained? The outer dynamics have been well canvassed above but in terms of the inner experience the first point to note is that this new refocusing on the rights aspect of property is at a higher level of abstraction than the feudal focus on the political rights of land (which could be seen, touched and smelled). Now the focus of political rights on property is on something more nebulous and more difficult to differentiate.

The new type of property that is scarce in the outer and valued in this new age of politicism can be characterised by the productive power of air waves (as witnessed by the huge amounts that were bid in many countries for the new digital spectrums), recognisable domain space on the world-wide communication web (or the emerging next generation); and “brain waves” in the form of the ready-made production units (based on knowledge-power) that are now bought and sold rather than developed (outsourcing has been a significant component of this movement). So the concept of property can be seen as similar to that associated with land but at a much higher level of abstraction—meaning that people have to think more deeply to appreciate what the actual property is, as opposed to the land which was a bit more obvious. And it is interesting that the State has come back into the picture to exert some sovereignty over the political rights of the air as a valuable medium as it had previously done over the land in feudal times. Dealing in these new scarce forms of property, the
collective thinking processes would have it that they are best handled by focusing on the rights aspect of them, and that these rights are most appropriately determined by political processes. The other big difference from feudal times is that these political processes are conducted in the economic sphere, which is at a higher level on the spiral of abstract thinking than the political sphere of feudal times. So the collective thinking has gone on the evolutionary path of cognitive reversion to end up back at the same spot of cognitive preference for the political process of rights, but now we see things differently as a consequence of the journey.\textsuperscript{96} The collective thinking is now much more mature and complex because, as well as attaining this new level of abstraction in our thinking, everything else is still going on underneath but the collective mind just has a different focus and priority. There are also the entire ethical question (ie political \textit{menotype #C}) questions associated with gene technology, robotics, and globalisation (and also, perhaps, with the easier Internet access to many of the vices that society has previously tried to contain).\textsuperscript{97}

To extrapolate where evolutionary progress is going next, one would have to ask just what in this new domain of rarefied communications are tomorrow’s new highly abstract entrepreneurs going to deliver as products or goods to be possessed (i.e. moving on again to the \textit{menotype #A} construction of property). Because the pace of change is accelerating as we reach higher levels of abstraction (as movement is much faster in the abstract conceptions than they were for physical creations), there must be some signs already of what is to come. The talk of knowledge-creating companies, B2B systems, and interactive household communications are just the beginning. And then the phase after that will encompass the rather more vigorous regulation of all this, rather abstract product conveyed via the airwaves in the \textit{menotype #B} spirit of order and process.

However, the salient point for this consideration of governance is that since the creation of the form of incorporation as an individual, there has been a couple of stages of evolution in the way one thinks of the giant multinational corporations of today. The corporation is still about the objectification, use and exchange of property, and the focus of thinking on property has progressed to higher levels of abstraction. The cognitive concept of a corporation has progressed to higher levels of abstract thinking and is now in terms of a collection of groups or equivalent to thinking at the level of society or nation. And there is the phenomenon of globalisation,\textsuperscript{98} which indeed confirms the status of the multinational corporation as equivalent to a type of nation-state (which just happens also to be controlled in the \textit{political menotype #C} mode). 'It begins from the essentially Galbraithian thesis that just as society tends more and more to resemble the large corporation, the corporation approximates more
closely to the nation state’ (Burns, 1974: 133). Yet society and the law still treat the corporation, more or less, as an individual who happens to have a dominant personality, or mindset, in the form of the CEO, with some secondary functionaries like the corporate boards and management executive to provide support.

A new charter of incorporation is now appropriate. In this new political age it is appropriate that the State should renew the form of its charter of rights over property and operations that it grants to legitimate this new reality of the corporation. Such a charter would redefine the three-way social contract between the State and the political leadership of the corporation, between the groups of stakeholders, and between the stakeholders acting as themselves. This new cognitive reality of the corporation should also be reflected in some more appropriate accountability structures, because, ‘in theory, the legitimacy and authority of corporate power is also based on accountability’ (Monks and Minow, 1996: 18).

The responsibility (for which they owe accountability) of a corporation can be understood at different levels as identified by Cadbury in his classic study, *The Company Chairman* (as quoted in Monks and Minow, 1996: 42):

In practice, it is possible to distinguish three levels of company responsibility. The primary level comprises the company's responsibilities to meet its material obligations to shareholders, employees, customers, suppliers and creditors, to pay its taxes and to meet its statutory duties. The sanctions against failure to match up to these relatively easily defined and measured responsibilities are provided by competition and the law.

The next level of responsibility is concerned with the direct results of the actions of companies in carrying out their primary task and includes making the most of the community's human resources and avoiding damages to the environment... Beyond these two levels, there is a much less well-defined area of responsibility, which takes in the interaction between business and society in a wider sense. How far has business a responsibility to maintain the framework of the society in which it operates and how far should the business reflect society’s priorities rather than its own commercial ones?

These three levels essentially comprise a trinity of *menetypes* on corporate accountability, and it can be understood from general knowledge of the corporate sector that, in the 1970s, there was a shift from the primary level focus to the secondary level focus on the environment and employees. Legislation was enacted everywhere to try and internalise the cost of these corporate “externalities” rather than continue to let others bear the cost burden. There was some effort put into developing social accounts to reflect the “real” costs of their operations (Monks and Minow, 1996: 59). Along with this started the growing reference to the non-
economic issues encompassed in Cadbury’s third level of corporate responsibilities. ‘How far has business a responsibility to maintain the framework of the society in which it operates and how far should business reflect society’s priorities rather than its own commercial ones?’ (Monks and Minow, 1996: 63).

This is the focus that the corporations now have to be equipped to deal with, and the authority structures and dynamics need to be appropriate to the task. A new level of corporate responsibility and accountability is being called for and this is what needs to be reflected within the modernised charter renegotiated from the different perspectives and incorporated under the Federal level of government. Perhaps, it is even appropriate to recognise the political, global and nation-state nature and size of the corporation and develop some sort of moral accountability of these national corporate charters in an international forum that parallels and complements such a body as the World Trade Organization, or some equivalent. However, there needs to be an exploration of other perspectives on corporate governance reality before we are in a position to be able to define the nature and content of such a redefined charter of rights. In particular, there are many significant stakeholders involved in the governance of the private corporation, but some stakeholders are more significant than others.

5.1.2 How is corporate political power distributed?

There has been considerable concern over recent years that corporate governance is not contributing to company performance as effectively as it possibly could. In this context, the Cadbury Report (1992: paragraph 2.5) defined corporate governance as ‘the system by which companies are directed and controlled.’ This has been applied in its broader meaning in constructing the theory of governance in this thesis, but scholars and commentators have mainly taken it as referring to the authority sphere of the corporation, in particular, the arrangements of the corporate board and executive management, which is the focus of discussion in this Chapter. Improvements have been achieved in the development of accountability procedures but debate continues on how and which developments in corporate governance could improve corporate performance and longevity.

There have been many business failures but, perhaps, even more importantly, boards have seemed unable to address overall company performance in an effective and consistent way. It has already been observed by others (Charkham, 1994; Bosch, 1995; Coulson-Thomas, 1995; Hilmer and Donaldson, 1996; Deverson, 1997) that much of the reason for this lies in the role and structure of corporate control and, particularly, in the structure of corporations’ principal decision-making processes. The focus of the overall discussion on private corporations is how
such governance aspects can be reformed and more focused on enabling companies to sustain high performance in the face of rapidly changing environments.

There would not be much dissent from the observation that the corporate world is still going through tumultuous times. There are some (Charkham, 1994; de Geus, 1997) who point out that there have always been tumultuous times and only the best companies survive. Quoting particular studies, de Geus (1997: 7–9) puts the average life expectancy of the large multinational companies at between 40 and 50 years and the average age of companies, of any size (in Japan and much of Europe), at only 12.5 years. Yet, there are other identifiable companies that have survived much longer—centuries even. To the question as to why companies die prematurely, de Geus (1997: 9) observes that the ‘experience is accumulating that corporations fail because... their managers focus on the economic activity of producing goods and services and forget that their organization’s true nature is that of a community of humans.’

Moreover, these humans make decisions and take actions that, when occurring at the highest level, have dramatic consequences on the performance of the company. In particular, an acceptance is growing that decisions taken (or not taken) by boards can make a difference to the dynamics that influence company performance. In terms of cause and effect, the jury is still out on just how company performance is dependent on the structure and operation of the executive board. However, as Hilmer (1993: 15) concluded, ‘Both anecdotal and statistical evidence are consistent with a finding that while there are many factors behind poor performance... current governance responsibilities and practices are a significant part of the problem.’ Because company boards make decisions that can affect the health of the whole organization, the basic question is whether there are ways to improve corporate governance and, in particular, the executive decision-making processes. The following conclusions from other more empirical analyses certainly seem to suggest there is much room for improvement.

It is, nevertheless, observable that, in all circumstances, the effectiveness of corporate governance is a factor in the tendency of companies to survive and prosper or falter and fail.... Across the bleak economic landscape have straggled in recent years the tattered remnants of once proud companies led to defeat by a charismatic Chairman cum Chief Executive with a weak board (Charkham, 1994: 2).

As far as “dinosaurs” are concerned, however, there can be no doubt that the failure of IBM, GM, and Sears was at least partly a failure of governance. It is not surprising, for instance, that the problems at Sears developed when the same person held the jobs of CEO, chairman of the board, CEO of the largest (and worst-performing) operating division, chairman of the nominating committee of the
board, and trustee of the 25 percent of the company's stock that was held on behalf of the employees. The company had circumvented all of the systems set up to ensure that the right questions would be asked by putting the same person in all of the positions that were supposed to monitor each other (Monks and Minow, 1996: 231). 104

The Australian experience over the last few years provides compelling reason to believe that where management dominates the board and controls the company with little or no constraint, or effective accountability, there is substantial increased risk that the interests of shareholders will be dis-regarded and that serious damage may be done to creditors and other stakeholders. This experience corresponds to that in Britain and the USA and has played a major part in recent changes in thinking about corporate governance (Bosch, 1995: 16). 105

The strongest finding from empirical research is that, in general, boards to date have not been very effective at either performance enhancement or monitoring... We argue that it is more productive to find ways to improve the functioning of boards as enhancers of corporate performance (Hilmer, 1993: 17; 20). 106

A recent survey has found that three-quarters of chairmen believe that the effectiveness of their company's boards could be improved. Another study of companies in crisis situations has revealed an apparent link between corporate decline and board in-adequacy and in-effectiveness (Coulson-Thomas, 1995: 3).

Whenever an institution malfunctions as consistently as boards of directors have in nearly every major fiasco of the last forty or fifty years, it is futile to blame men. It is the institution that malfunctions (Peter Drucker, as quoted in Monks and Minow, 1996: 293).

It is now widely recognized that good corporate governance contributes to better results... [Directors] are being held accountable for the performance of their companies...A fundamental re-adjustment is taking place in corporate governance (Bosch, 1995: 71; 89).

It has been established above that the decision-making processes at the top of such large corporations are primarily political processes. That is, corporate governance is principally about the political processes involved in the control and leadership of the corporation. 107 This echoes others such as Deerson (1997: 137–138): 'a recent report by Deloitte's ...under-lined the fact that corporate governance is the issue of the nineties—that the board is primarily about the exercise of power—that its principal function is not merely compliance, but extends across all major facets of a board's operation. It is about the way decisions are reached, not so much the decisions themselves.' 108 A key determinant of corporate governance, therefore, is about how such political power is distributed among the principal stakeholders. To analyse
the distribution of political power in large corporations, it is telling to focus on the effective allocation of legislative, executive and judicial power within the governance processes.¹⁰⁹

Corporate executive or leadership power (menotype #A-caret of corporate governance) as vested in the position of the corporate CEO has been the most predominant aspect of this power trinity in corporate governance. This is consistent and reinforcing with the primary focus of corporate business on succeeding in the economic sphere (menotype #A)—‘The Business Roundtable wishes to emphasise that the principal objective of a business enterprise is to generate economic returns to its owners’ (Business Roundtable, 1997: 1). In essence, the principal aspect of the private capitalist entrepreneur has been captured and retained in the power of the combined position of the CEO cum Chair of the corporation¹¹⁰—a power arrangement that is endorsed and recommended by The Business Roundtable and many CEOs.¹¹¹

Judicial or management power (menotype #B-caret of corporate governance) is essentially vested in the audit committee of the corporate board, which has the power to appoint the public accountant and ‘review the adequacy of the system of internal controls and of compliance with materials policies and laws, including the corporation’s code of ethics or code of conduct’ (The Business Roundtable, 1997: 15). The committee has the responsibility to track down and adjudicate over serious misdemeanours or fraud against the good of the corporation. The judicial power is therefore seen to be vested in the board and, then, is effectively joined to the expression of the executive power in the combined position of CEO/Chair. In addition, the corporate finance officer is employed by, and is ostensibly responsible to, the CEO of the corporation, though he/she would be required to provide information and assistance to the corporate board’s audit committee. The separation of these positions effectively has seen the separation of executive power to the CEO and the judicial power to the Chair. Over past years, the principal preoccupation of the debate on corporate governance has been on improving the accountability regime, which is really the strengthening of the judicial function that is best done by a separation of the power itself. There has been considerable call for the separation of the CEO and Chair positions (Cadbury Report, 1992; Charkham, 1994; Blair, 1995; Monks and Minow, 1996) but the resistance to change is strong, as evidenced by the support for the one person in the two positions by a majority of the serving CEOs and The Business Roundtable (as noted above).

Legislative or political power (menotype #C-caret of corporate governance) is nominally vested in the corporate board. However, since the board, under the influence of the CEO (particularly if they are Chair as well), selects its own members and given the nature and
relatively small amount of time devoted to board deliberations, the practice is well established in which the management executive formulates and proposes the strategic intent with the board merely reviewing and ratifying. (When the board really considers there is a need for a change in the strategic direction, it is often accomplished through a change of CEO rather than by debate and persuasion.) This practice effectively enjoins the legislative power with the executive power in the position of the CEO, particularly if it is a combined position of CEO/Chair. In the normal course of events, such a position is politically powerful enough to set and carry the agenda and is largely left to do so while things still appear successful.

In essence, then, all three forms of authority power come together under the effective control of the joint CEO/Chair position. Where the CEO and board Chair position is split, it is more common that the board and the Chair carry the judiciary or accountability power while the CEO still expresses the executive and legislative power. That is, there has been very little separation of powers in corporate governance; or, there has been very little maturing in the corporate political processes—except in Germany which is discussed below. The governance of a modern corporation can be likened to the situation of a territorially ambitious country ruled by the revered and successful monarch with the aid of a well-developed aristocracy who have some autonomy in their own control of responsibility and resources, but which are always under threat of confiscation by the greater power of the monarch. Although each individual is less powerful than the monarch, the ruling aristocracy as a group can make or break the monarch. This shared aristocratic-type oligarchy is an evolutionary development from that of the all-dominating capitalist entrepreneur [both are regarded as oligarchic power in Michels’ (1962) terms]. There has been a move, cognitively speaking, from the pure expression of a \( \text{menotype} \#A^C \) corporate governance authority regime to a \( \text{menotype} \#(A/B)^C \). That is, the secondary function has been developed while the primary orientation has been retained. This is inherently healthy and appropriate because the corporation is required to operate successfully in the economic sphere (\( \text{menotype} \#A \)) and all the modes of thinking and operating are reinforcing. However, modern corporate life is too sophisticated, too complex, and too turbulent for this monarchical-type rule to continue to be effective, and it is necessary to push along the further evolution of corporate governance to attain a more appropriate balance of powers.

There is a seeming paradox inherent in this advanced form of corporate governance. While it is has been ascertained from the earlier analysis of Michels’ (1962) Iron Law of Oligarchy that political power or the authority sphere (the \( \text{menotype} \#C \) of corporate governance) is predominant at the top executive levels of large corporations, it would be
concluded from the above paragraph that the political aspect of the authority sphere (or menotype #C of corporate governance) would be downplayed and repressed—which essentially means that the corporation is carried forward by the vision encapsulated by the leader (CEO/Chair), rather than a compromise to keep all the stakeholders happy. Any political game-playing in the process is essentially an unconscious aspect of corporate life. This seeming paradox merely captures what is happening at the different cognitive levels of abstraction. The corporation operates in the economic sphere by being successful and growth-oriented (menotype #A of society), but its performance relies predominantly on the authority or political sub-sphere of the corporation [menotype #C of corporate governance—which could also be termed as the menotype #(C^B)^A of society]\(^{112}\) to decide on the commitment to a particular direction and control, which in turn has developed from the executive power of the entrepreneur (menotype #A^C of corporate governance) through the now well-developed judicial or accountability functioning of the corporate board (menotype #B^C of corporate governance). As explained above, corporate governance has been continuing its evolutionary development and the pre-eminence of the combined CEO/Chair position is more in the nature of the boss (menotype #C^C of corporate governance) rather than the entrepreneur (menotype #A^C of corporate governance). Going the way of concentrating more power in the hands of the one position would actually (cognitively speaking) be destructive as it would be encouraging the rise of the power-oriented despot (rather than entrepreneurial visionaries), who is more worried about ensuring his/her own power and survival rather than the long-term health and prosperity of the company—as witnessed by the focus on downsizing and getting back to core business, or sticking to the knitting—as illustrated in part by the experience of “Chainsaw” Al Dunlap (Ward, 1997: 270).\(^{113}\)

The central issue now is whether society would benefit from further evolution of corporate governance at this third level within the authority or political sub-sphere of corporate control. Should there be some measure of separation of powers within the authority sphere of corporate governance? Should the application of the guiding democratic principle of “checks and balances” be accorded a greater priority in the corporate political decision-making system? Should the corporate politics be made more conscious and orchestrated through consciously developed processes—is this the next stage of evolutionary progress of corporate governance and how will it be beneficial?

A complete separation of powers would see autonomous bodies or positions holding each of the legislative, executive and judicial powers independently from the others. Such has been the evolutionary progress in the political sphere where, in the mature democracy of the USA,
there is a separation of powers between the Congress, the President, and the Supreme Court. This is not suggesting a mere replication of what has happened in the political arena but rather how far the corporate governance system can constructively evolve without changing its basic nature. That is how much measure of democracy and equality (i.e., menetypetype #B) or separation of powers would improve performance while still holding onto the basic economic/entrepreneurial (i.e., menetypetype #A) orientation to ensure effective operation in the economic sphere. Such changes should not be pushed too far as they would risk changing the basic nature of the corporate spirit from the drive for economic growth and financial prosperity to the altogether different drive for corporate democracy and stakeholder inclusion/equality, which is more appropriate for organizations in the social sphere than in the economic sphere.

The separation of powers is usually deemed necessary in order to institute a system of checks and balances. Many conservative economists consider that this is not necessary in the economic sphere and in fact can inhibit commercial success:

the governance of a business corporation requires a focused unity; there is little room for checks and balances. Its point is executive, and "energy in the executive" is its sine qua non. The corporation is not a state government—these are totally different species of association... Within a corporation, no one should even desire "separation of powers," for the whole point is to create something new, to achieve something, whereas in government the whole point is to prevent leaders from achieving anything beyond the already stated powers and purposes of the union. The reason for checks is to keep in check, and the reason for balances is to keep a balance (Novak, 1997: 6–7).

This reasoning captures the argument of many conservative corporate executives and analysts and is superficially appealing particularly to those seeking to justify their power and to the textbook enthusiasts. However, the argument presents a very simple view of the corporation and accords no credit to the development and maturing of private corporations since their early days when they were indeed one-man shows. Indeed this was the same argument used in the early days of democratic thought by Montesquieu (1952: 25) to justify the preference for monarchies: ‘Great is the advantage which a monarchical government has over a republic: as the state is conducted by a single person, the executive power is thereby enabled to act with great expedition.’ However, there is a problem when this executive action is ill considered, as Montesquieu (1952: 25) himself goes on immediately to observe: ‘But as this expedition may degenerate into rapidity, the laws should use some contrivance to slacken it.’ And there have been many checks and balances initiated by the Government and the people on corporations over the years to restrict somewhat the misuse or abuse of their ever-
increasing power and influence. So, in response to Novak’s (1997) argument above, society has long judged that there needs to be substantial checks and balances on corporations but the real question is their form and degree of restrictiveness. Now, let us check out some other aspects of Novak’s (1997) argument.

- He is right to say that the nature of private corporations and government bodies are ‘totally different species’ and this thesis attempts to explain why. However, it is not right to say that the whole point of government ‘is to prevent leaders from achieving anything beyond’ but rather to the contrary, government and particularly executive government is built to achieve. The processes are geared to do something about society’s problems and contribute something towards the prosperity of the nation. If the Government is not seen to be doing something in this regard, it is likely to be voted out of office. The separation of powers and the many institutionalised checks and balances are not only about restricting the misuse and abuse of power. More importantly, the separation of powers is a constructive recognition of the complexity of the issues facing governments and the conviction that no one man or woman has a monopoly on the answers and vision of what should be done. The problems and challenges facing nations are complex and tractable, and there are no simple solutions that would appeal to everybody—in fact any solution is likely to advantage some and disadvantage others. Hence political process is used to develop a compromise set of initiatives that perhaps will provide more benefit for many of the right people at not too great an expense to the others. This is the stuff that elections are fought over. Politics is primarily about the power to decide and secondly about the decision itself and the nature of the particular initiative.

- And so it is now with large corporations. There have been the many misuses and abuses of power that have sparked the prolonged call for checks and balances. The spate of takeovers and expensive management defences are the most glaring recent examples where there was a consensus that action needed to be taken to restrict the power of corporate executives. But, more importantly, it has been explained how the large corporations have been through their entrepreneurial phase where the freedom of executive power was very necessary and then the managerial phase where the focus was on scientific, logical analysis to streamline all the processes. It is telling that at the height of this managerial phase soon after the Second World War most corporations had CEOs separated from the Chair position: ’a 1962 study
found that of 206 corporations only 22% combined the title of CEO and board chair in one position’ (Ward, 1997: 48).115 However, through the emerging age of politicism there has developed a more obvious concentration of power at the top, where now the position is reversed and only about 22% of US corporations have the two positions of CEO and Chair as separate.

This shift of more and more corporations combining the two positions has happened as more and more corporations became larger and much more complex. It is contended that this move to favour a single CEO/Chair was more about concentrating power rather than harnessing the visionary entrepreneurial flair of the corporation. The main corporate decisions concerned the allocation and accumulation or acquisition of resources rather than building a dream. This concentration of power was necessary to counter the increasing power of the many stakeholders including management, employees, consumers, shareholders, and the concerned public through their political action. Moreover, ‘Restructuring, downsizing and acquisitions on a grand scale were most common at corporations with a strong personal leader’ (Ward, 1997: 112). These are not actions of an entrepreneur trying to fashion a productive enterprise out of a dream or a creative vision. Rather, this accumulation of power is politic and primarily geared to exercise despot-like power to have the right to decide what should be done, and only secondly to express the vision of what the corporation should be achieving. That is, the concentration of power is more about the executive function usurping the legislative function to gain effective control or power over all the stakeholders and their interests: ‘Indeed, if the CEO slowly took over the position of chair to cope with increasing board power, why not then use the position to limit that power?’ (Ward, 1997: 245).

In short, such concentration of power for power’s sake cannot be equated with the eulogising of executive action as suggested by Novak (1997) and others, but rather bespeaks the politicisation of the corporate governance, which therefore needs to be answered with political-type solutions.

- That corporations are not state governments is true: ‘The problem of business governance is not a problem of political philosophy; it is a problem of business philosophy’ (Novak, 1997: 8). This is certainly true at one level, namely the level of society where it is a reality that corporations are operating in the economic sphere and governments are operating in the political sphere. As has been
explained earlier, this reality at the higher level of abstraction underpins and influences the thinking of all lower levels of thinking about how corporations and individuals operate. However, at the level of organizational authority and control, both corporations and governments are about power, decision and action. Governance of such organizations in both spheres requires the action of legislative power, executive power, and judicial power. Whether these powers need to be separated in one sphere and concentrated in another sphere is not a matter of differentiating between political philosophy and business philosophy, as this is achieved by the separation at the higher level by different organizations operating in a milieu of different rules. Rather, it is about the proper use of power to decide. It is about political decision-making, where the focus is more on whom should decide rather than what should be decided. It is about not only whether one person would be able to resist the temptation to abuse the opportunities provided by absolute power, but also whether that one person is capable of effectively exercising appropriate judgment across each sphere of legislative, executive, and political power and handling the interactions between them. In the complex corporate and economic world of today and the near future, this is clearly too much of a responsibility for one person to take on by himself/herself. One person can no longer justify and sustain a monopoly on omnipotent judgment and accountability. There clearly needs to be a sharing of powers, a separation of the legislative, executive and judicial powers of the corporation and the process instituted to effect an effective dialogue and decision-making process between them.

Therefore, there does need to be a balance of powers if for no other reason than to protect and sustain that which is already there—that nation of people and resources that has been built up by the entrepreneurial spirit of the executive power, that has been efficiently organized and honed by the managerial power and now needs to be appropriately governed by a focus on harnessing and orchestrating the corporate political power. As has been observed in the operation of institutions in the political sphere, pre-eminent power is not held indefinitely in one aspect of that power but, rather, effective processes need to be in place to effect a transfer of power between the aspects of authority as appropriate to the particular circumstances.

This conscious acknowledgement of the political processes in corporate governance may also temper the occurrence of short-term expediencies being passed off as sound economic decisions. For instance, the current preoccupation with and ramifications from the short-term fluctuations in share price are largely because the political processes are not
sophisticated enough to rise above the fallout to focus more on the longer term prosperity of the corporation. Such prosperity is the outcome of a very complex set of interacting forces and is not only dependent on the CEOs agenda and financial prudence but also on the citizen's voice from the social sphere and the broader responsibilities that come with being a global player. The corporation needs to nurture the support and contribution of all stakeholders, including the potential consumers. For instance, Michael Porter is quoted (Blair, 1995: 197) as suggesting that 'Boards of directors should include representation by significant customers, suppliers, financial advisors, employees, and community representatives.'

Such an evolutionary refocusing of corporate power may overall be better for the corporation and society in the long term, but it will possibly come at the expense of some dampening of the drive for short-term growth and perhaps early financial success (although, perhaps it may be a more sustainable growth as it gains wider support in the society). This is because the corporate psychic energy devoted to a greater focus on the seeming non-economic issues in working through the economic issues will detract from the energy available for promoting the economic growth for its own sake. The external trends that suggest such a refocusing is already occurring are threefold:

- The growing regulatory regime that requires more of a “good citizen” responsibility of the corporation, such as protecting the environment (where the “green investment” movement is proactive but relatively small);
- The growing sensitivity towards, and inclusion of the interests of, other stakeholders (such as shareholders, employees, suppliers, and the community) in the corporate decision-making process;
- The growing size and influence of the funds management pool, much of which principally focuses on the longer-term prospects of a corporation and is not so influenced by the short-term fluctuations.

There is also the experience of the greater development of corporate governance mechanisms in Germany, as Charkham (1994: 364) concludes, 'The feeling in Germany is that their system is the result of a long process of evolution.' Germany have adopted a two-tier board system where the area of authority of the higher, supervisory tier (the Aufsichtsrat) is prescribed by law and covers: the company’s accounts for a specified period (quarterly); major capital expenditure and strategic acquisitions and closures; appointments to the
Vorstand [the lower board] and approving the dividend... The Vorstand proposes, the Aufsichtsrat disposes' (Charkham, 1994: 22).

In effect, this is one option for separating out the legislative power into this more powerful and political higher-tier board, which is vested with the responsibility to decide from among the many possible directions while the lower board is responsible for the "management". However, even this lower management board is vested 'with a massive concentration of power. It is envisaged as a collectivity and is expected to operate collegiately' (Charkham, 1994: 19). Here then is a greater stress on the management function and a much more open acknowledgement of the secondary emphasis on political networking processes. As a result there is an open system of patronage and 'it is a system that depends heavily upon networks and they in turn only function effectively because cooperation is seen as the proper mode' (Charkham, 1994: 48).

'It is the continuity of the business that has top priority, so prudence takes precedence over profits' (Charkham, 1994: 32). This is certainly the thrust of where the above discussed evolution of corporate governance is headed; namely to a more healthy socially rounded corporate direction. However, from Charkham’s (1994: 6ff) description, it would seem that the predominant operational emphasis is on the management—prudential—accountability aspects (menetyp #B) and that is why the secondary political power processes are so well developed. This is in keeping with the generally acknowledged phase #B spirit of the German nation which puts a greater emphasis on duty, obedience to the law, loyalty, encouragement of formal learning and acquisition of scientific knowledge, and a logical, more long-term view. Though there would be a greater focus on evolutionary technological advancement within such a mindset, the entrepreneurial spirit and drive for growth and financial profits (menetyp #A) would be relatively subdued compared with that of the US corporations.122 This would also be reflected in the different expectations of shareholders, who would be looking for measured and continuing prosperity rather than short-term growth predictions and performance. As a consequence, this option for the separation of corporate powers through two separate boards would seem to be taking it too far into a menetyp #B social/management orientation to be acceptable and workable in the predominantly menetyp #A-oriented US population.

An improvement in corporate governance, therefore, translates (cognitively speaking) to a maturing of the corporate political process brought about by a formal separation of the corporate legislative, executive and judiciary powers in such a way that the importance of, and reliance on, the executive power (menetyp #A^C of corporate governance) is maintained.
This would mean it is of value to retain the single corporate board system while keeping in mind that the German two-tiered corporate board system certainly encapsulates the general direction of constructive evolution. What is required for the next step to better corporate governance is to formalise the separation of the positions of CEO and Chair. "This is the single most important factor in creating the right balance of power needed for effective governance," says Benjamin Rosen, chairman of Compaq Computers Corporation. "Our country has this separation of powers, why shouldn't companies?" (Conger, Finegold, and Lawler, 2000: 114).

The authority of the Chair should be increased and the responsibilities of the position, in concert with the other independent directors, could be prescribed in much the same way as the supervisory board in Germany, namely to be changed formally to orchestrate the legislative power for the corporation. The increased authority of the Chair should include a much more active role in the appointment of directors. In addition, there needs to be a specific appointment of a non-executive director with prescribed authority covering the judiciary or accountability powers, independent of the CEO and the Chair. Such a position, which could be termed Director of Corporate Assessment, would be enhancing the role of the Chair of the corporate board’s audit committees but would need to be accorded further independent power and resources to exercise the judiciary powers fully. The suggested allocation of formal powers would best be achieved through legislative prescription as a requirement of the corporate charter, but it could also be made a requirement for registration at the major stock exchanges. The approach in the UK to implement the Cadbury Report (1992) recommendations was for the stock exchange to issue a voluntary code.

To summarise, the imperial CEO has had his day—long live the corporate board.

5.1.3 Is the "corporation as a person" merely a legal fiction?

Berle and Means (1991/1933: 120) reported that from earliest times the State effectively 'created the corporation and set it up as a legal person independent of any of the associates.' This characterisation of the corporation as a separate person was confirmed and embedded in law by the US courts early in the 19th century. In addition, 'the major effect of that decision [the Dartmouth College decision, 1819] was to establish a precedent for the immunity of the corporation from state control' (Miller, 1969: 290). This protection of the corporation under the constitution and the law as though it were an individual person facilitated the tremendous growth of corporations through the 19th and 20th centuries. But is this so-called legal fiction (or 'artificial' as it was termed in the above-mentioned Dartmouth College decision) appropriate and what kind of reality does it express?
The ratification by the law merely reflected the view of the community that the corporation was a separate entity and should be treated as such. Miller (1969: 290) acknowledged this, ‘The more important point is whether law follows or precedes social action and moves. In a democracy, it must—at least it did historically—follow, law formalized existing arrangements, rather then prescribed them.’ In other words, people were thinking at the second level of abstraction and thought of the corporation as a separate individual entity, or an independent moral agent, with characteristics similar to those which they applied to another person, and the law merely gave expression to this cognitive reality. This acknowledgement by the law was the outer expression of what was thought by the inner. This articulation or making manifest the cognitive reality of the corporation as a person in turn empowered the society to develop overtly its approach to handling the corporations in a much more rational way. The articulation of this level of thinking paved the way for the managerialist society.

It should be evident that, cognitively speaking, it is right, proper and necessary for the community outwardly to treat the corporation as a separate person because that is the way they thought of it—and, moreover, all people should be encouraged to have a conscious knowledge of that fact because it will lead to more mature interactions. However, human thinking about corporations has moved on and, as explained above, corporations are now thought of as operating on the same level as the society, or the nation-state. This fact has long been alluded to by scholars and commentators but has not yet been fully recognised in the law or in corporate governance. There have been greater demands for civic responsibility by corporations but there is not ready evidence that corporations are being treated any differently than a small to medium sized company. The fact that human thinking about large corporations is now at a higher level of abstraction should be recognised and formulated in a similar manner to the way its separate life as an organization was recognised in the 19th century.

The “supercorporation” of today is like a corporation of organizations and should be recognised differently to the way society regards mere organizations. ‘As far back as 1651, Thomas Hobbes observed that corporations were like “many lesser commonwealths in the bowel of a greater”’ (Ward, 1997: 33). At that stage this aspect of the corporation was of much less significance to the exercise of the entrepreneurial executive drive to build and achieve, but has now taken on much greater significance and prominence in large modern organizations. The large multinationals could be required to have different responsibilities in the same way that nation-states have different responsibilities to individual persons and organizations. Rather than being incorporated under State legislation, these large
corporations should be required to register under Federal legislation once they set up offices/subsidiaries in foreign countries or reach a certain size (perhaps something in the order of a moderate nation-state). This arrangement would also reflect the fact that there is much more commercial and lobbying activity at the Federal level (Monks and Minow, 1996: 88; Ward, 1997: 335), particularly in respect to international trade and market protection, and, of course, a critical test is that when seeking financial assistance as a last resort, large corporations go to the Federal government rather than the State level—as was the case with Penn Central Railroad in 1970, Lockheed in 1971, and Chrysler in 1979 (Monks and Minow, 1996: 30). Finally, it is pertinent that 30 percent of US equity stocks are held by public and private pension funds, and even the ‘private pension system is administered under ERISA, an existing Federal law that pre-empts state involvement’ (Monks and Minow, 1996: 120–121).

If such re-incorporation under the Federal jurisdiction is politically too difficult, then other lesser remedies to achieve the same effect should be considered. It could be made the subject of some arrangement between the Federal and State governments whereby the Federal legislation sets down the minimum requirements for the associated state legislation so that corporations could continue to be incorporated under State law but effectively subject to Federal requirements. Alternatively, it could be made a requirement of listing on the stock exchanges, as happened in 1978 when ‘the New York Stock Exchange followed up its outside director mandate of a decade earlier by requiring that all listed companies have an audit committee with a majority of outside directors’ (Ward, 1997: 62). Another avenue is for the Securities Exchange Commission to issue appropriate guidelines, as they nearly did in 1978 (Ward, 1997: 244).

Such Federal legislation or intervention could then require as a condition of incorporation that corporations allocate a specific form of authority as suggested above to each of the Chair, the CEO, and the proposed independent Director of Corporate Assessment. The charter or articles of incorporation could then be replaced by a corporate constitution to define what the corporation stands for and the economic and social vision it is trying to fulfil. It should also be required to draw up a bill of rights and responsibilities to each of its stakeholders, so it can indeed become as a moral individual identity in keeping with the more political orientation of the corporate decision-making processes. The preparation of such documents should reflect the economic vision of success and relative importance of growth (menotype #A) vis-à-vis the particular responsibilities it has accepted in relation to the societal sphere (menotype #B) and the values by which it will operate and interact with all the relevant constituencies, which, in turn, underscores its long-term survivability (menotype #C). As a preliminary and to be used
as a guide, the peak business councils could coordinate a project to define what the documents should look like. The project would involve people from the higher education and scientific sectors (providing the \textit{menotype} \#B social sphere perspective) and the political sphere (\textit{menotype} \#C perspective). Such documents would articulate the spirit with which the board should operate and make decisions, and could be used by any of the stakeholders to challenge the actions of the corporate board and hold them accountable. They would also provide the basis for any political scrutiny of their actions by the Senate or international body say in a case where there is a challenge to the corporation's international accreditation or behaviour.

For many corporations this would constitute only a small burden, as their charters and incorporation documents are already fulsome and inclusive, and many modern organizations operate with values statements. Perhaps there will be a greater challenge in articulating a Bill of Rights or some such, committing to the responsibilities and/or accountability owed to each of the stakeholders. Modern political processes, particularly those of the more powerful nations including the United States, are characterised by their focus on the need for accountability to their constituency and the general electorate. The focus of the corporate political processes should likewise have a greater focus on accountability by institutionalising the framework and appropriate benchmarks. The degree of specificity would be limited by the clear understanding that their compliance would likely be tested in court. However, in light of the actions of the courts in the past, such an approach could serve to provide a stronger defence on the basis that proper procedures have been followed. Where there is a balanced judgment to be made and the corporate boards execute it consciously, then the courts are unlikely to second-guess their judgments if the process is adequate (Ward, 1997: 83).

To recognise further the way that people now think of corporations as societies interacting with societies, a condition of Federal incorporation should be a requirement to join an international grouping of multinational corporations in a formal way like other international forums of nation-states. This could be effected by some kind of treaty or convention of international corporate relations that focuses on the top governance issues of the multinationals. Major corporations or groups of corporations would be required to appoint one of the non-executive directors as a corporate ambassador to deal with other corporations and nation-states. The issues raised in such a forum would not only deal with what is acceptable or not acceptable in the business world's approaches to markets and the new emerging economy as a result of the communications/knowledge revolution, but also the performance and needs of social responsibilities, and include linkages to the international court. What is being discussed here is the formulation and articulation of the political milieu and processes in
which the corporations are likely acting now but which should be made conscious in this new evolved world. Some definite processes and requirements can be set down, but the actual dynamics would, of course, be as fluid and adaptive as any other dynamics in the political sphere—but coloured by the fact that it would be made up of bodies that operate principally in the economic sphere.

The aim of the exercise, then, is to give expression to the new way of thinking about large corporations as societies or nation-states and to formalise more effective decision-making processes. Such processes would require these corporations to develop corporate voices that are able to articulate the many perspectives (other than the narrow economic drive for growth) that are appropriate to be heard in this bigger, more complex changing world. The new decision-making regime should enrich the actions of corporations and be of greater long-term benefit to the corporation itself and capitalist society. The new management overheads being suggested here will, however, take a bit of focus or corporate psychic energy away from the main game of unbridled economic growth. However, everything is relative and interrelated, and if all corporations are required to conform, then the expectations by all stakeholders will be moved and a different view will emerge about the size and nature of corporate profits. Moreover, the overall economic performance of the economies might be more consistent and sustainable (but such an analysis is for another time). There is no suggestion about changing the basic nature of the corporation, which is aptly expressed by The Business Roundtable (1997: 1), 'the principal objective of a business enterprise is to generate economic returns to its owners.' It is just a question of who should be regarded as the true owners and the size, growth and longevity of the associated economic returns or rents in the light of broader corporate responsibilities.

In summary, the principal conclusions from the above analysis of the private corporation are as follows:

(13) The focus of thinking about property has evolved to a higher level of abstraction that is consistent with the politicisation of corporate authority and, as a consequence, it is now appropriate for the state to renew the form of its charter of rights to legitimate the new reality of the corporation. Moreover, because of their nature, size and wholesale shift to globalisation, it is appropriate to consider vesting the corporate interaction within a formal international organization of corporations—that is, it is important to legitimate the shift to global governance.
(14) Corporate governance is still evolving and the next evolutionary step involves a more overt orchestration of the corporate political processes through some formal separation of the legislative, executive and judicial powers within the corporate authority sphere. In particular, the positions of CEO and Chair should be formally separated, with the Chair being accorded specific authority for endorsing the corporate direction and appointing new directors. There should also be a non-executive director appointed as Director of Corporate Assessment (namely, the Chair of the board’s audit committee) and specifically empowered to exercise the judiciary or accountability powers within the corporation.

(15) In keeping with the way humans now think of large corporations as societies or nation-states, corporate governance would be improved if such large corporations were required to be incorporated Federally and develop their own constitution and bill of stakeholder rights. Further, they should be required to participate in, and provide corporate ambassadors to a newly constituted international body of multinational corporations (with some linkage to existing economic-oriented international forums of nation-states), which would be designed to facilitate some consensus about corporate behaviour and best practice.

5.2 Corporate Culture and Decision-making

This section looks first at the effectiveness of corporate decision-making processes, second at the changing nature of the implicit assumptions underpinning the operations within a corporation, and third at the implications of the changing organizational structures being adopted by corporations.

5.2.1 Are corporate boards’ decision-making processes adequate?

The Cadbury Report (1992) stated succinctly that two basic principles should underlie corporate governance in the UK. ‘They [the managers] must be free to drive their companies forward but exercise that freedom within a framework of effective accountability. These two fundamental principles are common to all countries’ (Charkham, 1994: 4). It is contended that these two principles suggested by the Cadbury Report (1992) are inadequate and a third needs to be added as follows.
• While management, and particularly the CEO, plays a large catalytic part in
developing the future direction and strategy of the company, the board, still, has a
vital role to play. As Hilmer’s study (1993: 4; 36) contended: ‘We argue that poor
corporate performance, not fraud or mis-conduct, should be the main contemporary
concern of corporate governance...The onus of achieving desired performance is
squarely and un-equivocally placed on the board.’ It is no longer good enough to
leave it all to the single CEO/Chair. The board should show some leadership even
if it is to be encapsulated in, and delivered by, the CEO.

• There is no accountability without relevant and timely information and some
understanding of the situation. This does not happen unless the right questions are
asked and the board understands what it is doing. ‘An SEC report on Penn Central
noted that “throughout the entire Penn Central debacle, including the loss of many
hundreds of millions of dollars by shareholders, the board had done nothing”’
(Ward, 1997: 56). This was also the fundamental reason leading to the collapse of
both Tricontinental, in Victoria, and the State Bank of South Australia (Bosch,
1995: 109–110). In fact, the Tricontinental report states: ‘It is not enough merely to
pronounce upon policy... To put the matter at its simplest, the board needs to know
what is really going on’ (quoted in Hilmer, 1993: 40).

• To the two Cadbury Report (1992) principles of corporate governance, one would
add a third (which, perhaps, is also necessary to fulfil the first two principles):
namely, the need for integrity and wisdom in the executive decision-making
process, which requires a more effective distribution of power within the
corporate authority sphere. The decision-making processes should also be capable
of encouraging an ongoing learning experience for both the group and individual
executive decision-makers.

The decision-making process is a dynamic and multidimensional concept. The big
innovative decisions can change the future substantially but such decisions by themselves
change nothing—there needs to be a commitment from others and a process of further
decisions and commitment to implement the actions to effect the necessary changes in the
reality of the corporation. Moreover, the decisions never get it quite right and ‘we almost
invariably spend more time living with the consequences of our decisions than we do in
making them’ (Pfeffer, 1992: 19). Inevitably, therefore, decision-making comprises a series of
adjustments between internal direction and external reality. The effectiveness of such a
continuous decision-making process could be assessed by the creative relevance, logic and
appropriateness of the actual decisions, the degree of commitment of the participants (which implies the ultimate usefulness of the particular decisions), and the contribution to individual and group learning of those involved (which underscores and develops the quality of future decisions). In order to grasp what all this might mean in terms of corporate governance, it is necessary to analyse the nature and dynamics of the decision-making process.

A decision is a judgment, assessment or cognitive commitment to a particular knowing. Lonergan (1957) explains how there are three basic cognitive phases (levels) involved in individuals reaching a decision: namely, the phase of experience where one takes in what is happening around one, the phase of intelligibility where one determines the meaning of what one experiences, and the phase of cognitive judgment, assessment or decision. Daft and Weick (1984: 286) essentially express this same cognitive reality for groups in terms of scanning (data collection), interpretation (data given meaning), and learning (action taken). The three phases actually equate to the trinity of personal or group decision-making, which can therefore be expressed as (and explained in more detail in Chapter 8 below):

- The base phase of group (or personal) experience or data scanning (*menotype #A*), which can be outwardly focused (extraversion), inwardly focused (introversion), or reading in something extra (apperception).

- The second phase of group (or personal) perception or meaningful interpretation (*menotype #B*), which can be objective and factually focused (sensate), imaginative and systemic (intuitive), or symbolic and/or reality transcending the imaginative (aesthetic).

- The third phase of group (or personal) decision or cognitive commitment (*menotype #C*), which can be a commitment to do something (conation), a judgment of what is true/factual (reasoning), or an assessment of the reality cum value (feeling, or a sense of right or wrong).

This trinity of *menetypes* of group knowing (as depicted in Figure 12) captures the essential decision-making process of the board members. To the extent that all three phases of knowing are fully accessible with easy and constant movement between them, there will be adequate knowing and effective decision-making. However, the three phases cannot all be operative equally at once and so, therefore, the nature of the decision-making process that is occurring in reality is explained in terms of a preferred focus on a particular one of the three phases of group knowing and the dynamics of procession between the different phases.
In the age of the stereotyped capitalist entrepreneur, the decision-making process was geared to give effect to the entrepreneur’s vision or commitment to some course of action. That is, the effective decision-making went on in the mind of the entrepreneur and the outer processes were to refine those decisions and pave the way for their implementation. It was about what was needed to make the inner vision of the entrepreneur an outer reality. In other words, the cognitive group focus was on the *phase #A* of outwardly focused environmental scanning to determine where there was an opportunity to enact the vision of the entrepreneur, where changes could be made to make a better world that customers would sign up to join. The cognitive *phase #B* of meaningful interpretation was of secondary assistance in explaining how the vision was to be achieved both in terms of its external materialisation (or product) and how it was to be produced (or internal processes). The least focus was on the *phase #C* of group judgment and commitment, because the vision and decision-making were projected onto, and carried by, the person of the entrepreneur, who essentially decided for the group. There was not much dwelling on the truth or reality of the external situation but rather on the entrepreneur’s vision of how the environment could be recreated and made better. That is, it was cognitively a very *menotype #A* corporate decision-making world.

Developments into the age of managerialism saw decisions being made by groups on the basis of reason and logic. The decision-making process was an evolutionary-type progression in which one step was taken at a time on the basis of what was the most logical thing to do next. Decision-making was primarily focused on the cognitive *phase #B* of meaningful interpretation and inwardly oriented on the processes of production, distribution, and marketing; about making the business of the company work more efficiently and more predictably. The developing logic of the processes carried the momentum of the decision-making forward and it was seen as a very impersonal, objective group process. There was a belief that everything could be analysed and explained logically. The effort of the group was therefore in implementing the cognitive reversionary process to scan methodically the environment to generate insights on how it worked and how and what actions would lead to what outcomes, in order to determine the factual truth that determined what should be decided. That is, there had been a preoccupation with the building up of knowledge. Moreover, company staff were encouraged to contribute to this group process of reversion to find the true or scientific way and to suppress any individual flair for the sake of the order of the group.¹³³ This was cognitively speaking a very *menotype #B* world. It was very hierarchically oriented in that those in higher positions had been around longer and therefore had a greater knowledge of the truth of the way things were—they were therefore the wiser counsel and should be deferred to.
Into the age of politicism sees the decision-making process being driven more by the complex and changing external environment of the corporation. The ready availability of knowledge either inside or outside the group is taken as a given. The task of the decision-making process is, then, to choose those issues on which to focus attention and then to choose among the competing ways that are available to handle the issue or the problem. In the sense of the dynamics of the knowing trinity (Figure 12), it is very much a process of matching up the relevant available knowledge and processes with the reality they assess by looking at the information from the environment. The focus is on the phase #C of assessment and decision, and by far the greater influence is on what is the right thing to do given the reality of the situation. It becomes a matter of finding the solution of best fit—not necessarily the most logical one, because logic does not speak too loudly in a chaotic world, but rather the solution that seems to fit the circumstances—it just seems right, all things considered.

This is, cognitively speaking, a very menotype #C approach or, in other words, one based on an assessment about whose reality is to be trusted. Can the proponent be trusted, will the course of action being proposed support the right agenda, bolster the right power group and be given the support it needs actually to work? The decision-making process becomes a very personal assessment dynamic and not all voices or aspects of the argument are automatically allowed to participate. There is no longer a preoccupation to build up a body of knowledge for its own sake, but rather to make use of the vast amount of knowledge readily available or purchasable. The aim of the political decision-making process (menotype #C) is to find a right solution or decision for the moment, because a new decision can always be made later if that particular decision did not work or the circumstances warrant.

What has been argued is that there has been an evolutionary development of corporate board group cognitive activity by sequentially shifting the primary focus of group knowing attention from phase #A of data scanning to the phase #B of group understanding and then on to the phase #C of focusing importance on group judgment. Of course, many companies are at different stages of development and/or would have a different focus, but what has been argued through much of the above analysis is that the decision-making processes of large corporations have matured to a very menotype #C orientation—one that is politicised and focused on the need to appreciate the particular reality of the complex, rapidly changing environment and decide what is right to do in the circumstances. This primary focus on the phase #C of group assessment with a secondary focus on scanning the environment to assess the real situation cognitively diminishes the role of the phase #B of logically reasoned understanding or knowledge building.
This can be appreciated in terms that the corporations’ world is changing so quickly that any efforts to analyse and grasp a cause and effect understanding of one particular reality would be nugatory as that reality is likely to change and another one would have to be analysed and understood. In the terms of Daft and Weick’s (1984) model, there is an underlying assumption that the environment is essentially unanalysable and that there is more a passive acceptance of the ever-changing environment rather than a sustained effort to recreate one’s own environment (as entrepreneurs endeavour to do). This puts the nature of corporate politics into Daft and Weick’s (1984: 291) “Undirected Viewing” (essentially *menetypé #C*) quadrant, but moving towards the “Enacting” quadrant (essentially more entrepreneurial, but at a higher level of abstraction than in their previous era).\textsuperscript{134}

This primary group-cognitive focus on the level of judgment means that the focus on interpretation is minimised or, as Daft and Weick (1984: 293) observe, ‘Perhaps the process of interpretation is so familiar that it is taken for granted, which may be why so little research on this topic has been reported.’ It is true that there is so little corporate board time devoted to interpretation and understanding the truth of the data available and this has been seen as part of the reason for some dramatic corporate collapses in the recent past, such as observed above with reference to the collapse of the *Tricontinental* corporation. There is now an appreciation that the corporate board is dealing with a degree of equivocality in the multiple possible interpretations that can be taken about the environment and it may take a few passes of the data before coming to some consensus about the reality of the situation. However, in the corporate, politicised decision-making process, the interpretation of the data is more focused on assessing the competitive reality of the situation rather than analysing the logical consequences of particular courses of action.

Understanding the dynamics of corporate board decision-making within such a framework as the trinity of group knowing (*Figure 12*) underscores the importance of the following considerations in ensuring that effective decision-making processes are in place.

- Any decision-making process should play to the preferred and developed strength for group assessment (*menetypé #C*). This means that actual processes of political dialogue are acknowledged and made explicit, and consciously manipulated, to reduce the degree of equivocation and develop some consensus on the interpretation of reality. This would require formalising the inclusion of a cross section of relevant viewpoints and contributions to enrich the political dialogue, and a deliberate ploy of posing questions to encourage the voicing of alternate perspectives. It would also mean the formal use of policy committees or board
dialogue to help tease out the real/true nature of the situation and possible responses. The extreme to avoid is the exercise of the overt political power of one individual as encapsulated in the very strong CEO/Chair who minimises dialogue and, like the archetypal boss or despot, requires acceptance of his/her interpretation of reality.\textsuperscript{135} Given that the CEO/Chair is not a significant owner of stock, the shareholders are theoretically meant to elect directors who are meant to be independent from the control of the executive management. However, the nominating process and the use of the proxy system to bias the ability of management to garner support have resulted in the appointment of like-thinking or loyal allies.\textsuperscript{136} This suggests that if the directors were to have their own separate power base, there would need to be a more management-independent selection process for directors. Moreover, they could then be assigned portfolios, as suggested above, to take on and give voice to the particular perspectives on reality encompassed in that functional portfolio. This legitimisation of the different perspectives would also contribute to their ownership of the decisions made by the group.

- Since there is a greater reliance on the value of personal experience to assess reality in the politicised menotype \#C decision-making process, there is a tendency as ‘research evidence suggests that many organizations are informal and unsystematic in their interpretation of the environment’ (Daft and Weick, 1984: 288). The stress is on the competitive positioning of the corporation, and the value of a logical analysis of the ramifications of certain actions and processes is played down. There is therefore a need to ensure that the logical, reasoned analysis of proposals is actually voiced in the dialogue. A substantial capacity to raise the critical, devil’s advocate\textsuperscript{137} voice of logical, reasoned analysis is essential to a sound decision-making process. In the sense that the corporate board is not actively looking for this advice, this would probably be regarded as corporate “cognitive slack.” This would mean requiring the Director of Corporate Assessment (with the support of the board’s audit committee that he/she would chair) to review and comment both on the financial and logical consequences of each of the significant proposals coming before the board. This could be enabled if the Director had ready access to the analytical resources usually controlled by the corporate finance officer (company secretary).
Also, because there is a tendency for corporate boards to rely on the directors for their own personal experience and scanning of the environment, there should be a formal process to ensure scanning of the environment from all perspectives: namely, the competitive reality, the entrepreneurial possibilities, and the analytic, logical consequences of corporate plans and actions vis-à-vis the commercial forces at play. That is, corporate "cognitive slack" should be developed in seemingly overdoing the research, analysis and dialogue on environmental scanning and, in particular, the logical analytic interpretation of what is going on.

- Given that the general assumption of politicism is that it is not possible or worthwhile to analyse in a logical way the complex, changing environment, there needs to be a process of learning that suits the political decision-making process. Put another way, the political decision-making process does not encourage the development and accumulation of knowledge for its own sake, but rather uses the knowledge that is seen to be available to best effect in the current situation. The focus on the need to build learning organizations is because there has been a shift from a naturally knowledge-seeking orientation to a more doing orientation that depreciates the acquiring of knowledge for its own sake. The popular notion of a learning organization is really about the capability of harnessing the available knowledge to be more competitive. The stress, then, is more on the know-how of putting the available knowledge into best practice, and one learns know-how best from the doing. The most important contribution to group learning, therefore, is to maintain the richness and diversity of the ongoing political process of debate by ensuring pertinent questions are raised and sustaining a fulsome dialogue on the nature of the current reality. There is value then in developing formal processes to scan the environment and question the nature of reality that is driving the corporate response, even to the point of overdoing it and creating "cognitive slack." Beyond this learning on the job, so to speak, a supporting learning experience for the group is for them to be confronted with many "what if"-type scenarios in which they are required to rehearse the making of decisions on the most appropriate response. As discussed above (in Section 4.3.2 on organizational learning), de Geus (1997) describes such exercises being used to help the learning process of Shell executives by requiring them to formulate effective responses to realistic potential scenarios. Such exercises develop the individual and group-cognitive framework of experience and beliefs so that when faced with similar real-life crises, they are able to consider the range of potential responses more quickly and effectively. The
menotype #C thinking is best developed by experience (either real or contrived), so this type of “what if” learning is very effective.

What are being suggested above are more formal, corporate processes that require a higher commitment of time and cognitive energy of directors and those designated to serve them. Each director brings his/her own particular experience and worldview and very often that is all that has been asked of him/her—and sometimes even less in that all that is required is his/her acquiescence. What needs to be formalised is to appoint the directors to a particular portfolio of interest in addition to their membership of well-established procedural committees (executive, audit, compensation and nomination) to involve them formally in a process of dialogue that requires them to engage and finally to organize an independence of tenure such that they are freer to voice a developed perspective of reality. In short, formal decision-making processes need to require non-executive directors to make a more effective contribution to the political process that determines the corporate commitment to the appropriate course of action (Cutting and Kouzmin, 1997b; 1998; 1999b; 2000b; 2001a; 2001c).

5.2.2 What aspects of corporate culture are important now?

The dynamics and interactions of decision-making are framed by the “rules of the game,” which are in turn shaped by the nature of the shared basic assumptions. The way in which people think about organizing has obviously been changing and it might be helpful to explore the corresponding changing nature of the basic assumptions that are developed in moving from the managerialist to politicist age. These changes on the inner of the inner have been a necessary response in adapting to the changing external environments, which in turn are formed by the changing inner perceptions. The following discussion explores in turn the changing attitudes towards the nature of reality and truth, time, space, human nature, human activity and human relationships (in accordance with the structure of cultural analysis advocated by Schein, 1992: 123ff). It is the changes in these shared assumptions that have in turn promoted and legitimised the organizational structure, mission and strategy, goals, means and performance measurement/correction that are accepted and practised in the corporation (Schein, 1992: 51ff). The timings and sequence of these changes on the inner and the outer may appear like a chicken-and-egg-type situation but behind it all is the general evolutionary development of thinking explained above.

The Nature of Reality and Truth. Galbraith (1967) discussed the operating belief of large corporations that all reality can be logically controlled if only it is adequately analysed to ascertain the factual truths of cause and effect at play. Both the corporation’s internal and
external realities were regarded as ordered processes that could be controlled by correct and calculated interjections. This manifested in the focus on rationalising productive processes to improve the efficiency, then on quality assurance processes to improve the quality of production, and then on manipulating the analytical market analysis that sought to respond to the so-defined rational economic man.

Reality is no longer seen as ordered and full of facts to be mastered, but rather it is now believed to be chaotic and capricious and the ability to adapt to the ever-changing situation is more highly prized. The spate of corporate takeovers, mergers and buyouts through the 1980s brought home the new reality. The world is hostile and competitive and the message was clear that corporate leaders had better foster friends in high places. There has been a change from a low-context, unidirectional culture, where events have clear universal meanings (which rigorous analysis will discover) to a high-context, mutual causality culture, where events are only understood in context, meanings can vary, categories can change and causality cannot be unambiguously established (Schein, 1992: 100). In effect, there has been a shift from the striving to discover and use factual truths to a striving to appreciate the true reality of a situation in order to respond appropriately. There has been a shift in the focus of attention from the search for base, factual data that can be analysed towards the readily useable information that is generated by smart systems (human or computer). The information has to have immediate relevance to the situation and be readily useable—that is, the information is regarded more like a weapon to be used to confront the present reality head-on rather than for understanding the cause and effect truths that are in play. The perception of truth has moved from that which is derived from scientific method or a "rational-legal" process to that which survives conflict and debate and which works in the current situation. The sense of justice has come more to the fore and there is a greater focus on the proper use of power and the need for fair play, both by and with regard to the principal stakeholders.

With such a changed perception of reality and truth, managers no longer require big planning groups to analyse and extrapolate the cause and effect truths to such an extent where they feel comfortable that they know enough to act, but rather they are looking for access to trusted others who can provide the information necessary so that they are able to respond effectively to the present situation. This underlies the fundamental shift from a reliance on hierarchy (menotype #B) to an embrace of networks (menotype #C), or from a bureaucratic to a political orientation. Managers are just as happy to import or buy-in the information needed because if it does not work they are prepared to try something else. They no longer believe there is only one best way (which it is their job to discover), but rather they are content to live
with ambiguity and just do what they think is right in the particular situation of the moment. They eschew the necessity and personal effort required to search out the logical understanding and response, and so formal processes that continue to provide them with some logical analysis and advice would be helpful for those particular circumstances that require such thinking.

The aspect of reality that is re-emerging (which would be healthy to encourage) is the belief that there are better ways and that personal effort can make a difference. Rather than introducing changes because they are necessary to survive and prosper, there is emerging some sense that reality can be changed for the better by adopting a spirit of co-creation (the rising of the secondary menetyp #A spirit). This is evident in the differing attitudes to the new Internet phenomenon, where some regard it as necessary to get on board because everybody else is doing it and some enthusiastically see the potential for doing things better and take on the new technology with a more creative spirit.

*The Nature of Time.* ‘Time is a fundamental symbolic category that we use for talking about the orderliness of social life. In a modern organization, just as in an agrarian society, time appears to impose a structure of workdays, calendars, careers and life cycles that we learn and live in as part of our cultures. This temporal order has an “already made” character of naturalness to it, a model of the way things are’ (Schein, 1992: 106). But the way things are has been changing.

Jacques (1989) portrayed a very ordered concept of time and how it should influence the structure and staffing of an organizational hierarchy. The lower levels of workers (involved in production) think in concrete terms and are concerned with very short time horizons, whereas those higher up in the hierarchy are capable of thinking in more abstract terms and are concerned with the distant future. Those at the head of corporations are in the top mode of thinking and meant to be able to extrapolate out to some 50 years. This feat is based on the belief that time is linear, monochronic and a continuation of the past in a continuous process of evolutionary progress. Therefore, what has been happening until now can be extended into the future in some way. ‘Edward Hall in several insightful books about culture points out that in the United States most managers view time as monochronic, an infinitely divisible linear ribbon that can be divided into appointments and other compartments but within which only one thing can be done at a time’ (Schein, 1992: 107). This speaks of a very structured, ordered and logical way (menetyp #B) of dealing with time. Those companies that professed to be entrepreneurially oriented actually had their minds more focused on planning to meet the expected future, which was conceived by extrapolating the observed trends from the past.
That is, the planning was essentially in the mode of how to extend or develop past practices to improve performance in the perceived future.

Years of continuing and accelerating change have undermined the confidence in such an ordered, temporal world, and managers’ view of time has indeed become much more amorphous and fluid. It is the present moment that matters and the future will be constructed by the accumulation of many present moments. Therefore, it is what one does now that matters and there is not much point in developing detailed plans on what to do in the future as the world is likely to be different or one’s interests might be elsewhere. It is more the attitude of mind of being or what Schein (1992: 109) described in terms of “development time,” “best characterized as things will take as long as they will take, referring to natural biological processes that have their own internal time cycles... the person operating from the development time sees herself more in a process world, where her own development and that of other things in her world are more oriented to natural processes that cannot be easily speeded up or slowed down and where development is a never-ending, open-ended process. Planning time seeks closure; development time is open-ended and can extend far into the future.’

This newly adopted attitude to time helps the individual cope better with a chaotic, constantly changing environment but in turn contributes to the individual’s perception that the world is indeed chaotic and subject to the whims of nature. The overriding impact of this change in people’s belief about time is that there has been a dramatic shift to the short-term view in keeping with the more political orientation (menotype #C) at the top of modern corporations. This is evident in the exaggerated concern about daily fluctuations in the nation’s economic statistics and the company’s share price. It has been reported often in the press that many CEOs have been contracted specifically to achieve a short-term gain in the share price (i.e. in shareholders’ value). The CEO sets about achieving this by doing what seems right at the moment and indeed is judged by the market in terms of whether investors think it sounds right. Directors are more concerned with being in on the action rather than overseeing orderly corporate development. More time is therefore spent interacting and scanning the external environment, rather than on coming to a deeper appreciation of the corporation’s dynamics. Directors are, therefore, more inclined to be involved in more corporations at a shallower level than to make a deep commitment with fewer companies.

As a consequence, a different type of rationality has emerged, one that has a perspective across a number of corporations and/or industries in a spirit that is more akin to the natural cycle of death and rebirth—with the death being necessary and recognised before rebirth will
occur. This new rationality has been termed “economic rationalism”, which is cynically saying that it is far from rational. It is certainly not monochronically rational as there is not a continual evolution in particular cases, but rather a human inserted disjunction that looks like death but out of which there is a promise of new life—to which the markets usually respond positively as though those involved appreciate the mechanics of this new rationality. This is characteristic of the new logic that people are trying to come to grips with. They may not necessarily understand it in their personal lives but many are coming to appreciate such a “rationality” in organizational life.

What would be helpful is to push the development of the attitudes about time further towards something more polychronic, ‘a kind of medium defined more by what is accomplished than by a clock and within which several things can be done simultaneously’ (Schein, 1992: 107). This is the spirit of activity that is fostered by the belief that one is a co-creator (menotype #A) of a better future with others and that one is constantly creating one’s own future. Arguably, this frame of mind is emerging in the younger generation and is most evident in the emerging e-everything world and, of course, is aligned with the high level creative endeavour of the capitalist economy.

The question here is whether the leaders of corporations are quite ready to allow themselves to shift from the short-term political mindset to the more expansive new world building. If they were, there would be a new round of entrepreneurial capitalism much more sophisticated and advanced than the last round in the 19th century. More likely, and in keeping with the nature of a capitalist economy, there are likely to arise new e-entrepreneurs heading new global quasi-corporations that will overshadow the existing corporations in the old economy, a phenomenon which can already be seen to be happening. It was interesting to note how abstract the market evaluation of these companies was as they bid up the share prices on the basis of nothing concrete at all—neither in terms of infrastructure nor performance, but only on the basis of a vision of the nice things to come. What will happen then is that the large corporations will have to join in and essentially play catch-up just to continue to survive: they undoubtedly have the resources and the will to do this as is shown by the formation of alliances to develop the new B2B networks. All this adds up to the fact that it will be some time before business moves back to putting a higher priority onto analytic, objective, long-term planning. For the moment, it is all about survival and strategic positioning and, to a lesser extent, creating new (abstract) worlds.

*The Nature of Space.* There was a big shift from individual personal offices to open-plan office space. This has also been accompanied by the breaking down of the cognitive clear,
delineating walls around the organization to adopt a more open stance to the world through contracting out, joint ventures and business alliances. This represents a clear shift from an inner-oriented, preference for protective space (menotype #B) to a more open, confident and trusting stance that one’s personal space will be respected (menotype #C). It is like going from the hotel’s private dining room into the bar so as to enjoy the chaos and noisy activity. The conservative, sedate, but regal, office suites of corporate executives have been replaced by the more brash, aggressively powerful office layout. The old hallowed oak-panelled boardrooms are no longer in vogue. It is now preferable to be surrounded by life and reality rather than be shut away to think by oneself. Life is meant for interaction and that is perhaps why the stock exchange seems now, more than ever, to be the high altar of the business world. It seemingly represents all that is good and to be aspired to in the way business should be conducted.

Likewise, the operations of the corporate boards are tending to be more open and engaging. There is much more interaction with other stakeholders, particularly with the large shareholders, in an arrangement that has been termed relationship shareholding. The stress is on openness and accountability, particularly in the area of executive compensation. The people attuned to the new ethos and way of thinking are forcing the issue. After all the takeover activity of the 1980s, the corporate walls have been breached by the rise of questioning and proxy-battling by more active financial institutions, and there has been a rise in the number of boards being sued for breach of duty or care. Directors are feeling more exposed and vulnerable, and are now driven much more by the need to be seen to be doing the right thing and to being fair and reasonable. The adherence to clearly defined formal processes is a necessary pre-requisite.

The corporate walls have been further breached by the interconnection with the Internet and the new emerging B2B networks. In these circumstances it is the louder and more aggressive individuals and groups that seem to thrive. The constant movement and interaction gives them much more flexibility to respond to any new situation. Gone is the quiet, retiring reflection where the inner was scoured for solutions, now somewhere in the outer provides the answers and one needs to be there constantly challenging the boundaries—and, moreover, to be alert in order to be ready to pick up on them. Personal privacy is of less priority than access to those with the answers. Confrontation uncovers true reality and so privacy tends to suffer.\(^1\)

Paradoxically, with this new emphasis on openness and interconnectivity with the world, greater importance is being accorded the more personal contact where much more attention is being given to body language. Since the outer is the source of truth about reality, there is a
constant attention to read the other to test for the truth and whether he/she can be trusted. Emotions are much more legitimate and sometimes tend to fill up the space where the cold walls of objectivity once were. Emotions are now regarded as so legitimate that an emotional quotient [EQ; Mant, 1997: 41–42, 420; quotes from Daniel Goleman (1996)] has been developed to stand alongside the now slightly downplayed IQ (intelligence quotient). The display of emotions has always been part of the scene in society’s political life and this has now been brought in more to the world of business. The sense or the metaphor is one of a swamp teeming with life and the hunter stalking vigilantly through it, ever ready to seize the moment and lay hold of some sustenance or resources to help him/her survive and thrive.

This contentment to be in the melee (menotype #C) will increasingly give way to the desire to be in the place of building and prestige (menotype #A). For instance, in the new Internet-based companies, there is the desire to want to be out in front and be seen to lead, but also to be seen from a distance so as to avoid close scrutiny of their (lack of) substance or reality. There are some signs of this cognitive movement onto the next phase in the experience of the quick demise of one of the leaders of a new successful Internet business in Australia. The individual had a murky past and chose to hide it to maintain his high, successful profile as he sought out financial partners to increase the size of his company. When his past came out, he failed to handle it well publicly and his image was shattered. He was required to depart the scene and the Internet company floundered in his wake. Had he been more earthy and real, and laughed off his past mistakes (as would a menotype #C-oriented person), then he would have still been successful in the mergers and the hurly-burly of life would have continued.

The Nature of Human Nature. Everybody is familiar with the notion of rational economic man, where rational is taken to mean objective thinking and logical. In the managerialist era, a human was seen as neither good nor bad but essentially as a walking intelligence that acted and consumed ever thoughtfully. This was largely the picture of humans adopted in the Western societies; societies that had separated the thinking about personal and business lives and thought predominantly at the organizational level, which was characterised and promoted initially in Taylorism and then later refined by McGregor’s (1996) Theory X and Theory Y individuals. This promoted and accounted for the acceptance of the picture of an objective thinking human on the organizational level while retaining the concept of an emotional, feeling human on the individual, personal level.

This general concept of humans has largely given way to the question whether the individual is appropriate, will they fit in and be a trusted member of the group (Mills, 1956).
An individual's intelligence is taken as given, and the focus has shifted more to a value judgment of whether the individual is good or bad for the position or group. The key question about an individual, now, is whether he/she can be trusted to know the answers or know the way ahead or, in other words, can he/she be trusted to be wise and make sound judgments when called upon. The underlying assumption here is that intelligent humans are in great supply and there is an abundance of knowledge and information. What is now more appreciated is that all humans are different and have a different point of view—differences are often respected and celebrated. What is therefore now in short supply and, hence, more valued, is the discernment to be able to assess what is appropriate for a particular situation from among the multiple choices available. Such "wise" people could be sought after either to go onto the team or to be available to those who trust their judgment. Moreover, what is now deemed as appropriate gives greater value to the effect on others in the group rather than what is deemed to be logically true—that is, in corporate decision-making, the group politics of the situation weigh more heavily than the objective logic.

Much has been explained above about this shift in the understanding of human nature. It should be remembered that there has been a general shift in focus from the universal to the particular and that it is the particular that is very much to the fore at the executive and board level of the large corporations. This shift from a predominantly menotype #B view of human nature to a menotype #C view needs to be acknowledged, and processes put in place to handle the ramifications. As explained differently above, the major ramification is the repression of the acknowledgement for this objective, logical reasoning view of human nature. Rather, in its stead, there has been a growing emphasis on individual creativity to develop new products and new methods (as the secondary aspect of the political menotype #C orientation). To foster a wholesome process, the objective, logical reasoning aspect needs to be consciously inserted back into the process and given standing so the voice is able to be heard when needed.

*The Nature of Human Activity.* Schein (1992: 127ff) categorises the three modes of human activity as follows:

- The Doing Orientation (*menotype #A*), which 'correlates closely with (1) the assumption that nature can be controlled and manipulated, (2) a pragmatic orientation toward the nature of reality, and (3) a belief in human perfectibility (or that things can always be made better)... the doing orientation focuses on the task, on efficiency, and on discovery' (Schein, 1992: 127–128).

- The Being-in-Becoming Orientation (*menotype #B*), 'which lies between the two extremes of doing and being... [where] 'through detachment, meditation, and
control of those things that can be controlled (for instance, feelings and bodily functions), one achieves full self-development and self-actualization' (Schein, 1992: 129). This orientation is likened to Handy’s (1978) Apollonian organization, which ‘is one that emphasizes hierarchy, rules, clearly defined roles and other means to help people curb and control their “natural” impulses and desires’ (Schein, 1992: 129).

- The Being Orientation (menotype #C), ‘which correlates closely with the assumption that nature is powerful and humanity is subservient to it. This orientation implies a kind of fatalism: since one cannot influence nature, one must become accepting and enjoy what one has... Organizations operating according to this orientation would look for a niche in their environment that would allow them to survive and would always think in terms of adapting to external realities rather than trying to create markets or dominate some portion of their environment’ (Schein, 1992: 128).

The whole thrust of the discussion above is to suggest that the conduct of private sector business has moved from the being-in-becoming orientation (of managerialism) to the being orientation (of politicism) with a growing secondary, doing orientation (entrepreneurial capitalism). In the process of this shift, the being-in-becoming orientation is necessarily being repressed, which shows up in practices such as a preference for employing those who can already do the job (through lateral recruitment or outsourcing) rather than relying on a through-put of career staff who get trained in successive jobs as they “become” more proficient. What this means is that the prevailing attitude about workplace roles has changed from that of dutiful servant carrying out the duties as specified to something more like the interaction with consultants, which emphasises what the person is and whether he/she can be trusted to produce the goods. Roles and duties are thereby being more oriented to what needs to be achieved and for whom, rather than what part of the process the person is meant to contribute towards. In other words, the old tacked-on phrase of “other duties as directed”, or doing whatever is necessary, has become much more meaningful in this new politicised age of networks.

In addition, this shift to the being orientation means that individuals are more likely to be outwardly focused and attuned to the hostile economic and business environment. If their environment is hostile, then it is only sensible that they should appreciate the need to build up their networks of allies. Current relationships with others that have some power to provide
support if needed, take a higher priority than necessarily having to have a grand design or good ideas oneself.

**The Nature of Human Relationships.** Much has already been said about this in the discussion above. Basically there has been a shift from the objective, distant engagement, in which one regards another as primarily the occupant of a position in the organizational world and treats him/her accordingly, to a much more engaging and morally involved encounter where individuals meet as is and transact what can be transacted. It has moved from a positional, hierarchical relationship to a more collegiate-type engagement where trust in the other’s competence or sound judgment is the underlying determinant of the nature of the relationship. This attitude is colourfully characterised by the famous banker JP Morgan (as quoted in Alexander, 2000: 41), who ‘herself insisted ethics were more important than money and made his bankers adhere to that view. He told a congressional banking committee in 1912: “the first thing is character—before money or anything else. Money cannot buy it because a man I do not trust could not get money from me on all the bonds in Christendom”’. Schein (1992: 135ff) refers to the use of Parsons’ original pattern variables in defining role relationships, and it is worth doing an inventory of how these variables have shifted in moving from managerialism to politicism. Basically, the nature of relationships has undergone the following shifts.

- An emotionally neutral “professional” engagement to one where it is legitimate for the encounter to be emotionally charged. Business relationships have become more personal, because in the fast-changing environment, one has to have a reasonable idea how the other person might react to different situations. *In other words, corporate boards that have been acquiescent and subservient in the past are becoming more challenging and engaging, and this needs to be formalised and encouraged.*

- A specific business-oriented engagement focused on a particular issue to one that is much more diffuse and multidimensional as it has become a more ongoing loose arrangement to be called upon sometime when necessary. It is now more important with whom one engages and does deals with, as opposed to previously when it was the issue that was engaged with whoever had an interest. *In other words, corporate boards are tending to be more accountable for who they trust and deal with, and therefore they need to be more active and prepared to question to establish the person’s credentials in the particular situation.*
• A universalistic, generalised engagement that has a tendency to stereotyping to one that is more particular to the moment and the specific individuals involved. So it is no longer just a salesperson that one is dealing with but Sally who has a particularly tough assignment at the moment and one that is owed a bit of support because she was helpful a little while back. In other words, corporate boards are tending to take more time in getting to know the top management team and other key stakeholders, and consciously make the necessary assessments as to who they can trust and/or rely on (which is particularly the case in the heightened focus being placed on CEO succession planning).

• An engagement where one is sensitive to the hierarchical standing ascribed to the position held by the other individual, to an engagement where one is more sensitive to the actual power that the other individual has in the organization or commercial world to be able to deliver or help one's cause. There is still the high regard for what one actually has achieved in terms of material success that comes with the culture of a capitalistic economy. In other words, corporate boards are tending to select their members and the people they deal with less on the basis of actual position held and more on their personal power and ability to deliver or contribute to the cause.

• A collectively oriented regard for the context where one is engaging somebody from another group or organization, to a more abstract context where individuals come together because of the particular circumstances but one is dealing with another individual with a set of values that one assesses is right or wrong and whether the other can be trusted or not. Moreover, this is a particular person with a particular orientation that either fits the needs of the moment or one moves on to find somebody else who can deliver. In other words, corporate boards are tending to be more prepared to articulate what they stand for and participate in values-driven decision-making where they are more prepared to follow their gut reaction to do what is right.

What is also of importance is that it is no longer just a matter of objectively finding the truth and correct remedy, irrespective of the actual individuals involved and how they feel about it. Rather, what is more important is the nature of the value sets developed by the individuals and the group to determine what is acceptable and right or not. Tact and diplomacy have also become much more important, and it is necessary to be more sensitive to preserving the other person's "face" and self-esteem. Otherwise, one will be cultivating
enemies, and it is necessary for survival in this chaotic-type world to divide others into for or against, or just not relevant. The bigger networks one can build up the better, and so there is much talk and enthusiasm for at least the appearance of a win–win situation, even if one has achieved a significant victory over the other person.

To pull this discussion together, the purpose of this discussion has been to emphasise how the shift from managerialism to politicism is deeply rooted in the shift in people’s shared assumptions about the nature and dynamics of organization. The shift has been evident across the range of perspectives discussed above. What this means is that it is not only that there has been a politicisation at the top of corporations but also that there has been a shift throughout the corporation in the way people see how things should be done.

That is, it is not so important now as to what position in the hierarchy one occupies or what technical merit one has achieved, but rather to what values set one has committed oneself to and to which coalition one belongs. There is also the reality from the others’ perspective of whether they assess that the individual would actually fit in and be able to contribute to their general welfare/prosperity before they will really include the individual in their close-knit network. This importance of political affiliation and reliability has long been a relatively unacknowledged characteristic of corporate executive power. For instance, ‘[a]s final assurance that director candidates would be both “our kind of people” and compatible with the executive team, board nominations almost always came from the CEO... The traditional route, with the CEO suggesting a splendid fellow he knows, is still quite common, but it will become less defensible as we move into the next century’ (Ward, 1997: 46, 229). This is heightened and obvious when there is a takeover or a new CEO and executive team brought in, but it goes further in that it has become a legitimate way in which to run an organization. For instance, in a downsizing exercise, previously highly valued positions are abolished and staff made redundant because they do not belong to the chosen group who are to remain. There is a rationale about why people have to be “downsized” but it is not sold as an objective rational logic but rather that it is the necessary and right thing to do. What is required, therefore, is that corporate politics should become more overt, sophisticated and accountable.

To say that the nature and dynamics of organizations are now regarded in a menetyp#Cpolitical perspective is to say there has been a fundamental shift in Organizational Theory, whether it has been acknowledged as yet or not. In the age of politicism it is more prevalent for power to be exercised through fiefdoms based on loyalty to the principal individual and trust on his/her part that the allied staff will do the right thing. That is, there is still a hierarchy
but rather than being comprised of clearly defined positions that have an ascending order of authority, there are power cliques that rely on individuals cultivating alliances and resources to be able to participate substantively in the life of the organization. The informal organization is prevailing over the formal hierarchy. The nature of these new organizational dynamics is much like the feudal system revisited but in a much more sophisticated form.  

This fundamental shift underscores the need to institute processes that reflect more the basic political nature of power relationships. This means formalising in some way the dynamics of what has been called the informal organization. At the highest levels this can best be achieved by ensuring that the relevant voices or perspectives have a say in the corporate executive and board committees. It also underscores the importance of the need for organizations to cultivate some “cognitive slack” at various levels of the organization, but particularly serving the executive level where there is a concentration of power. What is required is a shift from financial rectitude to intellectual and moral rectitude. In addition, organizations should consciously institute processes to ensure that the objective, logical reasoning orientation gets a chance to be developed and that its voice gets heard. What this would mean in practice is to ensure that a core formal bureaucratic structure is maintained and that the formal processes include the opportunity for a rational devil’s advocate voice to critique the cause and effect logic of the proposition or issue being considered. Proper committee composition and processes are critical.

This wholesale shift in orientation has thrown a big spotlight on personal and group values as key determinants of the efficacy of group interactions in a menotype #C focused world. This is another aspect of politically oriented activity that should be made explicit and more consciously operated in corporate governance. Something that builds this would be a values statement (as employed in the recent advent of values-driven organizations). The development of a corporate values statement or manifesto should be a key responsibility of the corporate board. Moreover, the statement should go on to be a key accountability document against which the performance of both the corporation and the corporate board could be measured.

Such a values statement should be a clear expression of what is regarded as right, true and good by the corporation. It would attempt to formulate and articulate the implicit assumptions that had previously gone unsaid, but which were clearly conveyed and understood in the operation of the informal organization. In the corporation’s more black-and-white political world it is fair and reasonable to declare what one stands for so that the stakeholders can make a clear choice of whether they are for or against the corporate will and can choose their level of commitment. It would also give stakeholders a clearer appreciation of their prospects for
prosperity and survival with the corporation. It is most important at the corporate-board level, as it will make corporations more conscious of the breadth of their responsibility as quasi-nations to make it so that all their stakeholders are able to prosper, even if some stakeholders are more important than others.

A values statement would also help put the importance of profit and growth into a more competitive perspective with the other important responsibilities to stakeholders. For instance, the much-heralded Johnson and Johnson experience of putting the safety of consumers above profits not only aided their decision-making in that time of the Tylenol crisis, but also forged stronger and more loyal allegiances between principal stakeholders. Trust amongst the stakeholders would have been heightened and confidence in future prosperity would have been considerably enhanced. All stakeholders are becoming more conscious of the corporation's moral accountability and it is becoming useful to use a values statement to demonstrate and underscore the integrity of the corporation.

The development of such a values statement would therefore benefit greatly from a dialogue between the varieties of stakeholder/societal perspectives suggested above and particularly from the perspectives representing the social sphere of society as suggested earlier in this thesis. This underscores the necessity to formalise representation on the board of people with keen intellect and sound integrity from the higher education and/or scientific sectors, and the necessary formal board processes to allow their voices to be heard with the authority and respect that is their due.

To encourage the corporations to develop values systems that contribute to the overall good of the corporation, economy and society, some guidance could be processed in the context of the above-proposed international organization of corporations in the form of agreed conventions of corporate behaviour (Section 5.1.3). What is meant is simply an exercise by corporate thinking joining together to formulate and articulate how they should be held accountable for their actions as quasi-nations in economic warfare, in much the same spirit as the Geneva Convention. It would be important in such an exercise to canvas the views of society through their Governments and social organizations.

5.2.3 How has the focus on stakeholders evolved?

By the process of cognitive evolution, this fundamental shift of orientation that has been evident in the authority and culture spheres of one's conception of the modern corporation, has driven a similar shift in the way corporations formally organize and orchestrate the coordination of activity. As explained above, all this politicisation of the work environment
The corporation and across the boundaries is the direct result of the widespread people’s implicit understanding of the way organizations should work. The shift from rationalism to politicism is manifest in the greater emphasis on extrinsic, formal mechanisms of a political-type (menotype #C) nature, in which there is a greater personal trust as an integrative and propelling force. That is, there is less process control mechanisms such as hierarchical positions and explicit rules that guide and order that individuals are to follow, and more emphasis on establishing networks of people willing (for their own purposes as in the willingness to till the cultural plots) to do the right thing—with a secondary focus on the particular at it would be good for the group to achieve.

We have seen the wholesale shift in organization design from bureaucracy to political networking through such mechanisms as decentralisation and creation of businesses, work-based teams, flatter structures, contracting out, and the delegation and multi-skilling. The autonomy or self-directed aspect only goes so far: if leaders are trusted to deliver something worthwhile and if they do not then they or disbanded. The exercise of power and control is still there but it operates in a modified phase #C manner, which allows a greater flexibility for all to adapt to mergers. The effect of all this is to create a whole array of smaller autonomous units to network and develop trust-based relationships to perform over the longer term, which is both necessary and encouraged.

Consequently, the exercise of the layering of management levels into flatter structures reduces the span of control, which, of necessity, requires a greater level of trust between the manager and their subordinates to make it work effectively. This is termed a move to greater but control is still required, and that form of control is now more personal, weaker than bureaucratic, positional power. The structure is therefore seen as a more laxed version of feudal power where allegiance is more to the person than the position as also the need to work at gathering forces and resources to ensure sufficient power is achieved. Although hierarchical positions still seemingly deliver some hard resources or people, the mere fact of holding an important formal position is no longer the measure of organizational power or influence, or even of being confident of retaining a job for a long time. In other words, the focus and importance has shifted from the formal to what once used to be called the informal organization, which is now being made formal. The exercise of corporate politics in the form of collective decisions being the power of particular individuals to exercise their personal judgments without
reference to logical reasoning, has become a legitimate way to conduct management. The recent enthusiasm for franchising is also another example of a recycling of the feudal mentality of distributed autonomous manors with some strong fealty to a central “king,” but, for all intents and purposes, the franchisees regard themselves as being the owner and manager of the local concern. Blair’s (1995) advocacy for employee participation in ownership and control could also be regarded in a similar vein, where they are all in it together but, though common ownership, fealty duty is still due to the executive management.

This changed perspective in the nature of the implicit assumptions has essentially driven a changed perception of the importance of particular stakeholders, which in turn determines the nature of the formal organizational structure. This is so because the formal organizational structure is an explicit, clear statement of where the corporate priority lies and how it intends to do business. The range of corporate stakeholders can be analysed in terms of the following categories.

- **External Stakeholders**, which can be further subdivided into consumers, suppliers and shareholders.

- **Internal Stakeholders**, which can be further subdivided into staff/workers, research and technical support, and managers.

- **Authority Stakeholders**, which can be further subdivided into the CEO, corporate board directors, and the Chair of the corporate board.

The nature and dynamics of the interaction between these various stakeholders can be understood in terms of the trinities of stakeholder *menetypes*\(^{145}\) as depicted in **Figure 13**.

In the early stages of capitalism, the main focus was on the external shareholder in the form of the entrepreneur, owner or the mercantilists. The entrepreneur was mainly interested in what could be marketed to consumers, the owner was interested in what could be manufactured and the mercantilist was interested in what could be traded or how goods could be delivered to the market. Out of the mercantilists came the creative entrepreneurs, who adopted the new ways of creating the goods for the consumer market. The conception of stakeholders’ authority was irrelevant and repressed; “U.S. business history until well into this century treats the corporate board as an invisible topic, using the terms “director,” “manager” and “owner” interchangeably” (Ward, 1997: 37). Normally, the entrepreneur who had the money had the power and was either the leader or installed the manager, but he/she certainly was the boss.\(^{146}\) Internally, it was the new machines and their maintenance that were growing
in importance, with managers helping to get it to work together, and the ordinary workers were in plentiful supply.

Through the managerialist age that Galbraith (1967) described, the focus had shifted squarely to the *internal stakeholders* and principally to the managers. In Taylor’s (1996) world, the manager was pre-eminent and he/she had to focus on orchestrating the workers. Moreover, it was the manager who was responsible for the analysis or research and development. There was an associated increasing focus on the authority stakeholders and much more attention went into developing the executive management structure as explored above in reference to Berle and Means (1991/1933), Burnham (1941), and Galbraith (1967). The structure was established in an objective and logical way, and that is why, at the height of managerialism after the Second World War, most (80%) company boards had a position of Chair separate from the CEO, where the CEO was clearly the chief manager (as outlined in Section 5.1.2). Moreover, ‘According to Stanley Vance, over 60% of large industrials had a majority of inside directors in 1950’ (Ward, 1997: 42). Berle and Means (1991/1933) document the dispersion of the power and influence of the external stakeholder or the owners. Galbraith (1967: 27ff) would have it that these large corporations had less regard for the external consumers and suppliers (or markets); that is, the principal aim of corporate planning and operations was to maintain stability in their external markets—i.e. to suppress their importance and relevance.

Evolving into the age of politicism, the focus has shifted to sorting out the *authority stakeholders* and, so, the principal preoccupation is with power and control. Capable internal stakeholders are in plentiful supply (even too plentiful as downsizing has attested) and no longer need to be nurtured in the way they were in the managerialist age. Now, they just have to fit in. This focus on the political struggle between the authority stakeholders is manifest in the usurpation of power by the CEO [where the numbers of joint CEO/Chair positions had increased from 20% in 1962 to around 70% in 1996 (Ward, 1997: 48; 242)]. This battle came in a convulsion out of the frenzy of takeovers, mergers and defences in the 1980s but now has evolved into a more sophisticated and intricate level of shareholder politics (Pound, 2000b: 179). That is, while the main game is still focused on sorting out the power within the corporate executive (particularly between the CEO and Chair), there is a growing secondary interest back onto the external stakeholders, beginning in the 1970s with the concerned environmentalists acting through the society’s political and legal processes. Then followed the increasing intervention of major shareholders in the form of financial institutions. These institutions, particularly the pension funds, are not owners as such but fiduciaries that have
harnessed considerable corporate voting power on behalf of many small investors. This is perhaps akin to carrying a college of votes in society’s political system, in that the voting power can be used to influence the makeup and policies of the corporate executive. This challenge from the other, from outside the direct connection to its authority structure, is really a call to the corporation to be something more than and to transcend its banal obvious economic reason for existence and to take on other “difficult to define” responsibilities from the social and political spheres.

The focus for society now, therefore, is to develop the structures, roles and processes for the authority stakeholders to operate more effectively in this new politicist way of appreciating and dealing with corporations. Much is evolving naturally as a response to the changing circumstances but as in the past (by governments and the courts), some external intervention or appropriate initiatives may be helpful to move the evolution along to a higher level. It is important that formal acknowledgement and formulation be given to that which is emerging so that all players can be more conscious of what is required and what it is they are doing. In discerning the extrinsic form and nature of the next stage of evolution of corporate governance, it is useful therefore to address the following questions in relation to stakeholders.

- What corporate authority structure and roles should be formalised?
- What corporate stakeholder relationships should be formalised and encouraged?
- Who should participate in the formal corporate authority structures and what processes of selection and appointment should be formalised?

**Corporate authority structure and roles.** The principal issue is whether the positions of corporate CEO and board Chair should be combined or separate. In the authority sphere of corporate governance the position of Chair is still evolving, though progress has been spasmodic and uneven.

The corporate boards with the strong CEO/Chair (who is seen to carry the corporate vision) are supposedly geared to make decisions more in the mode of the capitalist entrepreneur. The non-executive directors would then be chosen for their particular expertise to help flesh out the vision of the CEO/Chair and confirm that the proposals have a practical chance of success. While this was certainly true in the earlier stages of capitalism and is still the case for new expanding companies, it is essentially a misleading rationalisation to sustain the concentrated power structures of the modern, mature, large corporations. ‘Restructuring, downsizing, and acquisitions on a grand scale were most common at corporations with a
strong personal leader. While such moves may have been justified by the times, they also allowed this leader to carve and shape the corporation into a structure uniquely fitted to his or her goals and personality’ (Ward, 1997: 112). In other words, the strong CEO/Chair is primarily about the wielding of power to reallocate resources or exercising his/her personal power to achieve more private goals and only secondarily about building a particular vision of the corporation’s future that can be inspirational and shared with enthusiastic followers. That is, strong CEO/Chairs are primarily regarded as having “the power” and only secondarily as having “the vision”.

The corporate boards with the separated Chair who is most interested in the accountability would be more geared to the group decision-making process that ensures that the executive management are following proper process. That is, if what they have done and what they are proposing to do has a logical basis then there can be some faith that there will be a positive outcome—the sound, sensible actions now should logically lead to the results promised. The other members of the board are encouraged to ask questions to check the logic and sense of the proposals from the various perspectives they bring from their other experiences. There will be greater reliance on corporate board directors through such mechanisms as the boards’ audit committees. Any bold adventurous steps proposed by the CEO would have a very tortuous passage and would be really tested as to their necessity and potential risk to the continuing viable operations of the company. This was essentially the nature of board dynamics developed through the managerialist age and is still pertinent to those large companies that operate in a stable market and stable external environment.

The corporate boards with the separated Chair who takes a strong interest in corporate strategy and controls the agenda of what the board is asked to consider, are more geared to the political decision-making processes. There is more focus on what is needed to meet the external challenges, and the Chair is less likely to rely solely on the CEO to bring up ideas but will canvas other perspectives of what type of response would be the most appropriate. There is a working recognition that the corporation is facing a very complex changing world and, although the CEO is meant to encapsulate the corporate vision, there is no one right way and the CEO does not, and should not, have a monopoly on developing the right way ahead. Such a Chair trying to orchestrate the board to have an interest in effectively setting a sound, workable corporate direction would be keen to have the best personnel and processes in place to be able to achieve that. Such was the case at Compaq in 1991, where the separate Chair and the board were concerned about the strategic direction of the company that was being persistently pursued by the CEO even in spite of the Chair making the board’s concerns
known. Under the independent Chair, the Compaq board’s 'coup was fast, certain, and strategic, and brought immediate action' (Ward, 1997: 143), in replacing the CEO and pursuing the preferred corporate strategy.

While the comparison can be taken only so far, it might be helpful to understand the nature of these three arrangements of corporate authority or power if they are compared with the equivalent three stages of separation of powers in the political sphere.

- The board with the strong CEO/Chair is an attempt to say that the private corporation is akin to the first stage where there is little separation of powers, as in the President's Cabinet in the Executive arm of Government. That is, the Cabinet members basically serve at the President's favour, though they are required to be ratified by the Congress (similar to directors being ratified by a grouping of major shareholders). Such an arrangement accords ultimate power to the President or to the CEO/Chair and all other players are there to help achieve what the CEO/Chair wants to do anyway.

- The board with the separate Chair who takes primary responsibility for the probity and integrity of corporate operations is akin to the operation of Government in the Westminster system, and represents the second stage of the separation of powers. The CEO is akin to the Prime Minister, who is elevated to office by the Government's parliamentarians who may or may not be in the Cabinet or have a lead position of power and influence within the Government. The separate Chair is akin to the parliamentary Chair, who is appointed by the Government, heavily influenced by the Prime Minister. The Chair of the House who, having no real personal power base, is required only to keep order and ensure that affairs are conducted according to parliamentary rules and justifiable order. The Government carries on the day-to-day business of its executive power under the direction of the Prime Minister. Parliament legally has the legislative power but in the House where the Government has a majority, it is the basically the will of the Executive that prevails and Parliament is left to focus principally on the judicial function of reviewing the Government's actions to establish that they are reasonable and in accord with the laws and regulations passed by Parliament. The Chair or Government parliamentarians can be kept in line by the threat of being removed from office or service on committees and, though they cannot be removed from parliament, the party can refuse to re-endorse them at the time or at the next election. It is a significant event for Government parliamentarians to band together
to replace the incumbent CEO/Prime Minister, but it is much less disruptive to replace the parliamentary Chair.

- The board with a separate Chair who has a firm independent basis of power and who is primarily responsible for the legislative function to foster the long-lasting health of the corporation, is like the full political system of Congress and the President—the third and ultimate stage of the separation of powers. There is a perpetual tension of power, which sways backwards and forwards according to the circumstances and often the issues. There is also the constitutional potential of Congress to participate in the process of the President’s election, remove the President from office through the impeachment process, initiate programs and budgets, review the President’s programs, review with the power of veto for all top executive appointments, and play an active role in the essentials of external affairs. In contrast, the President does not play any direct part in the election of members to Congress and does not have any power to prorogue or dismiss Congress or to remove any member of Congress.

Such is in keeping with the evolutionary development of the corporate boards, and it is the contention of this thesis that large multinational corporations have reached sufficient maturity to be accorded the full expression of a political system determined by a separation of powers. Corporate governance is now quite clearly an expression of political processes but has retained the formal arrangements that are more suitable to earlier times—namely, the times of the rapidly expanding capitalist entrepreneur or the more stable managerialist process-oriented environment. While such orientations might still be suitable for some young companies or some stable industries, operating in the age of politicism now requires corporate governance decision-making to be overtly different and more appropriately orchestrated. In the age of politicism, the predominant focus is upon the authority stakeholder sphere and effective role of the board Chair in marshalling the corporate political forces at play (or to facilitate the flow of the menetyp # C spirit).

The further cognitive evolution in the maturation of the politicist age is for the role of the Chair to develop further and take on the legislative power, which means that he/she plays a more predominant role in orchestrating the choice of policy or program options presented by the CEO and others. ‘What is needed is for more boards to approve explicitly the strategic directions proposed by management and to review progress annually’ (Lorsch, 2000: 39). This can be seen to be happening by default, as CEOs have increasingly shorter life spans and the Chair and the board take on responsibility for changing corporate strategy by changing
CEOs. This way of operating is still at a low level of sophistication partly because the underlying dynamics are not yet being properly acknowledged and therefore cannot be consciously developed. A separation of powers is thus emerging, although the experience is very patchy—^148—in the United States, ‘only about 20 percent of the S&P 500 companies have separated the office of CEO from that of chairman’ (Blair, 1995: 78).

Counter to this movement, there are many business leaders in particular who are suggesting the opposite by maintaining the joint position of CEO/Chair.

‘The closer we get to the front lines of running a corporation, the less concern is expressed over having the same person hold the roles of chair and CEO... 60% of corporate directors are neutral on the idea of splitting the two jobs... If anything, the past few years have seen this disinterest stiffen into active support for a combined role’ (Ward, 1997: 245–246).

Nor is there much enthusiasm for the option for a lead director rather than a separate Chair.

It is seen as less satisfactory as it is neither good nor bad as it requires the outside director to take on the effectiveness of an independent Chair, but provide none of the powers. This resistance to any change or apparent diminution of CEO power is to be expected as many and particularly the current CEO/Chairs are likely beneficiaries of the present corporate power arrangements. That this opinion is about power acquisition is observed by Ward (1997: 248), ‘the CEO/president took over the role of the chair rather than vice versa. This suggests that, legal definitions aside, the chair of a corporate board derives muscle from also being the CEO, rather than the other way around.’

Thus, Ward is acknowledging that separating the positions of CEO and Chair will not necessarily weaken the executive power of the CEO, but rather the occupant of the Chair has no real firm foundation from which to exercise his/her legislative power. ‘The independent outside board chair, who has no other connection to the company, simply would not have enough muscle yet to make a difference. Despite the new powers and self-confidence the boards of major corporations have gained, they still lack the day-to-day strength to counterweight management’ (Ward, 1997: 250–251). In particular, there is no legal basis or strong peer suasion. The former legal basis accorded to the boards has been for the judicial power of financial accountability and probity, and it this legal basis that many independent Chairs still rest. This accountability role might have been appropriate in the managerial era but it is no longer sufficient for this politicist age. Real legislative power can be accorded to the Chair only through the mandatory (or strongly persuasive, as in the UK) requirement to separate the positions, and making the Chair ultimately answerable and accountable for the health of the corporation.

This is the sort of arrangement that could be spelt out in the
Federal re-incorporation requirement suggested earlier (Section 5.1.3). However, it is not the point to make the Chair strong enough to contest the CEO for day-to-day control but rather for the Chair to take on a specific power role and ensure that he/she has the wherewithal to carry it out—while still leaving the day-to-day management to the CEO. In this sense, ‘The effectiveness of the chair as a distinct office cannot be separated from the effectiveness of the board’ (Ward, 1997: 251).

The required separation of the corporation’s authority power, therefore, is for the Chair and the board consciously to usurp the legislative power and for the CEO to maintain the executive power. However, the executive power has to be effectively under the umbrella of the legislative power, and regular evaluation of the CEO ‘delivers a clear message to both the CEO and the directors that the former is accountable to the latter’ (Lorsch, 2000: 41). Likewise, the legislative power has to be developed in cognisance of, and with the assistance of, the executive power, as ‘there is a fine line between having a director contribute ideas to the company’s strategic direction and having that director try to manage the company’ (Lorsch, 2000: 43).

To complete the formal separation of authority powers recommended earlier, there needs to be a special appointee to the board to take on the judicial or accountability power. If each of these positions were to be formally ratified and accorded the proper bases of power, then it would make the corporate politics more overt and conscious. Cognitively speaking, this would be evolutionary progress. In this way, more constructive decision-making processes could be developed presumably for the better (just how and for who still need to be explored). Such evolutionary progress would both enrich and temper the need for a continuation of the visionary and expansionary outlook of the leadership (in acknowledgement of operating in the economic sphere), but quite clearly couched in the context of the political necessity of testing it against other competing pressures (particularly for resources). It would enrich the collective viewpoint by enhancing the voices of the now-dampened management power (menetypen$B^C$ of corporate governance), which would be supported by the formalisation of the legislative power of the Chair and the board. This calls for a more active Chair in establishing the agenda and reviewing the corporate strategy (rather than the corporate financial control), but it does not mean that the Chair should become the entrepreneur. The Chair is to facilitate the balancing of the many competing interests that arise within the existing but little-acknowledged corporate politics.

The CEO (like the US President) would retain the responsibility to provide entrepreneurial leadership and bring forward a policy program that would deliver the strategy agreed by the
board or which would make for a better strategy. The CEO must also retain the responsibility and freedom to move to implement the strategy and decisions agreed by the board. But, more importantly, the CEO needs to become more of a politician. ‘Only the executive can mediate among the multitude of constituencies vying to influence every corporation: investors and lenders, communities, employees (who may be big investors), customers. The CEO may be on a shorter leash, but he’s a more valuable dog. Like Harvard’s John Pound, who said that in the future CEOs will be more like a politician than a monarch, negotiating agreement with all of the different parts of the corporate constituency, long-time counsel to CEOs and directors Ira Millstein advises CEOs to adjust to a more consensus-based corporate governance structure’ (Monks and Minow, 1996: 226). However, the Chair would take over some of the higher-level political liaising for there is now too much dialogue with stakeholders’ interests for one person to be able to handle on their own.

Another important step forward is to formalise a new position termed previously as the non-executive Director of Corporate Assessment. This is important because the political decision-making process (menotype #C) has a tendency to dispense with or repress the objective, logical voice of reason (menotype #B), and it is therefore necessary build a requirement for this into the process. Operationally this position would chair the corporate board’s well-developed audit committee and be given more effective direct access to the corporation’s chief finance officer. In other words, this position should be given the power and resources to appreciate the financial position, processes, and pressures of the corporation. The Director of Corporate Assessment would then be in a good position to provide the board with a logical critique of the financial and practical soundness of the proposals put before the board. In this way, the position would fulfill a formal devil’s advocate role for the board.

A further development would be to allocate portfolios of functional responsibility to particular non-executive directors. This is carried out to a certain degree already where directors are engaged for their particular expertise, which might be expressed in a particular function. However, when the board is given formal responsibility to decide corporate strategy it needs formal mechanisms to achieve that, and one such formal mechanism is formally to appoint “corporate ministers” over particular portfolios. It would be the responsibility of the Chair to decide and allocate portfolios. There should be an ability to re-allocate portfolios at any time and also a definite periodic reconsideration in line with the terms of the various directors.

The portfolios would essentially reflect the businesses of the corporation but there would also be a requirement for some special portfolios. One would be the corporate ambassador to
the international business forum suggested earlier. Another could be a representative from the higher education/scientific sectors not only to advise on knowledge and learning but also to give voice to the social sphere (menotype #B) perspective in board deliberations.\textsuperscript{157} If such appointments were mandatory and earn respectability then the corporate board should be constantly challenged with its broader societal pressures and responsibilities, which are easily neglected but can ultimately contribute to a decline in the acceptability and fortunes of a corporation. A parallel case is the mandatory requirement in the German system described earlier, ‘that one of the directors on the management board shall have special responsibility for labour matters’ (Charkham, 1994: 14). Blair (1995: 202ff) goes much further in arguing that, as significant stakeholders with much to gain or lose, employees should not only have representation on the board but that they should have it as a result of shared ownership—which Blair (1995) observes as an actual growing phenomenon.

These suggested arrangements could be effected by legally making it a mandatory requirement to separate the CEO and Chair positions, and to appoint a Director of Corporate Assessment imbued with his/her own legally based powers. In fact, because of the peer pressure amongst CEOs to retain the status quo (as identified above), there is reason to be more definite about the need for legislation as advocated by Alan Patricof, chairman and founder of Patricof & Co., the US member of the Apax partners (as quoted in Harvard Business School, 2000: 197): ‘I believe that in order to introduce truly independent attitudes to the boards of public companies, changes have to be made through laws, regulations, and/or voluntary guidelines.’ The necessary changes could also be reflected in the formal structure of the board by appointing the Chair, the CEO and the Director of Corporate Assessment to the positions of Chairs of the three most important procedural committees as described below.

- The Chair would head the committee with combined responsibilities of nominating directors and top executive appointments, and setting executive compensation. This committee under the Chair should also take on responsibility for the board’s stakeholder relationships and the board’s order of business. In effect, such a committee would combine the handling of issues relevant to the authority perspective of corporate governance as has been observed already in a number of corporations, such as Campbell Soup (Ward, 1997: 234–235). Such an integrated arrangement would accord a greater legitimacy to these functions as the ‘compensation committee still lags the audit committee in the quest for legitimacy and conviction... [and o]f the major committees, nominating is one of the newest and least defined’ (Ward, 1997: 224; 226).
• The CEO would head the executive committee with the principal focus on performance and strategy. This committee would support the CEO in providing entrepreneurial leadership by first assessing the required strategic settings and then vetting the major proposals that are proposed to deliver on the agreed corporate strategy. This committee would handle all issues relating to the executive economic perspective, including the monitoring of corporate performance to throw up any questions about the appropriateness of the current corporate strategy.

• The Director of Corporate Assessment would head the board’s audit committee that would also include ‘auditing company compliance programs’ (Ward, 1997: 237). This ‘committee exists to audit the company’s internal and external mechanisms for catching problems’ (Ward, 1997: 207). In effect it performs the devil’s advocate role, which should be extended to include a critical analysis of the CEO’s new program proposals and his/her assessment against any other feasible options. This committee is well established but it is called to mature beyond its narrow role of fiduciary accountability to cover all aspects of the judicial management perspective.

The Chair would need to be an ex-officio member of the other two committees to maintain a procedural ascendancy over the activities of the board. There need be no other standing committees, as all matters could be assessed as coming under the purview of one of the above three committees. However, there may be a need from time to time to establish ad hoc or special committees to handle particular issues or proposals. Such a need would be minimised by the Chair appointing “corporate ministers” as suggested above. This would not only put a requirement on each of the directors to participate and be involved in the dialogue on corporate strategy and performance, but it could also enhance the efficiency and effectiveness of the board’s considerations. Knowledge, competence and interest on a particular range of issues can be focused in one particular individual rather than the board becoming ‘more like a busy confederation of ever-shifting committees’ (Ward, 1997: 241).

Such arrangements suggest that it would be sensible to maintain the average board size at around twelve, a size which seems to have been established and stabilised through the 1990s, even though it is true that ‘the board of directors remains amazingly idiosyncratic. Every board of directors is different from all others’ (Ward, 1997: 154). The board structure and processes would be formed around the three principal players in the Chair, the CEO and the Director of Corporate Assessment—each representing the three different principal cognitive perspectives on reality. It is the contention of this thesis that the modern large
corporation has matured to such a level of handling complex, turbulent environments both outside and inside the corporations, that it is a necessity of good governance to have all these three perspectives in play, available, operating and learning with each other. The other nine (independent, as suggested below) directors would be appointed to one of the three main committees (explained above) and be allocated a portfolio for which they become the chief "board advocate", alongside the CEO. In this way, the balance of the board remains tilted towards the executive function of doing and achieving (menotype #A orientation), which is as it should be for a corporation operating in the economic sphere of society.

The Chair, Director of Corporate Assessment, and the other "corporate ministers" would need access to intellectual resources to be able to carry out their portfolio responsibilities effectively. Personal support staff to aid analysis and research should be allowed. With such staff accountable to directors and/or the board, rather than to management or shareholders, then 'it would also help keep governance power in the boardroom' (Ward, 1997: 203). Access to outside professional/technical advice has become more acceptable and should become a formal right of board directors (within reason and accountable, of course). Formal links to the relevant management staff within the corporation also need to be established in such a way that does not detract unduly from the executive control of the CEO but, nevertheless, acknowledges the primacy of the corporate board in setting the corporate strategic direction and reviewing the overall performance. This suggests that, if corporate boards are to become a more effective leadership group, then they will require additional corporate resources to attain such a higher level of intellectual capability and contribution.

What is being suggested would also require extra time and effort from the non-executive directors (particularly the Chair and the Director of Corporate Assessment) or perhaps for them to become a lot more effective through the use of modern technology. The importance and complexity of the affairs of a corporation have reached such a level that a board that only meets briefly every couple of months cannot realistically take responsibility for corporate strategy and direction. But what is not being advocated is that these non-executive directors become full-time and part of management, but it is being argued that the directors' commitment to the affairs of the corporation should take on a much higher personal priority. The corporation needs such a qualitative enhancement in its authority governance and it cannot afford not to pay extra for it now—as it will likely save it from the huge amount of failure later caused through poor governance. The time of engagement of non-executive directors and their remuneration should be such that they would realistically need to serve on only 2-4 corporate boards at any one time, or less if they have some other major distracting
full-time position (such as the CEO of another company).\textsuperscript{163} This is along the lines suggested by Lipton and Lorsch (as quoted in Monks and Minow, 1996: 215): 'such as shrinking the size of the board, increasing the time spent by directors on board service, and limiting the number of boards that a director serves.' The directors would be employed by the Chair and given status very separate from the CEO and corporate management. However, they would need to know much more about the workings of the corporation and so there would be more interaction with management on their particular issues but in such a way that the potential for management capture is minimised. It will be discussed below how a pool of such more informed corporate directors might be developed.

The most important point here is that the corporate board rather than the CEO should be more overt and practically assume its responsibility for the strategic direction and overall performance of large corporations, as has been required all along by the corporate legal framework of identity.\textsuperscript{164} The corporate strategy required in such a turbulent, complex environment is the flexible \textit{menotype \#C} approach as well expounded by Porter (1995) and adopted by a great many of company executives as being the most appropriate. This competitive positioning strategy encouraged by Porter (1995) is the outcome of the politicisation of corporate decision-making and should formally be encouraged.\textsuperscript{165} This flows on to the tallying and appropriate distribution of competitive resources within the corporation in the setting and resourcing of specific goals to be achieved by the autonomous business units. That is, such goals are set more by external competitive considerations rather than the capacities of internal production, distribution and marketing processes.

\textit{Relationships between the board and other corporate stakeholders.} The corporate board cannot operate in a vacuum. It can no longer be content with the situation where, 'In most instances, directors understand the company through the CEO's eyes' (Lorsch, as quoted in Ward, 1997: 251) or where the board is 'ideally designed for the dilettante and was both shaped to and by their deeds' (Ward, 1997: 173).

\textbf{First}, in relation to the other corporate \textit{authority stakeholders}, each of the three main players should be legally independent and have its own separate power base. This requires as a necessity the Chair and the independent directors be provided with separate independent personal staff to assist them meet the greater demands and responsibilities properly. This is akin to providing personal staff resources for members and committees of Congress, and has been suggested by others (particularly Pound, as quoted in Ward, 1997: 202). This is already occurring, as corporate staff resources are allocated for the assistance of the board, but this trend needs to go further to enable the board members to engage their own staff independent
of management, as instituted for the TWA board in 1972 and ‘a trend once battled as a reform proposal is now creeping in the back door as a housekeeping aid’ (Ward, 1997: 202). The staff allowance that would be needed would be so small that it ‘avoids the concern over a new layer of bureaucracy’ (Ward, 1997: 203).

Secondly, there has been a growing focus back onto the external stakeholder as of secondary importance to the authority stakeholders. In keeping with the menetypic spirit of the politician age, the predominant focus is towards the shareholders and the influence that they can exert on corporate board decision-making. However, they are not, and need not be, part of the board decision-making process, but they can influence executive and director thinking through their actions or threat of actions. In reality, the impact of the actions by large shareholders to withdraw their support is little different from the actions of large consumers or suppliers who suddenly withdraw their support—in all cases, the corporate authority needs to act to offset the threatening harm. What has been happening now is that corporate executives are re-discovering the presence and power of the shareholder through the emergence of the financial institutions as major shareholders, particularly the pension funds. Though portrayed as such, these financial institutions are not owners in the traditional sense but rather merely money managers or fiduciaries with control in trust over other people’s money. In essence, this acquired control by the institutions’ management of power over financial resources is akin to the earlier rise of managers over owners in corporations. In other words, though their influence may appear similar, they should not be regarded as owners in the same way that owners were regarded in the earlier age of the entrepreneurs—they are now operating at a higher level of abstraction as they are dealing with somebody else’s money and there is a different dynamic involved with such fiduciary power.

It has been discussed earlier how corporate ownership has been diluted and spread so broadly that for large corporations the group of shareholders behaves more like a political electorate than the self-interested owners of old. Particularly in light of the large proportion of the population with its money in pension schemes and the other financial institutions, the group of actual property owners of the large corporations resembles the community at large. The share prices for corporate stock are more akin to a continual opinion/popularity poll that is driven by the manoeuvrings of financial institutions and the impressions and expectations of the myriad of investors of relatively small holdings of shares. This was recognised in part by the legislative changes introduced in the 1930–40s, the nature of corporate accountability to their shareholders was recognised as political and akin to ‘America’s own traditions of political accountability. Shareholders were seen as voters, boards of directors as
elected representatives, proxy solicitations as election campaigns, corporate charters and by-
laws as constitutions and amendments... Underpinning that corporate democracy, as universal
franchise underpinned its political counterpart, was the principle of one share, one vote’
(Monks and Minow, 1996: 102). However, this notion of political democracy was not
extended to recognising the inherently political nature of the structure and dynamics of the
corporate board decision-making. As in the political sphere, the will of the people, or the
owners, will be heard and taken into account only if the structure and dynamics of the
authority system are appropriate.

The trading in shares now seems to be even more about liquidity and short-term financial
gain akin to the trade in currencies and futures, rather than any real connection to the proper
exercise of an ownership community of the corporation. Although the voice of the
shareholders is dissipated and relatively small, it is still important and where there is some
coordinated action, as through the large pension funds, it can certainly call the attention of
the board to a problem situation that requires action. However, it is still only a secondary
influence from an important external stakeholder. As such, increased shareholder activity is
not the core answer that some suggest: ‘The key to a good board is ownership’ (Monks and
Minow, 1996: 217). However, this statement would hold true only if the notion of ownership
was not confined to the normally narrow definition of a shareholder, but was rather more
inclusive as discussed above. In fact, it needs to be kept in mind that the financial institutions,
which hold substantial shareholdings in corporations, and which are urged by many to be
more active in “relationship investing,” are not really owners but only fiduciaries—which
underscores the reality that these large corporations are owned in essence by the bulk of the
community.

In one sense, then, financial institutions and other large institutional shareholders are like
influential electoral colleges (or lobby groups) in the political sphere where their voice is
important and plays a part in the accountability aspect of corporate governance, but renewal
action is required much closer to the core of corporate authority. In the final analysis, ‘it is
indisputable that shareholders have largely been unable to exercise the responsibilities of
ownership of American corporations. In some respects, this “ownership failure” is due to the
difference between tangible and intangible property’ (Monks and Minow, 1996: 105). In
essence, thinking about corporate property has moved on to higher levels of abstract thinking
and so should the thinking about the processes of corporate control—the power of
“ownership” or shareholding concentration can only be used to support the main game
involved with the structure and dynamics of the corporate authority stakeholders—which should be reformed to catch up with the level of community thinking.

It is more appropriate to heed and build on the other conclusion of Monks and Minow (1996: 33), namely, that 'the best entity for establishing goals and evaluating the performance of any corporation is its board of directors. It is in the “creative tension” between the informed, involved and empowered monitors—the board of directors in the first instance and the owners ultimately—that the corporation’s performance can best be monitored on an ongoing basis.'\(^\text{171}\) The analysis in this thesis is about establishing the fundamentals and processes that enable the “creative tension” to be institutionalised and allow the corporate board to perform effectively and for the good of society—that is, its owners.

In recent times, there has been less direct focus on the importance of the other external stakeholders, though there is a renewed and growing interest in consumer relationships in the emphasis being accorded to globalisation. This calls for thinking at a higher level of abstraction and so corporate leaders are being called to focus back on consumers in a new and more enlightened way. It is acknowledged that the medium-term and certainly longer-term health of the corporation is dependent upon a successful engagement with the world market. Of even more recent origin (and an early sign of the further evolutionary development of corporate thinking), is the acknowledgement of the need to pay some more attention to suppliers—an attention that will be different from before as corporations sign up to the B2B networks. These supplier relationships will be different and will bring with them their own new set of problems that will need to be handled in a much more sophisticated way than in earlier times.

The emerging importance of these other external stakeholders is beginning to generate its own sophisticated pressure on the corporate boards to think and act effectively, in much the same way but different to the recent pressures that were exerted by shareholder activism. It is important, therefore, that more overt action is taken now to recognise the true nature of corporate decision-making and effect the suggested improvements.\(^\text{172}\)

Thirdly, there is the complementary cognitive tendency to downplay the role of internal stakeholders as a result of the primary focus being centred on the authority stakeholders. The growing sentiment against insider managers being on corporate boards is perhaps evidence of this. In earlier times there was a predominance of insider directors\(^\text{173}\), but moving out of the managerial age there has been a movement expressed mainly in terms of the need to tip the balance towards outside directors. Now, surveys (Ward, 1997: 157; Monks and Minow, 1996: 169–170) show that the average size of the corporate board is about twelve, with only three
inside directors, and falling. However, '[i]n 1978, Harold M. Williams, at the time chairman of the SEC, supported a total ban on inside directors. The idea created such an uproar that Williams dropped the idea... The next year, the busy Harold M. Williams cited nominating committees controlled by independent outsiders as a board necessity, though he stopped short of mandating their use' (Ward, 1997: 62–63). In essence, the 'old board system, despite its flaws, functioned because it was essentially a branch of management' (Ward, 1997: 64), but in the age of politicism this is no longer deemed appropriate.

The rationale for having inside directors on the board is essentially to provide (a) informed judgment; (b) support for the CEO; and (c) accurate factual information on corporate performance and operations. The last aspect of greater accessibility to corporate information is filtered, at best, by the insider's position and preoccupations and, at worst, by deliberate antagonism to the board. Further, the insider could support the CEO perhaps more appropriately by informal input from behind rather than alongside. Finally, the insider's judgment might be informed but it is also more likely to be influenced by his/her own self-interest and his/her relationship to the CEO. Therefore, 'there is no urgent need for any employee other than the CEO to hold a board seat' (Ward, 1997: 157). The inclusion of the CEO on the corporate board is necessary to reflect the importance of the 

menotype #A executive action in the life of the corporation operating in the economic sphere. The other above-listed benefits need to be made available to the board in some other way, preferably through institutionalised, accepted processes.

Transparency and integrity should be corporate values that institutionalise free access of board directors to the management staff, accompanied, of course, by the courtesy of informing the CEO. If directors have been provided with their own staff, such access to management to obtain information and opinions should not be too onerous—perhaps if it is too onerous, there is a problem with the performance of either the corporation or the director. Closer relationships between the directors and the executive management would also aid the process of executive succession. Directors' familiarity with corporate operations and the workers who perform them, should also be encouraged to a degree as was done in the case of Home Depot (see endnote 139). There is a danger for directors with their eyes more focused on the external competitive and chaotic environment to regard the establishment of such relationships as irrelevant. It is therefore important that such connections to the information and opinions of insiders should be actively encouraged as a key board value—even if it is only seen as building in some corporate "cognitive slack."
Who should participate and how? From the preceding discussion, it can be concluded that though they provide an important influence, it is not appropriate for either external stakeholders (in particular, the shareholders) or the internal stakeholders (in particular, the executive managers) to be directly included in the decision-making processes of the corporation's authority sphere. Of course, effective processes should be instituted to encourage dialogue and canvas their knowledge and views, but in the end corporate performance and health comes down to the effectiveness and success of the decisions of the corporation's authority stakeholders. In the modern complex corporation this degree of differentiation is needed for effective governance. So the question resolves down to who should participate as authority stakeholders and how should they be selected?

In particular, how should directors be selected and supported so they do indeed have a power base independent of the executive management. A survey of 653 CEOs conducted by the National Association of Corporate Directors revealed virtually unanimous support for "small, proactive, informed and truly independent boards" (Monks and Minow, 1996: 145). To make the political process more effective, it is important that formal mechanisms are instituted to ensure the independence of non-executive directors from any subservience to the executive management. Theoretically, directors are meant to be elected by and represent the owners of the corporation, but who are the owners? The above discussion contended that from one perspective of ownership, society itself could be regarded as the owners since most in society had funds invested in the financial institutions that now owned substantial shareholdings—a view first hinted at in that early trailblazing analysis of the changes in corporate ownership by Berle and Means (1991/1933: 311). But to progress this analysis, the earlier discussion in Section 5.1.1 on the nature of property needs to be taken a bit further to clarify what constitutes being an owner and to provide some differentiation between the claims of such owners.

The three aspects of property were explained to be in terms of (a) physical possession; (b) use and control of processes; and (c) the allocation of rights. Ownership of the corporation can be thought to exist as encapsulated in each of these ways of thinking of property to the extent that rents can be extracted as a result of that ownership, as follows.

- The financial, physical ownership of the corporation by shareholders is the most concrete form of ownership and provides shareholders with the rights to a dividend from the profits, capital appreciation associated with a successful business, and some part of the residual value if the corporation is wound up. When anybody refers to the owners of the corporation, they are normally only referring to this
group; namely, those individuals or organizations that actually hold control of the shares, such as financial institutions (rather than those whose money it actually is). This group of owners can be individually identified because their names are on a register and they each own a piece of paper saying how many shares they have.

- The use and control ownership of the corporation by management is a more abstract notion of ownership that provides the management and workers with the rights to extract remuneration, perquisites of office, and circumscribed use of the corporation’s assets. Of course, the higher up in the corporation and/or the greater the power of the individual, then the greater are the rents that they can extract. While such employees are normally referred to as merely stakeholders, there has been some attempt to include them under the concept of owners, particularly in recognition of the proliferation of employee stock-ownership schemes. These owners do not exist in isolation but are part of a coherent group that needs to operate interdependently to realise its ownership of use.

- The allocated rights aspect of ownership of the corporation by the larger society of external stakeholders is an even more abstract notion that seems to prescind from the actuality of the corporation. These stakeholders are recognised in their claim on the corporation for some economic surplus, or vice versa. Such “owners” would include the distant many who have their money invested in the corporation through the financial intermediaries, the consumers and suppliers connected to the corporation, and those others who are affected positively or adversely by the corporation’s presence and activities. Many of these “owners” are generally not apparent to the corporation until they essentially emerge from the corporation’s “unconscious” or “other” to exercise their rights. In effect, this group of owners is large and similar enough to be regarded in the same terms as the society.

As has been explained in the discussion above on the nature of property, there has been a gradual evolution of thinking about property and ownership as the focus has moved from the direct owners, in the age of the entrepreneur, to the managers in the managerialist age and onto those stakeholders that can bring sufficient (corporate political) power to bear to claim their rights over the corporation. Accompanying this latest shift of collective focus to the third aspect of the political rights tension, there is a resultant cognitive depreciation of that which was previously accorded the highest priority; namely, the use aspect of managers and employees. This repression of regard for this group of owners has been starkly demonstrated over this era of downsizing, where even loyal, long-serving, competent staff cannot expect to
command any consideration or respect when the crunch comes. 'With the massive shifts caused by restructurings and job cuts in the 1990s, employees have gone from being viewed as expendable overhead to being treated as a damned expensive nuisance' (Ward, 1997: 328).

What can be concluded from this cognitive analysis is that the collective will instinctively knows that it is now the time to turns its focus on this level of ownership—on the more tenuously connected stakeholder. 177 For instance, there have been the environmental movements and then the community backlash and political action to stem the mayhem caused by the flurry of takeovers, mergers and buyouts in recognition of the harm that it was causing to the broader fabric of the economy/community. In the first phase, the entrepreneur and banks made sure their people were appointed to the corporate board, in the second phase the managers ensured that their people or insiders were appointed to the corporate board, and now the society has entered the third phase of politicism, it is their turn. 178

This evolutionary necessity is even more compelling if one compares this experience of moving from the managerialist board to the politicist board with the European movement: 'While the rights of stakeholders are catching on in the United States, the battle cry overseas is shifting to shareholder rights—the rights of owners to demand higher productivity and profitability from a business investment' (Ward, 1997: 333). In the United States there is a shift in focus from the internal stakeholders to the authority stakeholders, whereas in Europe it is going on further in a shift of focus from the authority stakeholders to the external stakeholders—both shifts constitute evolutionary movement in the direction of cognitive reversion.

This means it is appropriate for all other insiders, except the CEO, to be excluded from the corporate board to make way for the others. 179 When looking at the rights of the broader group of stakeholders it is appropriate to look at the scope to “professionalise” the director corps (Monks and Minow, 1996: 300ff) and select worthy participants from the social sphere, as suggested above. It is also appropriate as a secondary supporting aspect to look to ownership as some form of motivator—but it is of a different nature to that of the earlier entrepreneurs and individual financiers. Such an initiative is the urging to have representatives of the financial institutions to be appointed to those corporate boards to oversee society’s financial investment in corporations (Monks and Minow, 1996: 269ff). Above all, the guiding imperative is that the directors should be, and should be seen to be, independent of management. 180 Moreover, they should have access to their own power base independent of management, which means principally that the selection processes need to be objective and mandatory, perhaps prescribed in law but from the board’s perspective, under the purview of
the independent separate Chair, rather than the CEO. This in itself would be a significant
departure from the current state of affairs, as even though most corporate boards have
nominating committees,\(^{181}\) there is still the observation that ‘Many boards continue to have
directors whose only qualification is that they are friends of the CEO’ (Harvard Business

If the corporations were to become formally incorporated under Federal law that treated
them more as quasi-nations rather than moderately sized companies owned by a few
individual entrepreneurs, then some formal requirements could be introduced to deliver more
independent non-executive directors, giving them the power of a constituency and the
resources so they are not beholden to management. Given that there is now an orientation
towards political control (menotype \(\#C\)) of an essentially economic sphere entity (menotype
\(\#A\)), it would be cognitively healthy if the formal mechanisms for the election of directors to
corporate boards were consciously designed to emphasise the phase \(\#B\) aspect of corporate
democracy and an emphasis on the social sphere (menotype \(\#B\)) perspective.

A menotype \(\#B\) election of non-executive directors would comprise some expression or
combination of the following processes.

- A certification system based on merit and peer recommendation could be devised
to create a pool of candidate directors (Ward, 1997: 179–186).\(^{182}\) The certification
could perhaps be in terms of three or four levels of designated expertise applicable
to the different sizes of the company/corporation. Such an acknowledgement of the
individual’s competence would have to take place within an association such as the
Institute of Company/Corporate directors where there is formalised peer
assessment.\(^{183}\) This is probably only a formalisation of what occurs informally now
among the body of existing corporate directors. What is suggested as now being
required is much the same as the suggestion ‘to “professionalise” the board of
directors.’\(^{184}\) This is by no means a new idea, but it may be one whose time has
finally come’ (Monks and Minow, 1996: 300; Ward, 1997: 173–178).\(^ {185}\) This
professionalising of the corps of corporate directors would require some sort of
assessment process concerning competence, suitability and acceptance that results
in certification by the Institute. Such an assessment would take into account the
individual’s experience but go beyond the fact that the individual is a current
director of a company.

- An objective process independent of the corporate management to appoint the
directors from the list of eligible candidates. This process could be conducted by
the stock market exchange authority or the electoral commission and involve some element of nomination, election by lot, and/or representation by vote. Official certification would be a requirement of all candidates. A list of eligible candidates who have not been vetoed by the corporate Chair could then be put to the vote by direct polling rather than by the proxy system. The list of candidates would in effect comprise three lists: namely, (a) those nominated by the corporation's board governance committee; (b) those nominated by financial institutions after caucusing; and (c) those nominated by a peak body or bodies of the higher education/scientific sector. All shareholders would be canvassed directly for their vote in an independently run, formal postal or electronic election on a one share-one vote basis (as is the case now) and counting only those votes returned (even if it is less than 100%). There should be more candidates nominated than there are positions and it is also for consideration whether there should be specified a certain minimum number from each list that needs be elected. As elections become more official and independent, there is no reason why there should not be a longer duration and less stagger between elections. For instance, elections could be every two years with half the board retired for each election—which is effectively borrowing from the election practices from both Houses of Congress.

- Like other reputable professional bodies, the Institute of Company/Corporate Directors should maintain a guarantee of the competence and integrity of those on the eligibility registers, particularly for directorships of the larger corporations. This would mean maintaining a process to ensure the gate-entrance standards, a review process to arrest any divergence of the existing directors from the articulated standards, and a process encouraging the personal development and learning of corporate directors. There is no question that these processes are about holding the "power elite" just a little bit more openly accountable for their contribution to the corporate and social world—for which they are getting amply remunerated through their control over the disposition of corporate rents to themselves.

In relation to the proposal of director certification, one of the key questions that has been raised concerns the type of criteria that would be used to grant certification to prospective directors. Essentially, people would only be nominated to become directors if they could adequately know what they were doing so that they could make a constructive contribution to
corporate decision-making. The assessment of personal adequacy for certification would therefore be based on the adequacy of the individual’s knowing in the following terms.\textsuperscript{188}

- The relevance of the individual’s **experience** as to whether he/she would have had the opportunity to acquire the **basic knowledge** needed and develop his/her thinking in the relevant areas and to an adequate level. The knowledge might come from a basic course but could be tested by examination. The likely adequacy of the relevant experience could be assessed from the individual’s curriculum vitae (CV).

- More important is the adequacy of the individual’s **understanding** of his/her experience and basic knowledge. In other words, does the individual have an adequate cognitive framework to participate in corporate decision-making. This could first be attested to by the individual’s referees, but it is best assessed by a panel of already certified directors following a standardised format of discussion.

- More important still is the ability of the individual to make decisions and the perspicacity of his/her **judgment**. This is best assessed by the individual’s record, which is best tested by his/her own testimony and that of his/her referees.

Basically, if (a) the individual is recommended for sound reasons by other certified directors; (b) he/she can demonstrate a knowledge of the basics of corporate governance; and (c) there is no reason not to (eg lacking integrity), then the individual should be given certification as a candidate for selection as a director at an appropriate level. His/her actual suitability to be a director at a particular corporation is a matter for judgment by the panel from the academic/scientific sector, the collection of relevant large shareholders, or by the corporation’s governance committee, as appropriate. As Ward (1997: 186) concluded, ‘After we began licensing directors as to their moral and intellectual fiber, individual companies (and financial and educational electoral bodies) would then move on to the real point of vetting them for their specific skills and attributes.’

Lastly, there is the question of how the board and CEO should be compensated. It is very much in keeping with politician thinking that “to the victors go the spoils” and that it is appropriate to look after your own first.\textsuperscript{189} This is basically a repetition of the feudal mentality with regards compensation but on a more sophisticated level.\textsuperscript{190} Remuneration in terms of appropriating part of the property in the form of shares or perquisites of office is therefore seen as more acceptable than payment in basic salary like a bureaucrat (the latter notion is actually being actively repressed in the age of politicism).\textsuperscript{191} In other words, it becomes more like compensation rather than remuneration, and then it is a matter of what is just
compensation for program delivery or for well-tested allegiance. When this is left in the hands of the victors, as it was in the early stages of this phenomenon, the CEO and board were more likely to decide in terms of “justice for just-us,” and compensation packages became very large. Thus we have witnessed a growth and acceptance of this form of payment, first for CEOs and more recently for board directors. This is all very fine, but it does enhance the political nature and dynamics of corporate governance and so adds urgency to the need to make the political processes as overt and as accountable as possible. The quality of the decisions still needs to be assessed, even if this assessment is against criteria applicable to the political mindset rather than the logically rational mindset—that is, the proposals might not add to the efficiency and effectiveness (perhaps even the reverse), but they make good sense politically. Much more rigour is required in making compensation more closely linked to the success or failure of corporate profits and therefore seen as reasonable and fair, and the accountability requirements that have been introduced are a necessary preliminary step.

‘Executive compensation unrelated to performance is just one symptom of a corporate governance system that fails to ensure management accountability’ (Monks and Minow, 1996: 234). However, performance refers not only to what has passed but also to what is likely to be, and it is important that compensation packages take into account the long-term health of the corporation. This requires judgment, and those best positioned to make that judgment are the directors—and, hence, the continuing grey area of the adequate level of compensation that is commensurate with effective corporate governance.

It may therefore be appropriate to prescribe what is the order of maximum payments considered appropriate, because the growing corporate political spirit is only going to enhance the pressures for the corporate leaders to claim the economic rents and divide the spoils of victory—victory not necessarily of a successful company, but the victory of gaining power over the kingdom! The growing resentment against unjustified compensation packages will, in some sense, pass with time as the corporate world steps into the new emerging entrepreneurial age where new wealth is seen to be created and the outrageous compensation is seen more as the lucky adventurers finding their rewards rather than as the power group pillaging the crown jewels (the current resentment of high remuneration will likely take on more of the flavour of jealousy!)

It is important, therefore, that consideration be given to the nature and form of the remuneration given to the proposed nominees from the academic/scientific world and the financial institutions. On the one hand, all directors should receive according to their contribution (which means that the Chair, Director of Corporate Assessment, and “corporate
ministers’ would receive differentiated amounts). However, payment in the form of compensation of the spoils would not be in keeping with the stakeholder responsibilities of such nominees (their would be the risk of nominees’ motives becoming corrupted). It would be more appropriate therefore to pay the compensation to the academic and financial institutions whose purpose the nominees/directors are serving and then leave it to those institutions to remunerate their representatives appropriately.

In summary, the principal conclusions from the above analysis of the corporate board decision-making processes are:

(16) In the shift from managerialism to politicism there has been a shift in the cognitive focus of corporate decision-making processes from judging facts and meaning through to a focus on assessing the most appropriate response through revelation of the competitive reality. As a consequence, it is necessary for sound decision-making and group learning to build in corporate processes of methodical environmental scanning and logical analysis of the relevant production processes, even though such considerations may not have much direct value or influence in many deliberations of the corporate board. Group learning would also be enhanced by the development of some corporate “cognitive slack” by the conduct of “what if” contingency planning by corporate boards.

(17) There has been a fundamental shift in the perspective of the way people think about organizations, captured by the shift from managerialism to politicism. As a consequence, corporate boards should be required to develop a values statement or manifesto that has an adequate contribution from society’s social perspective. Such a values statement could be used as an accountability document to measure organizational and corporate board performance. Moreover, to encourage the contribution of such value statements to the overall good of society, formal mechanisms should be put in place to appoint members of the higher education and/or scientific sectors as directors on corporate boards.

(18) In recognition of the shift of focus onto the authority stakeholders, there needs to be a formal recognition of the corporate board’s overall collective authority and responsibility for corporate direction and performance, and the political nature of the corporate decision-making processes. This would be effected by requiring corporations to give specific increased authority to a mandatory
5.3 Corporate Governance and the Individual

This section looks first at the nature of the actions of individual participants interacting within a group in the light of Hirschman’s (1970) analysis of Exit, Voice and Loyalty; second, at how the different personalities of individuals can combine to develop a proclivity for groupthink; and, third, at the dynamics of the corporate board as a learning organization.

5.3.1 Corporate boards on Exit, Voice and Loyalty?

Individual participants take all corporate actions and decisions. It is important to appreciate, though, that the individuals are thinking at an elevated level of abstraction applicable to group/societal thinking and that their decisions and actions are taken within the tension of interaction with others, whose cooperation is needed to achieve something together. Building on the earlier explanations (in relation to Figure 8), the nature of the participant sphere of an organization can be explained in the following terms, as depicted in Figure 14.

- The external role, which can be further explained in terms of being influenced from outside by:
  (a) the desired outcome or shared vision;
  (b) the next step in the process or hierarchical duties; and,
  (c) the right values or political alignment.

- The internal character, which can be further explained in terms of a personal orientation towards:
  (a) conation or the personal will;
  (b) logical reasoning or personal thinking; and,
  (c) cognitive assessment or personal feeling.

- The resultant personal commitment, which can be further explained in terms of a cognitive commitment to:
  (a) propose new initiatives to make things better;
(b) continue the process as logically determined; and
(c) undertake the appropriate action to maintain the political stance.

It is thus seen that the resultant personal cognitive commitment or decision by the individual is the result of the individual's handling of the cognitive tension between external influences and internal cognitive dispositions—between the external pressure of the system for a particular orientation as defined in the particular role and the inner natural inclination of the individual as captured in his/her developed personality. Moreover, the important aspect is that the individuals formulate such decisions and actions in relation to their membership of a particular group (as in the organization or the corporate board). There have been many models that have attempted to capture some perspective of the different types of resulting behaviour by individuals within particular types of groups. One such analysis is that of Hirschman (1970), who is concerned with the different types of responses that individuals choose when they find themselves connected with an organization that suffers a decline in performance.

Hirschman differentiates the nature of the responses of individuals in such circumstances in terms of exit, loyalty and voice, and explores the situations where one of the three aspects was likely to be prominent. For instance, when faced with declining price and/or quality: (a) consumers in a competitive market would readily exit to purchase a substitute product; (b) consumers in a predominantly monopolistic market such as essential public services would continue their support in a seemingly loyal way; and (c) consumers in a market where there are a relatively few large buyers, would likely stay put and voice their concerns (and perhaps also use the threat of exit) to try and arrest the deteriorating situation and catalyse a change for the better. Hirschman's (1970) principal concerns are to highlight the value of this type of differentiation, to draw attention to where either voice or exit is not in use in order to suggest the organization might benefit by promoting its greater use, and to search for the types of organization where there exists some sort of balance between exit and voice.

In particular, Hirschman (1970: 19) concludes that: 'One way of catching that somewhat rare bird, an organization where exit and voice both hold important roles, may be to look for groupings from which members can both exit and be expelled. Political parties and voluntary associations in general are excellent examples.' He reasons that such organizations which have a balance of exit and voice would be a preferable arrangement in that they would have more stimuli available to demand a self-correction when there is any decline in performance. Such organizations would therefore have a greater chance of maintaining a relatively high performance over time. The task here is to look at how individuals on corporate boards behave in Hirschman's (1970) terms and see whether there are any corporate organizational
conditions under which the dynamics of the corporate board could be regarded as being similar to that of these desirable "rare birds" that Hirschman (1970) talks about. But first, there needs to be some exploration of what is actually meant by Hirschman's (1970) differentiation of the individual's actions in terms of exit action and voice.

As it is concerned with the decisions and actions of individuals, the following discussion of Hirschman's (1970) differentiation is related directly to the cognitive commitment phase of the participant sphere (as depicted in the top sphere of Figure 14).

- **Exit** concerns leaving the old behind and trying something new. This is an act principally out of the individual's conation in envisaging a better alternative and exercising the personal will to make it happen. Hirschman (1970: 2) associates the dynamic of exit with the economic sphere and, moreover, identifies it as 'being accorded an extraordinarily privileged position in the American tradition' (Hirschman 1970: 106). Americans have always cherished the freedom to start a better life somewhere else (the early settlers, the frontier settlers and the continuing highly mobile US working population). It is also associated with the whole notion of the successful individual who exits a lower socio-economic group to aspire to a higher one, which is a preference and/or choice of most within the US society but is not necessarily the case in other societies (Hirschman, 1970: 108). Exit is therefore seen as a *menotype* #A encapsulation of the participant's cognitive commitment phase to act in keeping with the desire to co-create/generate new possibilities and new directions.

- **Loyalty** concerns staying put and seeing through the existing processes of interaction in the belief that the good intentions and ordered procedures will deliver the desired positive outcomes eventually. Hirschman (1970: 81ff) associates the dynamics of loyalty with a seemingly irrational choice to stick with an organization (such as monopolies, clubs, sports teams and political parties) and the associated processes of human interaction in the faith that everything will come good again. There is also normally a choice for loyalty when the organization (or country) is regarded as powerful or important, or when the individual is regarded as occupying a powerful or important position. The opposite of exit is to stay passively or actively, and loyalty expresses a preference for the passive staying put (but retains the capability to be more active without threatening exit). Loyalty is strongly "prized by organizations whose management wishes members to refrain from both exit and voice" (Hirschman, 1970: 93), namely the likes of the more rigid
bureaucracies such as the military, the Church, and the public administrative agencies. Loyalty is clearly a menotype #B encapsulation of the cognitive commitment phase to continue faithfully keeping to the requirements of the logical, ordered processes of the organization.

- **Voice** concerns the expression of personal assessments and views in order to energise the organization's power dynamics to acknowledge there is a problem and to assess that one needs to do something about it to protect the organization's continued survival and prosperity. 'Voice is political action par excellence' (Hirschman 1970: 16). It is the expression of the individual's critical opinions in a direct and straightforward way to those within the power network of the organization. Voice is defined as 'any attempt at all to change' (Hirschman, 1970: 30), which means that individuals have to use their own or others' power to initiate some decision and action. Moreover, 'voice is nothing but a basic portion and function of any political system, known sometimes also as “interest articulation”' (Hirschman, 1970: 30). That is, voice can be regarded as the individual's personal political stance as encapsulated in the menotype #C phase of the participant's cognitive commitment sphere—'for voice to function properly it is necessary that individuals possess reserves of political influence which they can bring into play' (Hirschman, 1970: 70).

That exit, loyalty and voice do actually comprise a trinity of menotypes can be readily seen from the discussion above, but that it is so can also be gleaned from Hirschman's explanations.

- Exit, voice and loyalty are distinct and are seen to operate separately, but on the other hand the factors are far from independent (Hirschman, 1970: 18; 19; 31; 38; 77; 93). Exit and voice, or articulation and "desertion", are regarded as opposites and loyalty as something in between (Hirschman, 1970: 4; 31; 37; 38; 80). That is, exit is the simple concrete solution, voice the more abstract option, and loyalty is the notion bridging the two concepts—they are all different but interrelated.

- Exit is the more simple response and belongs to the economic sphere and (competitive) markets, voice is much more sophisticated and 'an art constantly evolving in new directions' (Hirschman, 1970: 43), as found in the political sphere and non-markets (of opinion and judgment), and it is implied that loyalty is something less than voice (in that it is passive rather than active), but something more than exit (because they stay and have to work their way through it), and it
belongs (in addition to those with unavoidable membership such as family and country) to the steady processes of big hierarchies of monopolies and public goods (Hirschman, 1970: 15; 82).

- Exit is associated with freedom of physical flight (Hirschman, 1970: 107), loyalty is about equality of belonging—our country, our public utilities, our firm—and some equality (either a balance or none) between exit and voice (Hirschman, 1970: 78; 80), and voice is about asserting the rights of individuals or groups to a point of view and the right to be heard and responded to.

- One of the two mechanisms of exit and voice is seen to be wholly dominant in a large number of organizations, but loyalty too can be dominant where exit is ruled out and continued involvement passive (Hirschman, 1970: 33; 76; 93).

- Exit drives out or depresses voice and uses the notion of transferred loyalty to enhance the impact of the exit and make the point (Hirschman, 1970: 37; 76; 80; 126); loyalty rules out or depresses exit as impossible or a high-cost option and activates voice in a legitimate way to improve the organization (Hirschman, 1970: 77; 78; 80; 93); and voice suspends loyalty by voicing criticisms and "kicking up a fuss", and uses the threat of exit to strengthen itself (Hirschman, 1970: 30; 82).

- The interdependence is directional; for instance, 'once you have exited, you have lost the opportunity to use voice, but not vice versa' (Hirschman, 1970: 37). That is, on the one hand voice is repressed by exit [though the exit can speak unconsciously after the individual has left (Hirschman, 1970: 126)], but on the other, exit is a secondary support for voice.

Much of Hirschman’s (1970) analysis really just underscores and elaborates this menetypel relationship between exit, loyalty and voice. It would seem, however, that he has been energised to write the book because Hirschman (1970), the economist, has discovered “voice” (which had hitherto been suppressed in his shadow thinking). Although he tries to be even-handed, by having a professed aim of teaching economists about the power of voice and political scientists about the intricacies of exit, it is really the former that drives his analysis. In essence, it is an economist in the US capitalist society (saturated in menetypel #A) being energised at seeing the reality and value of his shadow political thinking (menetypel #C), and then having the wit to see the growing and important relevance of this notion of voice in the corporate management of the economic sphere. In the end, Hirschman (1970) looks for and advocates a balance between voice and exit and, in cognitive terms (as explained in this
thesis), this can only happen if voice or politics (menotype #C) predominates with exit or personal entrepreneurship (menotype #A) in secondary support. This would mean that the notion of the loyal soldier or loyal manager is downplayed and repressed, which is actually what happens in Hirschman’s (1970) analysis. Loyalty is barely mentioned until his chapter on “A theory of loyalty” and then is essentially ignored again as he searches for “The elusive optimal mix of exit and voice” (Hirschman, 1970: 120ff).

It could be interpreted, therefore, that Hirschman (1970) has developed a case to say that the dynamics of corporate management should be recognised as political (‘Voice is political action par excellence’ as quoted above) and that deliberate steps should be taken to make it so (in the same manner as has been argued in this thesis). That is, the structure and processes of corporate management should be such as to give conscious acknowledgement and encouragement to voice as a legitimate response to declining performance, rather than rely principally on exit or business failure (which is the exit of the firm) to sort it out. Moreover, the key to how this can come about is suggested in the first quote above from Hirschman (1970) as follows. The principal characteristic of a situation ‘where exit and voice both hold important roles’ is that ‘members can both exit and be expelled’ (Hirschman, 1970: 19). Let us now look more closely at the nature and dynamics of the corporate board in the light of Hirschman’s (1970) analysis.

Where the positions of CEO and Chair are combined, the incumbent is meant to resemble the successful entrepreneur and carry the corporation along in keeping with his/her personal vision. In this case it is the CEO/Chair who has the greatest influence over the selection of non-executive directors (plus the more direct control over the executive directors), who are conscripted mainly for their expertise to add to the analytic power of the board. In one extreme the directors could be regarded as the CEO/Chair’s loyal personal advisers but in practice their involvement is more likely to be kept subdued by the little time they actually devote to what are quite complex issues confronting corporate management.196 In any event, any voice of criticism is normally suppressed until the crisis becomes unbearable. The directors can certainly be expelled by the CEO/Chair but the personal cost of exit is relatively high for directors in large, important and reasonably successful corporations. It is readily apparent that ‘Directors are highly motivated to continue to be eligible to serve as directors of public companies’ (Monks and Minow, 1996: 28). On the other hand, it is difficult for the directors to move against the strong CEO/Chair and the only way a CEO/Chair would be inclined to exit is for a better offer or on retirement, but not in admission of any failure. The principal mechanism for driving the board to any action against the CEO/Chair would be the
event of a substantial exit (or threat of exit) of shareholders that drives down the share price and book value of the company. Overall in this board arrangement, then, exit is predominant and voice is repressed—and Hirschman would say it is not good enough. ‘It is impossible to identify what Hirschman calls “repairable lapses” when the same person is both making the decisions and evaluating them’ (Monks and Minow, 1996: 231).

Where the Chair is a separate position to the CEO but the main focus of the Chair is on financial rectitude and to keep the processes rolling along, there is a principal focus on loyalty, on what is best for the corporation. In this case, the CEO is still relied on to lead the corporation and maintain the direction, but it is normally a “company man”, who represents some promise of stability for continued performance. Personal idiosyncrasies and excesses are normally held in check by the preoccupation with the strict accountability regime. Voice is certainly more prominent but it is essentially focused on accountability and financial integrity rather than on corporate performance—the board’s audit committee is perhaps the most important and influential. Exit is regarded more as desertion because it insults the predominant notion of the company first. There is also less inclination to expel vocal directors unless they become too disruptive to orderly processes or they are seen to have betrayed their loyalty. The board is better positioned to expel the CEO but is only likely to do so if there has been some serious financial or administrative irregularity, rather than because of deteriorating corporate performance. There is probably even a higher tolerance to downward fluctuations in the share price, particularly if the board considers that they seem to have the right settings in place. Overall in this arrangement, then, exit is suppressed and restrained/legitimate voice is tolerated to a degree—and Hirschman (1970) would say it is still not good enough.

Where the Chair is separate and accepts that the board is accountable for performance, there can no longer be sole reliance on the vision and leadership of the CEO for corporate direction and performance. Voice has to be encouraged, as there has to be a healthy dialogue with other ideas being put on the table, and therefore directors must feel free to voice their concerns and suggestions. With the Chair involved in the selection, non-executive directors can use the power of their greater independence from executive management to question and offer legitimate criticism. In this case, exit would be more acceptable and perhaps even be a net plus rather than being seen negatively (as not being a team player or being subjected to acrimonious recriminations). With the higher level of dialogue and political positioning, it would be conceivable and much easier for there to be a move against any person on the board to effect their expulsion. Exit and expulsion are both allowable and achievable. Overall in this
arrangement, then, voice is encouraged to be very vigorous but in the clear knowledge that exit is also possible, and the threat of exit can be used to enhance the political voice.

Even in this last case, it is a fact of the modern economy as explained above that ownership of shares is very widespread and diluted so that the principal mechanism in response to deteriorating performance is the exit of shareholders rather than their voice. Is this a good or bad thing? On the one hand, it defies the call of Hirschman (1970) for there to be a balance between voice and exit, and there has been a call by others (Berle and Means, 1991/1933; Monks, 1993) for shareholders to find a more effective voice than that able to be exercised at the annual general meeting—in particular, that the large trust fund managers should find voice to call for better corporate performance. According to Monks and Minow (1996), they are finding some voice and if such large institutional shareholders can be involved in the selection process of the directors as suggested above, then the threat of expulsion at the end of their term may be a strong motivating force for directors to find their voice. As Professor Christopher Stone observed in his Where the Law Ends (as quoted in Monks and Minow, 1996: 28): ‘the suspension of directors is the most effective way of dealing with the problems of corporate criminality,’ and it would also be an effective remedy and deterrent against the poor performance of directors. On the other hand, the use of exit by shareholders as the principal mechanism to chastise poor corporate performance is directly in keeping with the menotype #A spirit of the economic sphere in which it operates. This then might actually be a healthy thing. If corporate executive/board management is being developed to express essentially a political orientation and bring into play both voice and exit as advocated by Hirschman (1970), the higher-level use of exit as a control by shareholders might be just what is needed to keep the management ethos of corporations squarely in the economic sphere.197

In conclusion, therefore, if the operation of corporate boards is to give expression to both voice and exit as Hirschman (1970) advocates, there needs to be a move to the more overt acknowledgement and facilitation of the political nature of board decision-making (as suggested in the argument of this thesis). This can only come about if the power of the Chair is separated from that of the CEO, the directors are truly independent with their own sources of power, and the interactions of the members of the board are formalised in keeping with the political dynamic (for instance, by assigning portfolios as suggested above). The possibility of expulsion and exit would be an inherent characteristic of corporate boards imbued with such political-oriented arrangements, and Hirschman (1970) might be inclined to say that it is good enough.

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5.3.2 Is there any proclivity for groupthink in corporate boards?

Although the nature of the human individual is principally differentiated in terms of body, mind and spirit (Aquinas, 1952 as used in Chapter 8 of this thesis), it is the mind that is the principal conscious agent in organizational life because individuals are required to maintain the focus of their thinking at the higher abstract levels (of organization and society). However, the individuals’ thinking at these higher levels of abstraction is built on the foundation of their basic personality or preferred styles of personal thinking (Chapter 8 on the philosophy of mind). When working in organizations, individuals essentially train their minds, bodies, affects and senses to be in service as much as possible to the higher levels of the thinking mind, more so than in private life. As the individuals’ thinking at the higher levels of abstraction is somewhat more malleable than their thinking at the personal or individual level, it is instructive to look more closely at the nature of this internal cognitive tension and the interaction with others that is involved in the process of reaching cognitive commitment to particular decisions. The principal focus in this section, then, is the nature and dynamics of the way individuals are inclined to react within a group such as the corporate board, and the particular combination of personal dispositions that are likely to catalyse a proclivity for groupthink.

There is normally healthy cognitive tension or conflict operative in any effective corporate board decision-making process because, as ‘the issues facing boards are complex and ambiguous, board members are liable to characterize issues differently and to hold different opinions about what the appropriate responses to those issues are’ (Forbes and Milliken, 1999: 494). While, on the one hand, some cognitive conflict certainly contributes to a healthy debate, on the other it could take away from the cohesion of the group by arousing negative emotions. Furthermore, Forbes and Milliken (1999: 496) quote other research that suggests ‘the relationship between board cohesiveness and board task performance is likely to be curvilinear... cohesiveness has been found to enhance decision-making in some ways, such as by promoting earlier and more extensive discussion of alternative scenarios.’ Forbes and Milliken (1999: 496) then highlight the dilemma by going on to suggest that, ‘in order to lead to groupthink, cohesiveness also must be accompanied by an absence of cognitive conflict among members.’ What they are suggesting is that though the members might feel comfortable to contribute there is little divergence, for some reason, in their perspectives on the particular issues. If the members of corporate boards really are a diverse group then this situation of seeming agreement begs a little more analysis.
It is important, therefore, to appreciate that though the individual's cognitive commitment is influenced by his/her inner cognitive dispositions, it is primarily formulated and articulated in the context of a group of others within the organization that has developed a shared cognitive disposition on how such communications are to be received and processed. In particular, the cognitive milieu of the corporate board has been explained above as being essentially a political orientation, so that the communication of the individual will be received according to the prevailing spirit of political power dynamics of the group—as explained earlier in relation to Figure 9.

In terms of the participants on the corporate board, therefore, there is the individual's resultant cognitive commitment (phase ĀC in Figure 14) interacting with the group's external social/political milieu (Figure 9) in a tension that is processed and resolved by the group in terms of a group decision or commitment (Figure 12). This dynamic interrelationship can itself be considered in terms of a trinitarian hierarchy of phenomena as depicted in Figure 15, which is a summary of the menetype commitment phases of each of the other three Figures. It is to be remembered that all the cognitive menetypes in these Figures are operative but an exaggerated emphasis is given to particular ones, which, as a consequence, gives a particular flavour to the dynamics of the interactions. The following discussion on the nature of corporate board dynamics will focus mainly on the summary of the interrelationships as depicted in Figure 15 in the light of the individual's personal character, but there are references to the more detailed happenings that are depicted in Figures 14, 9, and 12.

The political nature of corporate board dynamics means that there is a heavy emphasis on the group commitment phase (top sphere in Figure 15) and, given the short times devoted to corporate board activities, the board is normally operating in the assenting mode to make decisions on the issues put before it, usually by management. The strong CEO/Chair of the current typical US corporate board operates as an individual expected to be personally oriented towards the new initiative phase (phase ĀC personal orientation) of the individual's action sphere. In such a situation, it is the CEO/Chair who has the major influence over who is actually nominated to become a director and so the result is normally a group of board directors who are selected to operate out of the political stance phase (phase ĀC of the individual action sphere (bottom right sphere in Figure 15), with the political stance expected to be for the reigning CEO/Chair. They are expected to propose a few new ideas (menetype ĀC of corporate governance) but not really expected to become overly familiar with the detail of organizational processes (menetype B of corporate governance). It is not made explicit that the corporate board is usually operating out of the power politics phase of group
dynamics (bottom left-hand sphere of Figure 15, and). Because this is normally a repressed sphere of corporate governance, there are therefore plenty of power plays that are essentially unconscious to the group and not openly acknowledged, but which are quite apparent to any close observer. There is some inbuilt group cognitive tension as a result of this mix of different menotype thinking in each of the spheres but, since the principal difference is in the unconscious aspect of the power politics played out in the group dynamics, the resolution of the conflicts is often primitive and rather callous: like over-rewarding the powerful CEO/Chair or sacking them—or both!

Should the CEO/Chair try to run the group dynamics sphere out of the moral politics phase (in a menotype #C of the corporate authority sphere righteous mode rather than the menotype #B of the corporate authority sphere), there would be greater danger of the phenomenon of groupthink. This is because all the #C phases of the three spheres (Figure 15) would be cognitively reinforcing and could lock in the group processes over an extended period of time. The compliant directors, happy to be there and supporting the political stance of the CEO/Chair who maintains the high moral ground in the face of all opposition and evidence to the contrary, could easily find themselves in the assenting phase of group commitment just rationalising the need to go along with what the CEO/Chair thinks is right.201 Groupthink occurs where there is no internal tension within the group and so issues are not properly analysed and considered and there is no chance for group learning.202 Thinking gets stuck in a rut and this can happen when thinking locks into a particular phase (such as the phase #C in this example). What happens is that the group accepts the reality as articulated by the CEO/Chair without overtly questioning its plausibility or relevance, and, therefore, those actions deemed appropriate or right for that assumed reality follow naturally—but they probably will not work because they are based on invalid assumptions. Though there is no cognitive tension within the group, there may be tension outside the group but this can be shut out if the individuals are personally committed to maintaining the group and continuing to be part of it. External tension is therefore ignored or attacked as not being in keeping with the interpretation of reality ascribed to by the group in a similar way that an introverted individual is generally able to block out or ignore seemingly irrelevant external distractions.

The phenomenon of groupthink can also be understood from the perspective of the way the individual is disposed to exit, loyalty and voice as discussed in the previous section. Expressed in these terms, it is readily seen that followers are inclined to groupthink when they experience an inability or heavy cost to exit, and a heavy pressure to suppress their voice.
They are clearly in the loyalty mode or perhaps, more precisely, in the mode of ‘unconscious loyalty behavior’ (Hirschman, 1970: 91). In fact, there are many organizations that are established to effect such a situation, ‘where managers wish their members to refrain from both exit and voice’ (Hirschman, 1970: 76ff)—for instance, those organizations with high entry and/or high exit costs such as the military, the Church or sects, and countries that stand alone. In relation to the experience of the corporate board, then, the dynamics would be amenable to groupthink where the board is powerful and important and the individual has expended great political energy over a great length of time to get himself/herself in a position to be offered an appointment to the corporate board—principally by ingratiating himself/herself to the corporate power elite. To abandon such an appointment in a fractious way could prove very costly to the individual in terms of his/her prospects for further corporate board engagements. The cost of entry and exit would therefore be very high. As discussed above, voice is suppressed the more board power is concentrated in the hands of one individual with a strong vision of the way things should be. In such a situation, the board tends to validate the expression of that one individual and there is a great risk of groupthink—for better or for worse. This tendency is accentuated to the extent that the director does not feel directly responsible for the performance of the corporation but rather projects that responsibility onto the person of the strong leader.

The other place of tension, therefore, might be within any of the individuals—but any doubts or questions are not voiced because of the particular dynamics of the situation. Different individuals might have different attitudes to the situation but still reach the personal decision not to voice any questions within the group. For instance, in the example being discussed above, any of the following patterns could be operating (with particular reference to the internal personality phase of the participant sphere as depicted in Figure 14).

- A follower with an internal character oriented to conation/willing [phase \((#A^B)^A\) of the participant sphere] could believe so much in the shared vision encapsulated in the new initiatives that he/she sees the Chair/CEO operating in principally the entrepreneurial authority mode \((menotype A^C)\). As a consequence he/she can only see the possibilities and believe that any presenting obstacles could be overcome. Any bad news or criticism is considered irrelevant because it is the “ends” that matter and the group is more capable of delivering those ends whatever the “means”. This follower would be anxious about losing any of the high esteem that comes from belonging to such a group.
• A follower with an internal character oriented to logical reasoning \([phase \,(#B^A)^2\) of the participant sphere] could vest all his/her loyalty in his/her perception that the Chair/CEO really epitomises the corporation. As a consequence they believe that the legitimised authority of the Chair/CEO and the approved corporate processes and hierarchical duties will protect them and overcome any external threats. Such focused loyalty usually results in blind loyalty and actors cannot see or believe that any external criticism has merit—it becomes very much a case of them and us. If they are following good process process then good results will follow. It does not really matter what any outsiders might say. They are also over-whelmed by their perception of the all-knowing boss and they would never consider themselves sufficiently competent to question superior actions. This follower would fear rejection and the loss of the security of belonging to the group.

• A follower with an internal character oriented to the assessing or feeling mode \([phase \, (C^0)^A\) of the participant sphere] recognises the power \((menotype \, C^C\) aspect of the Chair/CEO and pays due homage. They believe in the power of the boss to fend off all external threats. Their sense of preservation is high and these actors do not wish to have that power turned on themselves. Any potential risks to the company are in the future but the personal risks of questioning a powerful boss are immediate. This follower would be wary of losing a power base that comes from belonging to the group.

These patterns of interaction would be particularly heightened if the CEO/Chair was to be personally operating out of internal character orientation of assessment or feeling—that is, a personal character preference to be the "boss" \((phase \, #C^C\) of personal orientation).

Progressing in like manner through a consideration of the various combinations of orientations of the internal dynamics of the group and the internal cognitive dynamics of the participant, the antecedent conditions out of which an instance of groupthink can develop, can be seen to be.203

• A group with a clear vision of the desired outcome which is accepted unquestioningly (particularly by the followers with an internal cognitive orientation to conation or \(phase \, #A^C\) willing);

• An identifiable cohesive group to which excessive loyalty is rendered for reasons of prestige, security or power (particularly by the followers with an internal orientation to logical reasoning or \(phase \, #B^C\) thinking);
• A strong “boss” (or leader) whose power is seen as protective and whose gut assessments are to be trusted in stressful times, or whose power is feared (particularly by followers with an internal character oriented to the assessing mode of phase $\#C^C$ feeling); and,

• A lack of openness to learning which could be the result of intellectual hubris or arrogance.

From this particular conceptual framework, it can be seen that all four antecedent conditions would have to be present to some degree if there exists a reasonable mix of personalities within the decision-making group. For instance, if there was not a strong boss (who could take personal punitive action against any of the individual members), an individual, operating personally out of the sphere of assessing cognitive influence, would have no hesitation in calling a “spade a spade” when the group was obviously doing something that did not make sense, was heading in the wrong direction, or was threatened by external opposition.

There is also an apparent immaturity in the individuals and/or the group. The followers are too attached and are projecting too much of their un-acknowledged competence onto the boss or the group. There is an apparent lack of self-confidence, which can only be remedied by personal growth and/or a further maturing of the group. Only a purposeful spirit of inquiry and reflection will shift the group. It is seen as important that company boards build processes of learning into the dynamics of their decision-making.

The over-commitment (or entrapment) to losing courses of action can be viewed in a similar light to that of groupthink. What is happening is that the individual or the group have closed themselves to further inquiry and learning and are operating on the axis of experience (scanning) linked to assessment (commitment)—there is very little cognitive energy spent in trying to gain insights to a reasonable interpretation of why things are the way they are (in reference to Figure 12).

The different motivations at play in this case can be described as follows (in reference to Figure 14).

• The individual influenced by the internal orientation of willing [phase $(#A^B)^A$ of the participant sphere] would continue with his/her course of action as long as he/she holds onto the same vision of desired outcomes. On the way, he/she will represent past failures in a favourable light and continue presenting desired outcomes in an as attractive a package as possible. He/she would avoid reasoning about the validity of
his/her desired outcomes through an anxiety about a loss of face from having to change direction.

- The individual influenced by the internal orientation of reasoning [phase $(#B^B)^A$ of the participant sphere] would continue reasoning the validity of his/her stream of actions in terms of the paradigm of cause and effect that he/she is operating by. Good process and actions are expected to lead to good results and, if the prevailing paradigm is not questioned, then, nor can his/her logical chain of decisions be questioned.

- The individual influenced by the internal orientation of assessing/feeling [phase $(#C^B)^A$ of the participant sphere] would be inclined to continue with a course of action because power is dissipated through vacillation. He/she is heavily influenced by prevailing political norms, which usually hold consistency of action as a key virtue in the successful exercise of power.

If each of the members of the group is stagnating because he/she is in one or more of the above-mentioned ruts, there could be no genuine assessment of the true value of the desired outcomes (in the light of the costs and risks associated with the process required to achieve those outcomes).

To prevent or break the over-commitment to losing courses of action, it is essential to understand that:

- The sphere of willing (or leadership) internal cognitive orientation needs to question continually the validity and feasibility of visions of desired outcomes. Are they realistic and able to be achieved by a reasonable chain of action starting from the present reality? Is there sufficient commitment from those responsible for implementation (as it is often the lack of commitment of those outside the leader’s direct influence that cause things to become unstuck)?

- The sphere of reasoning (or managerial) internal cognitive orientation needs to question the paradigms of cause and effect that hold fixed concepts and solutions used in interpreting reality (for example, whether fiscal constraint or economic rationalism is appropriate in all instances).

- The sphere of assessing (or political) internal cognitive orientation needs to question, continuously, what is the appropriate action required now. Such actors have to try to test the value of being seen as consistent alongside the risk of
ultimate failure. (Do they stand to lose more power and influence than they would if they were merely seen as inconsistent?)

It is usually too difficult for individuals to summon the discipline and courage needed to maintain the continual state of personal and group cognitive reversion. This is particularly the case when decision actors might be suffering from low self-esteem or self-doubt because of previous failure, ostracism, or loss of power and prestige. What is required, therefore, is an effective decision-making process that has the design and integrity to question desired outcomes, prevailing paradigms and the risks of re-assessing and changing direction.

Therefore, the necessary criteria for effective corporate board decision-making processes that help to avoid groupthink or over-commitment to losing courses of action, stem directly from an appreciation of the above-defined antecedent conditions; namely:

- an appreciation and respect for all stakeholders\(^{207}\) (so there is loyalty to others apart from the group);
- a genuine sharing of power\(^{208}\) (so that some significant others within the group have a responsibility to appraise particular proposals and then have the power to voice a different view—in particular, the development of a devil's advocate role is being seen as important);
- an openness to check, periodically, the validity of the group's vision of desired outcomes\(^{209}\) (and the feasibility of being able to achieve them); and
- an acceptance of the need to be continually learning\(^{210}\) (by attending to the relevant questions).

A variety of responses are, therefore, seen as being necessary because there is usually a variety of individuals in the group who are influenced by different motivations. It is vitally important to develop and maintain a dialogue built upon a spirit of inquiry. In such an atmosphere of openness and inquiry, the reasoning mind will use its analytical ability to scrutinise the information coming through; the assessing mind will scan the environment for threatening signals; and the willing mind will keep checking out the feasibility of delivering the vision all are striving to achieve. And if this dynamic could be institutionalised in the structure and processes of corporate board power, then all the better.

**5.3.3 How can the definition of roles assist individual learning?**

It is the individual mind that is at the heart of any thinking and action, and it is the mind that is required to adjust, to learn and to contribute effectively. Rosell (1999: 64) refers to
Bateson's analysis of human learning in terms of the theory of logical types (professedly from the philosophy of Bertrand Russell and Alfred North Whitehead). ‘A key insight from his work is that, to understand the learning process, we need to differentiate between various levels of learning.’ This is the basic insight at work in this thesis and it is therefore helpful to differentiate the process of adaptation and learning in a way that is suggested by the theory of mind and menetypes developed herein. This approach may provide a somewhat different perspective from that which has been used in other works (Jarvis, 1987, who explored the methods of others; Senge, 1990; Rosell, 1999). In the light of this understanding of the way individuals learn and adapt, it is possible to assess the importance and effectiveness of the means that corporations employ to encourage and facilitate learning; namely through the structure of decision-making processes, the way individual positions are defined and developed, and the method and content of formal education and training for the individual.

The starting point is the principal cognitive differentiation of knowing that was alluded to above and is explained in more detail below (as depicted in Figure 16).

- **Experience**, which refers to the individual's interpretation of the senses and is the result of the individual's scanning of the environment, including the internal memory of past experience. This aspect perhaps can best be thought of as personal data that have been experienced but are still to be organized or assimilated to make sense of the current moment—that is, to fit the impression of the outer world into the context of the individual's world.

- **Understanding**, which refers to the individual's interpretation of his/her experience and concerns the meaning of the linkages between the different parts of what are identified in his/her experience. The formation of these linkages of cause and effect and interrelationships is influenced by the knowledge and way of thinking already developed by the higher level of cognitive commitment. This aspect can perhaps best be thought of as personal information that has been processed within the personal conceptual framework and given meaning by insights into the data of one's experience.

- **Judgment**, which refers to the individual's assessment and assent to a particular knowing that has informational meaning to his/her understanding and relevance to the data of his/her experience. The personal assent or commitment to a cognitive certitude comes about as a result of cognitive reversion by questioning and grappling to get insights that develop some understanding of his/her experience, from which propositions or universals are then tested against the data and then
assessed as to whether one can commit to a particular cognitive position, which is in terms of asserting that something is true, real or possible. Or alternatively, it can be the result of cognitive procession by taking a proposition on from external sources and making it his/her own as a belief, or reaching an intuitive assessment that it is so or that it could be so.

This aspect of judgment can perhaps be best thought of as the individual’s personal assessment of the world he/she has encountered—an assessment that the individual is willing to commit to and act from, and which therefore shapes his/her life.

By the time an individual is eligible for election to a corporate board, he/she has developed each of these three areas of knowing but, as with all cognitive trinities, one of the phases of knowing will be preferred and developed much more strongly than the others. For instance, some individuals will rely more on what they have experienced to date to determine what is possible or should be, others work constantly to understand the interconnections between the different parts of reality (or technology) and defer committing themselves until they know or are required to decide; whereas still others just want to get on with it and are happy making a personal commitment to what they consider is right for the moment, all things considered. Hopefully individuals reaching the level of corporate boards have developed a holistic view and a sense of balance and are sufficiently self-aware to exercise consciously all aspects or rely on the assistance of others for those perspectives that they have personally developed least.

‘Learning begins when there is some disjuncture between biography and experience’ (Jarvis, 1987: 198), and the individual is prepared to do something about it. He/she must question the disjuncture and inquire within himself/herself to make sense of it, or seek an answer outside himself/herself. Jarvis (1987) discusses the lack of consensus about when learning can be said to have taken place, in terms of either when a change in behaviour has been observed or when there is a change within the subject. From the perspective presented in this thesis, learning occurs when there is a change in the person’s knowing, which means a change within the subject about the way he/she experiences, understands or commits to certain truths or reality. To gain a greater understanding of the dynamics of the potential for change and learning, the trinity of knowing can be re-looked at in terms of the nature of the accumulation or development of knowing, which can be expressed in the notions below.

• Knowledge (menetyp #A), which is personally acquired and accumulated from the data and information of the individual’s experience and the processing of it, and includes explicit, tacit, and creative knowledge. It encapsulates an accumulation
of explicit facts and information, explicit process and concepts and the externally articulated set of values that can be stored in the memory and retrieved efficiently when needed. It can be broadly categorised into factual knowledge of the past, a skill in how to handle the present reality, and the wit to create possible futures. Knowledge is cumulative and can be measured in a scalar manner, as more is generally regarded as better. It is objective and superficial to the individual in the sense that it can essentially be passed on and exist separately to the individual who has accumulated it. It is the externally oriented mind of the individual that is the primary focus of involvement in educational and organizational settings.

- **Style (menotype #B),** which captures the individual's stance to his/her experience and expresses the individual's conceptual framework with which he/she gives meaning to data and information of his/her experience. It is an expression of the pattern of reality and truth that has been developed by the individual, which captures where the individual has chosen to direct his/her cognitive energy and his/her inner disposition on how the data are cognitively handled. It is an expression of the cognitive lens through which the individual makes meaning out of his/her experience and, in this sense, it determines the nature and type of knowledge that the individual will have the enthusiasm to "experience" and accumulate. This is normally recognised as the individual's persona or character, and determines what the individual cognitively registers out of all the sense and memory data that presents and then how the individual prefers to process these data. Style is not measurable quantitatively but development can be observed as qualitative changes in behaviour. That is, style is not a matter of more nor less, neither it is a matter of good nor bad, rather it is just different—some styles are better at handling some things and other styles are better at handling other things. It can be understood as essentially a processing phase that can be identified in terms of motivation and differentiated in terms of libido or enthusiasm for a particular way of thinking and behaving. Style is a manifestation of the inner mind of the individual and though it is attracting much greater attention in organizational life, there has been an inherent difficulty in dealing with it overtly.

- **Commitment (menotype #C),** which is a cognitive assent to a universal truth of fact, to the sense of true reality or to the possibility of the "good" that is so for this particular individual. The individual's development of his/her systems of cognitive commitments (beliefs, certainties and aspirations) expresses the cognitive result of
the many choices that have essentially defined the individual's cognitive focus and determined the development of his/her conceptual framework or style, which in turn motivates the individual to seek and accumulate particular nature and categories of experience and knowledge in keeping with that commitment, or focus. This level of individual cognitive commitment is the true source of much of the psyche's libido or focused energy, which has the power to reconfigure the individual's experience and transfigure the personal knowledge, or to transform the individual's style. Commitment is very personal and very deep and can be observed by the intensity of personal conviction. The greatest component of the individual's commitment generally comprises a system of interconnected beliefs (Jung, 1960; 1964a; Lonergan, 1971) that the individual has chosen to take on from society and significant others such as parents and teachers, and later, for example, from his/her science or professional fraternity. More is not necessarily regarded as better, but rather it is the particular focus and nature of the individual's convictions that can be assessed in a particular situation as good or bad, right or wrong, helpful or unhelpful. Commitment, which is commonly called strategic intent, can therefore be qualitatively assessed on a continuum between some arbitrarily set extremes for a particular situation, in like manner to the way one can assess a gradation between very bad and very good—moreover, such assessments are subjective and particular, and would likely differ between individuals and situations.

Personal learning can be understood as a change or development in any of these three aspects in this trinity of innovation (as depicted in Figure 17). For instance, it is obvious how an individual picks up the practical knowledge of living from the immediate world around him/her from an early age. He/she can then work through the education system, on the job or through his/her own efforts to take on more explicit knowledge, to develop more skills, or tacit knowledge and know-how. There has also been much attention over recent years on self-development and self-realisation, where individuals strive to develop their personalities and round themselves out, or there is just the simple learning of how to think and behave in the new environment that one might find oneself in. In the turbulent environment of today, where life seems to be lived at a frenetic pace, individuals have had to develop their ability to commit, recommit and re-recommit themselves to worthwhile endeavours. All of these developments in personal style could be regarded as learning, although the term has been more commonly applied to the most basic aspect of acquiring more knowledge.
To help the individual appreciate the style of others and help adjust his/her own behaviour styles, there has been a promotion of self-awareness and self-development courses such as the Myers-Briggs typology, which swept through the organizational world. With regard to the commitment sphere, there has been a reasonable study of decision-making processes (Janis and Mann, 1977; Pfeffer, 1992), but much less attention to the cultivation of personal and organizational commitment to innovation and learning, except as a secondary aspect of organizational culture (Schein, 1992). However, the process of personal death and rebirth which the downsizing epidemic in the corporate system has dealt out to many people, has delivered an experience where personal survival has been seriously threatened and this has led to many personal transformations where individuals have stepped into new modes of thinking and cognitive commitment.

It is of considerable significance both to theory and to practise that these three aspects of learning and knowing can be considered as a trinity of menetypes (Figure 17); a fact that can be established through both common sense and as a logical extension of the theory of mind developed in this thesis. For instance, in the managerialist theory on organizational performance and learning, much focus is put on corporate research and development, and the evolution of technology as a body of knowledge, with a secondary emphasis on the need to foster an encouraging and facilitating corporate style or culture (to increase the likelihood that innovation will actually occur). That the innovation literature has ignored the third aspect of the commitment mode, which is needed in any effort to foster greater innovation and technological advancement, has been the subject of study by a fellow PhD student colleague.\(^{215}\) One can understand the focus on knowledge and a repression of the need for commitment to implement, in terms of the greater focus on pure science and adoption of a linear, sequential process of planning, research, development, evaluation and introduction of new techniques, which eschewed hasty decision-making and corporate commitment to new initiatives. If one was to decide too soon, one might not have all the answers and the new product or approach might result in failure.

In keeping with the evolution of this age of politicism, the movement towards the menetype \#C orientation has been replicated in this trinity of innovation, where the focus is clearly now moving onto the commitment phase—or "just do it" as the slogan goes. Individuals and corporations are now encouraged to learn by doing and, allegedly, mistakes are to be tolerated. If it does not work then do something different or, perhaps, change the persons involved, particularly if an individual's replacement is necessary for the power network to maintain its hold. When the focus has shifted to the commitment mode (as it has in
this age of politicism), there is support from a secondary focus on the body of knowledge that is actually available to decide what would be the most useful to apply to the current situation. In this phase of continual decision and commitment, scant regard is paid to the impact of those decisions on the style or culture of the individuals or organizations (but rather whether the available knowledge is used to earlier and better effect than by their rivals).

This focus on the commitment phase of knowing, or the ability to make decisions is the reason why it is important that the individuals are already largely educated, trained and competent before they are appointed. They need to be well versed in making decisions and going with it, as well as being conversant with the range and depth of knowledge and technology available. In the current corporate decision-making milieu it is regarded as less important to have a deep understanding of the knowledge detail of technology or associated processes, rather just how to use them. This lack of concern for the deeper knowledge of how it works or the processes that are necessary to work towards a desired outcome is the Achilles’ heel of the corporate executive and, though it might not seem important in many circumstances, corporate executives should be encouraged to take time to learn, even though it essentially could be regarded just as some personal and group “cognitive slack.”

This need for individuals to be well versed in operating in the commitment phase with a secondary grasp of how to make effective use of the available knowledge has implications for the training and development of individuals aspiring to be corporate executives and/or members of the corporate boards. First and foremost, they need to be competent to make decisions in a political environment and in doing this they need to learn to be reasonable. Next, they need to acquire access to what knowledge is available and useful in their spheres of operation and so they need to learn how to be perceptive and discerning about what could be useful or not. Lastly, they need to have an understanding of the way people need to work together and the importance of corporate culture and to do this they need to learn to be intelligent.

To grasp the learning challenges in greater detail, it is useful to explore briefly the underlying components of this trinity of innovation or learning, for example:

- The knowledge sphere can be thought of as deriving from envisioning or a capacity to know what would be better than the present, from reasoning or understanding the logic of why or the processes that need to be followed, and from practicing and knowing what is right from the experience of doing.
• The style sphere can be thought of as comprising the competitive spirit as known in markets, the regimented order as known in hierarchies, and the collaborative trust as known in networks.

• The commitment sphere can be thought of as encompassing an innovative strategic intent that has a focus on the “good” of the corporation, a logical strategic intent that develops one step at a time in keeping with certain truths and facts, and a realistic strategic intent that is practical and grounded in the real world that confronts the corporation.

In light of the more detailed trinitarian hierarchy of conscious innovation (as depicted in Figure 18) and the discussions earlier about the current focus on the menotype #C phases in this age of politicism, the following observations can be derived in respect of the learning needs for aspiring corporate executives and board members.

• It is of primary importance that the individual is a practical decision-maker at the strategic level for the corporation. He/she needs to see the reality of the situation that the corporation is in, recognise the problems and the challenges, and have some appreciation for what is required to put the corporation in the right position to survive and flourish. The skills are those that Porter (1995) associates with the need to focus on developing the corporation’s competitive positioning strategy by scanning the environment (in terms of the Five Forces model) to assess the threat of new entrants, threat of substitutes, bargaining power of buyers and bargaining power of suppliers (Porter, 1995: 87). This is an essentially menotype #C approach to developing corporate strategic intent and is the reason that Porter’s (1995) ideas have been so successful and popular with practitioners (De Wit, 1997). Secondary, in support he/she needs to be innovative in seeing the opportunities inherent in the corporation’s competitive situation.

This is a practical knowledge at a very high level of cognitive abstraction or complexity that comes essentially from the doing and giving it a try, but he/she needs to have this competence when he/she is actually appointed to the corporate board. ‘Most people do not score very high on cognitive complexity. They may act in complex ways, but they are typically led—and argue that they lead themselves—by a few dominant ideas’ (Golembiewski, 1989: 91). Potential corporate executives and board members need to develop their thinking to handle practical decision-making in highly abstract and complex issues. This can only be done through practice and so needs to be built mainly into the individual’s career experience of
dealing with similar issues but at lower levels of complexity. This is why there is pressure for the lower levels of the corporation to reflect the same power dynamics \( (\text{menotype} \ #C) \) as the top. For instance, it would be helpful if the individuals had a chance to serve on organizational boards at the lower divisional levels of the corporation as suggested above.

Of continual concern is the need to develop the individual's capacity to think through issues logically, because the immediate relevance and pay-off may not seem obvious—reward goes to decisions that are practical and are seen to work rather than what is the continuation of a logical process that may or may not be relevant. Thus there is a need to acknowledge that individuals each need to build up some "cognitive slack" by acquainting themselves with some of the detail of how things work. This is achieved by a combination of personal analysis, on-the-job training, and the continuing use of formal education.

- The individuals need to be well practised in the particular style or culture that is in play at the corporate executive level; namely, the political collaborative approach \( (\text{menotype} \ #C) \) of working in networks. This requires first an acknowledgement of the essentially political nature of the decision-making process, secondly an admission of the importance for the individuals to develop and practise their political skills; and, thirdly, that support structures are put in place to help them do that. The practice of mentoring is an obvious mechanism in this regard but there needs to be a more overt acknowledgement of what it is about and that it can be a primary mechanism for the individual to be actually introduced into the networks that matter. At the secondary support level the individual needs to develop his/her market-oriented creative capabilities and this continues to be best done by placing the individuals in organization leadership positions that offer the necessary autonomy and commercial challenges that demand an entrepreneurial approach.

While developing these necessary strengths it is also important for the individual to recognise the value and place of using a regimented approach in hierarchies. The development of an understanding of the hierarchical orientation could be regarded as irrelevant to the prevailing management culture and it thus needs to be promoted in the sense of building in some "cognitive slack." The hierarchical approach has had primary relevance and value in physical production processes but it will also make a future comeback in the increasing need for order and regimentation of the Internet or communication equivalent of tomorrow. Protocols and procedures for
use of these seemingly infinite information channels will become more and more important as there is an increasing focus on the efficiency and security of use.

- The type of knowledge-creation skill that is most valued in the world of practical decision-making (menotype #C) is practical know-how; that is, the learning that comes from the doing. What is required is a grasp of those aspects of the vast reservoir of knowledge that are most appropriate in the particular circumstances and how that knowledge could best be used. This is a cognitive approach that requires a continual assessment of whether a particular approach or process is working or getting the desired results, and if it is not then doing something else that fits the circumstances better. This is done by lining up the menu of available options against what might have worked well or not in similar past experiences or by simply taking advice from somebody that one can trust to know what to do in these particular circumstances. Thus the learning of the individuals comes primarily from the relevance and challenging complexity of their career positions on the way up. This on-the-job learning could be enhanced by greater conscious dialogue on the lessons of their experiences, either with a mentor or by deliberately building in some dialogue or evaluation slack into the organizational processes.

The secondary knowledge-creation skill requires the individuals to be a bit more proactive rather than reactive in the selection of novel ways of employing the available knowledge. Cognitively, this involves some more innovative thinking and rather than going with what worked or what would work better than last time, the individual needs to envision something a bit different—or call on somebody who can. Learning in this case would be to practise the art of imagining better futures or empathising with what others would think as being a better world, such as what would the consumers be impressed with or what would inspire the admiration of other corporate executives. In essence, the individuals should try and show themselves to be more of a practical leader by having followers who actually believe in them and their capacity to find a better way.

There is also a challenge to keep in mind about why something works or why it would be better, because there is a tendency to repress this aspect of knowing. The wane in industrial and academic support for pure science reflects the necessary repression of the reasoning or “know why” orientation to knowledge creation to make way for the vocational aspects, or the doing it. There is a need for individuals to push against this apathy towards pure reasoning and take some opportunities to
think logically through the reasons why something works or should work. It is a
necessary part of learning if the individual wants to truly be able to think at higher
levels of complexity and abstraction, and not just operate out of some half-
understood ideas as intimated in the quote by Golembiewski above.

The above analysis of the learning needs of corporate executives and board members
suggests a few critical mechanisms that need to be put in place. For example:

- Corporations should openly acknowledge that individuals need to develop skills in
  political decision-making, and put in place organizational processes to aid the
  learning: such as value-based management, lower-level subsidiary corporate
  boards, realistic mentor programs, and in-house training that simulates decision-
  making in the real world.

- The higher education sector should develop ongoing executive learning packages
  that focus more on the know-how aspect of knowledge and use teaching methods
  that convey such practical knowledge more effectively. This would mean more
  experiential training in realistic simulations of the corporate decision-making
  world, which is geared to raise the individual’s capacity to think at higher levels of
  complexity and abstraction. This means that there has to be some working through
  the logic of why things are or why they work, but in a supporting role to the main
  focus on increasing an individual’s capacity for practical thinking (as opposed to
  the way formal education has made the teaching of logical systems, processes and
  methods the core of management education).

- Corporate boards can stimulate continued learning (and the corporation) by
  designing processes that require directors to extend beyond the reactive practical
  thinking (\textit{menotype \#C}) as encompassed in the normal board consideration of CEO
  proposals. There is a need for an ongoing dialogue that encourages directors to
  focus their thinking a bit more in the innovative mode (\textit{menotype \#A}). This would
  be achieved by defining specific roles for the directors in terms of portfolios where
  they are required to come up with or champion new policy initiatives within the
  context of board deliberations. Group and personal learning could also be
  stimulated by exercises that simulate a corporate board confrontation with realistic
  scenarios, as suggested earlier.

This learning on the job so to speak, or individual experiential education, is offered in
contrast to the “school for directors,” which is often recommended for one sector or another
of the power elite. Such schools would only serve their purpose if they are focused as discussed in this thesis; namely, focused on teaching individuals how to think at higher levels of abstraction and complexity (and how to lead others to do likewise), rather than on the traditional effort to convey a body of explicit knowledge. Certainly, there is a need for something like a Master of Governance to go beyond the Master of Business Administration, but it is something that should be tailored to the needs of the particular business executives and should be delivered within the corporate or industry setting, as far as is practical.

In summary, the principal conclusions from the above analysis of the interactions of the individual and the group in the corporate board's decision-making process are:

(19) The nature and dynamics of the individual participants' resultant cognitive commitment can be understood in terms of Hirschman's (1970) exit, loyalty and voice. To have both exit and voice operative as advocated by Hirschman (1970), it is necessary to establish more overt political structures and processes as identified in the earlier conclusions.

(20) Groupthink or over-commitment to losing courses of action occurs when the group gets locked into a particular cognitive mindset that is devoid of any internal tension (because of a lack of appropriate questions). Such a destructive cognitive phenomenon can be avoided and effective decision-making can be fostered by an appreciation and respect for all stakeholders, a genuine sharing of power, an openness to continuous scanning and striving to understand, and an acceptance of the need to be continually learning.

(21) Individual learning and capacity to innovate can be analysed in terms of the menotype trinity of knowledge, style and commitment. In this age of politicism, it is necessary for individuals to develop their capability and skills of operating within the commitment phase of thinking. This means that corporate roles and processes should more overtly require the implementation of political skills so as to provide on-the-job training at all levels, and that the higher education sector should provide for the aspiring corporate executives a more practical learning course within an industry setting.

5.4 Conclusions on Corporate Governance

Governance in the private corporate sector has been analysed from a number of different perspectives in keeping with the metaphor of the mind (based on the structure of the JEWAL
Synthesis philosophy of mind as explained in Chapter 8). The movement in societal thinking about corporations and how they operate has been identified and explained in terms of a general shift towards a menotype #C political mindset. From this analysis of cognitive trends, a number of conclusions have been reached about the next steps or initiatives required in the evolution of corporate governance.

First, there are a number of ways to improve the quality of corporate board decision-making, essentially by recognising the increasingly political nature and dynamics of the way individuals have to think and behave.

- To recognise the higher stage of cognitive evolution, the legal recognition of corporations should be raised from that of a group to that of a society or nation by being re-incorporated under Federal law and being required to participate in an international forum of corporate corporations (along similar lines to and connected to the existing commerce-oriented forums of nation-states).

- To recognise the more political cognitive orientation of corporate decision-making, corporations should be required to develop their own constitution and bill of stakeholder rights, which would lead to a more values-based approach to corporate management. Such arrangements and values statements could be developed under guidelines formulated by the national and international forums of corporate entities. The notion of ultimate societal “good” could also be better incorporated into corporate decision-making by the mandatory appointment of representatives from the higher education and/or scientific sectors of the social sphere.

- To stimulate the prosecution of the board’s ultimate responsibility for corporate performance, there should be a mandatory separation of the legislative, executive and judicial powers as between the Chair of the board, the CEO and the non-executive directors. To guarantee their independence, directors would need to be appointed in such a way that provided them with a power base separate from management; for instance, there could be some professional accreditation according to some assessment of merit and integrity, and the selection processes could incorporate some more democratic measures to reflect the wider community base of shareholders.

Second, there are a number of ways corporations can develop their organizational structure, processes and the specified roles of participants to enhance the quality of decision-making and to facilitate continued organizational learning.
- To recognise the higher level of complexity of the issues involved, corporate boards need to devote more time to decision-making processes and to indulge in more questions and dialogue, even to the point of building some “cognitive slack” into the corporate processes. Group learning by corporate boards would also be enhanced by developing further “cognitive slack” through the conduct of “what if” contingency planning.

- To enhance the quality of dialogue and questions of the corporate board decision-making processes, it is necessary to improve the effectiveness of the board’s environmental scanning and logical analytic processes, in particular by the appointment and adequate resourcing of a Director of Corporate Assessment. Corporate boards should develop a values statement that has an acceptable contribution from the thinking of society’s social sphere.

- To enhance the contribution of individuals and to assist the group learning process, the Chair should assign non-executive directors to particular portfolio responsibilities and require them to lead board consideration of the matters coming under their purview. Moreover, these “corporate ministers”, including the Director of Corporate Assessment, should be properly resourced and supported, while retaining their independence from corporate management.

Third, there are a number of ways that corporate participants can be better prepared as individuals to take on executive roles in management and corporate boards, and then to be encouraged to keep learning.

- To enhance the capacity for thinking in the menotype #C commitment mode and the personal political skills of the aspiring management and board executives, the more political nature of corporate decision-making processes should be more overtly recognised and orchestrated, even to the extent of utilising quasi-corporate boards for the autonomous units at the lower levels in the corporation.

- To reduce the proclivity for groupthink within corporate boards, there should be an enhancement of accountability measures that requires an appreciation and respect for all stakeholders, a genuine sharing of power between individuals on the board, an openness to continuous scanning and questioning the understanding of the group, and an acceptance of the need for continual learning.

- To enhance the commitment to continuous learning of the aspiring management and board executives, there should be more overt training processes focused on
developing their capacity to think and their ability to coach others how to think; for instance, the practice of mentoring should be more overt and related to real-time political positioning, and continuing formal education should be more focused on better decision-making that is more connected to corporate activity, which means the development of partnerships between corporations and the higher education sector to conduct extended on-site courses.

This analysis of corporate governance could be continued to an even greater level of detail but it is considered more fruitful overall to include some analysis in a similar vein of the public administration and not-for-profit sectors.
6 Governance in US Public Administration

The focus of this thesis is now shifted to the analysis of the status, role and importance of The Public Administration\textsuperscript{218} in the dynamics of the national governance of a capitalist republic, namely the United States. This topic is particularly ripe for analysis within this thesis because the US governance system is constitutionally founded on the trinity of governance menetypes encapsulated within Montesquieu’s (1952) doctrine of the separation of powers; namely, the executive, judicial and legislative powers (as explained earlier in relation to the top sphere in Figure 5). There would seem to be some validity and integrity in pursuing an analysis of the USA’s constitutional governance within the same cognitive framework and logic upon which it was founded.\textsuperscript{219} The inner and outer are one, or ‘what is government itself but the greatest of all reflections on human nature?’ (Hamilton, Madison and Jay, 1952: 163).\textsuperscript{220}

The essential task of the following analysis is to critique the call to arms and claims for pre-eminence of The Public Administration as argued in the so-called Blacksburg Manifesto (Wamsley et al, 1990: 35; 43; 47—italics in original).

\textit{We must therefore refocus the American dialogue from questions about the nature and role of “government” to questions about the nature and role of “public administration.” This would be a subtle but crucial shift in the American dialogue from questions of “whether” there should be a role for The Public Administration to questions of “what form?” that role should take...}

\textit{The Public Administration needs to assert, but also to be granted, its propriety and legitimacy as an institution. It should assert the value of the Agency Perspective in effective functioning of the political system, the value and legitimacy of the Public Administrator as an actor in the governing process, and the distinctiveness and worth of his or her role—competence directed to the maintenance of: the Agency Perspective, the broadest possible understanding of public interest, and the constitutional governance process...}

\textit{It is time for us to advance the proposition that the popular will does not reside solely in elected officials but in a constitutional order that envisions a remarkable variety of legitimate titles to participate in governance. The Public Administration, created by statutes based on this constitutional order, holds one of these titles. Its role, therefore, is not to cower before a sovereign legislative assembly or a sovereign elected executive. Our tradition and our constitution know no such sovereign. Rather, the task of The Public Administration is to share in governing wisely and well the constitutional order that the framers of the Constitution intended as an expression of the will of the people who alone are sovereign.}
In testing the validity of such ambitious (or seemingly pretentious!) claims for public administration, the following analysis traverses, in an ordered fashion, the many perspectives as suggested by the hierarchical structure of menotype trinities. Essentially the analysis explains the following three key questions.

(i) What is the appropriate authority or power status of The Public Administration in the constitutional governance of the United States?
(ii) What is the role of The Public Administration in the decision-making process of government, and is there really a politics–administration dichotomy?
(iii) What substance is there in the claim of public administration as a vocation?

6.1 Constitutional Power and Authority

In analysing the status and role of The Public Administration in the constitutional governance of the United States, there is a focus on the following questions.

- First, what is meant by the constitutional separation of powers within the US governance structure?\textsuperscript{221}
- Second, what is the proper placement of The Public Administration in the national governance of the United States?
- Third, what is meant by the notion of the “public interest”, and what role is assigned to The Public Administration?

6.1.1 What is the significance of the separation of powers?

Montesquieu’s (1952) doctrine of the separation of powers refers to the menotype trinity of the executive, judiciary and legislative powers of the political sphere of society (as explained above and depicted in Figure 19).\textsuperscript{222} At the outset it is important to acknowledge that the rationale for the separation of powers is not only for its negative, restraining check on the exercise of power, which is achieved principally through a balance between the powers and the introduction of the necessary checks and balances. Rather, right from its early development by the English [even before the time of Montesquieu’s (1952) more elegant and fulsome exposition of the doctrine], there was a positive constructive aspect that made for better political processes.\textsuperscript{223} ‘It is worth reminding those who criticize the separation of powers for preventing governmental effectiveness that its first advocates urged the separation of “legislative” and “executive” functions on the grounds of efficiency’ (Gwyn, 1965: 33).
This positive aspect was also reflected in the Federalists’ argument for the Constitution, ‘Energy in the Executive is a leading character in the definition of good government... A feeble Executive implies a feeble execution of the government’ (Hamilton, Madison and Jay, 1952: 210).224

That is, the doctrine of the separation of powers was a natural development of political thinking about good government in that it sought a differentiation of these three powers as existing in their own right while being exercised together within any national government. The next task, which was articulated so effectively by Montesquieu (1952), was to define how such a differentiation of the executive, judicial and legislative powers should best be handled in the structure and dynamics of national government. The framing of the US Constitution itself was overall a positive constructive act that was intended to facilitate and encourage the flourishing of a new and developing nation. The clear identification of the legislative, executive and judicial powers (Constitution, 1952: 11ff) and the application of Montesquieu’s (1952) doctrine of the separation of powers were intended to develop the most progressive and productive governance system while holding in check any particular preponderance of any of the powers to dominate to the exclusion of the others by effecting a balance between them.225 Moreover, by endowing them with their own separate power basis and the requirement and processes to interact, the Constitution effectively established the need and the means for an ongoing dialogue between the three primary governance powers.226 This is an important prerequisite for democratic and conscious governance.

The constructive aspect can also be seen in terms of the spirit of democracy, which underpinned the birth of the new country. Representative democracy means that although there is the rule of the people, there is necessarily an authority structure. The necessity for this governance structure was established earlier in this thesis within the context of the discussion on Michels’ (1962) Iron Law of Oligarchy (Section 4.1). Democracy means that the overall governance structure allows for the legitimate participation of all individuals and groups in the political dialogue, but within an ordered, structured hierarchy of authority that allows the nation as an entity to move forward constructively. In modern rhetoric it is called pluralistic but not all voices are equal—there is an accepted hierarchy.227 This structure of societal dialogue in the political sphere is best understood in analysing the interplay of the three powers in terms of the trinity of cognitive *menetypes* that they are (with reference to Figure 19).

Interpreting the US constitutional definition of the separation of the three powers in terms of its genesis as the trinity of cognitive *menetypes* allows the following observations.
• It is not required for there to be a distinct and unrelated separation into the three *ideal types* of legislative, judicial and executive power. This understanding stands in direct contrast to much of the long-standing criticisms of the continuing relevance of the separation of the three powers because of their lack of purity in practice.\textsuperscript{228} That there should be an interdependent and appropriate sharing of powers is justified in the Federalist papers, particularly #47 (Hamilton, Madison and Jay, 1952: 154), which argued that in respect to Montesquieu (1952), both ‘the example in his eye... On the slightest view of the British Constitution, we must perceive that the legislative, executive and judiciary departments are by no means separate and distinct from each other... and... he [Montesquieu] did not mean that these departments ought to have no *partial agency* in, or *control* over, the acts of each other.’ Each institution represents a predominance of one particular power but also includes some measure of the others, and there is a specific interrelationship and interdependence between them.\textsuperscript{229} In line with the dynamics of the trinity of *menotypes*, one of the other powers is used in a secondary, supportive role and the other much less so but rather providing more of a check on the primary power of the institution.\textsuperscript{230}

For instance, the legislative power relies principally on the executive power to provide national leadership and to exercise the national will to deliver the government programs and to use the resources that are enacted in the financial legislation.\textsuperscript{231} There is some attempt for Congress to exert direct influence over the executive’s program delivery through the review process of its committee structure. There is not the same oversight over the activities of the courts, and it usually takes some *ad hoc* event or breakdown of law and order for the legislative to focus its attention on the activities of the courts. In addition, there is a direct role constitutionally prescribed for the direct involvement of the legislative power in the selection of the President, and it is the President who nominates the Supreme Court judges. But Congress maintains limited involvement in both through the requirement for it to ratify the President’s nominations both for the judges and for the top Executive team.

• In one sense, each of the powers is equally important to the governance of society, but different. In another sense, as evident in the natural (cognitive) order of human thinking, there is acceptance of a hierarchical order—the higher levels of abstract thinking are intuitively regarded as superior to the lower orders.\textsuperscript{232} Hence it is
pertinent that 'In the republican government, the legislative authority necessarily predominates' (Hamilton, Madison and Jay, 1952: 163) and the President is always subject to the law. Executive orders cannot contravene the law as enacted or interpreted by the courts. In other words, the whole nation is under the rule of law as enacted by the legislature and interpreted by the courts. That the legislative function actually predominates is also manifest (in extrapolating the analysis in the preceding point) in the way society normally refers to the Government as only including the legislative and executive (which is secondary) components, while acknowledgement of the other judicial department as an arm of good government is usually repressed (in keeping with the dynamics of the cognitive trinity). That is, the courts would normally be considered as a negative restraint on the excesses of the Government, and the Executive administrative action is regarded as the more vital secondary support to delivering government programs. That is, the Executive is the lowest level of the trinity of powers in an ontological sense, but it is playing a secondary role in the society's focus on Government action.\textsuperscript{233}

What is also important is that each of these three aspects of governance are given power in their own right, together with the proper authority and processes to act and develop their thinking and action. It is readily apparent that the exercise of these three powers singly independent of the other two would mean three different forms of Government that would be inclined to go in different directions.\textsuperscript{234} That is, they are quite distinctive powers that are radically different from each other but together make the whole of the authority needed for effective governance.\textsuperscript{235} Moreover, though they are differentiated powers, they are not mutually exclusive and there is provision for them to interact and influence one another in either a secondary or marginal way.\textsuperscript{236} The most constructive aspect of the Constitution, therefore, is that it makes these three powers co-dependent on one another and virtually requires them to sustain a dialogue—this structure and mechanisms are often referred to negatively as "checks and balances", but what the Constitution has instituted with the system of governance is a mutual respect and an inclination or necessity for political dialogue.

This interactive arrangement is exactly analogous to the cognitive dynamics required for personal consciousness as explained in the trinitarian theory of mind outlined in this thesis. That is, the US constitution established a firm basis for conscious governance in the same way as modern depth psychology advocates an
ongoing dialogue between the aspects of the conscious and unconscious mind (or between the many different cognitive perspectives of the individual) as a necessity to journey towards conscious living. In other words, effective governance requires an effective authority structure or an effective oligarchy (as explained earlier) to journey forward in a conscious way.\textsuperscript{237} The US republic is therefore seen to be ordered along the natural lines determined by human thinking in that the more abstract decision-making is ascendant over the more concrete and there is a real interconnection and interaction between them in the way as prescribed by the trinity of \textit{menetypes}.\textsuperscript{238} In this way, US constitutional governance can be recognised as the most holistic, efficacious and harmonious structure and dynamics for conscious governance\textsuperscript{239}—in that it both consciously acknowledges the existence and nature of political power and has built into the framework the capability to be self-reflexive,\textsuperscript{240} US national governance is therefore able to develop and mature to the level of complexity necessary to handle the affairs of modern government in a positive, constructive way.\textsuperscript{241} In fact it was destined to become strong and positive, as it was based in the practical arrangements of defining institutions (\textit{menetype #A}) but kept aspiring to the highest intellectual expression (\textit{menetype #B}) of governance through the concept of the separation of national powers. This left open the definition of, or the call to, the spiritual regime (\textit{menetype #C}), but the core of the Christian religion was reflected (unconsciously) within the trinity of separated powers.\textsuperscript{242}

In the US capitalist system the power of the Executive is enhanced by the overall societal focus on the economic sphere and its cognitive flow-through effect in promoting a predisposition to the \textit{menetype #A} stream.\textsuperscript{243} Normally, the President is regarded as the person who is going to deliver the government program to create a better society. If in fact the person of the President is actually able to encapsulate in a vital leadership way the national spirit and the “good” of society, then the President becomes symbolically elevated, as the people’s level of thinking rises to the \textit{menetype #A} level above the usual thinking of national governance.\textsuperscript{244} In these cases the President is said to represent the “public interest” and thereby has the moral authority to articulate and carry forward the national agenda,\textsuperscript{245} which is more the case for some Presidents than others—moreover, this state of affairs normally only holds for the first couple of years of their terms while everybody’s expectations remain high (or while the people are projecting their dreams for the “good society” onto the Presidential incumbent). However, the Executive power as
encapsulated in the doing or in the administrative delivery of the government program, remains down at the bottom of the hierarchy of cognitive importance in this primary trinity of governance. That is, the President as CEO of The Public Administration is the lowest ranking in the hierarchical trinity of primary powers in US constitutional governance.

- Surrounding the three powers and in the overlapping middle is the Other (in Figure 19)—or the public, who is both the transcendent power that owns and legitimates the system of governance, and at the same time includes the recipients of the fruit from the hierarchy of governance. That is, within the authority sphere of governance there is no direct articulation of the people’s will in terms of individual clients who could argue for the services and “good” desired by the individual members of the society—but only as a transcendent collective, which is as would be expected in a representative democracy. The power of the people as encapsulated in their collective desire to provide for the “good” of the society or the so-called “public interest” is articulated in the first instance in the Constitution (1952). The Constitution (1952) essentially establishes a system of governance to interpret and deliver the “public interest,” and embodies the esoteric essence, which all participants in the political sphere swear allegiance to uphold (down to the school children through their allegiance to the flag). The Constitution (1952: 11–21) defines the governance system ‘to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity.’

This “good” of the people infuses and inspires thinking in the same manner in all departments of the governance structure—but there is still that hierarchy in the way people regard the validity in its interpretation. Most importantly, the laws of the land are required to be in accordance with the Constitution and then each of the institutions in the hierarchy of governance are required to act in accordance with the “public interest” as articulated in the Constitution and within the powers granted them through the Constitution—or implied in the logic of the hierarchy expressed in the Constitution. This implied hierarchy is most naturally (cognitively) expressed by an extension of the same thinking that underscores the breakup of powers within the Constitution—namely, the trinitarian hierarchy of menetypologies.
There is therefore a call for ongoing interaction between all levels of the governance hierarchy and the people, with the opportunity for the specific actions at each of the levels to be influenced by an influx of insight from the Other, which helps inform them about what the “public interest” would suggest in this instance. In this sense, “public interest” is an amorphous concept essentially contained within the collective unconscious of society, and which can be interpreted by any level of governance.

However, any interpretation of the “public interest” needs to have cognisance for the already extant conscious commitment to what the “public interest” might mean in particular circumstances—and it is this conscious commitment to the meaning of the “public interest” that is hierarchically organized in accordance with the accepted structure of governance. That is, the consciously articulated interpretation of the legislature is pre-eminent and that of the Executive’s administration arm is much lower and subservient to the interpretation of those above it in the governance hierarchy.

What happens with the magisterial or demagogic Presidents is that they have grasped some insight on the “public interest” that resonates with the collective unconscious, and they are then charged with the task of deliberating upon and presenting a legislative program so that this particular aspect of the “public interest” can be consciously articulated by the legislature—the highest accepted governance power in the land. Once the “public interest” has been consciously articulated at this level through enacted legislation, the articulated principles flow down in a manner explained as collective cognitive procession (i.e. anti-clockwise around the trinities) to inform and imbue the lower levels of governance with the principles of action—action that is in accord with the “public interest”.

6.1.2 What is the relative status of The Public Administration?

The legislative, judicial and executive powers represent the primary or first-order authority within the governance hierarchical structure. All other institutions or bodies participating in the governance structure are, in some way, subservient to the power and will of the Congress, the Supreme Court and the Executive.

The Public Administration is defined as comprising all those bodies that derive their existence or ongoing financial sustenance through some act(s) of the legislature as opposed to relying on the personal patronage of a particular political office. That is, The Public
Administration comprises those organizations where the vast majority of officers are subject to bureaucratic appointment rather than to political appointment or the appointment of loyal followers. The primary role of The Public Administration is to carry out the will of the Government, and so it is placed conceptually in the service of the Executive—that is, to be principally responsive to the Executive’s practical interpretation of the consciously articulated (i.e. officially enacted and recorded) “public interest” rather than directly to the judicial and legislative powers. However, it is recalled that there is not a complete and distinct separation of powers and so it is accepted that The Public Administration will be responsive to the other two powers as well as the Executive, and that some elements of public administration would come directly under the Courts or the Legislature.

This makes The Public Administration clearly a second-order participant in the governance authority of the nation.\textsuperscript{252} It is clearly subservient and in no way an equal player with the Congress, the Supreme Court or the Executive.\textsuperscript{253} It is required primarily to carry out the will of the people as consciously articulated by the interpretation of the three primary powers, which means in accord with its enabling legislation, the law of the land, any relevant Executive Orders and in keeping with the program of action as formally and legitimately approved by the Executive, particularly as captured by the President’s acknowledged mandate.\textsuperscript{254} Being so far down the governance hierarchy, The Public Administration is therefore beholden, and subject, to influence by many players, particularly all the superior governance powers in the political sphere and especially in its relationship with the Executive.\textsuperscript{255} Its relationship within the Executive can be defined principally in terms of its authority relationship to the Executive Office of the President, the authority and power of its political appointees, the political power of its constituency, and the interest and priority accorded to its activities by the Congress as opposed to the President.

Given its second-order status, it is not correct for The Public Administration to assert that its role ‘is not to cower before a sovereign legislative assembly or a sovereign elected executive. Our tradition and our constitution know no such sovereign. Rather the task of The Public Administration is to share in governing wisely and well the constitutional order that the framers of the Constitution intended as an expression of the will of the people who alone are sovereign’ (Wamsley et al., 1990: 47). The legislative assembly and the Executive may not be lone sovereigns, but the Constitution certainly accorded them the pre-eminent responsibility and authority to represent the sovereign will of the people and interpret and deliver the “public interest.” There is a first-grade contest of political power and then there is the second-grade curtain raiser in which The Public Administration plays.\textsuperscript{256} What Wamsley
et al (1990) are trying to interpret and articulate is the maturing of the US governance mind that is expressed in the natural cognitive phenomenon of a further differentiation of powers—namely, an emergence of the second-order powers both amongst themselves and as more autonomous from the primary trinity from whence their powers are derived. Therefore, it is not appropriate to say that they ‘share in governing’ with the first-grade teams, but rather The Public Administration “assists in governing.” They are more like an instrument through which other institutions operate. Government decision-making is constitutionally vested at the level of the three primary governance powers, and the role of The Public Administration is to assist the Government develop policy and then help by implementing the formally approved policy or program. However, as we go on to fill out the detail of such a role, it is patently clear that The Public Administration is subservient and cannot be considered an equal partner in governing, no matter how much disparagement is heaped upon the so-called “overhead theory of democracy”.

An analysis of the role of The Public Administration therefore needs to be conducted within the second-order governance trinity elaborating on the contributors to the executive power sphere (as depicted in Figure 21), which comprises the Executive Office of the President, The Public Administration, and the Cabinet Ministers and political appointees. The following observations can be made.

Observation 1

- The primary focus in this trinity of executive will is accorded to the Executive Office of the President, which has grown over time in accordance with its ascendant role. The President relies on this Office to maintain the primary links with the other primary governance institutions and also to play the adjudicating role in resolving or (better still) transcending any significant conflicts between the political appointees (menotype #A of political governance) and the entrenched bureaucracies (menotype #B of political governance)—and to do so in the context of the political milieu defined by the involvement of Congress and powerful constituencies. How much they actually become involved with particular public administrative agencies is determined by the nature of the issue and its relative priority within the President’s purview.

The Cabinet Ministers and political appointees to the agencies are there to give expression to the President’s public or ideological agenda in a secondary, supporting role to the Executive Office of the President. “Although legally the appointee of and answerable to the President, it is now generally conceded that the
typical cabinet officer's immediate supervisor is one or more members of the White House staff.” This reduces access of secretaries to the president and weakens their political effectiveness’ (Nachmias and Rosenbloom, 1980: 52). Where they are not playing as supportive a role as would be needed there is likely to be a compensating increase in the power and influence of the primary power of the Executive Office, as was the case in the rise to power of the National Security Advisor.260 The support provided by these Ministers and political appointees is in terms of developing new policy and new ways of executing the Government’s will in particular policy areas and situations. In this sense they are the executive or entrepreneurial arm of the Executive and, to succeed in this role, they need to develop the belief in others that they do indeed have the personal capacity to develop the right answers for the President—and that the answers should then be followed. In developing and delivering their new policy initiatives they will look to their agencies as the management resource to work through the most efficacious way to implement the new or changed program.

Essentially, The Public Administration can be explained as the menetyp #B4 of political governance, or the management of the Government’s will within the Executive.261 This particular type #B orientation defines the essential character and order of things that takes hold in the workings of the public bureaucracies.262 In keeping with their phase #B spirit, the principal source of authority for The Public Administration is written law and the accumulation of past endorsed government policies and processes. Within the trinity of executive will (Figure 21), it is readily apparent that The Public Administration is the most devalued aspect (in keeping with the primary elevation of the Executive Office of the President). It is regarded in practice as the least powerful, least relevant, least important etc and is given the least amount of conscious focused energy by the Government and society, and therefore less attention is devoted to its development—but rather much more attention seems to be given to its denigration.263

To appreciate more fully the true position of The Public Administration in the governance hierarchy, it is necessary to acknowledge the key dynamics of each level as follows. At the primary level of the US capitalist society, the political sphere is actually the repressed counterpart to the primary focus on the economic sphere.264 At the secondary level of the separated powers of Government within this repressed political sphere, the role of the executive will of the Government is
principally seen as a secondary support to the primary role of the legislature. At the tertiary level of this supporting executive action (of the executive arm), The Public Administration is seen as the repressed aspect of the primary political power positioning of the President's Office. This adds up to a very low status for The Public Administration in the collective consciousness of each of the general society, the governance institutions of the political sphere, and even its immediate partners in the governance hierarchy.

Putting it another way, the general attitude adds up to a mindset that believes more or less that The Public Administration should be rarely seen and only heard when it is spoken to in the conduct of the business of Government. More explicitly, it should only respond when spoken to in the policy development process and it should do as they're told without complaint in program implementation! That is, it should be faithfully responsive to the political interpretation of the objectives or "public interest" for which the governance hierarchy is striving. As the US governance system has developed and become more consciously aware, this disposition to ignore The Public Administration has matured into a certain tolerance to listen to the Public Administrators. Certainly, the rhetoric and processes give the impression that The Public Administration has been accorded some real involvement in the political process. The calls for efficient government, due process and responsiveness are the signals to pay some attention to The Public Administration. However, the areas where it remains neglected and unattended are the areas where The Public Administration builds up power of its own (in much the same way as in the unconscious of the personal psyche) and, given that it is an exercise essentially by the politically unconscious aspects of the governance system, the exercise of such unchecked bureaucratic power is seen to be (and probably is) negative.

In fact, the status and role of The Public Administration is so repressed in the collective thinking about US governance that it could termed the second-order unconscious mind of US Government, which is in the collective shadow of the conscious political mind—and the conscious political mind quite clearly comprises the first-order governance team of the Congress and the Executive. In this sense, The Public Administration is essentially like the hidden part of the iceberg, which is much larger than the top, but is essentially seen to follow the lead of the floating top section (but can seem vice versa to wishful thinkers). The
political dialogue between the superior political institutions and The Public Administration could therefore be described as the dialogue between the collective conscious and unconscious of the US political governance structure—a process that is regarded as healthy in an individual and is enthusiastically encouraged as the path to psychic health by depth psychologists such as Jung (1960; 1964a; 1964b; 1969a; 1971).

From the perspective of The Public Administration, it is primarily concerned with carrying out its formally prescribed role and working logically towards realisation of the objectives set for it by proper authority. It has a secondary, supporting mindset of political responsiveness. This means, in the first instance, being responsive to the office of the President and particularly to any Executive Orders. If the President has a strong public agenda or personal interest in the particular area then this is likely to be the most influential determinant of political responsiveness for the public agency (providing the executive orders do not contravene extant legislation or the law).

If, however, there is not a visible commitment to a particular agenda by the President then the political influence can be exerted through the commitment of the higher menotype $^C$ political orientation, namely the Congress through its committee structure. Should the Agency’s constituency have political power to influence either the interest of the President or of the Congress, then the Agency is prepared to incorporate consideration of these interests in its secondary level of influence. In sum, the Agency does spend time and energy to come to terms with the political dynamics and it can be understood in terms of forestalling and reacting to what could effectively be passed into law or official commands, if the time and resources warranted such an effort. That is, in a healthy public administrative agency, politics is ever only a secondary power in influencing its interpretation of the primary fully endorsed riding instructions from Government.

The role of The Public Administration can then be seen as quite different to that of private sector middle-order management (which was also explained earlier as menotype $^B$ of corporate governance). Though they both have the same core phase $^B$ spirit and are both there to support the implementation of the programs of public or private entrepreneur (i.e. as a menotype $^B^C$ management orientation in support of the menotype $^A^C$ entrepreneurial orientation), the mindsets and dynamics are radically different. The public sector management is a repressed
aspect of the action, which is more focused on the politics of the situation and serving an executive (or government entrepreneur) that has only a secondary supporting role in the political sphere.276 On the other hand, the private sector management has been regarded as a secondary support to an entrepreneurial mindset that has primacy in the economic sphere.277 These different governance dynamics have resulted in much more attention, energy and importance being devoted to the private sector management, and it has been seen to be much more dynamic as a consequence. Moreover, because the public agencies are required to develop consciously their secondary focus on political responsiveness, the natural ordering of governance of their political environment reinforces the cognitive core of their bureaucratic behaviour, and that is why they are regarded as the more truly bureaucratic. But more of this later.

**Observation 2**

- In keeping with a lower-level menotype #B spirit, The Public Administration takes its program of outcomes from outside itself and is not in the business of creating its own objectives or vision278—these are given by higher-order participants in the governance, though the agencies might go through internal planning sessions to clarify and express objectively what those objectives mean for them. Such a set of objectives is transmitted from the more superior governance institutions, primarily in the form of written enabling legislation, laws and formal orders. These objectives are meant to be re-interpreted into more effective forms of expression and implementation by the political appointees to the agency (in the same way that the national Government as a whole is led into new agendas by the President). Any new agendas not deemed to be in keeping with the extant, recorded authority of the Government would need to be processed back through the President’s Office and Congress before the agency is able to take it into account.

The Public Administration is therefore seen to be, potentially at least, directly responsive to the President's power by being answerable to the Executive or Government commitment. Theoretically, if the President wanted the agency to adapt to a clearly different agenda then, with enough time and/or political energy, the President could orchestrate the necessary appointments (throughout even the permanent bureaucracy) and agency guidelines to make the required changes in program delivery—even in the face of opposition of others in the governance structure.279 The problem, however, is that often the legislation needs to be
amended or it is not of sufficiently high priority to the President’s overall program or the political cost is just too high because of the high interest of other players in positions of power within the governance structure.\textsuperscript{280}

The Public Administration is directly responsive to the influence of the courts through its common *menotype #B* connection. The most obvious and direct influence is through the written court orders but there is also a natural predilection as part of good administration for the agency to take into account an anticipation of the way the court would respond to any particular questionable intentions— principally, will it stand up in a court of law? And the *menotype #B* oriented bureaucrats would have a better natural feel for that than most.\textsuperscript{281}

The Public Administration is responsive to the Congress principally through its primary responsibility to act in accordance with enabling legislation. It is not regarded as proper that Congress should issue directions or play a direct role in its administrative processes, but it has a proper role of review to test the efficacy of its legislated policy and that public administration is in accord with that policy.\textsuperscript{282} Theoretically, perhaps, The Public Administration should be responsive to Congress through the mediation of the President’s Office, which could influence the development of draft legislation and also the quality and quantity of evidence given to Congressional committees if it wanted to enough. However, where the personal or political interest of the President is not high, the public agency’s secondary nose for politics encourages it to interact consciously and meaningfully with Congress (as the higher level *menotype #C* office),\textsuperscript{283} which is appropriate and is consistent with its bureaucratic mindset.\textsuperscript{284}

The Public Administration is naturally (or cognitively) most suspicious and least responsive to the new Minister and political appointees who are installed to lead them in new and better ways. There is a natural resistance within the agency hierarchy to individuals with new entrepreneurial ideas that cut across the established order.\textsuperscript{285} The agency would prefer to direct more of its energy into trying to induct the new appointees in the agency’s established way of viewing the world and doing things, rather than have to respond to the seeming whims and idiosyncrasies of the externally appointed leaders. More often than not, the bigger and more established agencies tend to succeed.\textsuperscript{286} John Ehrlichman, Nixon’s chief domestic advisor, expressed it with less elegance: “We see them [cabinet members]
at the annual White House Christmas party: they go off and marry the natives.”
(Nachmias and Rosenbloom, 1980: 93).

Observation 3

- It is to be noted that the client has still not appeared explicitly on the scene of governance authority. The agency’s responsiveness to clients’ needs is seen to be moulded principally through the eyes or interpretation of the political hierarchy above them. From the agency’s leadership perspective, the clients’ needs are still imbedded in the distilled interpretation of the “public interest” by the governance hierarchy that has been depicted in Figure 21. The conscious acknowledgement and articulation of the “public interest” is still through the particular interpretation of the authority hierarchy of the political sphere but each of the governance participants is susceptible to a renewed appreciation of the “public interest” as inspired insights break through from the Other (or the society’s collective unconscious).  

That is, the “public interest” is a concept of a transcendent knowing for the US governance structure (Wamsley et al, 1990: 40–41)—it is enveloped in the Other, or resident in the collective unconscious as a teleological concept of the “good,” and it is for the governance hierarchy to give conscious expression to those aspects deemed appropriate at the moment. Perhaps this can be explained from a different perspective by reference back to the principal trinity of the intellect (individual, group and society, see Figure 2), which can be reconfigured in terms of the particular “good” for which each of them is striving. This can be conceptualised as the trinity of teleological interests of society, which includes the three menetypes of the private interest, the common interest and the “public interest” (as depicted in Figure 22). It can be appreciated that this is indeed a trinity of menetypes if it is understood that, first, the private interest encompasses the specific individual creation and acquisition of concrete consumer goods and services; secondly, the common interest infers the joint pursuit by groups of people of a specific cause or meaning, which can be expressed clearly enough to be understood and used to attract members to join in the group processes; and, thirdly, the “public interest” is an even more abstract term connoting some emergent notion of the “good” which is constantly being redefined in the society’s dialogue—but there are always the glimpses of something to continue striving for as a national effort.  

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In a capitalist society, the focus is squarely on pursuing the private interests, with a secondary focus on the organizing with others to enhance the provision of goods, services and satisfaction to the individual. In a pure democracy, the principal focus is on the pursuit of common interests, with a secondary focus on clarifying and delivering some agreed notion of the “public interest.” In a capitalist democracy, the situation is more complex and there is an ongoing tension, which finds expression in a focus of the governance structure around the more nebulous “public interest” in preference to any overt kowtowing to individual or group interests (at least in theory). Each agency in The Public Administration, then, is formed around a particular set of common interests as defined by the enabling legislation, which means that they have a natural (cognitive) secondary focus on grasping and defining their actions in terms of the “public interest.” They have a natural inclination to eschew giving any priority to the particular private interests of individuals (clients). To repeat, it is only right and proper for agencies in The Public Administration to focus more on the “public interest” as interpreted by the governance hierarchy above them than on the particular needs of the individual clients that they serve. This dynamic has been captured by the notion that The Public Administration needs to develop and adhere to its particular Agency Perspective (Wamsley et al, 1990; Wamsley, 1990b).

In settling on a workable conception of the “public interest,” therefore, The Public Administration naturally (cognitively) has a greater orientation up the hierarchy of governance rather than downwards to the needs of individual clients. This is entirely appropriate, as the nation and its Constitution were set up for the collective national good rather than to further any particular individual’s welfare as might have been the case in more primitive groups. Indeed, in terms of the trinity of the teleological interests of society (i.e. private interests, common interests and the “public interest” as depicted in Figure 22), it is obvious that if there is a primary focus on the needs of the individual client, then the societal public good is naturally (cognitively) prone to be repressed and ignored. As nowhere near sufficient resources are available to satisfy everybody’s individual desires, an impoverished society and anarchy would likely follow.

Moreover, in grasping the concept of the “public interest” different mindsets focus on it differently, particularly at the highest level of societal thinking. Such a differential is grasped in Glendon Schubert’s analysis (quoted in McSwite, 1996)
of three major schools of public interest thought\textsuperscript{294} namely, idealism, rationalism and realism—three diverging perspectives that form a trinity of \textit{menetypes} capturing the essential nature of the "public interest" (as depicted in Figure 23). It is reasonable to say from the analysis in this thesis, that the orientation of The Public Administration has been principally towards the rationalistic (\textit{menetype} #B) view of the "public interest," which was certainly in line with the rest of society during the managerialist age. However, in this new age of politicism, the societal conception of the "public interest" has moved on to the realist (\textit{menetype} #C) view, which, to assert its supremacy, naturally depreciates the rationalistic view. The Public Administrators now are confronted with a choice between staying with their natural inclination towards the rationalist perspective and seemingly becoming increasingly irrelevant as a consequence, or going with the flow and entering more into the realist or political mindset of defining the "public interest." This would indeed be a sell-out of the soul of public administration and a significant step towards a feudal-like attachment of administration to the many different political interests. This would also result in a further fracturing of The Public Administration rather than the integration as exhorted in the Blacksburg Manifesto (Wamsley et al, 1990).

6.1.3 What is the meaning and significance of the "public interest"?

The notion of the "public interest" is to the political governance what the concept of consciousness is to the personal psyche (or the cognitive hierarchy of human knowing).

- Both are transcendent concepts that have proved difficult over time to define or grasp.\textsuperscript{295}

- Both contain a conception of the "good" to which the whole governance system (societal or personal) is consciously aspiring—it is "good" to be operating in the "public interest" and it is "good" for individuals to be operating consciously.

- Both encapsulate multiple perspectives that mirror the different mindsets exercised in the hierarchy of political governance\textsuperscript{296} or the cognitive hierarchy of personal knowing and, as such, are inherently paradoxical and problematic notions subject to continual internal tensions.

- Both incorporate notions of change and evolution over time, as they grow more complex through the assimilation of more and more of the different perspectives.
To analyze the role played by the "public interest," it is useful to differentiate among the principal determinants of The Public Administration's conception of the "public interest." In developing its concept of the "public interest," The Public Administration is influenced principally by the Constitution and its valid interpretation to date by higher authority; secondly, by the agency's enabling legislation and the relevant enacted law; and thirdly, by responsiveness to the Government's intent, which is articulated by the politics of the day—principally from the President's Office and from Congress (as depicted in Figure 24).

The most abstract formulation of the "public interest" is via the Constitution and the accumulation of authoritative interpretation of it by higher political authority. The Constitution (1952) provides a summary of the aspirations of the society and an outline of the moral fabric and political governance structure to which The Public Administration is required to respond in interpreting the "public interest"—or the particular objectives to be met by its programs. It locates the Public Administration's interpretation of the "public interest" as subservient to all of the three first-order governance institutions (i.e. legislative, judicial and executive power) and, in that sense, it can be a very complex, paradoxical milieu from which The Public Administration is required to eke out its conception of the "public interest" and operate in good faith. The accumulation of authorised interpretations of the Constitution encapsulates its highest "good" and, in essence, it is therefore required to serve the nation before it serves its individual clients—or it can only become client focused clearly in keeping with its primary responsibility of working towards the "public interest" as defined by the Constitution and its political superiors. It is not free to pursue its own agenda or its own conception of the "public interest" to the exclusion of the other players.

The working guidelines (or next level of abstraction down) of the "public interest" are captured in the enabling legislation and relevant laws. This is the expression of the "public interest" that The Public Administration most naturally and readily responds to—it is in many ways regarded as its raison d'etre. A great bulk of the intellectual effort of the agency's authority hierarchy is spent in organizing itself and its processes to meet the letter and spirit of this legislation. The notion of "due process" captures the logic of administrative thinking that is firmly based in a sound (logical and defensible) interpretation and application of such legislation. Moreover, the enabling legislation is also used as the key measuring stick to assess the agency's performance.

The most concrete and immediate expression of the "public interest" is the day-by-day exercise of political will by the Government of the day. The Government's current intent and will are expressed by the political players with an interest in the agency's activities. As
discussed above, this is principally explicit in the agenda pursued by the Executive Office of the President, the political appointees to the agency, and the relevant Congressional committees. These sources exert urgent pressure in real time on The Public Administration to adopt their particular interpretation of what should be done in the public interest. To the degree that The Public Administration responds or not it is regarded as being responsive or not, and there is always the temptation to yield to the most threatening or rewarding voice. If The Public Administration were to respond unquestioningly to such voices then it would be regarded as essentially a political office—merely an extension of the political leader for the time.\textsuperscript{302}

In relation to the discussion to date, it can be seen that the primary focus of The Public Administration is on its enabling authority and the formal expression of the law (\textit{menotype \#B}\textsuperscript{A} of political governance)—which is developed over time into the Agency Perspective as explained above. The secondary concern is for the broader and more esoteric concept of the “public interest” that is embodied in the Constitution and its authoritative interpretation. The well-grounded and effectively operating public administrative agencies would therefore necessarily have a dampened focus or energy for the lower concrete level of real-time responsiveness to other governance institutions (although this may not always be the case as the focus of attention will move around to the other perspectives in keeping with the nature and dynamics of such a trinity of \textit{menetypes}). That is, the primary focus of The Public Administration is generally in keeping with its principal \textit{menotype \#B}\textsuperscript{A} political governance orientation, which means that its primary authority is the formally established and articulated official commitment of the Government—not the individual personal interpretations of the prominent governance players from day to day.\textsuperscript{303} This thereby gives The Public Administration the role of being a custodian over the due process that brings to the Government’s mind the policy options necessary to continue delivering consistency of Government policy over time\textsuperscript{304}—in the same way as the courts have the role of custodian of a consistent but evolving interpretation of the law over time. In other words, The Public Administration could be regarded as a relentless (and unappreciated) champion for the \textit{continuity of good governance} (according to the Constitution).

With such a primary focus on the \textit{menotype \#B} orientation of formal authority (or \textit{menotype \#B}\textsuperscript{A} of political governance), which involves building upon, and responding in accord with, its particular Agency Perspective, The Public Administration will naturally (cognitively) be circumspect about any new entrepreneurial changes unless the new initiatives are underpinned by authoritative decree (Presidential Orders). There is therefore an inherent
defensiveness in dealing with the other players in the governance hierarchy of the political sphere. Political responsiveness to its individual political leaders is naturally (or cognitively) a much lower priority than the processes of ordered, formal governance. Put another way, on the one hand, the enabling legislation and associated laws encapsulate an articulation of the common good that is to come from the organizing of its day-to-day administrative efforts. On the other hand, the specific Government intent from its political superiors is more often than not about satisfying the private interests of particular interest groups.

This not only places a special responsibility on the Public Administrator, it makes for the tension-packed, paradox-filled experience that is the lot of the top public administrators. In fact, it serves to heighten The Public Administration’s overall sense of neglect and low status accorded by the system to The Public Administration. That is, externally the importance of The Public Administration is downplayed and, internally, there is a reticence about being drawn into the political team. This is the principal rationale (and why it makes good sense) to provide Public Administrators with permanent tenure.

In summary, the principal conclusions from the above analysis of the relative status of The Public Administration in the constitutional governance of the United States are:

(22) The constitutional structure of governance in the US republic is ordered in keeping with the natural cognitive structure of human thinking and provided with the institutional processes for a dialogue between the separate powers. In this way, it can be recognised as the most conscious form of governance that provides for encouraging, efficacious and harmonious dynamics. Within this hierarchical structure of governance, primacy of authority is given in order to the Congress, Supreme Court and the Executive, but they are all required to consult with one another, check one another, and assist one another as appropriate.

(23) The Public Administration is a second-order governance authority and, moreover, it is accorded a naturally (cognitively) repressed status in the collective psyche of the society, the political sphere, and also within its own level of the governance hierarchy. In its spirit of management and good order (menotype #B-oriented governance), The Public Administration has a primary focus on the authority and objectives transmitted formally from the primary level of political authority, and much less priority for responding to the day-to-day initiatives (and exercise of political will) of its current political superiors.
(24) The “public interest” is the transcendent concept of the “good” that holds the aspirations for the governance hierarchy of the political sphere. When articulated by the highest legislative authority, the “public interest” infuses and informs all future conscious action of the lower parts of the governance hierarchy. Moreover, it is “good” to be acting in concert with the “public interest” in the same way as it is “good” for individuals to be acting consciously. The Public Administration has a role as custodian of the accumulated official interpretations of the “public interest” by the primary governance authorities and it is its task to recall it to the Government’s mind as appropriate during their ongoing dialogue.

6.2 The Public Administration and Government Decision-making

In analysing the role and dynamics of The Public Administration in Government decision-making within the constitutional governance of the United States, there will be a focus principally on the following questions.

- First, is there a dichotomy between politics and administration or between policy and administration?\textsuperscript{307}
- Second, is there any validity in the notion of The Public Administration and the claim to be ‘the core of modern government [which]...may have to play the role of balance wheel in the constitutional order’ (Wamsley et al, 1990: 36; 49)?
- Third, what is the appropriate stance of The Public Administration in response to the competing demands of its stakeholders; in particular is the role of the presidential political appointees legitimate and what value should be accorded to the move for active citizenship?

6.2.1 Is there a politics–administration dichotomy?

There has been much debate and equivocation over many years about the existence and nature of a politics–administration dichotomy, but clarifying the interrelationship has proved to be perdurable, yet intractable (Waldo, 1984b: 219ff).\textsuperscript{308}

This issue can be resolved only by moving outside the paradigm\textsuperscript{309} that has informed the study of public administration and governance in the United States since Wilson’s (1966/1887) first big step in the modern phase of this discipline. The simple fact is that there is no dichotomy—rather, it is more like a trichotomy.\textsuperscript{310} The politics–administration
dichotomy should be really re-thought of as the politics–administration–entrepreneurship trichotomy. This will be explained in detail, but it can be thought simplistically in terms of: 311

- Politics as the collective commitment to the public will and has to do with the 3-Rs (responsiveness, representativeness and responsibility)—principally via the mechanism of legislation and formal policy, or politics;

- Public administration as the orderly execution of the Government policy expressing the public will and has to do with the 3-Es (economy, efficiency and effectiveness)—principally via the mechanism of bureaucratic processes, or management; and

- Public entrepreneurship as the envisioning (or realising the potential of) the public will and has to do with VCI (vision, creativity and initiative)—principally via the mechanism of new policy initiatives or proposals, or leadership.

These three aspects actually respond to the ‘quest for three values in the conduct to the public business: representativeness, politically neutral competence, and executive leadership’ (Kaufman, 1990: 483). 312 It is very pertinent that it has been the aspect of public entrepreneurship or leadership (by new policy) that has not been incorporated adequately in the study of Public Administration. In the early days it was included in the concept of politics, which then issued policy for the Executive or Administration to implement. 313 The other extreme is found in the recent Reinventing Government initiatives, which try to advocate entrepreneurship as a core responsibility of The Public Administration (Osborne and Gaebler, 1992). The key insight is that public entrepreneurship has not been adequately differentiated and so has continued to muddy the essence of the differentiation between politics and administration by embellishing one or the other at different times or perhaps both of them together (at which point the analysts are likely to throw their hands in the air and say it is all one big mess and too hard to sort out). That this aspect of entrepreneurship or leadership has not been adequately differentiated and given its proper worth is understandable when it is acknowledged that this trichotomy is in fact a trinity of governance menetypes (as depicted in Figure 25).

The major focus in the study of Public Administration is on bureaucratic organization and the management of Government programs, and so there is a natural secondary interest in the political dynamics impacting on any particular agency, but there is a natural (cognitive) repression of the particular aspect of entrepreneurship. 314 The development of new policy is often regarded as only a secondary aspect of politics (which it is!), but, sometimes, by calling
it policy, it effectively makes new policy (or decisions on new objectives or new ways) stand for politics itself (Thayer, 1984: 264). In this way, The Public Administration is said to be usurping political power when it is really only exercising the entrepreneurial or executive power.\textsuperscript{315}

Put in another way, public entrepreneurship has been neglected in the study of Public Administration in the same way that public administration has been neglected in the study of Political Science.\textsuperscript{316} Both are the repressed shadow of the main game in their respective field.\textsuperscript{317} In the same vein, it can be observed that politics is the repressed aspect in the preoccupation with, and development of, Utopias, which is evidenced by the common criticism of them all as being politically naive—within the context of the current politics. This development of Utopias is not yet a study in its own right but there has been much thought and energy given to it over the years, particularly in the fields of philosophy and social science (Mannheim, 1936; Conway, 1992). Some have even gone so far as to say that the new political ideas of future generations are heavily influenced by the ideas propagated under the umbrella of Utopias—after all, it is reaching out for a better world in light of what is not working well in the present (except the vision may not always be practicable). Putting these observations together, it is readily apparent that the three areas of study actually are interrelated as a trinity of \textit{menetypes}, with the ascending order of abstraction being the studies of Utopian will, public administration rationality and political science (or commitments), as depicted in Figure 26.\textsuperscript{318}

Carrying out a “Waldo-type” (1984a) review of the literature on public administration would not help to establish the analytic veracity and appropriateness of the proposed trichotomy as opposed to the dichotomy. Seemingly, all that such a review would reveal is the inadequacy and growing lack of usefulness of the dichotomy construction and perhaps reach the same amazing conclusion that Rainey (1990: 173) did but after more than a 100 years of study: ‘The relation of the political to the administrative is thus very complex and dynamic, but we have only begun to analyze it.’ A more penetrating analysis might conclude with Waldo (1990: 73): ‘Have we made progress in closing the gap, in repairing what is often referred to as the politics—administration dichotomy? Opinions on this vary; some may deny that there has been a troublesome cleft in our public world. While much excellent work has been done in the intervening decades, the cleft remains a prominent feature of our institutional and intellectual world.\textsuperscript{319} Rather, it is more productive to analyse the dynamics of the governance processes from the new perspective encapsulated in the trinitarian hierarchy of \textit{menetypes}. 

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It is curious why there should have been only a dichotomy in the first place, let alone that it should have been retained for so long, particularly given the high prominence accorded to the separation of three—not two—powers in US constitutional governance. Wamsley et al (1990: 42–43) actually do hint at some deeper meaning of the politics-administration dichotomy by grasping at a differentiation of understanding the dichotomy at three different levels of abstraction. This thesis now goes one step further than Wamsley et al (1990) in that it explains how the differentiation into three levels of abstraction is actually more pertinent within the trichotomy—rather than in the levels of observation of the dichotomy—while assuming the elements of the dichotomy/trichotomy are all at the same level, as effectively done in the analysis by Wamsley et al (1990).

It is better to start, therefore, with a deeper analysis of government administration in terms of the nature of policy formulation and program implementation in the context of the political governance framework, and it is likewise better to start at the most general level (acknowledging that the dynamics are just as applicable to the lower-level trinities of menetypes). The political dynamic can be thought of in terms of the most relevant players at the three levels of government operations; namely, the elected Government (comprising policy developed by the constitutionally separated three powers but usually thought of as Congress and the President), The Public Administration (comprising organizations), and the general public (regarded as a collective of individuals). That these three aspects can be analysed in terms of a trinity of menetypes of Government in Action (as depicted in Figure 27) is appreciated from the logic of their interactions and the nature of their internal dynamics.

The nature of policy development and administration can then be understood in terms of the movement around the trinity of menetypes respectively from the lowest to higher levels of abstraction (in a clockwise direction) in the process of collective cognitive reversion, and then in the opposite direction (anti-clockwise) from the highest to the lowest in the process of collective cognitive procession (as explained in the JEWAL Synthesis philosophy of mind, Chapter 8). The missing third aspect can then be deduced from the logic of the dynamics.

- Policy development can seem to be a very complex process, but the key dynamic can be grasped by focusing on the processes involved in the legislation drafted by The Public Administration for submission to Congress. The key dynamic is analogous to the process of scientific knowing for individuals and involves a three-stage process. The first stage involves the empirical analysis by the public administrator (menetype #B) examining critically the data of reality about the needs
of the relevant section of the public (menotype #A). This examination will be conducted within the conceptual framework of the “public interest” as determined by the assimilation of the enabling legislation in the context of the Constitution and all prior policy determinations of Government—i.e. the mindset of the Agency Perspective (Wamsley et al, 1990: 36ff). If this examination of the relevant empirical data is carried out with an inquiring mind and with the “right” (or most appropriate) questions defined by the Government agency, then insights or new ways of relating the data and new logical connections will break through into the collective consciousness of the agency. Some specific new options for the policy or program will then be formulated and proposed. The second stage involves the consideration of such options for change by the higher deliberating authority [say the (sub-)committee of Congress], who will critically examine the proposals in light of its perception of the relevant empirical data. That is, a prescinded view (menotype #C) is taken of the logically derived options (menotype #B) for making better sense of the experience of the individual (potential) clients (menotype #A). A rational selection will be made for the best option. The third stage is for the Government to say a “yes” to the particular option that best encapsulates its concept of the “public interest” and to articulate a clear formulation of the decision and a collective commitment of energies to fulfil its intent.

- Administration or program implementation involves the reverse process and essentially takes place in three stages also. The first stage involves The Public Administration focusing on the substance of the policy articulated by higher authority and determining its meaning. In a sense this is realigning the Agency Perspective with the requirements of fitting in the new policy and so it still makes a logical coherent framework. The second stage involves The Public Administration then looking afresh at its client group from this new mindset or Agency Perspective (menotype #B looking at menotype #A in light of the illumination received from menotype #C), and formulating precisely what steps need to be taken to implement the policy. The third stage is actual implementation by action within the field of experience of the individual clients (menotype #A).

- What is missing, obviously, is the determination of what the new policy is meant to be about, or what is the Government’s particular agenda! This involves the proposed outcome, or the alternate reality that the policy is trying to create. This co-creative effort is driven by the political Executive appointees, and The Public
Administration is there to assist with suggestions and analysis. Decisions on new policy are the prerogative of the Government in the form of the legislative agenda proposed by the Executive and decided upon by Congress (while acknowledging that much decision-making has, of necessity, been delegated). Members of the Government (menotype #C) look directly at the situation in the electorate (menotype #A) as informed directly by their experience and the direct lobbying of the interest groups and reach an assessment that it is not right and something needs to be done. There is an envisioning of an alternate reality that could be better—from whatever set of criteria of value that is employed (but which is normally that which could be said to have been approved by the electorate). The third stage then is to say “yes” to the desirability of the alternate reality and make a collective commitment to bring it about. But as yet there is not the knowledge or understanding of how to deliver the alternate reality and so it is that the Government requests the necessary policy development and understanding of what is required to bring these desirable outcomes about.

This last aspect of public entrepreneurship, or the Government just looking and seeing that something needs to be done, is the simplest of the three generic processes explained above and encapsulates a focus on the concrete reality—even if it involves envisioning a different concrete reality. This identification of issues and proposals for new policy normally comes out of the program taken to the electorate and perhaps clearly endorsed to form the President’s mandate, and it is the starting point for more involved analysis. In effect, public entrepreneurship is an expression of the executive will of the Government, which is principally invested in the Executive arm. The practice of political appointees in The Public Administration is an expression of this need to institutionalise the public entrepreneurship of Government in fostering the creativity of particular individuals. This is very much in keeping with the menotype #A spirit.

Policy implementation or administration is about examining the parts and their interrelationships and dealing with specific structures and processes that are believed necessary to transform specific policy formulations and resources into specific actions to deliver specific benefits to individuals or groups. As such, policy implementation or administration is seen to be at a higher level of abstraction (as group is to individual). This is clearly seen as the core role of The Public Administration and is steeped in the menotype #B spirit.
Policy commitment, which is labouring to encapsulate an acceptable synthesis between the vision, the constraints of administration, and political realities, is a more abstract process yet again. Though The Public Administration can do the preparatory work under the rubric of policy development, it is the processes of politics that set the ultimate policy. This is because the Government needs to remove itself (preciscind) from the actual situation and the associated logical arguments to formulate a policy that withstands assessment from a higher set of criteria and yet can have the desired effects when implemented. This application of a higher set of criteria or assessment by collective values is the political process in action. That is, the political process is there to decide amongst competing options on the basis of a set of values emanating from and endorsed by the people (as encapsulated in the notion of the "public interest"), and the end results or outcomes of such a political process are policies. The resultant policies can be more or less specific but they do incorporate the distillation of a complex set of considerations. It is not really important whether the ultimate decision is taken in the agencies, Executive Office, or Congress, because that usually only reflects the degree of significance of the politics involved—but the ultimate resting place of the important core of policy commitment is the legislature. Policy commitment and politics are thus very much in keeping with the menetypic spirit.

This analysis suggests, then, that the politics—administration—entrepreneurship trichotomy is in reality a trinity of menetypes about governance decision-making processes as depicted in Figure 25. That is, it is not so much a division of a class into three mutually exclusive subclasses (as in a trichotomy), but a differentiation into three interrelated and interdependent subclasses. However, each of these subclasses can be clearly distinguished and they are indeed trimetrically opposed. The relationship is much more like a trichroism, or even more precisely, a trinity. All of these processes are manifest together in all arms of Government, but to varying degrees. What is apparent from this analysis of governance is that each process will be predominant in the institution oriented in to its particular spirit—that is, politics will be predominant in the legislature, administration will be predominant in the courts at the primary level of governance and The Public Administration at the secondary level, and public entrepreneurship will tend to be predominant in the Executive branch, which is taken to include the political appointees to the agencies at the secondary level.

Moreover, the analysis of governance also informs on the way in which the less important processes will be manifest in the different institutions of Government. For instance, in The Public Administration, politics is a secondary support as good administration requires a clear choice between available options and therefore is inclined to work and help the process of
politics to get clear authority or power. The Public Administrator is required to develop sound judgment on the degree of politics involved and whether it is a matter for administrative discretion or whether it is significant enough to refer the matter to elected officials. Public entrepreneurship is actively discouraged in The Public Administration and though there is widespread acknowledgement that it makes policy decisions, these are normally in keeping with its secondary function of choosing between obvious alternatives within clear political parameters. However, there is not the setting of substantive new objectives or directions. When an agency does actually try autonomously to take on the role of public entrepreneur, it can likely be in an undeveloped negative sort of way, where say the agency is captured by its constituency and has a downward focus to provide for wishes of individuals or groups, rather than being guided by the spirit of the agency’s legislation and the interpretation of the “public interest” coming down from its political superiors. However, this negative behaviour can be analysed within the system of governance, and remedies can be suggested.

From an appreciation that the politics–administration–entrepreneurship trichotomy is actually a trinity of menetypes about the Government decision-making process, a number of observations can be made about the role of The Public Administration.

- The Public Administration is a legitimate key player in the Government decision-making process and provides a kind of second-order authority pivot between the first-order authority of the Government and its public clients (as individuals, they are the lowest level of authority but paradoxically as a collective of citizens or electors, they are the highest). It provides the analytic logical rationality to policy development and the logical rationality to policy implementation. This spirit of objective logical rationality is its raison d’être and can only be subverted or transformed to the detriment of the overall efficacy of good government. In a sense, The Public Administration has a role of intellectual leadership (menetype #B), essentially from behind as a second-order power within the Government decision-making process. It effects its influence by bringing to bear its analytic, scientific judgment of the way society works (or the part of it that is relevant)—but, be that as it may, the policy direction and major decisions are made by others. Moreover, in the spirit of its scientific-oriented viewpoint (menetype #B), it is a custodian of the past history of the Government’s interpretation of the “public interest” and policy development, and it is its responsibility to bring that knowledge and understanding to bear as appropriate in the decision-making process. That
knowledge is brought to bear in the aid of progress towards an ever better society as articulated by the governance process. Also inherent in this spirit is an ethos of sound objective management to deliver objectives and outcomes set for it by the political process. In a very real sense, then, there is agreement with Wamsley et al (1990: 36) in that administration can be taken to mean management within a political hierarchy and, because ‘administration is an inextricable part of both governance and politics,’ the dynamics thereby provide for a real flowering of bureaucratic behaviour, which is radically different from management in support of the economic sphere’s entrepreneur.

Moreover, it is legitimate within the trinitarian spirit of US Constitutional governance for The Public Administration to exercise its secondary function and participate in a restrained way in politics and political decision making (commonly called administrative discretion)—as long as it does remain only of secondary import and is not practised to such an extent as to undermine the objective, logical rationality of the agency (i.e. the Agency Perspective). That is, agencies can legitimately set policy within the normal course of their decision-making as long as it is within the spirit of the objectives embedded in the Government commitments made by their political superiors—over time, the administrative viewpoint of the agency must maintain its overall predominance over the political viewpoint. In fact, it is a necessity of the governance process that Public Administrators interpret the meaning of the more abstract policy determined by Government over time and, in that way, are said to set the policy within the existing framework of administration. The Public Administrators are not equipped to transform that administrative framework radically on their own initiative. That is the challenge of their political superiors, if it is warranted.

- It is very much in keeping with the structure of US Constitutional governance that, left to itself, The Public Administration would naturally repress public entrepreneurship to the point of exhibiting all the narrow negative aspects of rigid bureaucracies. There is some logic, therefore, in keeping with the spirit of separation and balance of governance powers, for each new Administration to move in its cadre of political appointees at the top of the Federal bureaucracies. This is a sensible way to compensate for The Public Administration’s natural disinclination to encourage entrepreneurship. This is then in the original Federalist 10 spirit (Hamilton, Madison and Jay, 1952: 49ff) of setting one faction (or
viewpoint) against another not only to keep one another in check but also to allow for the possibility of transcending to a higher-order solution that takes account of both perspectives. If the political appointees take on a primary role of the public entrepreneur then there would understandably be great resistance and cynicism from the agency. The appointee would then have to win the confidence of the agency for it to become a willing follower if he/she were actually to make a difference by leading it in a new direction. The other alternative could be that the political appointees maintain a principal orientation towards the political, which would make for a more harmonious fit with the agency, on the one hand, and the political superiors, on the other, but it then subjugates the entrepreneurial spirit to a subordinate role which may mean that no clear new vision is articulated. In other words they are likely to just muddle through. Whatever the particular stance adopted and whatever the circumstances and issues, the system would still look to the political appointees to take the lead if new objectives and/or direction is needed for the agency.

In considering the role and contribution of this public entrepreneurship, it is important to keep in mind that in the US capitalist society the entrepreneurial spirit is manifested mainly in the private economic sector. Not only is the political sphere somewhat suppressed, the public entrepreneurship is only a secondary aspect of power and would normally run into huge hurdles of entrenched interests, which would drag the entrepreneurship back into the mire of politics. Within this milieu, it is therefore understandably difficult for the President, in the first place, and the political appointees, in the second order, to maintain a sufficient momentum for their entrepreneurial zeal. But, having said that, it is still a reality of the dynamics of Government decision-making that the Cabinet members and other political appointees are required to carry and exhibit the mantle of Public Entrepreneur.

- Another insight coming from this new perspective is that Simon’s (1947) fact–value dichotomy is just another slant on a particular aspect of the politics–administration dichotomy. In particular, the reverse order of naming fact–value dichotomy suggests that the focus is on the process of cognitive reversion or policy decision-making, rather than on the process of cognitive procession or policy implementation (it is remembered that administration encapsulates both policy advice and policy implementation). That is, the fact–value dichotomy encapsulates the higher aspirations of the policy development and policy commitment processes.
or the higher aspirations of the efforts of Public Administrators and politicians, respectively. Policy advice from The Public Administration is all about knowledge of the facts and their interrelationship and should aspire to the high values of the scientific method, namely the objective truth of fact. The art of politics is about making assessments between different options and choosing against the criteria of a particular set of values. Each political party encapsulates a different set of values and, once elected, it is expected to exhibit the articulated set of values in its decision-making.

It is then a small step to appreciate that Simon's (1947) fact–value dichotomy is actually better seen as the possibility–fact–value trichotomy and that, moreover, it captures the trinity of *menetypes* about policy formulation and decision-making (as depicted in Figure 28). First, the potential new realities, or possibilities, have to be envisioned and they have to be practical (or able to be related to their secondary aspect of fact). Secondly, the means to achieve the new proposals and check out existing policy have to be established by ascertaining the facts and their interrelationships but, in doing this, attention has to be kept on the value set and intentions of the decision-makers (i.e. values as secondary aspect). Thirdly, the political decision-makers choose the best option according to their criteria of value and then commit to a specific policy, while keeping in mind the potential reality they are trying to co-create (i.e. the new reality or potential as secondary aspect).

Appreciation of this trinitarian relationship in policy formulation (or cognitive reversion) begs the question of what would be the supplementary trinitarian relationship for policy implementation. Such a trichotomy would address the need for effective policy to express a commitment to "the real," or be appropriate; sound policy design to express the logic of "the true," or be efficient; and sensitive policy delivery to express the will to "the good," or be effective (the fact that it is required to make a difference means that the service needs to be attentive or client oriented). This thinking can be construed as a commitment–process–effect trichotomy, which can be better regarded as the trinity of policy implementation (as depicted in Figure 29).

This perhaps captures the key dynamic of The Public Administration and is the key framework to analyse administrative action—on how Government programs are implemented or administered. First, good policy should express a clear Government commitment that can be readily understood and embraced by the
implementers. If the spirit of the commitment is grasped and owned by the Public Administrators, there will be an energy to make the necessary implementation decisions and to do so in a way that is aligned with the purpose of the policy. Secondly, sound policy implementation requires an ordered process that logically connects the purpose of the policy commitment to specific actions in the real world of the public. Moreover, the policy needs to be objective so as only to discriminate for the potential beneficiaries in line with the purpose and specification of the policy commitment. This logic once again validates the need for the Public Administrator to make what could be called policy decisions—but they are only to be made in the spirit of the Government's articulated commitment. Thirdly, good policy implementation means that it is well received and in the manner intended by the Government decision-makers. It follows that the service to the clients has to be respectful of them as individuals and sensitive to their particular personal position, and then the program products need to be tailored as far as the inherent policy flexibility allows—because the overriding terms of the Government commitment is the determining factor. That is, it is more important for program delivery to be infused by the flow-down effect of the terms of the Government's commitment rather than the bottom-up responsiveness to the clients' particular needs.³⁴⁵

6.2.2 Is The Public Administration the core of modern government?

To decide in what sense The Public Administration might claim to be the 'core of modern government' and a 'balance wheel in the constitutional order' (Wamsley et al, 1990: 36; 39),³⁴⁶ there needs to be a closer examination of the nature of public administration in the USA's constitutional governance. To achieve this, it is proposed to look in turn at (a) the basic nature of The Public Administration mindset; (b) the flow-on consequences of being only a second-line power in the governance structure; and (c) the significance of having been relegated to the collective shadow of political life. Such an analysis also assists in assessing the proper nature and descriptor of the study of public administration.

- It has already been established that The Public Administration has a primary orientation to the objectively rational analytic menotype #B mindset.³⁴⁷ This is essentially the bureaucratic ideal type with all the attributes that have been well-documented by and since Weber (1962; 1978a).³⁴⁸ The principal characteristics of decision-making are order, logic and efficiency as has been explained earlier for the manager and the bureaucrat. In the ideal type, the public entrepreneurship is squashed and in preference there is a responsive, but inquisitive and logical cause
and effect policy analysis of the empirical data vis-à-vis the stated politically desired outcomes. The ideal bureaucrat is content giving advice to others to make the key policy decisions about change and new directions. In implementation, his/her preference is to follow written and authoritative policy and guidelines and to adhere to processes that are designed to be efficient in delivering the output. There is an implicit assumption that the expected good outcomes will flow directly from good process that delivers the defined outputs efficiently. Much has been written on the core or ideal behaviour of bureaucracy or The Public Administration.

So, is this bureaucratic spirit the core of the political sphere as ‘Carl Friedrich noted a half-century ago?’ (Wamsley et al, 1990: 36). Obviously, the answer is a resounding NO\(^349\)—nobody would want Weber’s (1947) “iron cage” as the central core of representative government. The core spirit or hub of the political sphere’s governance structure, then, is predominant in the legislative branch (menetypen \#C), which is taken to exemplify the desirable democratically representative behaviour. The legislative branch is the dynamic hub from which everything emanates to other parts of the political governance structure, and to which all aspects eventually return. On the practical side, it is very difficult to envisage that the Congress or the President’s Office would be looking to The Public Administration to be a broker in sorting through their political differences—or even more unimaginable, that the two first-order political powers would look to bureaucratic values to find a compromise solution. Any transcendent solution that comes about from the tension between the legislative and executive powers would, of course, embrace in a positive way some constructive aspects of public administration.

Through all such interaction of first-order powers, The Public Administration can only hope that its objective, logical analytic advice gets heard and is taken into consideration. In this sense, the descriptor of The Public Administration as a balance wheel gets much closer. It is certainly not the main spring, but as a secondary balance wheel it can keep knocking against the main political power spring to raise issues and bring perspectives to mind. In that way The Public Administration can promote ordered and good government but, given its secondary status, it does not have the power to regulate the dynamics of politics. It is clearly subservient and does not have the political power to ‘play the role of balance wheel… to favor whichever participant in the constitutional process needs their help at a given time in history to preserve the purposes of the Constitution itself’
(Wamsley et al, 1990: 49). In reality, it is the first-order governance power of the courts that is needed to preserve the purposes of the Constitution. Though it does indeed have some autonomy of action, The Public Administration cannot afford to play one political power off against the other for too long at the risk of losing its integrity to become just another political player—and a weak and subservient one at that. Rather, it should seek to maintain its core integrity and continue to provide accurate, comprehensive and objective advice to all political players. After all, as has been observed above, public administration adjusts to the political governance system that it finds itself in, not vice versa, and if the political players manage to change the system with the consent of the people then so be it, and The Public Administration is obliged to follow and adjust accordingly.

However, as observed earlier, it is the medium of the public administration that stands between the Government and the public as clients. The Public Administration is a key player and certainly the biggest presence in executing the will of Government. In this sense of administering policy, as opposed to formulating policy, The Public Administration could be said to express the core spirit of how government programs should be delivered; namely, to implement the stated policy with objective efficiency and no favouritism on any grounds other than that expressed in the Government’s policy. But this is only half the game of modern government, and the people would much prefer the Government to be doing the right things to fix their problems (with appropriate policy formulation), rather than doing the wrong things efficiently (with ordered policy implementation).

What happens, then, when the degree of abstraction in thinking is elevated to focus on the level of the society (as opposed to its political sphere)? Of those three much-prized and sought after ideals of liberty, equality and fraternity, it is the ideal of equality that is the most important motivator of the menetyp #B bureaucratic behaviour. Equality is the rationale that justifies a system of merit advancement up the hierarchy and that primary loyalty of all true bureaucrats is to the agency, its rules, and processes—or the notion of organization (menetyp #B) that is bigger than any of the particular individuals. The spirit of equality also underpins their objective impersonal approach to the delivery of government programs to clients—all clients are taken at face value as equally eligible, and only objective tests are permitted to differentiate those who might meet the criteria intended by the higher
authorities in setting the policies. The Public Administrators do not have the power or authority to extend the parameters of the Government program to particular individuals and/or groups beyond that intended by the legislature, no matter how much they talk to the citizens and ascertain their problems and needs [contrary to what is seemingly implied by Stivers’ (1996: 260ff) concept of active citizenship].

The most pertinent cognitive fact is that equality is also the principal motivator of true democracy as eulogised by the social sphere of society (explained earlier). The Supreme Court carries the responsibility to deliver equality at the first-order level of political power in delivering justice (the principal menotype #C political product) equally to all. The Public Administration is responsible on the second-order level of delivering the Government’s interpretation of the “public interest” equitably to all those deemed subject to Government programs. To the Public Administrator, everybody should be treated as equal and his or her individual claims assessed without fear or favour. It is delivering political goods and services, which are principally about social justice through some redistribution of society’s resources as inferred by the Government’s interpretation of the “public interest.” The Public Administration has a key role therefore to help maintain the democratic core value of “equality” in Government programs and in so doing guard against the political justice being unduly for “just us,” or the Government’s political colleagues. In this sense, it could be said to act as a ‘balance wheel’ between the Government and the public, who as a “democratic people” believe that a sense of equality should be maintained throughout society.

In its limited capacity, then (as a second-order governance power), The Public Administration could be regarded as a custodian of the spirit of democratic equality in Government action and (as formally approved) the means to foster the stability and continuity of good governance. This is an important and vital role within the structure of representative democratic governance.

All the foregoing expose of the bureaucratic spirit needs to be tempered with the understanding that the natural secondary orientation of The Public Administration is to the political mindset—and this tendency is accentuated by the fact that the bureaucracies are operating in the political sphere where the legislative or political power is, in the final analysis, the dominant power (all menotype #C). Moreover, with the whole shift of society to the politicist age, this shift to the political is magnified greatly. In other words, the informal political networking of the
Public Administrators is real and necessary to supplement the effective working of the core menetypen type #B bureaucratic behaviour.\textsuperscript{356} This means there are always temptations for the Public Administrator to abandon the motivation of equality and embrace the spirit of fraternity (or political mateship) and look after the needs of political colleagues to the exclusion of others, or to abandon adherence to the Agency Perspective in order to ingratiate oneself to the whims of the political superiors of the day.\textsuperscript{357}

The experience is normally between the two extremes depicted as the Weberian (1978a) ideal type of the bureaucrat (pure menetypen type #B) on the one hand and, on the other, the obsequious satrap sent forth by the powerful feudal-type lord or despot (pure menetypen type #C). The temptations are the highest for the higher supergrades of The Public Administration, principally because of the many agencies and the fragmentation of power above and around them. It therefore makes it even more necessary for them to be involved in political alliances.\textsuperscript{358} But one thing remains critical for good governance and that is for Public Administrators to remain firmly grounded in their bureaucratic mindset or Agency Perspective and only allow themselves to lean towards the political outlook\textsuperscript{359}—not sell out entirely to the new value set. What has to be acknowledged from an understanding of natural evolution of social systems from the cognitive laws of reversion is that, looking back from some future date, the politicisation of The Public Administration could actually be seen as just another necessary phase in its life cycle as it adapts and matures to handle an even more complex, abstract world of action. What would be more destructive to The Public Administration would be to try and move in the opposite direction and take up the Public Entrepreneur mindset, which was basically the agenda of change suggested by Osborne and Gaebler (1992).\textsuperscript{360}

What would be worthwhile analysing for particular agencies is just where they have struck the balance on the continuum between the bureaucratic and political mindsets. Of course, as the agencies pick up more and more on the political mindset, there is a corresponding inclination to pick up the public entrepreneurship to support the political stance, but they will not become too practised at it unless they move wholeheartedly into the political mindset.

- This thesis argues the cognitive fact that The Public Administration is a second-level governance power and nothing can change that. Its power can be increased by
a fundamental change in the political psyche of society but it will always be
beholden to a more primary unified power. For instance, its position would be
substantially enhanced under a pure democracy or a monarchy. This essentially
means that it is wishful dreaming, and actually distorting, to yearn for The Public
Administration to be the fourth arm of Government, as an equal power to the
Legislative and Executive branches. The Public Administration has a subservient
role in the system and, basically, has to make the most of it.

However, there is a more important associated cognitive reality that prevents The
Public Administration becoming a united pre-eminent power in the US governance
regime. In essence, according to the ancient laws of cognitive procession, that
which flows from a unitary superior source is necessarily a manifold and is less in
power than that which is its cause. The plethora of agencies generated by the first-
order governance powers have no way to come together except in terms of
reversion back into the unitary power; where there is, for instance, an exercise of
legislative or executive power that is applicable to the entire Public Administration.
At the first-order level, the players are fewer but with more power. The nation is
the primal unitary power as expressed in the Constitution. The primary political
power is the Government with the ultimate say being accorded to Congress, which
has attributes of a unitary power in that it is a power unto itself in deciding what it
will do. The unitary power of Congress is perhaps well expressed when it is
required to come together in an overwhelming majority to override a Presidential
veto or to approve an amendment to the Constitution. The fact that a similar
majority of the states are also required to approve the amendment means that there
is an even higher unitary power above them—namely the nation (which can
actually be seen to manifest itself in the person of the President in times of
leadership in national crises).

These same laws of cognitive procession also express the reality that every
manifold that is issued forth then in some way participates the unity from whence it
originated. That is, by the cognitive laws of the way human thought constructs
an understanding of social systems and the way they work, every political
governance body, including The Public Administration, participates in the policy-
making power of the legislative body from whence they emanate. That is, the
Constitution is set up in such a way that power will naturally flow down and out of
the governance hierarchy to empower particular agencies in the appropriate way.
Moreover, as the system of governance matures, there is naturally more differentiation of the parts, which then are allowed to become more autonomous as an extension of the main game. It is natural and legitimate, then, for The Public Administration to make policy decisions, but it is the particular governance structure encountered by the agency that determines the degree to which it makes the decisions versus the requirement to pass them back up the line with its insights and suggestions (collective cognitive reversion) for further consideration. Moreover, the nature of the decisions made by the mainstream Public Administrator would be much more rationally or objectively based in keeping with his/her menotype #B thinking, whereas the decisions of politicians in the legislature would be more political or value-based judgments—which is why politicians are not natural cost minimisers but Public Administrators are more inclined that way.

In sum, The Public Administration is, and will always be, manifold and pluralistic, and in no way can it realistically be referred to as a coherent institution. The constitutional governance system generated by the concept of the separation of powers underscores and legitimises this plurality of minor autonomous power centres. Unfortunately, therefore, “The Public Administration” has to remain “public administration” and Public Administrators have to remain humble public servants. That is, the focus of debate should stay on the role of “government” and not be substituted by the role of “public administration” (contrary to the suggestion of Wamsley et al, 1990: 35), as public administration gets its authority from the Government. It is not a matter of going direct to the people to legitimise any authority that may have been delegated to public administrators but, rather, it is a matter of continual clarification and accountability so there is trust in public administration first by the politicians, who are ultimately responsible, and then, through the politicians, the public. Public administrators should not be trying to win over the public in its own right because it is contrary to the system of US constitutional governance to cultivate its own constituency.

Moreover, not only are agencies separated and manifold, they are essentially neglected by the primary powers except if something goes wrong or they are needed to assist in effecting some purpose of the primary powers. That is, they are certainly not nurtured for their own sake, like say the economy. The primary powers, particularly the legislature, are more inclined to respond to concerns from their transcendent authority—meaning the public or, more crassly, perhaps, their
constituency—than to any expressions of concern, or cries of crisis, from the public agencies.

Public administrators are always regarded as the lesser, or the ones first to be excluded in important “political” discussions. The practice of Congressional committee hearings is valuable and can be looked on effectively as the ongoing dialogue between the collective political conscious and its unconscious (which for an individual is meant to be very psychically healthy and therefore should be similarly so for the collective process). For most legislators, however, the actual goings on in the public agencies would likely be a bit of a mystery or, more to the point, they are just plainly not interested in them. However, the consequences of the actions of public agencies are very apparent—particularly when their public brings it to their notice. Unless it is related to an issue of political concern, therefore, there is normally very little interest in the actions of public administrators—i.e. not much concern whether the multitude of actions is done well or not. There is just the assumption that everything happens automatically to deliver their policies and programs.

What, then, is the principal implication of the public administration being the second-order power, which is regarded as though it is effectively in the shadow of the first-order powers. Essentially, it means that the efforts of public administrators will never be truly appreciated for the worth they are. This is a humbling experience at best and a demoralising one at worst if the situation is not acknowledged and dealt with consciously. This experience of not being respected for one’s contribution makes it even more necessary to cultivate the value of loyalty amongst public administrators. This is where it is important for the collective psychic health of public administrators that they foster loyalty to the higher ideal of the “public interest” as expressed through their particular Agency Perspective, rather than encouraging any undue responsiveness or obeisance to transient political superiors of the time. What is continually encouraged, therefore, is loyalty to the Constitution, then to the Government as expressed in formal legislation and properly approved policy, and then to the agency itself and its leaders. Pride in the agency needs to be inculcated through a keen appreciation of the agency’s purpose and contribution to the public good—i.e. there needs to be some belief in the system. This requires continual self-development at the group
and individual level—the emergence of the concepts of learning organizations and life-long personal learning are therefore very positive and important.

The main sources of any power that public administrators have in the system are essentially (a) legislatively endowed power granted to them from above; (b) control over resources previously appropriated to them and the legislatively endowed budget granted to them from above; and (c) their collective and personal knowledge, which can be used to provide pertinent policy advice and implement policy effectively and efficiently. The most obvious way for public administrators to develop their competitive advantage is in the aspect of personal and collective knowledge—all other sources of power are dependent on others and are therefore relatively more transient than that which rests upon what they can make their own as inherent and unique. Confidence in public administration comes from a belief or trust that it can help or do the job, and if this is not so then there is no point giving it power or resources, or even letting it keep what it already has. This principal focus on knowledge acquisition—knowledge of the true facts and how it all fits together and works in an orderly manner—is a key attribute of the menotype #B motivation of the true bureaucrat as explained elsewhere in this thesis.

To public administrators falls the role of intellectual leadership within the political governance structure. The Supreme Court provides intellectual national leadership through its intricate knowledge of the “public interest” in respect to justice as delivered through the law, precedents and social norms at the first-order level of governance power in the political sphere. The public administration agencies (necessarily manifold) mirror this intellectual leadership at the second-order level of political governance power through their knowledge of:

- the accumulated constitutional interpretation of the “public interest” of goods and services;
- the history of associated legislation and government policy; and
- the reasoned conclusions about client problems, needs, and the practical processes required to fill those needs.

Put in another way, public administrators would do well to know the governance structure of society, the context and content of the developed political discernment of the “social good,” and the interrelationships between the different social forces that sustain society. In other words, they need, at least, to have a greater
understanding of the governance system and a greater store of hard knowledge than anybody else in the governance structure, or else they might find themselves more and more regarded as unnecessary in the political processes. 375

In short, the public administrators need to be needed for what they know and can do, and they had better be humble about it at the same time.

- Considering this analysis in its totality, then, there are some useful observations that can be made about the study of public administration vis-à-vis political science and the other social sciences. First, the "stuff" of administration (as coined by Waldo, 1984a: 200) is clearly oriented to the scientific mindset (menotype #B),376 much more so than political science. That is, the approach and methods used in the practice of public administration are clearly methodical and scientific as opposed to the practice of politics, which is more of an art in the exercise of the right judgment in the right situation (menotype #C) that actually eschews the scientific. Moreover, where politics does involve the practice of public entrepreneurship (menotype #A) and does define the shape of program delivery, there can be a useful scientific study of the different processes that could lead to the desired output and outcome.

As a consequence, the cause of public administration would be enhanced if the study of it was actually classified as a social science and was given to the study of its parts and the cause and effect relationship between those parts [Wamsley's (1996: 360) concept of a public philosophy].

Secondly, administration and politics can be differentiated as explained above and, therefore, so can their study. Moreover, it is cognitively natural that the study of politics should ignore the "stuff" of public administration as being trivial and unimportant and comprised of things that should happen automatically.377 On the other hand, the study of public administration needs to be informed about the facts and dynamics of politics as it is practised particularly in its own governance orientation—but less interested in the other possible governance structures or utopias as studied in political science.378 An important rationale for keeping them separate is that politics is studied from the perspective of the first-order level of governance power, whereas public administration is of the second-order. It is somewhat different from the relationship between the study of economics and the study of management.379

Moreover, being of the second order, the study of public administration is much more pluralistic and needs to take into account the multitude of other knowledge
that is required to serve the many different Agency Perspectives. The study of public administration as a separate discipline should be more akin to studying the philosophy of science and is therefore more useful in terms of bringing it all together or a rounding out of the specific knowledge needed for the particular focus of an agency—more like an interdisciplinary field than a specialised discipline.\textsuperscript{380} It would be therefore more appropriate as a graduate diploma, Masters or some such, that is able to teach people how to manage the knowledge and skills learnt in the other basic degrees and to put it all together into processes that are made to fit the governmental output desired.\textsuperscript{381} It is similar to the way that management develops the understanding and skills that enable various disciplines to be melded tighter in an orderly, productive manner. The only way that the studies of public administration and politics can be brought together is at a transcendent level that incorporates both, and that, as has been suggested by others, is the study of governance in the broad sense of the term and not just governance as public administration (Wamsley, 1996).

Thirdly, the study of the physical sciences never really took off as a science until the physical sciences started developing an understanding of the basic structures. Before the Copernican Revolution (Kuhn, 1957; 1970), the study of science was regarded more as a branch of philosophy, but the natural sciences developed out of the growing understanding of the basic structure of things and the relationships of cause and effect between them. So it goes with the social sciences, which have yet to really develop an adequate understanding of the basic structures involved, though there have been many attempts to do so. As observed earlier in the thesis, all social structures come out of human thinking and are understood by human thinking, and it is only when the social sciences finally own a suitable robust structure of analysis and explanation that their credibility will flower.\textsuperscript{382} Intuitively, therefore, it is contended that some consideration should be given to the merits of the structure of thinking and analysis developed and used in this thesis, as to whether it is sufficiently robust to build the foundational structures of a science of governance.\textsuperscript{383}

\textbf{6.2.3 How do public administrators relate to other stakeholders?}

The following discussion of public agency dynamics in relation to its stakeholders is necessarily summary and brief. Only the essential elements of the framework can be outlined at this point in time, but it may be appreciated that it provides an analytic framework to study
the nature and dynamics of any particular agency or agencies in a rigorous, scientific manner. What is important and the key to the future development of a scientific approach, is an understanding of the generic nature of the interrelationships between the different stakeholders. It would be evident from discussions above that the detail of the framework of agency stakeholders will differ between governance regimes, and the following explanation is specifically in relation to the US constitutional governance system.

The formal structures and relationships developed by an agency are largely an external manifestation of its Agency Perspective, which is largely the outcome of the interaction between the implicit assumptions contained in the agency’s culture and its surrounding political milieu. In effect there is an ongoing interplay between the agency’s understandings and assumptions about the “public interest” as it has been interpreted within its field of relevance; the agency’s chosen focus in terms of the politics–administration–entrepreneurship trinity; and the agency’s perception of the relative importance of particular stakeholders at particular points in time. The range of agency stakeholders can be analysed in terms of the following trinity of *menotype* trinities (as depicted in Figure 30).  

- *External Stakeholders*, which comprise:

  (a) the agency’s clients, or consumers of government goods, services or largesse;

  (b) the resource suppliers, of which the most important has been the budget decision-makers; and

  (c) the political constituencies, which could be particularly prominent if powerful lobby groups were in play.

- *Internal Stakeholders*, which comprise:

  (a) the public administration staff who deliver the program;

  (b) the (principally middle-to-senior) managers that give form and structure to the processes of program delivery; and

  (c) the agency executive management which principally comprises the political appointees but would also include the most senior career public administrators.

- *Political Authority Stakeholders*, which comprise the first-order group of governance powers of:

  (a) the executive or more particularly the Office of the President;

  (b) the judiciary or relevant courts; and
(c) the legislature or more particularly the particular congressional committees.

Just which aspect of the stakeholder framework the agency chooses, or is required to focus on, would determine the essential dynamics of its behaviour. This would be determined in large part by the dynamics of the so-called iron triangle between the external interest groups, the internal top public administrators, and the authority legislative committee. For instance, the caricature of the politics–administration dichotomy would suggest that the administrative agency is assumed to have a primary focus on the menetype #B internal stakeholders who are responsible for administration. Their energy would go mainly into designing and managing the structures and processes of policy formulation and program delivery. Such an orientation would define a secondary focus on the political authority stakeholders (menetype #C), but when the importance of this aspect was enhanced (either through circumstances or the general shift from managerialism to politicism), the boundaries between politics and administration would become very blurred indeed, and every administrative act could be seen to contain some element of politics.

In keeping with this Chapter’s analysis of the exhortations of the Blacksburg Manifesto (Wamsley et al, 1990), the stakeholder framework is now used to provide further exploration of the following.

- What are the implications of the societal shift from the managerialist age to the politicist age?
- What could the response of the public administration be to such a shift?
- What are the ramifications of responding to a greater call for participation and the ‘more direct linkages with the people, in order to win their trust’ (Wamsley et al, 1990: 43)?

**Managerialism to politicism.** In the age of managerialism, the agency focus was squarely on improving administration, meaning a focus of the internal stakeholders and their dynamics. This predominant focus on the menetype #B bureaucratic spirit was accompanied by a preoccupation with scientific methodology and in promoting the study of administration as a science. In association with this spirit there was a secondary focus on the dialogue with the political authority stakeholders, particularly in terms of legislation and formal written policy guidelines, which meant an intense interaction with the legislature. The ability to focus on external stakeholders was therefore greatly dampened except where there was pressure coming through the political stakeholders. The principal focus at this time was on program design and securing the necessary budgetary resources but, even then, agencies were more
receptive to the outcome of the orderly political processes that decided the budget allocations. The influence of lobby groups was more in relation to the pressures on the political authority and would have been dampened somewhat by the strong, bureaucratically scientific approach of the agencies. And it would be reasonable to presume that any focus on the demands of clients would have run a poor last in capturing agency attention.

The advent of politicism has seen a shift in focus more towards the menetypemC perspective of political authority. This has been manifest in agencies by the enhancement of the power of political appointees and their political networks—contemporaneously with a breakdown in bureaucratic hierarchies through such “management” initiatives as delayering and outsourcing. The importance of objective integrity has been downplayed and the value of political responsiveness and connections has been enhanced. The orientation of policy formulation has shifted from a reliance on specific objective analysis more to the satisfaction of particular political interests. Where political authority had not been delegated to the agency, this would have resulted in an increased level of oversight and intervention principally by the legislature but also by the executive branch. Where the political authority had been delegated, this would manifest in the shift from politically impartial administration and adjudication of external interests (in keeping with the spirit of the legislation) to a more partisan bolstering of the power of the agency executive. With the shifting of the predominant focus to the dynamics of the political authority has come the diminution of an administrative approach and a greater focus on “participation” of the external stakeholders (menetypemA as secondary support to menetypemC political authority). As a result, particular political constituencies have become even more influential in the political process and even clients are being given more regard. The importance of a rational allocation of resources has diminished in favour of such practices as user charging and intra-agency pricing, purchaser–provider splits, and outsourcing, which put a greater focus on one’s particular political power in the allocation of resources (in a more sophisticated re-run of the feudal mentality).

What this actually means for true public administrators is that at best they are being encouraged to play politics and, at worst, they are being asked to look backwards into their repressed dynamic of public entrepreneurship, such as in Reinventing Government (Osborne and Gaebler, 1992). This is guaranteed to modify and possibly distort the administrative integrity of the Agency Perspective and particularly the prevailing of the “public interest.” As such, this shift to politicism presents a great challenge to public administrators; a challenge that has given birth to the likes of the Blacksburg Manifesto (Wamsley et al, 1990). The challenge for The Public Administration is to hang onto its soul and raison d’être, and to
maintain its objective integrity and acceptable ways of operating in the increasingly political environment.

**Public administrators’ response to the challenge.** Public administrators cannot stop the evolution of collective thought to the politicist age. Neither should they sit on the wall and just watch it all happen but, rather, they need to understand the transition and manage their role in the new governance world.\(^{392}\) How then should they respond to the challenge that this presents to the integrity and usefulness of their objective and logical managerial perspective? These core ways have been regarded as increasingly irrelevant as information and knowledge abounds and is so easy to come by. What is more important now for society’s leaders is the application of that information and knowledge to solving the particular political problems of the moment. As a consequence, there has been a diminution of the relevance, value and usefulness of the objective methodological approach of the public administrators. Rather than focus on the need to develop logical processes, the attitude is more to experiment by trying something and if it does not work, then to try something else. It is similar to the mentality of governmental experimentation that Wilson (1966/1887)\(^{393}\) pointed towards to justify the need to build a discipline of public administration.

To promote the thought of referring to the business of “government” as the business of “public administration” is tantamount to saying that public administration is political and it has joined the fray of politics rather than holding out against it. This stance is enhanced by the call ‘to share in governing wisely’ more or less as an equal and to forge ‘more direct links with the people’ (Wamsley et al, 1990: 47; 43). The public administration is part of the process of governance, but a less powerful aspect that, in the end, can only propose while the more powerful political institutions dispose. Its true role is loyal adviser and faithful instrument in implementing the government programs in the absence of politicians. The best service that public administration could provide in this age of politicism is still to be true to the spirit of US constitutional governance and adhere to the role of public administrator that has been given it—to develop within this role and not to try and become an unelected politician as seemingly suggested by Wamsley et al (1990: 47).

There is agreement with, and support for, much of the other advice and exhortation in the Blacksburg Manifesto (Wamsley et al, 1990) on how public administrators should respond to the challenge of the emergence of the politicist age where they are, indeed, in danger of losing relevance, power and perceived usefulness. Namely, by:

- Focusing their conception of the “public interest” as much as possible on the *menotype #C* orientation (as explained above) of the broadest understanding of the

- Subscribing to their own particular Agency Perspective and fostering its clearer articulation in light of the developing governmental conception of the “public interest” (Wamsley et al, 1990: 38ff).

- Fostering the acquisition of factual knowledge on constitutional governance processes, government policy and vision, competing policy views and their relative merits, the management of government programs, including assessment of existing and proposed processes and their impact on the client group, and an understanding of the political views of the various decision-makers. Knowledge and competence are the foundation stones of the public administrators’ usefulness and influence (Wamsley et al, 1990: 41–42).

- Combining all the above to stand firm as helpful advisers and faithful managers, to voice the justifiable facts of the situation and proposed solutions objectively (Wamsley et al, 1990: 35), and then to act in accordance with legitimate government policy without the intervention of their own personal politics.

Public administrators must remain grounded in their *menotype #B spirit of intellectual leadership and be recognised by the Government as the source of knowledgeable and competent advice, and not as would-be usurpers of political authority or a “Clayton’s politician.” They should work to win or maintain the begrudging respect of the Government for their steadfast competence and, through it, the nation. This challenging role of the public administration can be likened to the constructive role of the personal unconscious as it continues to dialogue with the conscious mind and uncovers all that it needs to know to make sound decisions in the many different circumstances that life hands out. It is not for the public administrator to envision and promote a better world or to take on the moral responsibility for its delivery, but, rather, to assist the elected Government develop the options and means that could be used to deliver the political ends proposed.394 It is necessary that public administrators develop their political astuteness though not for their own politics but, rather, to be more sensitive and wise to the advice that is required. To do this, they clearly need to understand more about the US system of governance and its development, and their role in it. They also need to develop their appreciation of how the other governance players are thinking and how they can best influence this thinking in their role of intellectual leadership.395 In simple terms, the main role of the public administrator is to edify and clarify so that
Government can make better decisions, and better choices can be made in the delivery of government programs.

**Ramifications of participation.** The concept of active citizenship or participation was a late inclusion in the Blacksburg Manifesto (Wamsley, 1990a: 27; Wamsley et al, 1990: 51, Note 1) and it had the unfortunate effect of making the proposed public administration look more like a new political force than an institution grounded in its rationalistic soul. The intent of introducing this concept was framed in terms that ‘the quest for such a normative theory of American public administration must include an examination of the nature of the relationship between administrative practice and the ultimate source of values in a democratic polity; that is, the people. I want to argue that active citizens are a necessary ingredient in the normative justification sought by the Manifesto’ (Stivers, 1990: 247).396

So where do citizens fit into an understanding of the US constitutional governance system? First, there is a look at the fundamentals of citizen participation; second, at their proper role in policy formulation; and third, at their involvement in program implementation.

**First,** to explain the concept of active citizenship or participation, Stivers (1990: 249) draws on the original democratic model of the ancient Greek state.397 As explained earlier, the ancient Greek experience could be regarded as an example of true democracy, which means that the focus of society was firmly grounded in the social sphere (menetype #B orientation as depicted in Figure 3), and the dynamics of the political sphere (menetype #C) were only a secondary support to the concept of citizenship (not vice versa). However, the world moved on to higher levels of abstract thinking about the way society should operate best. It first evolved to shift the focus to the more highly abstract political sphere398 and, as explained above, the US society is now focused most on the economic sphere (menetype #A but at a much higher level of sophistication or abstract thinking).

Stivers’ (1990) call to active citizenship in the spirit of Aristotle (1952) could therefore be explained in terms of trying to shift the focus of society at large from the economic sphere (menetype #A) to the social sphere (menetype #B).399 This would represent a natural and constructive evolutionary development in societal thinking but it would involve a huge transformation in societal consciousness that would have to come from a movement amongst the people, not from some intellectual notion of a revitalising and reposition of public administration just because it was considered a good thing to do.

In any event, public administration operates in the political sphere and so this notion of shifting societal thinking to operate in the social sphere of active citizenship or democratic equality of voice is, in a sense, coming out of the public administration’s unconscious
thinking (or largely repressed social sphere thinking for somebody focused on the political sphere). However, there is some cognitive access or empathy by public administrators through the common thread of *menotype #B* thinking (which allows the connection across different levels of abstraction in the hierarchy of *menotypes*). The fact that this notion comes out of the repressed psyche of public administration is evidenced by the rather awkward or crude formulation of the method of citizen inclusion as a ‘knowledge community’ (Stivers, 1990: 257).  

This might appear very appealing to public administrators as it is their main game but there would have to be a question of its appropriateness/adequacy as a means of equitable inclusion, particularly where many people are still illiterate (despite much schooling), many more would be computer illiterate, and even more would just not be interested enough to get involved in a knowledge community—given that over 50% do not even vote in the national political elections! In short, only a minority would be drawn to participate in such a ‘knowledge community’, and that would leave the concept of active citizenship comprising, perhaps, the individual public agencies heading a small but articulate and powerful knowledge group of citizens who are trying to bring about political change.

**Second**, it is for consideration just how citizens are included in the process of policy formulation, which seems to be the principal rationale in encouraging active citizenship. For activity in the political sphere, the answer is obvious but seems to be ignored by Stivers (1990). Politicians engage with the citizens as voters (*menotype #C* mindset dialoguing with *menotype #A* mindset) more so than as clients or beneficiaries of government largesse (though voters are often moved by such motivation).  

This political dialogue, lobbying and electioneering is vigorous and continuous, and not only during times of elections. There are ample opportunities for articulate citizens (who would probably form the backbone of any ongoing “knowledge community”) to input in some way to the political process—and they do, such is the strength of the great democracy. However, the point is that the dynamics of this interaction are necessarily political in nature and about power and favour—and politicians are more inclined to listen to their own or to those who can help their cause. That is basically what politics is about, and citizen participation, which is ostensibly a political process, is best handled by the political process of the politicians rather than by public administrators—both from a practical and from a cognitive perspective. That is not to say that public administrators should not participate in the ongoing political dialogue with politicians and citizens. Indeed, they should, but not of their own volition to make their own autonomous decisions independent of the politicians’ interpretation. Rather, they should participate in the dialogue with an objective mindset and interpret what is said in light of the prevailing understanding of the governance system’s articulation of what constitutes the “public interest.”
For public administrators, the notion of citizens' views is both transcendent and the shadow in their unconscious. As a transcendent notion it is embodied in the concept of the "public interest," which they must reach up to through the interpretation of the elected officials in the Government. That interpretation of the "public interest" by the politicians is heavily influenced by their direct engagement with citizens and groups to assess the public opinion, which is the output of active citizenship. In terms of the repressed perspective, if public administrators were to look back on their interested citizens (i.e. menetype #B mindset looking at their menetype #A external stakeholders), their interpretations would necessarily be crude and banal, as they would be called to focus on the particular needs of clients and interest groups. The grave inherent danger of encouraging public administrators in the practice of citizen participation is that they will be encouraged into the public entrepreneurial mindset which would be dysfunctional, not only for the orderly functioning of the public administration but also for the orderly functioning of US constitutional governance. To avoid this corruption of their understanding of the "public interest" and their role, public administrators would be required to engage with the citizens in a way that supports their role in the governance structure; namely, in an ordered, objective and logical way as part of a process of clarifying the facts and interrelationships of the situation.

Third, in terms of program implementation, there is naturally more scope for direct engagement with citizens as clients and interested parties. In the process of program implementation, the eyes of the public administrators are directed downwards, cognitively speaking, towards their external stakeholders. They are obliged to engage with these external stakeholders in a way that is guided by the letter and spirit of their enabling legislation, government policy and their Agency Perspective. In this way citizens should be treated with equal respect and listened to, but the power of public administrators to do things to help is circumscribed by the policy dictates from the political institutions above them. Sometimes these policy dictates are very tight (as in social security assistance) and sometimes they are very broad (such as national security), but public administrators are only ever operating with delegated power. They cannot draw power directly from the people, as do the politicians—otherwise, it would be an aberration to the governance system, which would be corrected in time but perhaps with a lot of pain and disfigurement along the way. Sometimes

Bringing this discussion on participation together, then, public administrators can only engage constructively with citizens if they do so in keeping with the role and mindset as required in the US system of constitutional governance. After all, all things are in all things but only in proper order, and there is a proper order in the way public administrators should
engage the citizens' views, which is clearly not to take on and champion autonomously the political causes of disaffected or inarticulate groups. Moreover, it is not the public administrators' role so much to inform and educate the public as it is to inform and educate themselves and the Government so that they are better able to improve the appropriateness, quality and efficacy of their decision-making and actions.

In summary, the principal conclusions from the above analysis of the role of the public administration in Government decision-making within the constitutional governance of the United States are:

(25) The politics–administration dichotomy should really be thought of as the politics–administration–entrepreneurship trichotomy (or, really, a trinity), and the trinities of policy decision-making and policy implementation flow naturally from this new understanding. Moreover, within this new framework, it can be reasoned that the public administration has a vital role in US constitutional governance, and that it is legitimate for public administrators to make policy decisions within the spirit of the Government's articulated commitment. Moreover, the practice of each new President of installing political appointees to agencies is a positive characteristic of US constitutional governance as a way of injecting into public administration the otherwise repressed governance aspect of public entrepreneurship.

(26) It is effectively "three strikes and you're downgraded" for the public administration. First, as having adopted a menetypist mindset, public administrators are naturally followers rather than leaders, advisers rather than entrepreneurs, and thinkers rather than manipulators. Second, as being a natural second-order governance power, public administration is manifold and pluralistic and less powerful as a consequence. Thirdly, as being the natural shadow of the USA's conscious governance power, public administrators are never appreciated for the contribution they make. As a consequence, public administrators need to build their power around being needed for their knowledge and know-how and as such should embrace initiatives such as the learning organization and life-long personal learning. To bolster their position in the governance structure, public administrators should persist in the efforts to establish the study of public administration as a reputable social science.
(27) In the societal shift from managerialism to politicism, public administration is faced with the challenge of remaining true to its core managerialist values, which are being increasingly devalued and sidelined. It is incumbent upon public administrators to be courageous against the tide of societal thinking and hold true to the highest interpretations of the “public interest,” the spirit of their enabling legislation and their Agency Perspective, as exhorted in the Blacksburg Manifesto (Wamsley et al, 1990). Moreover, public administrators should be wary of those new concepts, such as citizen participation, that threaten to distract them from their principal role of providing objective and factual advice and decision-making, both for policy formulation and for the management of government programs.

6.3 Public Administration as a Vocation

In analysing the role and dynamics of the individual and his/her role in public administration within the constitutional governance of the United States, there will be a focus principally on the following questions:

(i) Is public administration of sufficient value to warrant being a worthy vocation for someone?

(ii) What type of individual character is involved with those who have a true calling to public administration?

(iii) What are the types of roles that cultivate public administration as a vocation?

6.3.1 Is public administration a worthy cause?

‘Science is meaningless because it gives no answer to our question, the only question important for us: “What shall we do and how shall we live?”’ (Tolstoy as quoted in Weber, 1948: 143). Weber acknowledged the correctness of this statement but then went on to establish that science was indeed useful and so was a worthwhile vocation. Public administration does not answer the question either, but it also may be useful and therefore a worthy vocation for somebody, after the same spirit as Science as a Vocation (Weber, 1948: 129–156).

In calling for the refounding of public administration, Wamsley et al (1990) concentrate mainly on devising means to enhance the legitimacy and authority of public administration rather than why they should be (other than claiming that it has been there from the start but
never really realised).\textsuperscript{407} Wamsley et al (1990: 47) claim that ‘The Public Administration is to share in governing wisely and well the \textit{constitutional order} that the framers of the Constitution intended as an expression of the will of the people who alone are sovereign.’ This sort of suggests they do not share now but they should, and they further suggest that public administrators should share power as equals to the legislature and the executive (Wamsley et al, 1990: 47), because, indeed, they are just as (even more so it is implied) representative as the elected politicians and political appointees (Wamsley et al, 1990: 46–47).

The Blacksburg Manifesto (Wamsley et al, 1990) therefore is more than a call to arms; it is a call for public administrators to enter more deeply into the political fray.\textsuperscript{408} They wish the dialogue to be changed from ‘questions about the nature and role of “government” to questions about the nature and role of “public administration”’ (Wamsley et al, 1990: 35), so as to build up a constituency by ‘more direct linkages with the people, in order to win their trust’ (Wamsley et al, 1990: 43).\textsuperscript{409} Public administrators wish to become protectors of the Constitution by becoming the equally powerful ‘balancing wheel’ (Wamsley et al, 1990: 49) between the two constitutionally endowed political powers. Having seemingly failed at being hailed as managers in the age of the managerialist when conditions were so much more propitious for their cause, public administrators are now being called upon to become political in the age of politicism. In other words, the public administration is being asked to seek its worth in becoming something it is not\textsuperscript{410}—namely, a political institution and, moreover, one at a higher station in life than it currently is (i.e. first-order equal rather than second-order subservient). This is perhaps a little tough on the Blacksburg Manifesto because it does recognise ‘the captaincy of our political institutions’ (Wamsley et al, 1990: 45). However, the emphasis is placed on gaining authority and claiming legitimate power to compete politically and in this sense is looking for the worth of public administration in the wrong places. Wamsley et al (1990) do, however, hint at the worth of public administration in talking of public administration as being the navigator, ‘to bring to bear knowledge, reason, and moral judgment on both our problems and the design of the future’ (Wamsley et al, 1990: 44–45) but, here again, it is a mixture of navigation and captaining (moral judgments). The Public Administration talks of being a “trustee” of the “public interest” (Wamsley et al, 1990: 48), whereas it is only the custodian of the interpretations and commitments of the political institutions—essentially, it does not decide and, if it does so in the course of it exercising its delegated power, the decisions can always be modified by the first-order governance powers if they so wish.\textsuperscript{411}
There is a hint of the way ahead in the notion mentioned above of the public administration as the custodian of the “public interest,” and the accumulation of official government interpretation and commitments of policy and resources to particular programs. This is somewhat similar to the role of scientists in their field as they record and carry forward the insights and discoveries of their eminent colleagues to form an authoritative consolidated body of shared knowledge about the facts of things and their interrelationships. Therefore, it is telling to focus on the presuppositions of public administration in the same way that Weber (1948) focused on the presuppositions of science. At their core, they are remarkably similar because they are both motivated by a menetypen #Bview of the world—but they just happen to have a focus on a different aspect of the factual truth of the world. Essentially there is a presupposition that (quoting and paraphrasing from Weber, 1948: 143–145).

- ‘the roles of logic and method are valid; these are the general foundations of (the public administrators’) orientation in the world;’
- ‘what is yielded by (administrative) work is important in the sense that it is “worth being known”’ (an assessment that needs to be confirmed within the governance system); and that
- there is value in the governance process for the objective view of facts and policy analysis free from the personal passions, sympathies and politics of the proponents.\(^412\)

The same question then arises as it did for Weber in respect of Science, namely, what value does this objectively logical knowledge of facts have for a government that ‘does not care to know facts as such and to whom only the practical (political) standpoint matters?’ (Weber, 1948: 147). Political decisions are about what and whose public interest is to be served with the limited resources available. Public administrative ‘pleading is meaningless in principle because the various value spheres of the world stand in irreconcilable conflict with each other’\(^413\) (Weber, 1948: 147). However, just as it is in the life of an individual, it is important that the Government recognises the ‘inconvenient facts’ (Weber, 1948: 147) that public administrators are able to uncover and articulate. This is particularly so when it is acknowledged that the political process and the politicians (menetypen #C) naturally suppress this particular view of the world (menetypen #B). In the same way that Weber (1948: 147) sees this “pointing to the facts” of the situation as being the high ‘moral achievement’ of the scientific discipline, it has also been long regarded as a high-value-added aspect of public administration (usually expressed in terms of “frank and fearless advice”).

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The objective factual view was highly prized during the managerialist age when the highly rationalistic processes defined by the many forms of programme budgeting, zero-based budgeting, and the like, were introduced. Just because the political decision-making process over-valued such scientific decision-making approaches and came to grief because of it (Wamsley et al, 1990: 38), there is no reason “to chuck out the baby with the bath water.” Though it is reasonable that political decision-making should abandon such processes for something more appropriate and effective (particularly in this age of politicism where the emphasis has shifted from fact to value), it is not necessary for public administration to abandon its managerialist-type heartland for politics. Actually, it is more important than ever for the public administrator to be ready to keep injecting this objective, logical viewpoint of the factual reality of the world—mainly because nobody else will and the political decision-making process will be the poorer without it.

It should be understood in this context that just as in the case of the scientific academic, public administrators are not trying to sell the Government ‘a Weltanschauung or a code of conduct’ (Weber, 1948: 150). Public administrators are not naturally meant to be leaders or demagogues within the US governance system. Rather the public administrator is more like the courageous person of Plato’s cave who is willing to make the intellectual effort and turn around and bear the bright light of seeing things clearly, and then attempting to help others to see more clearly than one would if they kept looking at the shadows on the wall (Weber, 1948: 140). This is in keeping with the spirit of intellectual leadership as observed earlier, and intellectual leadership does not mean selling ideas and programs but helping others to see their own ideas more clearly.

Therefore, if the public administrator is ‘competent in our pursuit [which must be presupposed here] we can force the (Government), or at least we can help (them), to give (themselves) an _account of the ultimate meaning of (their) own conduct_. This appears to me as not so trifling a thing to do, even for one’s own (Agency Perspective). Again I am tempted to say of a (public administrator) who succeeds in this: (he or she) stands in the service of “moral” forces; (he or she) fulfils the duty of bringing about self-clarification and a sense of responsibility”414 (Weber, 1948: 152, parentheses added). This is an achievement to be highly valued by society and, perhaps, to be worthy of a vocation, but really these are ‘value judgments about which nothing can be said in the lecture-room’ (Weber, 1948: 152), or in the PhD thesis. It is for the individual to judge whether it is a calling for him/her, and some typical responses are considered soon.
For now, the point is that a key worth of the public administration is to help bring about the self-clarification that would challenge the Government in its ‘ethic of responsibility.’ In clarifying what is meant by the Government’s intentions, the public administration continually promotes objectivity in Government decision-making and so allows the politicians no excuse for avoiding their responsibility for the consequences of their decisions. In this sense there is a complementary set of ethics that is required to be present in good decision-making or good governance; namely, [with reference to Weber’s (1978b: 212–213) classification of the personal qualities required for Politics as a Vocation]:

- The ethic of intent or ultimate ends (menotype #A), which is about the urge for prestige and a calling to those with a vocation of leadership and the practice of entrepreneurship—which is more at home in the Executive;

- The ethic of clarity or objectivity (menotype #B), which is about the urge for order and a calling to those with a vocation of administration and the practice of management—which is more at home in the Courts at the first-order level of governance and public administration at the second-order;

- The ethic of commitment and responsibility (menotype #C), which is about the urge for power and a calling to those with a vocation of politics and the practice of power in decision-making—which is more at home in the Legislature.

These aspects of political ethics comprise a trinity of menotypes (as depicted in Figure 31) and need to be present in a balanced way to promote sound decision-making. As such, it would be rare to find them exhibited equally in the behaviour of one person or at the same time in group decision-making. One of them becomes predominant and the other ethics have to be compromised to a greater or lesser extent. In Government decision-making it is the public administration that is required to follow the ethic of clarity to promote objectivity in decision-making and to ensure that politicians know what they are likely to be held responsible for in making that decision. If the public administration fails to provide this perspective, then nobody else is likely to and the decision-making process is deficient as a result.

Public administrators then have a real calling to contribute meaningfully to good governance by embracing the ethic of clarity, and working hard and continuously to promote:

- clarity in defining the logical necessity, or otherwise, of the Government’s entrepreneurial ideas and analysing the likely consequences of the particular decision and the alternative options available;
• clarity in calculating and implementing, in an efficient manner, the means required to achieve the ends as decided by proper authority; and

• clarity in assessing the effects of government decisions, processes and actions.

It is for the politicians to decide unless that power has been delegated, and it is for public administration to provide the clarity, first to itself (which goes to forming the Agency Perspective), secondly to the politicians and ultimately through them (or on their behalf) to the public. The concept and practices of accountability are therefore a big part of fulfilling the obligations of clarity and it is therefore incumbent on public administrators to be ever ready to be called to account, to explain and clarify the rationale of particular decisions or actions—unless specifically prevented by appropriate political power. If all the political decision-makers are aware of the likely consequences of their decisions and the alternative options that could be canvassed, then the public administrator has done his/her job, and a valuable job it is—but it is not one of decision-making power, unless delegated by those empowered to make decisions for the Government and the nation. It is in this context of delegated decision-making that the public administrator would do well to have cultivated the ethic of responsibility as his/her secondary cognitive commitment, and to leave the ethic of intent to the public entrepreneurs. Such a personal commitment or vocation is worthy, though seemingly little appreciated (principally because it is in the collective shadow). If ‘Politics is a strong and slow boring of hard boards’ (Weber, 1948: 128), then public administration is a never-ending and arduous task of digging large holes in hard soil, only to have them filled in and then be required to dig them out again!

Furthermore, it is well to appreciate that like science, which as a vocation is organized into many special disciplines, public administration, too, is organized into many endeavours with different purposes and foci, and they are called agencies and sub-agencies. Therefore, to pursue public administration as a vocation involves subscribing to their particular Agency Perspective for the time. In essence, this is a way that has been developed to clarify what the Government is doing and intends doing, in the same way that scientists adopt or believe the authenticated works of those that have gone before them. Loyalty to the vocation of public administration therefore involves, in the first instance, loyalty to a particular agency and its purposes, or to its Agency Perspective. As explained above, public administration is at the second-order level of governance and is therefore very pluralistic. Different agencies have different agendas—some may even be in competition. It therefore is difficult for public administrators to extend their personal commitment to a particular Agency Perspective to some bigger conglomerate of agencies, because the bigger set of institutions involves entering
the world of competing values, or politics. However, public administrators can carry their personal commitment to the ethic of clarity to work in another agency focused on a different purpose and subject matter. Those public administrators that have a true calling are committed to helping decision-makers clarify what they are doing and, as such, are providing a service not a threat. It is therefore sensible in the interests of good governance to grant such policy and program illuminators some security of tenure so they can keep the light shining for all involved without fear of being switched off at the mains.

6.3.2 Who is likely to have a true calling to public administration?

Those who have a true calling to public administration may have a certain pattern of character traits. There are many people employed in the public sector but clearly not all have, or could be expected to have, a calling—to some it is merely a way perhaps to power or prestige, whereas for others it is just a job, a way to earn money so they can enjoy doing other things.

A vocation to public administration is essentially a call to the menetypic spirit of objective rationality and ethic of clarity as explained above. It is tantamount to a commitment to a life of inquiry and formulation, to a life of thinking about how it all works and thereby clarifying it for oneself and for others. It is obvious that people who prefer thinking and operating that way (i.e. have a preferred personal cognitive orientation to a menetypic) would naturally find such a vocation attractive and comfortable. For such individuals, there would be an inner resonance with most things about the purpose, style and role of public administration in the governance scheme of things.

For those, then, with an essentially phase cognitive orientation and personality (i.e. head-type people in the Enneagram typology—Riso, 1987; Palmer, 1991), there is a natural vocation to all that public administration has to offer. These types of people build up their personal inner world by taking on as their personal beliefs, the dogmas, concepts and ideas from those authoritative sources that can be trusted. They then continually test what they experience or analyse against the logic of their conceptual framework, and are only prepared to modify their cognitive framework when it is logically convincing or underwritten by sufficient authority. There is therefore a readiness to subscribe to the Agency Perspective (because it is coming from a verifiable authority) and all the authoritative interpretations of the "public interest" in the terms of the Constitution, relevant legislation and Government policy. Such individuals are naturally more ready to let others make decisions and take responsibility for them, and they eschew both the limelight and any desire to stand out and be different from their colleagues. They enjoy more the thinking and making sense of it all, and
it is a natural reaction to be continually testing what they experience within the logical framework defined by the Agency Perspective and associated authority. They are continually testing the empirical data against their well-established objectively factual way of thinking. They would enjoy the security of well-defined hierarchical structures and processes, the safety of belonging to a group that has some power in the external world (as a compensation for their own lack of a personal striving for power), and the convenience of having somebody else take on the role of entrepreneur and carrying their repressed experience of the ethic of intent. In effect, they project their repressed desire of success and prestige onto the agency as an entity and onto the public entrepreneurs whom they allow to set their agenda. They would naturally have a tendency to be loyal to the agency and their superiors who carry the authority of the agency for them. However, there is usually an authority issue bubbling away (with its nature being determined by the state of the individual’s psychic health) and should their superiors betray their ready trust, these individuals are likely to move their loyalty up a notch or to focus on higher levels of governance such as the Government or even the Constitution. Alternatively, they could rebel and stand up for the integrity of the organization, or just leave—which would be a bit of a death experience for them—much like leaving home. Be that as it may, they have a real inner commitment to public policy and all that the menotype #B democratic way stands for.

For those with an essentially phase #C cognitive orientation or personality (i.e. gut-type individuals in the Enneagram typology), there is more of a romantic attraction to the something that is missing in their conscious psyche. That is, they wistfully think they should be into objective logical thinking and the ethic of clarity, though they have repressed it from their conscious thinking for some time. They never really quite make it, but they like talking about it and being surrounded by it. For them, it is a bit like falling in love and allowing the partner to live out that part of your life while you carry on your conscious life doing what you naturally want to do anyway. These types of individuals have a natural inclination to exercise their personal power as opposed to trusting the word of some external authority. They are, however, readily influenced by others who personally have the power to do things, or to do things to them. Rather than build firm structures on the inside, they build firm dependable structures around them. Therefore, if they were to be attracted to public administration, they would probably be motivated by notions of fighting for justice and there would be a conscious joining with an agency that seems to have the power to move and shake things. Once into public administration, they would be attracted to the sources of real power in decision-making and would more easily slip into the action and political aspects of public administration’s operations rather than be content in seeking to make things clear for others to decide. The
ethic of clarity and objective thinking is actually repressed in their personality, but they would be able to preach the mantra for others to uphold and so use the notion to gain leverage over others, but eschew it for themselves. While such personalities might find a career in the public service attractive, particularly if they manage continually to enjoin the action, they do not have a vocation to public administration—but rather would be a constant challenge to those that do.

For those operating out of an essentially phase #A cognitive orientation or personality (i.e. heart-type people in the Enneagram typology), there is more of a call to personal achievement through working in public administration. There is the attraction to the political vision or significant development project that is carried by the agency, of working in areas close to a respected public office holder or on a path to such a role, and there could be the attraction to prospects of career advancement to a higher office with prestige or status. These are the public entrepreneurs who identify with the agency or Government vision and strive to make others believe that they can deliver on it. They want to stand out and take the lead in organizing the bureaucracy and resources to achieve particular projects. They would have difficulty with strict hierarchical authority and following set rules/procedures because they would always want to do it in a new and better way (like reinventing the wheel), and receive acknowledgement and respect from others for having done so. They would thrive in the Osborne and Gaebler (1992) entrepreneurial Reinventing Government where they are steering not rowing. Though they might find a career in public administration attractive (but only if they can continually be involved in exciting development projects or responsible for introducing new ways), they do not have a true vocation to public administration, but rather would constantly annoy/frustrate those that do.

However, just because many might not have what could be called a true vocation to public administration, it does not mean that they would not fit in, be useful and/or get some enjoyment from it. For instance, the phase #C politically oriented individual could help with the dialogue with external political institutions and help the agency make sense of the political games that are in play. The phase #A entrepreneurially oriented individual would be effective in interpreting the vision in the Government’s agenda and working through with the agency on what changes are needed to deliver the new agenda in its programs. He/she would also be very effective and enjoy assisting in the new development projects. Nevertheless, both of these types who do not have a penchant for the real stuff of public administration, are more likely to move around and move in and out of a number of public administration agencies.
Nevertheless, modern government is very complex and, like any large organization, it needs a good mix of people to help make it work.

Where those without a true vocation for public administration do rise to the challenge of working with a different mindset, a constructive and creative symbiosis is likely to result, and everybody will benefit. However, if the individual does not have the maturity or inner strength to adjust, the psychic tension usually builds up and something has to give and more often than not, it is the individual who moves on. But sometimes (particularly if he/she is at a high level) it can be the agency’s effectiveness that suffers. Then again, not all agencies would be formed in the menetypè #B mould and, whether by design or serendipity of circumstances and occupants, the organizational culture could be something different—which would mean that it would then be more attractive to those individuals with other than phase #B oriented characters.

Perhaps, in light of this discussion, it may not be appropriate or useful to refer to a “calling” or a vocation to public administration but rather just to be happy to cultivate the sense of a career. On the one hand, if agencies were filled only with those individuals with a true calling to public administration, Weber’s (1947) much dreaded “iron cage” would be sure to follow, with rigidity setting in and political responsiveness and public service being severely dampened. In fact these agencies would likely live up to and exceed the worst reputations of bureaucracies. At the other extreme, where agencies were filled with others not so endowed with the menetypè #B spirit, there would likely be some serious dysfunction—either they could become much more like just another political office which deals in favours, or they could become just an opportunistic entrepreneurial grandstander independent from political influence. It seems that a balance is more desirable. However, public administration would certainly be more stable and true if the core of the team of public administrators consisted of those who could embrace the menetypè #B administrative spirit and associated Agency Perspective.

### 6.3.3 How can the public administration cultivate a sense of vocation?

There may be something about the type of roles in public administration that helps cultivate public administration as a vocation. A vocation is a calling to something and it is taken as understood that it is to some higher and better principle that is able to inspire one to concomitant actions. That is, a calling is to a higher cognitive orientation rather than a lower. For instance, the call to the priesthood is a call to the spiritual dimension of mind rather than a call to good works—the latter hopefully follows from the former, but it is the spiritual realm to which the new priest is enjoined, not the banal. Neither is it the organization or the Church
to which the priest is called but that is the mere vehicle to serve a higher cause. The priest is loyal to the Church but has a vocation for the Divine. Similarly, the public administrator’s calling is not to a political cause nor to the agency to which she or he can be loyal, but to the higher principle which has been explained as the ethic of clarity around the Government’s pursuit of the “public interest” that is encapsulated in its particular governance structure.

A vocation, then, is a calling to a life of cognitive reversion, a call to work back towards the high unitary first principles at the highest levels of personal thinking. In particular, the vocation to public administration is a calling at the societal level of thinking to the first principles of governance of the individual’s particular state/nation or, in this case, to the first principles of US constitutional governance. It is a call to the highest principle, which can only be achieved by working towards it through the lower things such as Government policy, enabling legislation, and ultimately the Constitution, as expressing the will of the people. The binding unitary principle is actually embodied in the notion of the “public interest” or the will of the people for a better life for themselves. The mission of public administrators is continually to give clarity to the concept of the “public interest” as approved and formally committed to by the governance process. This is saying that the calling or vocation to public administration will be fostered by the continual necessity for individuals to strive inwardly to understand and come to grips with the Agency Perspective and the higher principles of the particular governance system in which they find themselves.

The state of continual cognitive reversion is the state of continual inquiry, thinking and learning, and is the natural way of cognitive life for the metenotype #B spirit. It is a call for individuals to move up the cognitive spiral to think in even higher levels of abstraction (as explained earlier in terms of managers in the private sector). This spirit needs to be cultivated at the organizational level, therefore, and this is achieved through hierarchies of authority constantly nurturing the Agency Perspective of the higher principles (namely the “public interest”) and only making adjustments where proved necessary and appropriate. It is also important that individuals inculcate the Agency Perspective and take on a belief in the higher principles so that it cognitively influences how they form their actions. That is, there needs to be a bit of religion. This is helped by dogma, structure and rituals to persuade individuals to take on the set of beliefs about a particular type of governance that this agency experiences in this particular Government in this particular constitutional governance structure.

However, it is a second-order religion in that the individual is not being asked to take on beliefs that would change his/her life (at the personal spiritual level, which is higher than the
personal level of intellect). It is more at the organizational second level and the societal third level of the intellect, which are much more malleable, but less influential, in the personal psyche. This is why it seems possible that types other than those with phase #B character orientation, are actually able to subscribe to the Agency Perspective, though there would be cognitive tension with their personal orientation at the less abstract level of the individual. It may be, however, that the Agency Perspective takes on a cultural orientation other than the true administrative phase #B spirit. Therefore, as a second-order religion, there is not such a tight cognitive hold on the individual’s thinking but it would be enough to inspire correct action, particularly if it is also fired with the zeal of national pride.

The true calling to public administration is then both attracted and fostered by the policy development process rather than by the activity of policy implementation. It would be difficult for those who continue to serve at the coalface of service delivery to cultivate and sustain a true vocation to public administration. There could be a blind belief in the “system” but it would be difficult to cultivate a true conscious commitment to a life of illuminating Government policy when there is not an opportunity or encouragement actually to cogitate upon it. The need to participate in policy development processes should be an important consideration in the planning of the careers of those most likely to be the future agency managers. Such potential high fliers should be continually tested on working through policy issues in the light of the Agency Perspective and higher system of governance so that they can come to grips with them, by continually striving to understand and make sense of the different situations that they might face. It is a life of continual learning, of grappling with that which they experience in light of how the high principles would apply. Therefore, the processes that encourage and assist the practice of inquiry and dialogue are very important. Bureaucratic and committee life is therefore not so much a tedious and time-wasting burden, but more a necessary constructive device to encourage the inquiry and dialogue that helps individuals and the group/agency itself to reach a higher level of understanding and resolution. People with a tendency for streamlined decision-making and executive action is a fine and sensible thing but such a lone maverick style is not only anathema to the true spirit of public administration, it is not conducive to continual learning unless the individual is then held to review and explain his/her experience—which, of course, would be looked on as bureaucratic interference. It is therefore sensible that where independent action is required, those most imbued with the Agency Perspective should be the ones trusted to go it alone on the belief that they will deliver.
In the sense of cultivating the vocation of public administration, of fostering a belief amongst individuals in the Agency Perspective, and of contributing constructively to the governance process, it is therefore important for agencies to get their policy development processes right. If they do this then all else will follow as sure as night follows day and they can trust that what has to be done, is done in keeping with the spirit and meaning of the Agency Perspective and ruling policy regime. To be effective and constructive, the policy development process has to be focused upwards on the proper political authority and to address continually what needs to be done in the understanding of what the Government meant or has in mind in this particular area or policy issue. The people’s will or “public interest” as embodied in the highest level is not to be had in responding uncritically to the desires of lobby groups or needy clients. In essence, such desires have to be tested on their relative merits against all the other competing claims for Government assistance, and the governance system that helps make those decisions appropriately and efficiently needs to keep the public administrators’ minds focused upwards on a continual quest to take on board the governance system’s interpretation of the “public interest.”

To foster the vocation and true spirit of public administration, the primary importance of the ethic of clarity and objectivity (or intellectual leadership) needs to be continually fostered along with the secondary importance of the ethic of responsibility—particularly where the public administrator is concerned. It would actually be nugatory for public administrators to focus on beating their own drum and demanding respect from the public and political system (Wamsley et al, 1990: 38–39). It would also undermine their adherence to the ethic of clarity to overrate the significance of that political authority to make decisions that has been delegated to them by the indulgence or administrative necessity of those political institutions that have been constitutionally vested with such power. What needs to be fostered is the pride of public administrators in their role of intellectual leadership, which can only be given integrity, standing and influence on others by getting on with it and continually pursuing the ethic of clarity. Public administrators need continually to earn their trust and standing, not simply to proclaim it.

In summary, the principal conclusions from the above analysis of the individual and his/her role in public administration within the constitutional governance of the United States are given below.

(28) Public administration as a vocation means a calling to the ethic of objective clarity, which is expressed in a continual intellectual effort to help the Government clarify the development of its thinking on the “public interest”—
a role which is an important and critical component of good governance in a constitutional democracy.

(29) It is the phase of personality, given to objective thinking and the continual search for the factual truth, which is most in sympathy with such a vocation to public administration, or a calling to pursue the unrestricted desire to clarify—but a belief in the Agency Perspective needs to be engendered in all public administrators.

(30) The vocation and true spirit of public administration need to be fostered, then, by instituting policy development processes that encourage inquiry and dialogue in the pursuit of clarifying Government policy to further the "public interest."

6.4 Conclusions on Public Administration

It is very difficult to even think in terms of coming up with a "magic bullet" that would lift the public administration up to the esteemed heights in US governance to which the Blacksburg Manifesto (Wamsley et al, 1990) and the Refounding Project (Wamsley and Wolf, 1996) aspire. There may, however, be some steps that can be taken to improve the lot of public administrators or, at least, to help foster their positive contribution within a hostile environment. It is in this spirit of tentativeness that some suggestions have been developed out of the analysis above. It is not intended that the suggestions should solve all their problems, but rather they should help public administrators to move with the times and remain relevant without losing their soul or raison d'être in the process. They still have a vital (or perhaps even more vital) role to play in contributing to US constitutional governance in the emerging politicist age but, because they are being seen differently, public administrators need to adjust the way they themselves contribute and are regarded. In crass terms, they still need to have the heart of the faithful feudal squire but need to adopt more of the guile and wisdom of the political knight in the way they go about doing their business—which means that at more times than previously they might have to fill in for the knight and fight the Government's cause without the associated trappings and accolades that go with a successful knight of the nation.

First, public administrators as individuals can develop their competence in differing ways to be able to contribute constructively to US constitutional governance through the present age of politicism. They need to:
• Ensure a basic technical knowledge relevant to their Agency’s area of focus, competence in using the latest technology, and an appreciation of the many sources where particular knowledge can be tapped;

• Commit to a process of continual personal learning which involves securing the attention of an appropriate mentor, participating in appropriate formal educational activities, and working at an understanding of the particular Agency Perspective; and

• Develop wisdom and trust by understanding the processes of personal and group learning, participating in relevant and useful networks both internal and external to the agency, and gaining an appreciation of US constitutional governance and the particular roles of their agency and themselves.

Second, public sector agencies can develop their relevance and effectiveness in the more political environment by promoting, in particular, involvement, clarity and consistency throughout their activities. They need to:

• Develop a clear formulation and articulation of their Agency Perspective, sound and efficient real-time information systems that register, digest and regurgitate formal interpretations of the “public interest” and associated policies, and clear lines of two-way communication to relevant political power centres;

• Encourage staff cultivation of appropriate networks (to be fostered as a performance measure) that build trust among the participants, encourage staff involvement in formal processes of policy dialogue to a degree of building some “cognitive slack” within the agency, and cultivate processes that encourage reflection on the developing formulation of the “public interest” and associated policies; and

• Institute processes that challenge staff to adhere to and build upon the ethics of objectivity, clarity, and consistency, to grow personally and continually broaden their worldview, that allow agency staff to reflect on their thinking about the “public interest” and their role in its fulfilment (including an assessment of the state of their relationships with important stakeholders), and that build partnerships with educational institutions with a view to enhancing the cognitive capability of the agency and its staff.
Third, public administration professional bodies can also improve the lot and standing of public administrators by facilitating a broader dialogue and education of public administrators and by promoting the role of intellectual leadership. They need to:

- Promote the knowledge and formal education levels of public administrators, the continuing education of individuals both within and beyond their particular agencies, and the ethics of public administration, particularly the ethics of objectivity, clarity and integrity;

- Develop mechanisms that educate public administrators about the importance of networks and the skills needed to participate, that foster the partnership between public administrators and academics, and that formulate ways of developing group thinking about group learning; and

- Promote an articulation of the US governance system and the value of the contribution of public administrators, the development of formal tertiary education programs that provide on-site, experienced-based, reflective learning challenges for public administrators, and the development of methods to enable public administrators to have ready access to the US governance system’s authoritative interpretation of the “public interest” as it develops.

Much more thought and discussion would be needed with regards the relative importance of the above suggestions and which of the three levels of individual, agency, or government-wide efforts should take precedence to help public administrators survive and thrive in the new politicist age—the gut feel in accordance with the spirit of the age is that it is time for the government-wide efforts to be stepped up and provide some leadership to all public administrators [as was appropriately encouraged by Wamsley et al, (1990)].
7 Governance in Other Spheres

This thesis has looked at the structure of society as a whole and then analysed the nature of organizations as they were manifest, in turn, in the economic sphere and the political sphere; namely, the modern corporation and public administration, respectively. For the sake of completion, it was intended to go on and analyse the nature of an organization in the social sphere, namely the not-for-profit organization and particularly the Church (or perhaps the University). However, time and space pressures (and probably the examiner’s patience) persuade against embarking on an analysis of a third type of organization. In any event, given the in-depth analyses of the other two organizations, it is probably not so necessary to look closely at the third type in order to reach the understanding necessary to conclude the thesis’ quest to develop a useful theory of governance.

As a consequence, this Chapter first provides a comparative perspective on the political sphere by presenting some analysis of the Government decision-making processes in the Australian and British Westminster governance systems (but not going to the extent of explaining the fundamental reasons of why they are different to the US governance system). The latter part of this Chapter then provides some thoughts on the fundamental characteristics of organization in the social sphere by explaining briefly the nature of governance in the Church and then some even briefer observations on the University. To repeat, this analysis is not really meant to substitute for a more detailed analysis (that unfortunately will have to wait for another time), but it might add some small contribution to the understanding being developed and assist with some sense of wholeness and completion to the analysis of organizations in this thesis.

7.1 Governance in the Westminster System

Having some grasp of the rich pattern of interaction within the hierarchy of trinities, Weber (1948; 1978a; 1978b) was able to talk about the individual’s value orientation, the individual’s social action, the systems of social organization, the types of economic activity, and the different types of authority governance; all in terms of which particular rationality of the three was predominant at a particular time and place. It is within the framework of these trinitarian hierarchies that we now look at the system of governance that has developed in Australia (and to a greater and lesser extent in other countries based on the Westminster system). The story does not, however, end with these broad generalisations, but generally it is
really only the beginning. The phenomenon of the three rationalities appearing and interacting with one another operates on many different levels of the hierarchies as understood by the *menotype* framework described above—there are actually patterns within patterns at the different levels of national, organizational, and personal activity.

It is difficult to encapsulate what “good” governance means, as it is really in the eyes of the beholder—and from the viewpoint of each rationality (affective/charismatic, purposive/rational, or traditional) one would come up with a different answer. In a liberal democracy, perhaps, one could argue that the concept of good governance should incorporate all three perspectives. Good governance does, however, depend critically on the effectiveness of the Executive Government’s decision-making process. There are no clear-cut answers to the complex problems of today’s modern, democratic society (Dror 1971; 1980a; 1980b; 1983; 1987). Further, the Government’s decision-making processes need constantly to strike a balance between competing priorities: for example, the short-term and the long-term; the good of the Government party and the good of the nation; the encouragement of the rich and talented and the support of the poor; consumption and investment; expansion of the government sector or the encouragement of the private sector; and micro-reform and macro-reform agendas.

Because of the opportunity cost of doing one thing rather than something else, the actions of government are likely to benefit some and disadvantage others, even if it is only indirectly through higher taxes or greater regulatory restrictions. What then defines the most appropriate action that government should take in any particular circumstance? As Weber (as quoted in Breiner, 1996: 2) himself acknowledges, it is a matter of judgment. It is contended here that, over time, it is important to the quality of judgments made that the process of decision-making provides the maximum flexibility to choose those policies and actions that are most appropriate to the circumstances.

All governments take actions that influence the way the world should be in accordance with their political, economic and social agendas. Government uses a process of policy formulation to decide which specific actions should be taken to further the “public interest.” Yet, even within the bounds of a government’s philosophical constraints, there are no clear answers, and conflicts continually arise. Intuitively speaking, from an appreciation of Weber’s (1962) *ideal types*, it is contended that the unfolding of government action over time is more likely to be appropriate if the process of reaching a decision:

- first, brings out a consideration of the issues from the perspective of all three rationalities;
• secondly, has some effective and acceptable way of deciding which is the most appropriate action in the particular circumstance; and

• thirdly, has the inbuilt impetus to turn decisions into coherent action.

The potential quality of government decisions, therefore, rests on how effectively the decision-making process allows different perspectives to be taken into account in reaching the final decision. To the extent that decisions are guided solely by the prevailing ideology of the time, there would be little confidence that chosen actions would be appropriate to the situation or problem at hand. To the extent that the decision-making process allows a broader perspective to inform the consideration of the problem, and the options, the more likely that the eventual decision will reflect an appropriate respect for political survival, justice, rational order and entrepreneurial development of the social fabric.

To rely on any one perspective of rationality (which may be reflected in the prevailing ideology of the time) in all circumstances would lead to inappropriate answers and actions in many situations. For instance, the three-year election cycle heightens the instinct for self-survival which finds its strongest expression in the traditional type of authority—and the temptation to indulge in actions of largesse for particular groups (or “pork-barrelling”) increases the closer a government gets to an election. However, to the extent that such an orientation guides the Government’s decisions over its full term, or that it determines all decisions leading up to an election, effective governance would be undermined.

What needs to be constantly put before those in the decision-making process, is an appreciation from the three points of view, and then it is a matter of mature judgment to choose which particular perspective is most appropriate and useful for the particular situation at hand. This is all the more difficult when stakeholders have the same rationality perspective or are cowed by the dominance of the prevailing personality or rationality. Such situations that generate blind spots have been described in terms of “groupthink” (Janis and Mann, 1977; 1983) or rampant economists ideology (Kouzmin and Korac-Kakabadse, 1997; Kouzmin, Leivesley and Korac-Kakabadse, 1997).

A balanced process is, therefore, one in which all the different perspectives are brought to bear to see and understand the problem, discuss the options and to come to a judgment on the best action for the particular circumstances: this would truly be a process of learning. Therefore, in one way, the effectiveness of government decision-making processes is largely dependent on the effectiveness of its processes as a learning system (Senge, 1990). Government decision-making processes, over time, need to be an effective learning system
for the people involved both as individuals and as a group. The Cabinet decision-making process is the key way that this is brought about in the Westminster system of government.

7.1.1 Dynamics of the Cabinet decision-making process

Decision-making within government is, of course, complex, involving many actors within the Executive, Parliament, the bureaucracy and interest groups that have access to the main participants. However, in most instances, the process can be seen to follow a well-established dynamic that calls forth a pattern of behaviour and contribution from the various participants. The fundamental dynamic of the process used to reach important policy decisions in the Westminster system of executive government, involves the intense interaction of three main role actors; namely, the particular Spending Minister, the Treasurer/Minister for Finance, and the Prime Minister. Each of these principal players can be seen to take on the mantle of a particular rationality in his/her contribution to the process. He/she does take on other rationalities or roles in different places or situations but, in the Cabinet decision-making process, each plays his/her given part according to the particular rationality that is required for his/her role.

To illustrate this more clearly, it is useful to focus on the budget process because it requires an intense interaction of people and ideas to choose between a broad range of competing policy alternatives. Government is required to reach a balance on many competing priorities, including the overriding requirement to deliver a publicly accountable policy program that deals adequately with the most important problems seen to be facing society—but to do so within the constraints of the limited resources available to it. The process, therefore, has to be more than just putting together all the bids to do a few new things. A good budget is well crafted and is more than merely the sum of its parts. It has to have an internal integrity and a “chemistry” that conveys a government in action in a way that fits the needs of the time. It requires a process that melds a number of good politicians into a team that is capable of something better—something transformed and superseding its parts.

The three central players in the main policy process have a relationship to each other that can best be described by the dynamic interplay of Weber’s (1962) three types of rationality, as depicted in Figure 32. This interaction is reflected for each particular portfolio, with other ministers joining in support of either the particular Spending Minister or the Treasurer/Minister for Finance, as they consider appropriate.

- **The Spending Minister as the “Entrepreneur,”** takes on the mantle associated with Weber’s (1962) charismatic authority (*phase A* thinking). The entrepreneur
tries to instil a belief in other Cabinet members that he/she has the right answers and that all should subscribe to the policy program. These government entrepreneurs are, of necessity, focused on heightening the Government’s standing by winning support and resources to respond to perceived problems in their area of concern. They hold to the ethics of responsibility in the broad sense, and their influence is dependent upon the confidence they engender in others that they, personally, have the correct answer. This is the nature of the political process and there is much value in it—but a counter-force is definitely required.

- **The Treasurer/Minister for Finance performs the role of the Government Guardian or “Devil’s Advocate”** (defined as one who indicates short-comings so as to cause discussion). In this role, actors adopt the rationality associated with Weber’s (1962) legal-rational authority (*phase #B* thinking). They will continually point to the rules of the process, particularly the mantra of the bottom-line of fiscal constraint. Past Cabinet decisions on the fiscal strategy; on procedural guidelines; programs settings; and government policy are quoted as carrying the force of law. They hold more to the ethics of intention, and their influence on the ultimate decision depends on the logic and relevance of their argument.

- **The Prime Minister performs the role of “God Father” or Arbitrator** by trying to pull all the threads together into a coherent whole. In so doing, the Prime Minister adopts the perspective of the rationality associated with Weber’s (1948) traditional authority (*phase #C* thinking). The main concern is with the survival, prosperity and order of the group, which is the nation on one level and the Government, itself, on a different level. What has to be done “has to be done” and, because there is a comfort with both the ethics of intention (means) and of responsibility (ends), he/she is well placed to choose between competing options. The Prime Minister exercises his/her authority in a traditional way that is given respect by all member of Cabinet. No important decision is taken unless he/she personally agrees or agrees to allow it; otherwise his/her position is diminished and if repeated too often he/she usually does not survive. He/she relies on personal authority by demanding personal allegiance, with all the personal bestowals of reward and sanction that entails.

Most significantly, this dynamic decision-making model is stable, healthy and productive. It is a coherent whole and, to the extent that each player is in a healthy position and an active participant, there is a better chance that over time the most appropriate mix of responses will
be taken to address the nation's many problems. For this process to deliver an appropriate, balanced outcome, each of the players essentially needs to be true to his/her role and hold respect for each other.

Why is this dynamic of the "three rationalities" so important? What makes it so effective? Mainly because it comprises a trinity of menetypes capturing a process that combines the three patterns of rationality into a holistic system that is capable of accessing the full range of rationalities and human qualities—to be drawn on as appropriate. Separately, the players lack balance and are inadequate to be able to respond appropriately to many situations. However, together, such a team and process can strike a balance almost like the "true" person that Weber (1978b: 224) claims can have the vocation of politics.

It is useful and instructive to consider, in more detail, the particular perspectives that each of the three players brings to bear on the Cabinet decision-making process. The basic contention of this thesis is that an empathetic understanding of the energy orientation of the three different types (or roles) can be grasped from an understanding of Weber's (1962) ideal types of authority and the Enneagram (Riso, 1987; Palmer, 1991).

First, there is the Government's "Entrepreneur" [Weber's (1962) menotype #A charismatic rationality]. That they are often referred to as Spending Ministers captures a lot of their essence. They are the entrepreneurs of the Government, forever testing the community to identify the key issues and problems, then finding solutions for them. They are the Government's connection with the people, either through the party backbenchers or direct. These ministers are outwardly focused and, in the end, are trying to win the "hearts" of their constituency to instil a belief that government is doing a good job. A "pen picture" of this "charismatic" menotype #A oriented role, as it manifests in the Cabinet decision-making process, would incorporate the following:

- Acquisition of basic information from his/her constituency by trying to see the world through its eyes.
- Constant interaction with all significant players and a high priority on maintaining personal relationships. Others must come to believe in his/her personal competence and this takes a lot of footwork to instil such a belief in others.
- More emphasis on action and less on reflection, but he/she does put together a coherent vision of what is and what should be—then he/she sets about getting there.
- An acceptance of the ethics of responsibility in the sense that there is focus on the 
  "ends" rather than the "means" and a readiness to be answerable or to take credit 
  for the consequences of actions.

- Information gathering from as many sources as possible and, through this process, 
  a particular vision of the issues and problems comes together and becomes a 
  guiding light for future action.

- A responsibility to deliver his/her government's vision (which he/she has helped to 
  build) and a willingness to use all means possible to succeed.

- A level of influence and authority in the process that is based on the belief of others 
  in the Ministers' personal ability to win acclaim for the Government (in handling 
  their particular portfolio of interests).

- A need to be seen to act when confronted by an acknowledged problem in order to 
  claim credit for the predicted consequences of his/her action.

- An accountability for achievement rather than subscribing to the system of review 
  agencies which mainly focus on process (or means). His/her ultimate test is that 
  others acknowledge that he/she has achieved worthwhile things in his/her 
  portfolios.

These observations of the patterns exhibited by the charismatic type need to be digested to 
try and grasp a sense of the basic underlying motivational pattern. In Weber's (1962) terms, 
an empathetic understanding is required. One needs to almost put oneself into the ministers' 
shoes to gain an appreciation of how they are likely to act in the context of the Cabinet 
decision-making process. The same is also true in trying to grasp the basic understanding of 
the other two menotypes.

Second, there is the Government's "Guardian" [Weber's (1962) menotype #B legal 
rationality]. In Australian government, it is principally the Minister for Finance who plays the 
role of the Government's guardian or "devil's advocate". This is the conservative voice of the 
Government, who tests all new proposals against the status quo, the law and the government's 
own policies and guidelines. He/she is the Government's anchor and connection with the 
"rational" view of reality. This rationality is inwardly focused and tests all proposals against a 
logical analysis of the causal links between specific actions of government and their 
anticipated effect in the "real" world. A picture of the menotype #B legal-rational role, as it 
manifests in the Cabinet decision-making process, would incorporate the following:

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• A concept of “good” governance based on order that flows from laws and rules and a form of behaviour that is very controlled and predictable.

• An unrestricted desire to clarify with a method of inquiry that is objective and analytic, with a preference for facts, information and logical analysis.

• A dialogue with the world that is usually conducted through the written medium—commonly dubbed the “ivory tower” approach. Prevailing ideologies or ways of processing information are very influential, as all communication must be soundly based.

• An attitude of reflection because there are no clear-cut answers and all policy ideas need to be weighed and tested for their validity.

• An understanding that is built incrementally in a most logical manner. New ideas are tested against the individual’s present intellectual constructs and new ideas are only added if they fit. The intellectual construction of reality is usually built upon the many policy instruments of technical rationality (Denhardt and Denhardt, 1979).

• A sense of responsibility to do what is asked for by rules or by recognised authority. Decisions are guided by the ethic of objective clarity and order—as long as he/she does the right thing and follows the right procedures, the right ends will logically follow.

• A source of power and influence that is primarily based upon two inherent traits; namely, unquestioned loyalty, which is manifested in the accepted role as custodians of the rules and edicts of the government of the day, and the desire to clarify through the persuasive logic of analysis of the causal links between government action and its perceived impact in the real world.

• A generally reactive orientation (in response to the initiatives of the entrepreneurs) and preference to operate within processing systems that have clearly laid down guidelines and expectations—which decision-makers work hard to establish and control so as to keep good order.

• An accountability for proper processes -actions which accord with the rules of the system and the rightful orders of all those in authority. The system is paramount and proper processes must be followed.
Third, there is the Government’s *Arbitrator or “Godfather”* [Weber’s (1962) *menotype #C* traditional rationality]. The purpose of this role, which is filled by the Prime Minister, is to generate movement to help harness the intrinsic power of effort and energy needed to act upon the vision and connectedness that the two continual above-mentioned protagonists provide. All deliberations of proposals and their alternatives are constantly being filtered through his/her keen survival instinct, which includes the need for bestowal of appropriate rewards and penalties. His/her personal possession of power and influence in a situation is essential though he/she will try to reach decisions in a way that all the other players will accept the outcome. A picture of the *menotype #C* traditional authority role, as it manifests in the Cabinet decision-making process, would incorporate the following:

- A commitment to the ethic of responsibility and a concern for survivability and prosperity—that is, it is important for the body to survive against all possible threats (for both the nation and the Government or ruling “family” itself).

- A method of inquiry that is very instinctual and grounded. There is an empathy with other players and an ability to grasp the reality of the world. There is also an ability to transcend means and ends to see what action fits.

- A dialogue with the rest of the world that is straight to the point and focused on the reality of the present situation. There are constant attempts to negotiate by way of mediation and maintenance of harmony in the group.

- An equal level of comfort in the world of interaction and the world of reflection and a capability of bringing the two together—which assists in an understanding of the perspectives of the other two types of rationality.

- An understanding that is instinctual; his/her knowing comes from the depths of his/her being and often seems unshakeable once he/she has made up his/her mind.

- An accumulation of personal power and influence accorded to him/her in the situation of leadership. He/she relies on traditional respect and loyalty accorded to the actual individual legitimately holding the position of leader.

- A personal strength to stand firm in a situation and take control of it. There is a sense of greater personal autonomy and freedom to act than would be evident in the other players and so there would be no compulsion to act if it were not appropriate.
• A comfort in being accountable to oneself that he/she is doing the right thing and a trust in his/her own instincts to inform when one’s actions or the effects of one’s actions are falling outside the expectations of the ruled.

Much more elaboration and development of the arguments would, of course, be helpful to establish the validity of using the hierarchical framework of menetypes to analyse the Cabinet decision-making process. For instance, it can be used to gain an appreciation of the main aspects that contribute to an effective decision making process and how the individual and collective contributions can be improved. It would also be helpful to grasp an appreciation of the direction and meaning of developments occurring in political and administrative processes, and which developments might be more beneficial than others.

7.1.2 The effectiveness of the Cabinet decision-making process

It is not argued that all three rationalities should be applied at the same time to form some kind of melange or lowest common denominator, because there is very little in common between the three except, perhaps, the understanding that something has to be done: Nor is a simple prescriptive approach being suggested (Downs, 1967). Rather, each rationality must have an equal opportunity to act and be heard, but different situations can call for different approaches. It may very well be appropriate for one particular rationality to be dominant for a particular situation. For instance, in times of fiscal constraint the menetype #B legal rationality of the Treasurer/Minister for Finance will predominate for a time. However, if that predominance persists to the exclusion of the other rationalities then, in time, the direction of government action will became distorted and unbalanced. The task, as analyst, is to perceive and understand what is happening and to make some judgments as to whether it is the most appropriate balance in the circumstances—or whether the balance perhaps should be adjusted.

A feel for how such analysis might develop is conveyed by looking at the experience of different situations when one of the actions (or rationalities) tends to dominate (as illustrated by strong and weak lines of relationship in Figure 33).

(1) The dictatorial approach, where decisions are largely made by the Prime Minister in isolation, and the primary source of advice and influence is the Department of Prime Minister and Cabinet. Observers say that the Australian Fraser Ministry (1975–1983) fell pretty much into this pattern of power. While it very well may have been appropriate in the early tumultuous years of his Prime Ministership, it certainly was not appropriate in the later years, and allegedly contributed to the demise of his Government.
(2) The "Scrooge" approach (or the dictum of constraint), where the influence of the Treasurer/Minister for Finance is predominant. This is appropriate in times where the need for fiscal constraint is paramount, such as in the recent past and in the mid-1980s under the Hawke Labor Government (1983–1992) (after the Treasurer's "banana republic" statement) (Edwards, 1996).

(3) The profligate approach, where the spending ministers are paramount and unchecked. This normally results in tremendous change; much of it worthwhile in its own right but, usually, achieved at a great cost. The Whitlam era (1972–1975) was seen to be an example of this balance of power.

(4) The economic-rationalist approach, where the spending minister's advice is predominant but where advice is coloured heavily by the rational thinking of the so-called "Finance" line. In this pattern of power, each of the minister's programs is usually well-founded and responsible and looks to the public as though many individual policies are "hard-nosed". However, it is difficult to pull policy together in a fiscally responsible way. The later years of the Keating Labor Government coming out of the recession, showed many of the characteristics of this pattern of power (Edwards, 1996).

(5) The dialectic approach, where the spending ministers and the Treasurer/Minister for Finance are combatants with the Prime Minister as the referee and judge. The positions taken to Cabinet are usually polarised and quite often there is much debate about the lowest level of appreciation—about the facts and understanding of what is happening. There is less-informed debate about the relative merits of particular options. It works in a fashion but does not foster an effective learning process and the quality of debate does not mature too readily. This is a pattern that appears regularly in Cabinet processes, particularly when the ethic of evaluation and assessment is weak. The early to middle years of the Hawke Labor Government (after they had culled the Fraser Government's programs) had many characteristics of this pattern.

(6) The balanced learning approach, where all players are talking and listening to one another and, more importantly, trying to understand one another—that is, there is effective communication and transference of meaning. This seems to happen spasmodically in particular policy areas but there is not a readily obvious period of time that one could point to a good example of this pattern of governance. To the extent that there has been an emphasis on the ethic of
evaluation, interdepartmental committees and reviews, the system has been trying to approach this pattern of power. However, the wide-spread low regard for, and disparagement of, interdepartmental committees (and even evaluation) indicates that this interactive, cooperative approach has not embraced all the players (it has only been a side-show while the main game goes on elsewhere). When everybody respects and listens to each other, the potential for learning and improving the quality of dialogue is strong. Such a pattern of power would prepare a government well for crisis but may not necessarily be at all appropriate in times of actual crisis (Kouzmin, Jarman and Rosenthal, 1995).

In reality, over time, the balance of power shifts between all these patterns of power—and that is how it should be. Different circumstances call forth different responses and this can operate at any level of government. It would be tempting to contend that a “healthy” decision-making process is one that accords with the balanced learning approach (the last of those categories listed above), but this is too simple and is, moreover, not always appropriate. It is argued that an understanding of the implications of this range of power dynamics would help leaders in choosing that power configuration which is most appropriate to the challengers of the moment.

For instance, in times of crisis, it may be that the dictatorial or the profligate approaches might actually be more appropriate depending on the crisis. However, it is contended that a “healthy” decision-making process would, over the long term, have the capability to look like the balanced learning approach (Kouzmin and Leivesley, 1997).

Given that the fundamental structure of Cabinet decision-making in the Westminster system appears to be effective, what then is required to make it work and continue to improve on its effectiveness? As only a preliminary foray into this area, the focus is on three important issues.

- **The Capacity for Players to Play Out Their Roles and Contribute Effectively to the Process.** This first requires an ordered and well-understood process of interaction. Cabinet Committees, Cabinet guidelines and the physical ordering of Cabinet business are very important in this regard. For instance, the introduction of the Expenditure Review Committee, and associated process, has been seen as a very significant contribution to an effective decision-making process in the setting of the Budget. It clearly acknowledges the important role of the three main players and brings them together in an intense, interactive way to distil the most appropriate formulation for the setting of the Budget. It is a question, though, whether the other
Cabinet sub-committees allow the three rationalities to bring each of their perspectives to bear on policy development—are all the propositions properly tested with an analysis from the different perspectives? For instance, it has often been questioned whether there is adequate debate from all perspectives in the Revenue Committee.

The other significant requirement to allow each to play his/her role is that players, themselves, accept and acknowledge their role and that they accept and respect the role of the other players. For instance, in the Budget process, it would be helpful if everybody acknowledged and respected the role of Finance as the “devil’s advocate”. It is clearly not its role to initiate policy but, rather, to bring to the notice of Cabinet all the important aspects (positive and negative) that have been omitted from the Spending Minister’s proposals. This would include the identification of other viable options that have not been adequately addressed by the Spending Minister.

Finance’s role is also to make clear the logical links between cause (as the Government’s action) and effect (as the likely impact or outcome) in the “real” world. This is usually in stark contrast to the approach by the Spending Minister, who tries to sell a package that would deliver a belief in the community that he/she has actually delivered solutions to problems. In an effective decision-making system, the communication between all players would be such that Finance has ready access to sufficient information for that portfolio to be able to give a creditable account from its point of view.

- **Role Compatibility for Ministers and Institutional Archetyping.** For the Cabinet decision-making process, ministers would be more comfortable in their roles if their personal orientations were in synergy with the requirements of their roles. Where they are not in synergy, there will be a tension which could result in an ineffective process of debate, thereby putting at risk the choice of the most effective policy response. How this tension is played out is very important, not only for the efficacy of the individual concerned but also for the effectiveness of the process. Such potential consequences should be taken into account when appointing ministers, even senior bureaucrats. There is something in Breiner’s (1996: 17) interpretation of Weber when he says ‘that prudence therefore will dictate that politically responsible actors must be found within the confines of the logic of domination rather than in opposition to it’.
For instance, where the Minister for Finance is personally operating out of a rational, legal motivation there is synergy and the Government’s policy initiatives are likely to be given an appropriate degree of scrutiny before decisions are made—and the bureaucrats in the Department of Finance will clearly empathise with him/her. If, however, the Minister for Finance is operating personally out of the charismatic motivation then there is likely to be dis-comfort and some tension. It is not just a matter of learning different subject matter, but what is called for is a completely different way of thinking and acting. There would also likely to be tensions in the minister’s dealing with finance officers—initially, they would seem to be talking different languages. At the basic level, for example, the Minister would prefer oral briefings, whereas finance officers prefer to provide well-written briefs. Such a Minister would also desire to win every policy battle (and only raise a matter if he/she thought he/she could do so), rather than being content in simply raising the questions. Finance bureaucrats would also be likely to raise and argue savings proposals as though they were new policy initiatives. In so doing, they would likely become attached to the particular savings proposals and so make it easier for the Spending Minister to defend his/her programs and initiatives.

If, on the other hand, the Minister for Finance were personally operating out of the traditionalist motivation, he/she would more likely be inclined to reach political judgment on the various proposals and be less inclined to run the rational arguments within Cabinet itself. Such a course of action truncates Cabinet debate and may prevent Cabinet from being as fully informed as it might otherwise be before making decisions. Needless to say, bureaucrats within the Department of Finance would get a little frustrated with such a minister.

Analysing the Cabinet decision-making process in terms of a trinity of *menetypes* is essentially about the roles that ministers are called upon to play as members of Cabinet in the policy development and selling process. There are, of course, other roles that ministers are required to fulfil. Headley (1974) describes these as their management role and their role as members of the Parliamentary party. The performance of ministers in these different roles (from an ontological perspective) can also be understood from a hermeneutic perspective. For instance, a minister who personally operates out of a traditionalist orientation (of motivation) will feel much more comfortable in the hurly-burly of party life. However, though such a minister might do well in gathering back-room support for particular policies,
he/she may not be so adept in selling the message to the constituency or managing a large bureaucratic agency. In summary, unless the minister is well-rounded and has a higher capacity on the scale of self-awareness, he or she will be more comfortable in one role rather than another—it may be a question of which role is the most important at the time.

- *Avenues for Further Development in Governance.* The trinity of *menotypes* is not only a coherent whole but also contains a sense of direction for growth and development. Weber (1930; 1947; 1978a), himself, spent much time observing the direction of development. He observed that many societies went from a well-entrenched traditional authority to break out with a revolutionary charismatic movement, which then evolved to a more stable, legal-rational authority. While Weber (1947; 1978a; 1978b) would see the development of this rational, bureaucratic state as some ultimate state to be achieved, there are natural forces within individuals and collectives that can lead towards a newer expression of traditional authority (such as to be found in democratic socialism and the more recent environmentalist movements).

The path of cognitive reversion (going clockwise in the *Figures*) suggests that, though this may actually be more difficult to achieve, it may be a more positive development (in a democracy) than giving in to the tide of economic rationalism (Kouzmin and Korac-Kakabadse, 1997), as discussed shortly. What the logic of the cognitive framework suggests is that: first, each political player should be strong and confident in his/her own role in the process. For instance, Finance should acknowledge and be proud of its important role as the “devil’s advocate” (which in strict terms is not all negative but often opens up the policy debate to disclose hidden traps or better alternatives).

Secondly, each political player should develop some of the good characteristics of one of the other rationalities, particularly going against the arrows. For instance, the Spending Ministers need to take on more of the fiscally responsible and logically rational aspects normally exhibited by the rationalists in Finance. They still need to maintain their essential orientation of achievement and promotion of new policies as an answer to social problems, but they also need to take much greater cognisance of the cost and objective assessment about how the policy will work. On the other hand, Finance should not only continue conducting rigorous analysis and proffering alternative options, it should also be reaching assessments.
on the relative merits between the alternate options (that is, normally associated with the Prime Ministerial role in the decision-making process). Finance's involvement in evaluations is actually extending beyond the mere asking of questions or suggesting alternative ways of solving the problems to reach judgments on which of the possible options offers the best chance at social justice and coherence.

On the other hand, it would not be too successful if any of the political players chose to start thinking in the reverse direction of cognitive procession and took on too many characteristics of their hitherto repressed rationality. For instance, it would be deleterious to the whole process if Finance took on responsibility for promoting and successfully achieving new policy initiatives for solutions to what it considered to be the significant political problems. Finance can readily identify areas where government policies are not working or it can proffer workable alternative solutions (Finance is strong on identifying the means required to achieve any particular impact). However, the process would be come very unbalanced if Finance were seen to be in direct competition as an initiator of policies. It would be destructive to supplant the notion of Finance as the "devil's advocate" with the notion of Finance as the "policy consultant" in competition with Spending Ministers.

7.1.3 The role of a Minister

Ministers in the Westminster system have to fill a number of roles in relation to their electorate, their party, their Cabinet, their constituency, their departments, and the public. The personal governance demands of these roles are different and they are worked out differently by different Ministers (with different personal preferences). This is a complex subject as it really involves analysing the interplay between the expectations of roles and the characteristics of individuals carrying out those roles. However, it may be enough to demonstrate the congruence and potential of using the conceptual framework of this thesis to explain the challenges in the role of a Minister.

Cabinet Ministers as a group are called on to have a primary focus on the political network aspect of the governance trinity, with the market-oriented role of selling the Government's programs as a strong secondary role. The hierarchical or phase #B legal-rational approach is actively repressed. It is not so important for Ministers to be seen to be providing efficient services as it is for them to be providing acceptable solutions—that is, workable solutions to the problems which they are required to identify correctly as being of
concern to the community. This is most reliably done through trusted networks that would then support the answers coming out of the consultative process. The objective, logical analysis of policy issues is of less value in formulating and gaining political acceptance of their policy positions, but it is very useful in justifying them to all and sundry—and that is why such a legal-rationalistic body such as Treasury or the Department of Finance is needed in the Government’s policy-making process.

The orientations, therefore, to the phase #C aspects of the authority trinity (networks) and participants (markets) are the primary and secondary aspects in the role of Ministers. They need to accumulate and exercise political power to get acceptance for their programs and they need to be seen as Ministers of decision and action in the market place of public opinion. How they do it within the culture of their department is largely hidden and regarded as irrelevant to the essential perception of their effectiveness—which is rated on their perceived power within the Government and their capacity for “right” decisions and actions.

These perspectives can be translated into an analysis of the different psychic pressures on Ministers by means of the governance Formwork expansion of Figure 34. First, as an individual, the role he/she has to be seen to play is that of an astute political animal or a phase #C network. If her/his own personal character orientation is a phase #C (perhaps like Paul Keating or Newt Gingrich), then the emerging decisions and actions of the Minister as an individual are also likely to be predominantly phase #C. However, if he/she is more oriented to say a phase #A character (perhaps like Bob Hawke or Bill Clinton) or a phase #B character (perhaps like John Howard or George Bush-senior), then there will be a tension and his/her resulting personal decisions and actions are inevitably going to be more of a mixture. The primary aspect of this trinity of the will is likely to be on the decision/action aspect, which would then require some repression of the Minister’s real personality.

Secondly, as a member of a number of groups, the main roles are seen to be the external orientation—being the Government’s proselytiser or phase #A market manipulator with the internal orientation being as a Minister of the Crown, involving legal responsibilities, responsibility for a Department, and accountability to Parliament. This particular role used to be treated as a phase #B administrator who took personal responsibility for administrative actions of his/her department but, more correctly (and in keeping more with its origins), has come to be regarded as a phase #C network connector—who primarily needs to build effective, cooperative relations with people holding power both within his/her department and within Parliament. For the Minister to try and play a primary role of phase #A charismatic leader of his/her departmental executive would be dysfunctional (it is enough for the
department’s belief in the Minister’s answers to be of secondary importance to the Minister’s main political-type role). The third aspect of this group-level trinity relates to the Minister’s role in Cabinet (and his/her own party), which would obviously be a *phase #C* network role. The focus in this group trinity, overall, is likely to be on his/her role as Cabinet Minister, which means he/she will necessarily repress his/her role as “chief administrator” of his/her department.

Thirdly, as a member of the broader society, the Minister is likely to have chosen a vocation as a politician (*phase #C*) or a saviour (*phase #A*). As a citizen, he/she would more likely have chosen to be in a group exercising power (*phase #C*) or evangelists for a brave new world (*phase #A*). In choosing his/her identity (the third aspect of the trinity) or the way he/she would like to be regarded by the populace, he/she is more likely to choose that which speaks of his/her inner aspirations/motivations. For instance, the political boss (Paul Keating) who exercises power well to bring justice to the land (Mabo), the charismatic leader (Bob Hawke) who has led the nation to the promised land (where no child shall live in poverty), or the dependable captain (John Howard) who runs a “good ship”.

Fourthly, a Cabinet Minister who puts a primary focus on the trinity of the individual is more likely to be regarded as an opportunist who does not appear to have the nation’s interests at heart (because that level of abstract thinking is repressed). The more normal is to choose primary importance for the group trinity which would mean that the national concerns figure as a secondary focus in his/her scheme of thinking and his/her private life would be put a poor last. Those that choose a primary focus on the level of the society trinity tend to become the crusaders who run the risk of coming unstuck in the party room unless they are seen to have such broad popular support that they are able to deliver power to the group.

Of interest in this cursory analysis is, by and large, the absence of the hierarchy *phase #B* bureaucratic orientation. How wise is it then to regard Ministers as responsible for the administrative actions of their departments when such actions actually capture so little of their attention? The separation of the bureaucratic delivery agencies would, therefore, seem a constructive development so that Ministers can concentrate on using their networks (including the chiefs of the delivery agencies) to assist the Government develop a sound policy program. Analysing the possible evolution of Ministerial roles or the shift in personal governance required in moving from opposition spokesperson to government minister would also be interesting to pursue, perhaps at another time.
7.2 Governance in Westminster Public Administration

There have now been several decades of ongoing reforms in the public administrations of both the UK and Australia, with Australia tending to follow the UK, and the paths of reform have been similar. This section presents a brief analysis of some aspects of the management reforms, first in the UK public administration and secondly in Australia. Thirdly, there is a brief look at one particular central agency in the Australian Federal public administration.

7.2.1 Developments in UK public administration

A cursory analysis of the reforms in the UK public administration is presented by going through the list of central government changes identified by Rhodes (1997: 87–111).

As a prelude, the predominant structure of public administration in the so-called Westminster system could be best described as having placed a premium on stability and dependability—phase #B rationality. This has resulted in the seeming primacy of a hierarchical public service over the secondary phase #C authority or political network orientation. This was characterised in the “Yes, Minister” perception of the way Government was run. The aim of the early reforms such as the Financial Management Initiative or Improvement Program was to shift the overall balance from the menotype #B bureaucratic orientation to the menotype #C political orientation and render greater power to Ministers to be able to change things (in the spirit of their secondary menotype #A entrepreneurial style).

Introducing the minimalist state. To move effectively from phase #B bureaucratic overall orientation to having phase #C politics in charge, it was necessary to start repressing the hierarchical bureaucratic presence. The most effective way to do this was to cut its size and to eliminate functions. Everything had been put up for question because, in the new politician world order, the management presence is consciously minimised. Privatisation of essentially commercial operations was realistic. However, the ideology that said markets were good and hierarchies were bad led to some indiscriminate downsizing.

The whole move to delay the public service and remove middle managers was an attempt to strengthen the secondary network aspect of bureaucracies. While this could be seen as an evolutionary development in hierarchy governance, the increase in flexibility to respond more appropriately in changing circumstances does come with some loss of corporate tradition and history. The seeming dissatisfaction and destructive outcome from downsizing have resulted from the way many agencies went about it. For instance, while they went about trying to bolster network governance, which works predominantly on the principle of trust, that trust was being eroded by the indiscriminate lay-offs that occurred. What resulted in
many cases was an undue concentration of power at the top and a greater shift away from the hierarchical values of order and predictability.

**Reasserting political authority.** To foster “can do” Ministers, it was necessary not only to undermine the hierarchical structure but also there had to be an actual greater focus on the participant sphere (*menotype #A* as the secondary aspect of the trinity) and the roles of the individuals. This was carried out by diminishing the standing of public servants through such methods as reconfiguration of remuneration packages and methods of appointment while extolling the primacy of Ministerial leadership.

**Extending regulation and audit.** Following the divestment of public ownership of the *phase #A* “market” products to purify the public service, ‘the Government substituted regulation for ownership and so multiplied the watchdogs of the new private sector monopolies’ (Rhodes, 1997: 91). Though regulatory agencies would have to be, by nature, hierarchy oriented, they were small and many and their chiefs were politically appointed. Control of these many semi-government authorities and commissions was now essentially by political networks, and so the overall shift was towards much broader and influential political networking within the remaining public service.

**Management and structural reform.** As observed above, managerialism was really a change that also was primarily aimed at enhancing the secondary political network influence of the public service while maintaining its fundamental hierarchy orientation (*menotype #B*). As observed by Rhodes (1997: 94), ‘In short, there was some change, but not a lot, and it depended on whether FMI was a useful means to political ends’.

One of the key reforms was the new concept of “managing for results”. Hierarchies focus predominantly on process and this was an attempt to take cognisance of the results of the processes put in place *vis-à-vis* the results desired by the Government. This did not mean that the public service was meant to determine its own ends or to identify and satisfy its own market demand—which would have been an essentially *menotype #A* market orientation. Rather, it was aimed at a clearer articulation of Government’s decisions and intentions. It was in the vein of sharpening the political orders and guidelines to the public service agencies. What was required was for the hierarchies to keep adjusting their processes until they got the results desired by the Government—given that these were realistic in the first place. This was not a shift in governance, as such, but a strengthening of the hierarchy’s secondary governance orientation of being influenced by the political network. Moreover, the Ministers were also being encouraged to develop their secondary orientation of better articulating the Government’s entrepreneurial program.

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Agentification. This reform was more radical. The dependability and predictability of hierarchies are commendable for service delivery of public goods. They were less helpful in their assistance to the development of the Government’s public policy products to satisfy the demands in the marketplace of public opinion. The hiving-off of the service delivery agencies had a three-fold effect. First, the nature of the roles of the new delivery agency heads was shifted more towards the political orientation by the ease with which they could be appointed and dismissed but, more importantly, because they were now required to operate within the ever widening political network of interested parties. Whereas before they might have been well hidden and protected within the bigger bureaucracy, they were now in the open and more vulnerable to political pressure.

Secondly, it altered the accountability of the Minister for the operations of the agency to accountability (of the service deliverers) to the Minister. This enabled the Minister to enhance his/her secondary menetypc #A entrepreneurial role (or product sales to the electoral market) with less risk to government if it did not work (because the Minister could always point to the inadequacies of the service delivery agency and then propose a new solution). Thirdly, it allowed the remaining core policy development agencies to be refashioned to support the political process of policy development. The politicisation of the Departmental executive positions followed automatically.

In general, these reforms would seem to be essentially beneficial to the positive, evolutionary development of the governance regime. They can be seen to bolster the core orientations for decision-making and action. True public goods are, in fact, best delivered by efficient hierarchies to the specifications set by the political process.

Rhodes (1997) reports that, again, in this round of reforms, the opportunity was taken to minimise the hierarchy’s scope and activities even further. Some aberrations were likely to result when this course was pursued as a matter of course. For instance, in Australia, the dismantling of the Commonwealth Employment Service and the introduction of the Job Network has met with some turmoil in its implementation. Contracts were being negotiated with private sector job search agencies that were financially based on results—that is, they were more in the vein of buying job and training placements for the unemployed from the private sector’s market shelf.

In one sense, the arrangements could be viewed as the government agency having a pool of readily available natural resources in the form of unemployed persons. It then tried to set about entering into commercial deals to process these resources for sale to firms ready “to pay” for job-ready labour. The sub-contracting of the processing and marketing of these
natural resources was to agencies in the marketplace that had to make a profit. The profits to
the Government through this enterprise came from reduced social security payments when the
person became employed, so there was always some notional processing cost where it became
uneconomic to bother processing an unemployed person. To the extent then that the
unemployed person was notionally prepared to pay for the service in the hope of getting
employment, and that the firm was willing to pay a price for the service of being provided
with potential workers, then a pseudo-market (menotype #A) arrangement had been created.
Leaving aside the policy question of whether the market can be used to fix market failure,
these arrangements would have called for the public service to shift from a menotype #B
hierarchy orientation to a menotype #A market orientation. This was something that the
mentality of the public service had previously repressed, and so the initial steps were bound to
be clumsy.

In another sense, the arrangement could be viewed as the government agency having the
power position over the unemployed and entering into network arrangements with job-
placement agencies to process these persons. To succeed, the job placement agencies needed
to cultivate network relationships with potential employers and training agencies to get them
to take on these unemployed people when they might not otherwise be prepared to come and
"buy" workers off the shelf. To the extent that unemployed persons lack the personal will or
optimism to use the Job Network service, the arrangements rely more and more on the
exercise of Government power and the manipulation of its networks. This would be
tantamount to the transforming of the governance of job-assistance services to the
unemployed from a menotype #B hierarchy, process orientation to a menotype #C network,
political orientation with a strong secondary flavour of menotype #A market orientation.

In summary, then, these new Job Networks could, at worst, be regarded as trying to
establish a form of governance that relies primarily on menotype #A market orientation with a
menotype #C network orientation in support. This arrangement is inherently dysfunctional and
courts failure. At best, the arrangement would degenerate to relying predominantly on a
network orientation with the market orientation in support. If such a scheme had been
implemented with intention, it might have had a chance of being seen to work effectively.
However, because of the predominant focus on market arrangements, it should be regarded,
more, as a clumsy step backwards rather than an evolutionary development of governance.

Market testing. The efforts under this banner were to expunge fully, from the public
service, the production of those products and services that were freely available in the market.
This would be a sound move in cases where market supply is as dependable, predictable and
flexible as was available when produced in the public sector. While this is clearly the case for many of the inputs to the public service, one needs to be more discerning when it comes to the case for providing IT and personnel services. Although these services are clearly bountiful and readily available in the private sector, agencies should be allowed to take a longer-term view of what would be lost in outsourcing these key aspects of communication and culture to the private sector.

The assertion that the public service should behave like the private sector is wrong and destructive in governance terms. The day-to-day operation of the private sector requires a primary *menotype* #A market orientation with a strong *menotype* #B secondary role, whereas public administration calls for a primary *menotype* #B orientation with a *menotype* #C political, network supporting orientation. If, in fact, government service should best be operated with a market-oriented form of governance then it should be cut loose to be where it belongs. It is nugatory to try and keep your cake and eat it too.

**The citizens’ charter.** The operation of a primary hierarchy orientation represses market-oriented considerations and any conception of having to satisfy markets. Therefore, it is beneficial for the Government to define explicitly its instructions to the public service in terms of the performance standards that it is meant to achieve, in something akin to the Citizens’ Charter. This allows the hierarchy not only to maintain its fundamental orientation but also to improve the efficacy of processes to deliver the specified public services or products to community expectations. To carry it further, however, by the introduction of such mechanisms as vouchers of health or education services, would be destructive of the present basic nature of the public good being provided. The clear choice, then, should be between provision in the private sector with its market-oriented governance regime, or continued provision in the public sector with a primary hierarchy orientation, taking account of all that that would entail. It has always to be understood that a choice for one primary governance orientation is a choice against having the other orientation as predominant.

**Democratising the public sector.** ‘Wright […] uses the phrase “democratise the public sector” to refer to consultations through public inquiries, equal opportunities, decentralization of decision-making and *de*-determination’ (quoted in Rhodes, 1997: 98). These moves are, in essence, giving a higher focus in hierarchical systems to the *menotype* #A participant orientation, which is the naturally repressed aspect of a hierarchy. This would not happen naturally in a hierarchy and can only be brought into play by the imposition of processes on the hierarchy. However, these moves can only go so far before having a deleterious affect on the overall performance of the hierarchy. For instance, there is some truth in the adage that
man cannot serve two masters. If the hierarchy pays too much attention to its interpretation of public concern and inquiry, it could neglect its primary task to do the will of the Government and, furthermore, actually usurp the role of the political process in interpreting the will of the community. The mantra requiring a “focus on the customer” is in this vein. If it means treating people with respect and in the spirit of the public service as defined by the political process then that is a productive development. This sort of development really requires clear guidance from executive Government as to what standards of service are required, and just how far, and under what constraints, the public service should broaden its understanding of political responsiveness.

**Transforming the culture.** “The core values to be preserved are: “an impartial, apolitical public service and its tradition of propriety, non-politicisation and selection and promotion on merit”” (Sir Richard Butler, the Head of the UK Civil Service, as quoted in Rhodes, 1997 99). These are all menotype #B hierarchy culture aspects which cannot be preserved if the primary governance orientation is actually changed (to menotype #C network orientation perhaps in the core policy departments and to menotype #A market orientation for internal commercial units). The core civil service values would also be diminished to the extent that mechanisms and processes are introduced to bolster the secondary political network orientation (such as flatter structures and outsourcing). There is no correct judgment as to where the ultimate balance should fall, and it depends on the circumstances of the situation. But the thing to be clear about is that you cannot have it all ways. In reality, to get a bit more of another flavour, you need to give up some of the current flavour, unless there is a transformation to a higher level of consciousness.

At a given level of consciousness, that is, a more balanced distribution of the collective governance, psychic energy can only be generated by transferring the energy or focus from one orientation to the other. This tends to work in a productive way if moving in a clockwise direction around the governance trinity (from menotype #B to menotype #C) but clumsily (or in a more primitive manner) if moving in an anti-clockwise direction (from menotype #B to menotype #A). Even at a higher level of consciousness (where more of each of the aspects of the governance trinity is taken into account), there will still be one governance orientation favoured over the others, as nobody can be all things to all people all of the time!
7.2.2 Developments in Australian public administration

Some cursory observations about a number of topical issues in public policy and public administration might illustrate two particular aspects of the dynamics of the hierarchical framework of trinities; namely, that:

- there is a movement, over time, between the three rationalities, and it is quite common for one predominant rationality to yield to another. This is not a bad thing in itself because no one rationality is better than any other, only different; and

- the development of any of the players (individuals or organizations) in the dynamic is often enhanced by taking on characteristics of the adjacent rationality (going clockwise around the Figures), but often retarded by taking on characteristics of the other rationality.

The Financial Management Improvement Program. Over the past 15 years or so, many countries have embarked upon what have been termed Financial Management Improvement reform programs (FMIP), and Australia has been regarded as one of the leaders (Dixon and Kouzmin, 1994a; 1994b; Dixon, Kouzmin and Korac-Kakabadse, 1996; Howard, 1990). The reforms have been described as essentially designed to focus more on outputs and outcomes rather than inputs, and to put more control and responsibility for policy decisions in the hands of ministers. In simple terms, the reforms were intended to bring about a shift in focus from processes to the Government's defined outcomes/outputs—or a shift from Weber's (1948) ethic of intention (ends/means) to the ethic of responsibility (political commitment). This can also be seen as a shift from a Weltanschaung based primarily on Weber's (1947; 1962) legal rationality to one based more on the traditional rationality with a strong secondary orientation to the vision or ultimate ends to which the Government is committed.

In the Australian context, this could be seen in essence as a reaction of the incoming Labor government, in 1983, to its perception of the public sector as a powerful opponent to its policy program (a perception that came out of Labor's previous experience in government between 1972–1975). The public service in its traditional role had been seen as steeped in rational, legal rationality. It had been cast in the conservative, cautious role always resistant to the ministers' bright new ideas, and it was left to Cabinet (and often the Treasury) to decide what was best. Over the years, however, the heads of departments became quite powerful and influential in their own right (as mandarins) and were seen to be unduly influencing the formulation of policy—they were setting and holding policy directions and, thereby, assuming
the position of ministers. In essence, the “mandarins” were attempting to fill the roles of both loyal guardian and policy entrepreneur (legal-rational profiles coloured by charismatic rationality) (Campbell and Halligan, 1992; Hyslop, 1993). However, by their nature and being grounded more in legal rationality, the mandarins were more focused on means and less flexible on the issue of the Government’s commitment to specific ends. This was seen as destructive to the aspirations of the incoming government, so change was required.

The reforms could, therefore, be seen as taking back from the public service the reins of the entrepreneur or charismatic leader of policy development and making the ministers’ ethic of responsibility predominant in the decision-making process. In so doing, these reforms made the top echelons of the public service much more subservient to this ethic of responsibility, and there was a great expansion of the policy formulation capability of line departments. Moreover, this more highly developed capability of policy formulation was more upwardly focused to serve the agendas of a particular minister. This entrepreneurial capability was generally built up alongside, but often feeding off, the traditional legal-rational bureaucracy (Dixon, Kouzmin and Korac-Kakabadse, 1996). The bureaucracy was then able to concentrate on what it did best within its ethics of intention or concentration on means—that is, the delivery of programs as required by the rules and legislation set down by the Government. This shift in entrepreneurial power back to ministers allowed the much more fulsome inter-play of the three rationalities at Cabinet level (as described above).

That the Australian Department of Finance (the “devil’s advocate” extraordinaire) should have been responsible for leading the implementation of these reforms is ironic and worth closer scrutiny. Here was an organization that adhered strongly to the ethics of intention as a basic value to sustain its very existence in the decision-making process, now being required to preach the ethics of responsibility for outcomes. It was being asked to take on, and proselytise, the mantra (or rationality) of the spending ministers and their agencies. It is, therefore, no surprise that the core supply divisions rebelled and ignored the new rhetoric. The Department of Finance, itself, came to be looked on as schizophrenic, as it eulogised agencies (through the FMIP rhetoric) to take on an outcome focus, only then to criticise proposals in Cabinet for not paying sufficient attention to the logical and causal links at play.

In one sense, Finance was trying to train and encourage agencies to be good entrepreneurial policy advisers to the Government so the agencies could then be even more worthy opponents in policy battles of the Cabinet room. One consequence was that many actors became confused about the real role of Finance. In the context of this paper, it would be more consistent with Finance’s role for it to be assessing how well agencies are doing in their
resource management, rather than promoting one particular management philosophy or another; that is, if Finance stayed more in line with the attributes of legal rationality rather than charismatic rationality.

To repeat, however, the resource management reform process did improve the policy-making capability of government and brought the real power fulcrum of this decision-making process back to the level of Cabinet. In so doing, the reforms have enhanced the decision-making system as a learning process for political leaders. It has built into the processes of Executive Government a mechanism to educate political leaders. This is consistent with Weber’s (1948) idea that the vocational politician was nurtured and educated within the political system, as observed by Breiner (1996: 17). Having the learning process in-built is in contrast to the process envisioned by Dror (1987; 1991), who saw such learning capacity as being established in an external “School for Rulers” for political governance.

The policy/administration split. As has been explained, much of the upper echelons of the central offices of agencies have been refocused to support the entrepreneurial activity of their particular minister. While this activity can usefully feed off the more bureaucratically organized delivery of programs, it can actually be seen as detrimental to the orderly and efficient delivery of programs. The entrepreneurial activity focuses on initiative and constant change to create the impression of achievement. Program delivery requires bureaucratic stability and efficiency to ensure consistency of action. In terms of the dynamic of three rationalities, the entrepreneur or policy development is improved by rubbing shoulders with, and taking on some of, the characteristics of the bureaucratic program deliverers, but not vice versa.

Put another way, policy development is probably enhanced by keeping the policy and administration functions together—program delivery is improved by separating them. It is, therefore, more consistent with the recent focus on the quality of service delivery that government is looking more and more at breaking off the program delivery parts into separate agencies. This movement has been the basis of the Next Steps Program in the UK (Ives, 1994). The most notable recent example in Australia is the formation of Centrelink, the new coordinated service delivery agency (or one-stop shop) formed out of the administrative arms of the Departments of Social Security and Employment, Education and Training.

This move was much overdue in Australia because the afore-mentioned reforms had moved the attention of ministers so much onto policy promotion that they had little time or inclination to attend to the improvement of actual service delivery processes. It has been observed above that the primary orientation of the ministers towards their political networks
means that they automatically repress any concern for the orderly administration of their
department. Yet, community standards demanded an improvement in service delivery and it
was natural for the ministers to key into this vision and to deliver the separate administration
agency, which could then be held responsible (rather than the minister who preferred to
concentrate on other, more rewarding, pursuits).

There is, however, a caution and a necessary benefit of the old policy–administration
dichotomy that should be retained. The entrepreneurial activities of ministers are much
improved by their association and interaction with the service delivery bureaucracies. This
suggests that ministers or their departmental support staff should be active members of the
boards established to oversee any such independent delivery agencies. In such a capacity, the
line departments could take on the role “devil’s advocates” in their stance towards the
delivery of programs. They could, therefore, provide a balance in the service delivery process
and keep themselves informed at the same time.

*Contracting out.* Government services range from the delivery of cash benefits (to those
deemed eligible) through to the provision of those goods and services, which are also being
supplied by the private sector. In the latter case, it is quite evident that the adoption of
commercial practices in the delivery of government services would be quite consistent with
the way in which such services are delivered to the public (Dixon, Kouzmin and Korac-
Kakabadse, 1996). However, the case is nowhere near as strong in the former case.

On the one hand, contracting out and open competition on a price basis between potential
suppliers is essentially consistent with an entrepreneurial or charismatic rationality. Each of
the potential suppliers is trying to convince the agency that they have the competence to be
trusted to deliver the services required. In this sense, contracting out is very much in keeping
with the spirit of the enhanced entrepreneurial role of ministers and the output/outcome
orientation espoused in the new resource-management regime.

On the other hand, however, the service delivery associated with the payment of personal
cash benefits to eligible persons is expected to have certain characteristics. It is meant to be
delivered in an even-handed, dispassionate manner according to strict guidelines and rules
that are evenly applied to everybody. Moreover, it is to be delivered as efficiently and at least
cost to the public purse as possible. It is meant to be reliable and consistent and to be a system
that everybody can depend on—there should be few surprises in the decisions that are taken
by the system. The organization best equipped to provide this type of service is a bureaucratic
one, based on the menetyp #B legal-rational authority. As such, contracting out in this

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environment would be very hard for the organization to handle and may well be destructive of the very attributes that the public requires of such organizations.

In-between these two extremes there is a range of situations where contracting out may or may not be appropriate. The long-term benefit of using contracting out is very much determined by the culture of the individual organization. For instance, the use of consultants in policy development would be very consistent with the new emerging entrepreneurial culture of the core of the line agencies supporting ministers. However, for those service delivery agencies that are strongly bureaucratic, it may be most cost effective in the long term to drive efficiencies in the agency itself and use contracting out very sparingly.

In summary, contracting out is not a panacea for the efficient delivery of government services. Sometimes it is appropriate but many times it is not. The long-term interests of the agency and the Government should always be brought into the consideration. Sometimes it might just be the better solution to do the “hard yards”, to eke out more efficiencies within the current bureaucratic service delivery structure (Hilmer and Donaldson, 1996).

The “politicisation” of the public service. A further corollary of the enhancement of ministers’ political control and entrepreneurial role, and the consequential split between policy development and administration, is that the remaining line departments have taken on an even more policy-entrepreneurial orientation. This necessitates that the upper echelons take on an even more supportive role in promoting the ministers’ programs—in fact, this subservient supportive role becomes overwhelmingly predominant once the responsibility for actual program delivery is removed. This calls for a different brand of agency head (a chief executive officer to the board of ministers). This also calls for a different allegiance and closer relationship between agency heads and ministers. It is no wonder, then, that the temptation (and perhaps need) to politicise the upper echelons of the public service is becoming almost irresistible.

The line departments are called on to become more and more like the Government’s in-built “consultancy” firm rather than the old, bureaucratic service-delivery agency. This calls for innovative and flexible ways of organizing themselves to provide the best advice to their particular minister. This provides a strong argument to break down the service-wide application of public service employment roles and allows departments to do their own thing. They need to be much more adaptable to the political and entrepreneurial needs of the moment.

It would be wise, however, if the now more upwardly focused agencies did retain some aspects of bureaucratic order and rational approaches to policy development. This is why it is
important to retain core policy-development agencies rather than to collapse them into one large ministerial office (or to outsource to consultancies or lobby groups). The minister’s office should be kept separate to support the minister in formulating and articulating his/her vision and to retain links into the political network that operates very much within traditional rationality.

A corollary of these trends is the need for central agencies, and particularly Finance, to strengthen their traditional role and contribution to the process, because the ability of the line agency heads to play “devil’s advocate” to their ministers’ new ideas is not what it used to be. Maintaining the effectiveness of the Executive Government policy decision-making process, therefore, requires Finance to take on an even more emphatic role as the “devil’s advocate”. Finance will be better able to concentrate on such a role in the policy-development process because line departments, themselves, will be taking on a more critical “devil’s advocate” role in respect to program delivery by the independent service delivery agencies. The recent closure of the state offices of the Department of Finance and their withdrawal from the regions, where the service delivery of all the Government’s programs essentially takes place, is very much in keeping with this trend of events. However, recent action that expanded Finance to include the delivery of the Government’s administrative services, would seem to be a nugatory step in that it will tend to undermine and compromise Finance’s core role as the “devil’s advocate” to government policy.

7.2.3 The “politicisation” of the Australian Department of Finance

In the short space of a few years, the governance orientation of the Australian Department of Finance in Canberra seems to have been transmuted from the Government’s revered “devil’s advocate” to a political tool and a look-alike spending department. Moreover, it is priding itself on being a trendsetter in new entrepreneurial public administrative practices and provision of services. This dramatic change has not been what could be called a productive development in the overall scheme of things but, rather, a consciously imposed change in the orientation of governance. The end result of the changes may very well be a less effective organization and a less than satisfactory Cabinet decision-making process.

The Department of Finance was established with the charter principally to coordinate and assist in the Government’s control of, and accountability for, expenditure. Until the mid-1990s, Finance established a successful governance structure that contributed positively to Cabinet decision-making as explained above. Finance was basically a menotype H hierarchical organization through and through—it operated like the archetypal financial watchdog in the bureaucratic, management, efficiency-oriented mode.
Within the authority sphere (Figure 8 refers), Finance emphasised the management, rule-bound and ordered hierarchical form of authority—there was no room for entrepreneurial
prima donnas. The culture sub-trinity had a heavy emphasis on the basic truth of objective, rational thinking and on the value of pursuing the basic logic of cause and effect of all decisions (menotype #B orientation)—that is, decisions made with sound reasoning lead to good results. There was no room for individual judgments that some policy should be supported just because it benefited a particular group in society—the main issue for Finance was whether the promised effect followed logically from the proposed policy and its relative priority within the Governments explicit policy agenda. Moreover, the primary aspect of its internal governance was its hierarchy or the menotype #B legalistic culture. The experience of the Department in the participant’s sub-trinity was, again, a coherence in that the role and actual leadership was overwhelmingly of the phase #B orientation. All in all, the organization was seen to be a very rational, conservative and even stolid group—some would say recidivists or “anal-retentives”.

This was during a time when Finance was carrying the flag of the FMIR which, with its encouragement for the public service to focus on results and clients, seemed to be anything but a menotype #B orientation. It was no wonder, then, that there was general disdain for the program within Finance itself and tension over competing messages being received by others external to Finance. With the Budget supply officers still doing their devil’s advocate work, many of the staff of the spending agency were a little cynical about Finance’s motives with the Program. Nevertheless, throughout this period, Finance assiduously held on to its core business and essentially retained its phase #B orientations all round.

However, the department acquired new leadership with different personal orientations and a different political situation. There was an initial period of healthy internal debate about the role and direction of Finance and a greater emphasis started to be put on evaluating the proposed outcomes of Government initiatives—that is, Finance was calling on itself to sharpen the secondary network aspect to aid its discernment of political intentions. The focus of contestability of its advice was drawing attention to its perhaps unduly repressed menotype #A market orientation. This seemed to be a helpful development and most staff participated in the search for new compatible processes to enrich their core role. Due recognition of political realities and the need to reach compromises in formulating workable policies were encouraged. But, basically, the devil’s advocate orientation was maintained, albeit with a growing number of aberrations along the way. There was a touch of relief felt in the spending
agencies at the changed arrangements but, also, a little concern that Finance’s response could
no longer always be predicted.

Then, with new leadership again, things started to accelerate and move in two directions at
once. There was a definite shift in the authority trinity from a management perspective (with a
heavy dose of the secondary menetyp #C political orientation) to a more political orientation
with now the entrepreneurial style building up to be the strong secondary aspect. What had
been normal, good bureaucratic process within the Department started going by the board and
it became more and more picking up on what the leadership’s thinking on matters was.
Formal hierarchies gave way to in-groups. Rational debate over cause and effects of new
policy started to give way to policy causes, and it became more important to win the Cabinet
debate rather than merely inform it. There was a heavy emphasis on downsizing as a crude
attempt to answer the call to be seen to be efficient and there was an ongoing purging of those
who did not fit the new governance orientations—which, of course, were those who had
excelled under the former bureaucratic management order. Many of these now former Finance
staff were unsettled by having to take on a more political profile and were completely
perplexed by the growing entrepreneurial activity, such as commercial practices, outsourcing,
and the introduction of accrual accounting.

The shift to the more politicised culture was exacerbated by an overt introduction of the
entrepreneurial private sector practices as a strong secondary aspect. There was a belief
brought in by the new leadership that the private-sector way of operating was better and
Finance was going to be the leader going down this path as it rushed headlong into
outsourcing its functions—even the primary role as the Government’s “devil’s advocate” had
been suggested as a possibility for outsourcing. The absorption of the Department of
Administrative Services into a new bigger department accelerated this accentuation of its
secondary entrepreneurial spending minister-type orientation. Many of the staff could not
cope and most have been seen as ill-fitting and been moved on. There are very few of the
former middle-to-senior management team left.

The end result has been a dramatic change. Not only have the culture and authority
trinities been re-oriented to the menetyp #C political, traditional rationality but the overall
primary perspective seems to have been moved from the culture trinity (hierarchy) to the
authority trinity (networks) perspective. Finance is now being touted as the leader in private
sector practices with many of its functions outsourced. It has introduced accrual accounting
and a new system of processing Budget figures to Cabinet. As just another player in the
service provision “game”, and one open to episodes of fraud like everybody else, it has lost
much of its high ground to proselytise on sound management practices. It has, instead, chosen
to lead by example which, of course, may be actually by good example or bad, and it may be
followed or it may not. But it has lost a lot of the power of integrity to admonish and require
others to do it better.

Because of this deliberate shift in its governance structure, Finance might, indeed, be
regarded as being in a dysfunctional state. It seems that the Department is not sure what it is
meant to be doing, as it is still required to coordinate the Cabinet’s Budget processes and
nobody else has the capacity to step forward to take the devil’s advocate role in Cabinet
decision-making (though the Treasury is undoubtedly trying to breach the gap). It is now
going through about its fourth re-organization in as many years and, according to reports,
there is low morale among most of the remaining staff. Competition has replaced cooperation
between the different areas of the department. The number and structure of the SES (Senior
Executive Service) leadership team has kept changing until it is difficult to see a clear
rationale in the way the department is being managed. Perhaps a clear demonstration that
things are not going so well is when the Deputy Secretary can be summarily dismissed over
the weekend with no rational cause and effect being offered publicly—an occurrence
unthinkable in the former rational bureaucratic order.

Perhaps the most important consequence of this change in the Finance governance
structure is the erosion of its ability to serve the Cabinet decision-making process. Not so
much in the physical coordination of Budget business (although even the difficulties in this
area have been the subject of discussion in the press over recent times), but more in Finance’s
core role of providing frank and fearless advice on the rationale and full implications of the
other spending ministers’ new policy proposals. The critical importance of this role in making
for good Cabinet decision-making has been explored earlier. It has also been observed how
the Cabinet decision-making process has a blind eye when it comes to the logical, rational
objective perspective. It relies on somebody like Finance to play the role of the devil’s
advocate in policy debate—not necessarily to win the debate but to inform and enrich the
decisions actually taken. This was being done effectively when Finance’s governance
orientations of the *menetypE #B* managerialist orientation were in keeping with its role.
However, now that Finance’s individual orientation has changed there will be an ongoing
tension in how it actually services Cabinet in this devil’s advocate type role.

Finance has, indeed, increased its influence in governmental administrative matters such
as accrual accounting processes and so-called commercial practices, but its role in
Government policy development has seemingly been diminished. The quality of the

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Government decision-making, however, is the loser, as policy decisions will inevitably be less well informed and inadequately debated. As argued earlier, Finance would have been best not only to maintain its *menotype #B* rational, management orientations but also to enrich them further by enhancing its secondary aspect of *menotype #C* political discernment, particularly with regard to spending agency performance. Moving entirely to a more political governance orientation is going too far in terms of effectiveness in the Cabinet decision-making role, and deliberately enhancing the *menotype #A* entrepreneurial orientation is exacerbating the dysfunction further.

### 7.3 Governance in the Social Sphere

This section will look briefly at governance in not-for-profit organizations and then particularly at governance in the Church and the university.

#### 7.3.1 Governance in not-for-profit organizations

The governance in not-for-profit organizations should take on quite a different character to that experienced in the economic corporation and the political system’s public administration, as explained above. While not developing an intensive analysis of the not-for-profit organizations, the following pithy observations would inform any such deeper analysis.

- The heart of the not-for-profit organization is in society’s social sphere and it is therefore motivated principally by the key democratic value of equality, with the secondary supporting value of fraternity. The primary focus of governance in such an organization is on cultivating and nurturing the culture (*menotype #B*) and the inner life of the organizations. The development of a strong culture encourages the members of the group to regard themselves as insiders who belong as separated from those outsiders who do not belong. As such, the organization is there more for the members, the particular participants who are therefore the most important stakeholders. They gain personal psychic rewards from belonging rather than monetary rewards, and so they are normally voluntary-type organizations.

- As the secondary supporting orientation of these voluntary organizations, the authority sphere looks to sustaining the “isness” of the organization, defining what it is and what it stands for, rather than where it is going and what it has to achieve. These organizations are not on a mission as much as being on a journey, a personal and group journey to solidarity and justice for all their fellow worthy comrades.
They are very susceptible to the arrival of the charismatic-type leader who happens to embody the values and way of life to which they aspire. This is principally because the cognitive charismatic orientation is actively suppressed and so while they would consciously resist standout individualism, the unconscious can be catalysed to project their repressed visionary aspects onto a single individual or cause (akin to the projection involved in romantic love).

The spirit of such organizations would have encouraged and supported the managerial outlook with its focus on proper process and good form. The organization's office holders are respected for the offices they hold or the roles that they contribute in the overall workings of the organization. Once departed from office, the particular individuals are once again regarded as just another member-in-equality—except to the extent that the secondary politicised informal organization is alive and well.

Many of the not-for-profit organizations have taken of a cause of social justice in the political sphere to support the lot of those that they felt belonged or were aligned with their group. Such activity is a natural extension of their secondary political orientation and concern for justice issues. As society has moved into the politicist age, this movement has been encouraged and, in many cases, the heart of the organization has been shifted from the social culture of belonging to the political authority perspective. People now often belong to such groups for political reasons to effect changes in the political sphere rather than to support the personal well being of themselves as a group.

Along with this shift of many not-for-profit organizations to engage the political sphere, has also come an upsurge in entrepreneurial activity. This is witnessed in the shift of many organizations to a more professional approach and the widespread introduction of ambitious mission statements and the securing of high-paid CEOs to lead them on new entrepreneurial, expansionary paths.

This shift in mindset from the menotype \(B\) culture phase to the menotype \(C\) authority/political phase, has also heightened the level of activity and importance of their organizational boards. In earlier times, such boards were mainly to serve the members' needs and provide a more intensive experience of the dynamics of belonging to the organization. The boards are now increasingly taking on the nature of an executive government and, in some extreme cases, even that of a corporate board in the economic sphere.
• When there is an overt move to the set-up of a commercial economic enterprise (rather than a more politically activist role)—say, as running retirement villages or employment agencies—there is grave danger of dysfunctional behaviour or the organization losing its way. First the organization would not be psychically or entrepreneurially equipped to handle taking on such a task. More importantly, however, once the organization has stumbled through (or extensively re-staffed) the transition phase and installed economically oriented people and structures, there is a grave danger of this enterprise undermining the core menetypo #B spirit of equality/fraternity in the organization—unless the commercial aspect is held very much at arms length.

• The key understanding is that the menetypo #B orientation not-for-profit organization culture is about inner meaning and understanding, and to the extent to which the organization engages in externally focused activity, its core motivational spirit is diminished—even though in some cases it may be enriched with a more diverse perspective. Therefore, when the commercial activities of clubs, churches and charities have shifted their primary motivation to the economic sphere and entrepreneurial activity, there is no reason why these activities should not be structured and treated like any other commercial activity; namely, that they should be incorporated and taxed as are other business enterprises.

7.3.2 Governance in the Roman Catholic Church

The most influential organization in the social sphere is the Church; in particular, the Roman Catholic Church, which has been around for a long time and has played a prominent role particularly in the Western societies over the ages. Moreover, 'The Catholic Church furnishes one of the outstanding examples, among all forms of human endeavour, of the operation of all the principles of organization' (Mooney, 1947: 102).

If time and space permitted, the structure and dynamics of the Church could have been analysed in the same manner as the US corporation and public administration, perhaps focusing on the pre- eminent question of how the Church is changing and responding in the so-called "postmodern world." However, just some well-founded but unsubstantiated and undeveloped commentary is offered as some kind of starting point for future study. Following, therefore, are some brief observations of the authority, culture and participant spheres to try and grasp the character and significant contributors to the Church’s longevity and strength (Figure 8 above refers).
First, there are the dynamics of the authority sphere.

- Within the official hierarchy, loyalty and obedience are owed to the person on a higher hierarchical level of power more so than the actual position itself. Part of the reason for this is in the fact that once elevated to higher office, the priests basically stay elevated and some have even stayed in the same position of power for a long, long time. It operates more like a social standing or rank in the way obedience to authority is orchestrated within the Church hierarchy proper. It is traditional authority more than the rules of rational-legal authority, which decides the acceptability of the actions of the membership of the clergy in the organizational hierarchy. There is a ritual political process for electing the primary office of Pope, who then has personal autocratic authority to decide on the particular persons to hold the other offices of power. The predominant characteristic of the authority sphere [or Mooney's (1947) scalar function] of the Catholic Church is therefore political.

- To bolster their personal political power, the holders of Church office call upon the secondary aspect of the divine rite as the source of their authority direct from God by virtue of them being priests. Acceptance of this authority comes out of the way that the authority of the Church is modelled on the Divine Trinity as explained by Mooney (1947: 104). This secondary orientation of Church authority is most clearly evidenced in the emergence of the doctrine of papal infallibility, which bolsters the personal power of the Pope to decide on doctrine. Thus the goals of what the Church is about are set politically, with the final word being accorded the autocratic person of the Pope because of the charismatic power invested in his person through the lineage of his office. This provides the unifying thread throughout the whole Church. This aspect of spiritual charismatic support for the priests' personal power is a magnification of the personal spiritual power given by the investiture of the priest and enhanced in the elevating investiture of the Bishop. In theory all priests, Bishops, Cardinals and Popes are equal before the God who sanctions and blesses their priesthood—but some are more equal than others, which is fostered by the priests' call to obedience! The regard for rational administration is pretty low and has not been accorded much importance to the formation or progression of the priest through the hierarchy. The spirit of administration and legality finds its main expression in the canon law, which has been built up over time, but it is only of secondary importance (and can be changed even to suit) in
determining the fate of particular members of the hierarchy. It can be used against those who are not in favour, politically speaking, but it does not really serve as a basis for positive evaluation.

- The conduct of authority and action in the Church hierarchy is therefore political in nature and is in tune with a feudal structure in society. This is perhaps a strong reason why the Church was so adept at holding such a powerful and influential role through the feudal era. It could be argued that the Church has passed its low point of the modernist, scientific age, and is now much better suited to making an impact in the emerging politicist age. However, it needs to operate at a much more sophisticated and complex level than was previously manifest in feudal times, and this necessarily calls for a different expression of the Catholic spirituality. In simple terms, the emphasis is moving from the Holy Spirit (charismatic, New Age) and the feminine to a spirituality based more on God, the androgynous Father or nurturer—a conception of God that is much more earthed than has been the case through the modernist era. In this sense, the opportunity for women as priests and nurturers is pretty compelling and nearing its practical achievement but there is still a substantial political fight to go through—but now it is being orchestrated at a much higher level of abstraction and, therefore, perhaps more malleable than in previous ages. The movement’s ultimate success will depend on the particular type of political power adopted within the Church hierarchy; viz, compromise, power or ideological politics.

- In conclusion on the authority sphere, the way that the Church is organized and controlled is largely influenced by the Church’s understanding of, and attitude towards, the workings of the Holy Trinity and the emphasis and importance given to each of the Persons at different times through history. I have not had sufficient time to work this analysis through except to say at this point that there might be a greater inclination to accept some of the earlier Church thinking than the later positions on the actual processions of the Trinity. There are, however, many important connections where the authority of the different spiritual Persons of the Trinity has been invoked to justify temporal power within the Church. Although an understanding of the processions and reversions of the Trinity has aided the author in developing the Formwork of the proposed philosophy of the mind, it is inappropriate at this stage to offer any half-baked ideas on these connections to Church authority and action.
Second, there are the dynamics of the *culture sphere*.

- The governance level of culture captures the heart of the organization, which is fundamentally a spirit of obedience, loyalty and equality of all priests before God. This is the place of the Holy Spirit, which is celebrated in the acknowledged start of the earthly Church at Pentecost, when the Holy Spirit came down upon the Apostles. The Church as a body has looked to the Holy Spirit over the ages to sustain its purity and integrity, and has put its trust in the Spirit’s guiding hand. This spirit is most evident at the level where the official Church hierarchy meets the masses of the laity; namely, at the parish level. Here the priest is sworn to loyalty and obedience to those priests on the higher rungs of the hierarchy and is expected also to follow the rules in carrying out the official rituals of the Church, which is most manifest in his “administration of the sacraments.” This gives expression to the fundamental concept that priests are held to strict order and processes when conducting the sacraments as set out in the Church’s book of orders. In essence, the person of the priest is immaterial in the administration of the sacraments. The spiritual charisma of the sacraments is invested in the office of the priest as an official of the Church, and so the mystical impact essentially takes place on the unconscious level (i.e. the *menotype #A* charismatic attraction is largely on the individual’s repressed or unconscious level). For instance, in response to the ructions of the Reformation, the Catholic Church hunkered down to very strict procedures in the celebration of mass to the point where it was expected that you could attend exactly the same service of the mass whenever and wherever you went in the world (in the same promise of administrative order and consistency as advertised and provided by McDonald’s). This situation was only modified when the Church switched to saying mass in the vernacular after Vatican II, but still the Order of Mass is almost the same the world over. All administration is not revered, as the economic administration as espoused in the economic sphere (which is the shadow of the social sphere) is repressed in Church life and held in low regard. It is the administration peculiar to the essentially voluntary organizations of the social sphere that is given prominence at the organizational level of the parish. This is essentially the administration of processes for the benefit of the membership. Even the Bishops and above are required to follow clearly laid down administration of the sacraments (including in confirmation and investiture of priests, Bishops and Popes).
• The ends of the “administration of the sacraments” are defined by the political hierarchy in the form of the doctrine of the Church—for which the Pope has autocratic power to determine. That is, the priest looks to the authority sphere for policy guidance in terms of the ends that are to be achieved by the administration and on the essential means required to deliver those ends. It is the priest’s task to deliver the ends in as spiritually efficient and effective way as possible. The priest is also called as a secondary function to the exercise of local parish politics to generate a community of faithful parishioners. This is done more or less on the lines of building up an extended family, with the priest in the position of ultimate power and authority similar to the “godfather” of the club. The essential spirit is that of a political network where everybody trusts each other to do the right thing by each other. In contrast, the practice of developing a charismatic leadership that fosters infatuation and attraction to the particular individual is generally eschewed within the Church. The priest is the kind and caring boss rather than the inspirational leader, which is why there is so little encouragement of individual spiritual transformations within the parish life. The parishioners generally have to go looking themselves for real spiritual growth, and it is usually found outside the local parish. This orientation of the priest as boss rather than leader was most in evidence during the feudal times when apparently the priests ruled over the parishioners so much that the secondary aspect of political community seemed to have usurped the predominant role—and the Reformation backlash followed. The repression of the individual charismatic preacher has been most evident in the Church’s consistent approach to dealing negatively with the prophets as they arise, but then after their death go on to revere their memory from a safe distance through sainthood and use that of the prophets’ teachings that is considered useful in promoting the “good” of the faith.

• In recent times, the general observation is that the local priests have been so busy administering the sacraments and running their parishes, they have taken little time to undertake the work of pastoral care and the genuine shepherding of their parishioners (both *menotype #C* activities). The resurgence of the *menotype #C* perspective in terms of the nurturing “Father” role is captured in the encouragement of “Parish Pastoral Councils” and the attempts at building a living network community through such movements as Basic Ecclesial Communities. Therefore, rather than having the priests just processing the mass for loyal churchgoers through the necessary sacraments, they are being encouraged to build communities
of trust and support and reach out to others in neighbourliness and practical support—practical communities in which the priest is seen more as the “godfather” rather than the “functionary.” In this world, the charismatic individual, whether priest or layperson, is still looked on as being a bit of an upstart and, although tolerated more and more, he/she still regarded with a certain amount of suspicion.

- In conclusion on the culture sphere, the people as a group have, in general, been experiencing the Church essentially as a spiritual administrative body in which they can “get done” in the obligatory sacraments at the various critical points in their lives (which for the more avid believer is essentially each week at mass with the extra spiritual pump-priming experience of Easter and Christmas). Throughout the prior managerialist/administrative age, the Church held a lot of people captivated by the perceived need to go through the right process to earn their way into Heaven. It is understandable, therefore, that as the society moves into the politicist age, this notion of compulsion to go through the sacramental process should weaken and in fact be disparaged, as the people now feel free to join other networks that offer more to their particular choices in life—particularly when they have felt that their trust in the Church network has fallen short or been betrayed. This puts, even greater pressure on the priest to work the local personal politics and make the Church work for the individual members—more like a close-knit community or club where everybody is prepared to help one another. This calls for a significant change in the way the Church is conducted within society, particularly if it is not to go so far towards the political perspective that it enters the political sphere and essentially leaves the social sphere or spiritual equality behind.

**Third,** there are the dynamics of the *participant sphere.*

- At the level of the participant, individual Catholics do not join the Church to experience the politics of the authority sphere or to enjoy being administered to at the group level of the culture sphere, but rather for their own personal salvation. (This is not to say that some character-oriented individuals are not attracted to the order and security of the Church, or the power and might of its spiritual or temporal authority.) Though individuals are normally recruited into the Church in their infancy by their parents’ desire to provide for their personal salvation, inevitably it becomes the individual’s own personal decision whether to stay with the Church and for what reason. Essentially, the Church cultivates the acceptance that it is the bearer of spiritual charisma that offers something that individuals instinctively want
but generally do not know how to secure for their own selves. The individual is thus encouraged to project his/her normally repressed spiritual sphere onto the Church and let the life of the Church live that part of his/her psyche for him/her, and all she/he has to do is go along for the ride (much like the way individuals allow their marriage partners live out the otherwise repressed aspect of their personality—at least while the romantic love and associated projection last). This set-up works very well for the mass of individuals who are encouraged or required to live at the basic economic, practical level (menotype #A) and so repress the activity in their spiritual sphere (which then operates unconsciously at the higher menotype #C level of the physical, intellectual, spiritual trinity of human experience).

- The spiritual call works less automatically but is much more demanding for the intellectual individual who is operating at the level of the intellect and so actually has to encounter his/her spiritual sphere in a much more conscious way as his/her secondary high-level cognitive orientation. Such individuals are therefore required to access the spiritual sphere by the more intensive inner work of cognitive reversion—rather than by the more reflective and externally stimulated transformation of beliefs by cognitive procession (a combination of the sequence of commonly called projection and appropriation). This process of cognitive reversion at the highest levels of abstract thought is much harder work than sitting back and taking what is dished out by the essentially kindergarten religion of the mainstream Church, which is really more geared to the spiritual child than to the intellectual adult. This is a big part of the reason for the dramatic drop in church attendance as modernism reached its heights and more and more people were being encouraged to live and operate at a higher level of the intellect. In these higher phases of intellectual activity, they were looking to move up (reversion) the cognitive ladder rather than relax reflectively back (procession) into its spiritual depths (or paradoxically its heights). What many of these higher thinking people are therefore looking for is something with more spiritual meat than merely the perfunctory administration of the sacraments that it is offered by the mainstream Church. The Church experience for such thinking people needs to be more intellectually challenging and built upon the foundation of their intellectual life, which means more than just attending the sacraments. Through the managerial age of the Church their needs went largely unheeded and it has only been in the recent past that more
renewal-type programs have been offered—where there is a more effective combination of thinking and reflecting.

- In the managerialist age, the personal call to salvation was largely lived out unconsciously by projection of the individual’s spiritual sphere onto the sacramental processes of the Church. In the emerging age of politicism the personal call needs to be more a call to personal political networks or community that is the Church. Conscious acknowledgement of the power of the sacraments is declining and more emphasis and value is being placed on the value of the community life as moral support to the individual aspiring to think and live more spiritually. It is more an individual learning process than a “being done” process. But it is not logically rational/factual knowledge that can be learned in the classroom but the wisdom of life that is learnt from personal experience, and the guidance and wisdom of others. In the politicist age, the individual is looking for more pastoral support or help from a spiritual mentor and influencing group. The substance of the dialogue between the individuals would be from the world of ideas and thinking, and, moreover, in the politicist (or menotype #C) spirit there would be more focus on the appropriate ethics and values, and the concepts of justice both within the group and in the broader society. This is perhaps why depth psychology and the New Age movements have been so popular, because they have offered a deeper intellectual understanding of the workings of the human in the Universe along with the personal experience of the spiritual sphere. Individuals are being called forth to a higher intellectual plane rather than being asked to relax back into “Mother Church.” The call for individuals now needs to be more sophisticated, with the inclusion of progress through the cognitive processes of both reversion and procession. The individual is needing both the personal experience of the spiritual sphere (through reflective meditation) and an understanding of the meaning of it by explaining why (through cognitive learning). Individuals want to learn and understand the mysteries of the higher spiritual level.

- In conclusion on the participant level, individuals now seek to engage with the spiritual sphere in a more thinking way. This is not to say that they are looking for a head-type experience but more of a holistic experience where their body and mind have an experience of the spiritual, and then this experience is cognitively processed to enable them to understand intellectually and to appreciate its value for themselves and others. It has to make sense and have meaning but, above all, it
needs to be real. This is not something that can be mass-produced and handed out on a production line, as has been the case with the "administration of the sacraments" in the past. Rather, there needs to be instituted within the Church a more personal process for individual guidance and mentoring, and effective networks that offer those participating individuals mutual physical, intellectual and spiritual support for their journeys.

**Finally,** in summary of the discussion on the governance of the Church:

- It could be argued (Mooney, 1947: 102ff) that the principal reason why the Catholic Church has survived and thrived for so long as an effective organization over the centuries is that its structure, soul and appeal are soundly based on the cognitive trinitarian hierarchies of *menetypes* (or the Divine Trinity as argued by the Church). As a consequence, there is a sense of proper order and all participants intuitively know and understand what it is all about and how it is meant to operate, and, most importantly, they can appreciate what their particular roles in it should be. The inculcation of the spirit of the trinity in the operations of the Church is much more widespread and deeper than discussed above and is given integrity, of course, by the devotion to its Divine image in the Holy Trinity.

- In relation to the strength of the organization, moreover, there is something profound and meaningful in the fact that the orientation of the hierarchy of trinities is so balanced and so well aligned. Each of the three key *menetypes*—#A, #B and #C—find some expression within the workings of the organization and, perhaps more importantly, each manifestation is aligned with the particular level on which it is given prominence. That is, on the level of authority (*menetype #C* of institutional governance) it is the *menotype #C* political orientation that is prominent; on the level of culture (*menetype #B* of institutional governance) it is the *menotype #B* "administration of the sacraments" that is most highly regarded; and on the level of participant (*menetype #A* of institutional governance) it is the individual’s *menotype #A* charismatic call that is most prominent. In other words, the ends and means are decided politically, the processes are conducted administratively, and individual membership or participation is encouraged charismatically. This produces a certain natural cognitive resonance in the organizational life of the Church, provides a certain sense of cognitive fulfilment in allowing the appropriate expression of all perspectives, and maintains a proper sense of order between the different levels of its participants. This might have some
lessons for the orchestration of secular organizations where the authority sphere includes the corporate executive, the culture sphere the production team, and the participant sphere embraces the consumer.

- Paradoxically, this amazing stability of trinitarian structure and meaning allows flexibility. Principally, there is no need to keep consciously re-justifying the structure and order that everybody intuitively accepts. This soundness of purpose and process allows individual variations to meet local conditions without much fear of corrupting the overall orientation of activity in the Church. Therefore, in different times and different places there is likely to be found a healthy increase in emphasis on the secondary aspect of the particular level or, seemingly, a negative eruption of perhaps the repressed aspect to unsettle members and stimulate some much needed further growth. However, the strong core of orientations in the conduct of the Church as explained above tends to persist and provide inner strength and purpose, no matter how much external fortunes wax and wane.

7.3.3 The governance of universities

Universities have grown out of the social sphere where the spirit of equality suggests the expectation that knowledge should theoretically be available to all who want to avail themselves. Everybody who has a desire to know has a right to learn and be given access to those means of learning that are provided by the universities. However, even though the main focus is on the sharing and clarification of knowledge, predominance seems to have been given more to the authority sphere, which is more politically oriented. Moreover, the central thrust of recent reforms in this sector now seems to be taking universities more and more into the commercially entrepreneurial sphere. What follows is a brief reflection on the dynamics of these broad changes in the governance of universities in Australia.

In essence, universities have essentially been developed to serve three principal purposes; namely, to:

- tackle new intellectual horizons and explore reality in new ways so as to overcome the limitations of existing knowledge;

- develop the personal and group understanding both internally within the university and externally in society by developing processes to produce and disseminate the existing body of knowledge; and

- deliberate on the emerging new understandings and knowledge, decide which are true and real, and articulate the agreed new knowing about reality.
Throughout the managerialist age, the principal focus of universities was on the knowledge production processes to increase the individuals' grasp of existing knowledge. Greatest importance was given to adhering to the ethic of clarity of thinking or the unrestricted desire to know. This effort was supplemented by a growing collaboration with industry at the group level to develop and apply the existing knowledge to group processes for the benefit of operating firms, which happened to be mainly in the economic sphere. With the major focus on the knowledge production processes there was always difficulty in entertaining new research that challenged existing paradigms. Progressive expansion of knowledge was encouraged but it had to be in an ordered, controllable manner. This was supported by the operation of the political networks of academics focused on sharing, testing and culling the continual offerings of potentially new knowledge. There was an increasing focus on reinforcing the collegial collaboration of the academic community to support the main game of propagating and sharing the body of knowledge. But perhaps things might be going beyond that.

As the politicist age has emerged, there has been an increase in the importance and value of new knowledge ready for use and the associated political orientation of academic networks that deliberate and decide on that new knowledge. The principal question focuses on what to make of the dynamics of change in this highest level of university decision-making where the political-type academic networks effect an assessment of, and secure an assent to, the emerging new knowledge. These academic networks have been geared to maximise the sharing of knowledge and the basic coinage is trust—trust that the work and research of others can be believed and incorporated into the general body of knowledge. Although everything is tested and debated, this basic trust is necessary so that each academic does not have to reinvent the wheel. The whole fabric of a subject area is built up on the back of the works of others.

It has been important for academics to get themselves accepted into networks—within their own university, with other universities nationally, and internationally within their particular discipline of study (such as a particular science, politics or business). Moreover, professors are renowned for managing as though they are ruling their own fiefdoms, which reflects their preference to operate more informally than by rule-bound processes. University administrative rules are normally looked on as burdensome and circumvented at many an opportunity. Within the Governance Framework, university life has put a primacy on the menetype network aspect and represses the hierarchical rule-bound influence. Further, it has encouraged the development of the secondary menetype market orientation by placing
importance on the participants getting published in the academic marketplace of conferences and journals—"publish or perish" has long been the mantra. However, academics have found that they can more easily get published if they belong to strong networks and are well-regarded by at least some of their peers.

What then of the main changes that have been sweeping through the Australian university system. The impacts of the Dawkins' reforms of forcing amalgamations into bigger universities were mixed. To the extent they improved communication and networking amongst academics they were positive. To the extent they imposed more bureaucratic administration and concern with cost-cutting within the now bigger universities, they were more debilitating. The encouragement to be more responsive to Australia's industrial needs in framing courses was positive if it involved strengthening and broadening the influence of networks. However, it was negative and probably "governance-changing" when the power balance was changed by the growing reliance on external funding from industry. There was a real danger of moving the core governance orientation from that of networks to that of markets—which would happen if universities were totally reliant on student numbers and industry funding. Under such an extreme, the nature of universities would fundamentally be changed from that of sharing and building up a body of knowledge to one predominantly focused on selling the educational and research services demanded by the market.

Another path to that ultimate end is the trend towards the private university or the pseudo-private university, where students are given vouchers to spend wherever they wish. Acknowledging that vouchers have been ruled out for the moment, it is still instructive to reflect on the consequences of following such trends moving universities from a network governance orientation to a market orientation.

The obvious, much touted, benefits would flow, of course. University courses would be made more relevant to industry needs as they tried to attract both job-conscious students and industry funding. The focus of universities would be shifted to producing more employable graduates and supporting industry in research and development programs. Pure sciences and general courses would be degraded. In keeping with a primary market orientation, the now-secondary aspect of hierarchies would be built up and universities would become even more business-like and efficient. Central control of errant, globe-travelling professors would be reinforced and, unless the university benefited directly from the higher profile, cost considerations would predominate. Much of this could be a positive, perhaps, but what would be lost in the process?
According to the dynamics of the governance framework, if there was a real shift to the menetype #A market orientation, then, of necessity to make it work properly, the menetype #C network orientation would have to be repressed. The collegiality of academia, which ensured a free flow of information, would be inevitably repressed somewhat. Intense individual competition and intellectual rights will rise to take the place of the enthusiastic, free sharing of information. Down the track, the “publish or perish” mantra will be replaced by the “earn or sink” motto. Why would academics be allowed to spend 40 per cent of their paid time compiling knowledge and writing papers to give away for nothing? Academics will become more and more like consultants (including knowledge-seeking students) and attendance at conferences will be weighed against fee earning potential rather than for the more subtle value of general networking. The accountability of academics will continue to shift from the subtle accountability to their peers, fostered in networks, to more external, crass indicators of success—ones, moreover, that foster success in the marketplace.

Will this dramatic change in the nature and role of universities be for the better or the worse? Neither governance arrangement is intrinsically better or worse than the other. What is required is an informed, conscious choice, because in choosing one orientation there is an implicit choice against the other. The clear choice with universities is between the present core value of trust and the encouragement to share knowledge and information, and a new core value of utility or external value (price) that will encourage the sale of knowledge and information. This is a tough call as are all such decisions to shift fundamentally the primary governance orientations of large organizations.

The other consideration is that once the move has been made there is no easy turning back. Once the network orientation of governance has been repressed (once relationships of trust and cooperation have been broken down), the task to re-establish it would be like expecting a mature university student to go back into the children’s schoolyard—it would seem inappropriate and passé. Such collective skills and orientation would only be constructively restored by continuing to move the universities in the direction of evolutionary transformation—that is, by moving on from a menetype #A market orientation to a menetype #B hierarchical order and only then be able to evolve back to the menetype #C network orientation.

If universities were to go through the entire evolutionary circuit then it would be back to operating in predominantly network mode under a higher level of governance consciousness. Under such a more developed governance regime, it may be that the networks would be more between highly organized faculties and universities rather than between individual academics.
that is now largely the case. Since there are always remnants of past behaviour orientations, the resultant governance of universities could then be quite mature and involve a much more complex web of network relationships and influences on many levels. There is the potential for an upward shift in the collective consciousness if universities continue down the track of transformation and evolution—but this way is very long and tortuous.
8 The JEWAL Synthesis Philosophy of Mind

We wish to suggest a structure for the salt of deoxyribose nucleic acid (DNA). This structure has novel features which are of considerable biological interest. (The opening sentence of the Nature article announcing Crick and Watson’s discovery as quoted in Watson, 1968: 140.)

This thesis presents a basic structure of human knowing, which underpins and informs the above sociological explanation of US society, corporations and constitutional government administration. Like DNA, the proposed structure of the way humans think (or the philosophy of mind) also has novel features, which are of considerable philosophical, psychological and sociological interest.

This Chapter develops the cognitive Formwork from an understanding of the formulations of Aquinas (1952), Lonergan (1957; 1967), Jung (1971), Weber (1947; 1962), and the Enneagram (Riso, 1987; Palmer, 1991). The synthesis is new and goes beyond each of the sources to present a more systematic and useable JEWAL Synthesis Formwork—and represents the key outcome of the author’s research. This new Formwork lines up so closely with the triadic differentiation of consciousness expostulated by the 3rd and 5th Century Neoplatonists Plotinus (1952) and Proclus (1963) that it could perhaps alternatively be called a quasi-Neoplatonic cognitive framework. From this Formwork, one can better understand how one knows and learns, how different people and groups think and react differently, and how different people subscribe to different theories of management and practice. Moreover, the Formwork helps explain the relationships between the differing intellectual perspectives and how a balanced approach can be developed so that individuals, or organizations, can choose to act in a more effective way.

The Formwork provides a rich, dynamic and powerful basis to understand and exploit the dynamics of human knowing—how humans govern their own and others’ decisions and actions. Though the Formwork can be said to have ancient origins, the basic trinitarian dynamics can be seen to shine or glimmer through the works of later Western metaphysicians, philosophers, psychologists, sociologists and management gurus. Rather than track the Formwork backwards in the way it was unveiled during the course of the thesis research, this section explains the Formwork calling on the ancient sources of wisdom first—for the principal reason that in these matters, at least, they seemed to exhibit much clearer sight, unencumbered as they were by the endlessly complicated baggage that weighs down the modern thinkers.
First, the Neoplatonic hierarchical structure of triadic unity is identified as a particularly pertinent and effective differentiation of reality. The dynamic structure and movement of this essentially ontological construction are explored mainly through the works of the 5th Century Neoplatonist, Proclus (1963). The essential triadic nature of reality is captured, in essence, in the emanation from the unparticipated or the universal, to the participated as the middle term, and lastly to the participant.

Secondly, whereas the Neoplatonists developed their hierarchical construction of reality from a metaphysical viewpoint as emanations from the ultimate unity, later philosophers explained the differentiation of consciousness principally by working in the reverse direction. This reverse direction, or intellectual reversion, is captured in the understanding of Aquinas' three degrees of abstraction (Lonergan, 1967), which underscores a primary, secondary and tertiary differentiation of consciousness. The primary differentiation explains thinking and knowing in relation to the increasingly esoteric levels of the self, the group and the society. The secondary differentiation sees each of these levels as a triadic unity of experience, intelligibility and rationality. These three hypostatic phases themselves can be seen as triadic unities at the tertiary level of differentiation. The consequential power of understanding in this particularly structured differentiation of consciousness is exemplified in an explanation of the cognitive dynamics behind the "modernists'" eternal pursuit of the "real", the "true" and the "good". It explains the same, but essentially different, natures of these human intellectual pursuits and, in so doing, leads on to an explanation of the structural characteristics of thinking and knowing within the JEWAL Synthesis Formwork. The new Formwork includes a more systematic and extensive differentiation of consciousness than has been used by philosophers in the past—but the genesis of it is to be found particularly in the works of Aquinas (1952; 1963).

Thirdly, the Chapter explains the process of learning in terms of the cognitive procession through the layered levels of differentiated consciousness. The deeper nature of these cognitive processions is explored and a more fundamental understanding of the importance and consequences of psychic energy is presented. Of particular importance is the exploration of the phenomenon of immediate cognition or intellectual intuition—a concept that suggests that we can know with certainty in the instant. This section culminates in a suggestion that the holistic conceptual framework of thinking and knowing can be thought of in terms of a construction somewhat similar to that of the double helix of DNA.

Fourthly, an explanation follows as to how this cognitive Formwork can be used to explain a character typology based on the differentiation of consciousness—one that finds
expression in a typology commonly known as the Enneagram (Riso, 1987; Palmer, 1991). Further, an understanding of the true nature of character typologies in terms of the new cognitive Formwork suggests how Jung’s (1971) typology is to be completed, to result in a one-for-one philosophical correspondence with the Enneagram typology. Essentially, the JEWAL Synthesis Formwork is presented as a comprehensive framework in which to understand human governance and social action. The various theories of management and leadership, culture, and strategic and operational decision-making are given more meaning and power as their interconnectedness can be understood within the terms of the new governance Formwork. More broadly, this section discusses the significance for the social sciences of achieving such a synthesis of ideas within this new Formwork—a synthesis between the Western developed philosophy, which runs through the work of Aquinas (1952), Lonergan (1957), Weber (1962) and Jung (1971), and the Eastern physio-psychological wisdom encapsulated in the Enneagram typology (Riso, 1987; Palmer, 1991).

8.1 The Differentiation of Reality

"How do we know?" is the central question to come to an understanding of the way the human mind works. From an understanding of how we know comes an understanding of the construction that can be made of the structure of the cognitive processes and the levels of consciousness. The task is to find the basic building block in its essential simplicity and reasonableness. This section focuses on explaining the basic structure and movements of the trinitarian-cum-holistic cognitive dynamics. A relatively fulsome explanation of the foundation of the triadic (or trinitarian) world is developed by calling mainly on the metaphysics of Proclus (1963; with commentary by Dodds, 1963), who essentially formalised much of the Plotinus (1952) structure of reality.

First, the late Neoplatonists are seen as quite important in the development of Western thought as they effectively Aristotelianised Plato ‘by incorporating with the Platonic tradition all that was best in Aristotle’ (Dodds, 1963: xiix). They were also recognised as providing the bridge in the development of thinking through Augustine (1952) in the 5th Century and Pseudo-Dionysius the Areopagite (1987) in the 6th Century to Thomas Aquinas (1952) in the 13th Century and so lay the groundwork for the Enlightenment. As Armstrong (1940: 120) observed, ‘Plotinus is not only the most vital connecting link in the history of European philosophy, as being the philosopher in whom the Hellenic tradition was in full development and maturity was brought into touch with the beginning of Christian philosophy. He is also
one of the few ancient philosophers whom we can still honor though not uncritically, as a master, and not simply study as a historical curiosity.' Moreover, with regard to Proclus, 'Historians of the Middle Ages are beginning to realize his importance as one of the fountainheads of that Neoplatonic tradition which, mingling unrecognized with the slow-moving waters of medieval thought, issued beyond them at last to refertilize the world at the Renaissance' (Dodds, 1963: xxvi).

**Secondly,** Proclus (1963) was very clear in postulating that all of reality starting from the Divine could be explained as comprising a continuous hierarchical structure of triadic relationships.

This involves the assumption of a triadic structure of reality parallel to the triadic divisions of Prop 23 [which is the basic triad explained in this section]... The conception of the universe as penetrated by the same forces at successive levels is characteristic of Iamblichus, but the triadic formulation of this law is possibly Proclus's own (Dodds, 1963: 235–236).

There is an unbroken continuity throughout from the highest to almost the lowest, from the One to the form in the body, if not to the matter. Every stage of being is necessary to the perfection of the whole and the higher stages are eternal both as a whole and in all their parts. Even the material universe is eternal as a whole (Armstrong, 1940: 112).

**Thirdly,** each triad (or trinity) is essentially a 'unity-in-distinction' (Dodds, 1963: 300). Each of the three phases of a triad, particularly at the highest levels, is often referred to as a hypostasis implying a separate unity and existence, but it is quite clear that it is not seen alone but always in conjunction and association with the other two phases forming a unity. ‘Thus all the intellectual Forms exist both in one another as a unity and also each apart in its distinctness... Thus all exist both together and severally. But if all are together in one being devoid of parts, they interpenetrate one another, and if they exist severally they are on the other hand distinct and unconfused; so that each exists by itself, yet all in all’ (Proclus, 1963: 155, 173). That is, the basic dynamic is unambiguously that of a triad as shown in Figure 35.

**Fourthly,** Proclus (1963) developed his hierarchical structure of reality from a metaphysical perspective—that is, as an emanation downward from the highest reaches of Unity or Divinity. In this manner, the higher levels were seen as immanent as a cause in the lower. Therefore, the basic rationale of each Neoplatonic triad is the flow of causation from an unperticipated term to a participated or middle term and then on to participants.

As Proclus (1963) explains, ‘The unperticipated, then, precedes the participated, and the participants. For, to express it shortly, the first is a unity prior to the many; the participated is
within the many, and is yet not-one; while all that participates is not-one yet one... Accordingly all the classes... are bound together by the appropriate mean terms, and the first principles do not pass immediately into emanations wholly diverse from themselves; there are intermediate classes, having characters in common both with their causes and with their immediate effects. These immediate principles link the extreme terms in one unified structure; by community of nature susceptible of influence from their neighbors above, transcending without interval their neighbors below, they preserve an ordered sequence' (Proclus, 1963: 29; 119). This constitutes the basic triad of hypostatic phases as conceptualised in Figure 35. The outer circle in the diagram captures the ‘hypostasis of a subordinate triad’ (Dodds, 1963: 252), or a unity-in-being (or essence) that holds the particular triad of differentiation. It reflects the movement from the three to the four—a movement from the symbol of perfection to that of wholeness, which came in for a lot of attention by Jung (1960; 1964b; 1969a; 1969b; 1970).

Fifthly, the hierarchical structure of these basic triads is as shown in Figure 36. 'The motives governing this development seem to have been (a) the recognition that reality is logically prior to thought, since the thinker, in order to think, must first exist; (b) the desire to arrange causes in an ontological order corresponding to their degree of universality; (c) the post-Plotinian theory that all intelligibles have a triadic structure, mirroring at every level the fundamental triad' (Dodds, 1963: 252–253).

Moreover, the nature of each of the phases of the triads is similar at each level of the hierarchy and mirrors the basic nature attributed to the corresponding phase (or hypostasis) of the highest Divine Trinity. This is a particular application of the general principle that ‘all things are in all things, but in each after its own fashion’ (Dodds, 1963: 254). There are connections within a particular triad and between successive triads.435

'Every original monad gives rise to two series, one consisting of substances complete in themselves, and one of irradiation which have their substantiality in something other than themselves... The latter are on such a level that they belong to their participants: for being incomplete they require a substrate for their existence. The former make the participants belong to them: for being complete they fill the participants with themselves... Accordingly those substances which are complete in themselves, while by their discrimination into a manifold they fall short of their original monad, are yet in some wise assimilated to it by their self-complete existence... But all procession advances through similars until it reaches the wholly dissimilar (prop. 28). Thus each of the original monads gives rise to two series' (Proclus, 1963: 62–63).

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One series reflects the trinity defining new levels and the other reflects the immediate trinity of which the monad is a hypostatic phase.

**Sixthly**, the Formwork is dynamic in that there is a procession (going with the arrows in the *Figures*) from the higher to the lower (often called an emanation) and a recession in reverse. As Proclus (1963: 37) explains: ‘All procession is accomplished through a likeness of the secondary to the primary... and... All that proceeds from any principle reverts in respect of its being upon that from which it proceeds.’

The procession happens in the manner of cause and effect, whereas the reversion is akin to the process of questioning on the way things are to identify the underlying cause. ‘For that which reverts endeavours to be conjoined in every part with every part of its cause, and desires to be in communion with it and be bound to it... Every effect remains in its cause, proceeds from it, and reverts upon it... since all reversion seems to be the resolution of a principle into something from which its being divides it’ (Proclus, 1963: 37–39). In this way, procession is akin to implementation or production, whereas reversion is akin to questioning and learning. For ‘[a]s likeness is the condition of procession, so also is it the condition of reversion: moreover, likeness is the condition of all knowledge... and knowledge is a kind of reversion’ (Dodds, 1963: 219).

Moreover, this movement is continual and continuous; ‘Procession and reversion together constitutes a single movement, the diastole–systole which is the life of the universe’ (Dodds, 1963: 219).

**Seventhly**, the movement (i.e. the procession and reversion) occurs both within a particular triad and between triads on adjacent levels in a particular manner. For instance, there is a connection to the supra-jacent level through the third or highest phase of the trinity or through similar phases of the trinity (i.e. between *phase #C* of the lower level and *phase #A* of the higher level or, say, from the *phase #B* of one level to the *phase #B* of an adjacent level). As Proclus (1963: 97; 99–101; 131) postulates:

Every particular member of an order can participate the monad of the rank immediately supra-jacent in one of two ways: either through the universal of its own order, or through the particular member of the higher series which is coordinate with it in respect of its analogous relation to that series as a whole... through which its reversion upon the former can take place, advancing through similars to the dissimilar: for the one resembles it through their common particularity, and the other is closely bound to it as a member of the same series, while the universal of the supra-jacent series is unlike it in both these respects.

The first members of a rank order have the form of their priors. For the highest
classes in each order are conjoined with the supra-jacent principles because of their likeness to them and because of the continuity of procession in the universe... Therefore there will be likeness between the initial principles of the lower order and the last members of the higher [i.e. between phase #C of the lower order and phase #A of the higher order].

Eighthly, each trinity is joined together as an integrated system or single unity where each phase can be reached from any other phase, which reflects both the trinitarian nature and the cyclical nature or periodicity of temporal reality. In particular, there is a reversion from the lowest to the highest both through the intermediate term and also directly (i.e. with the arrow from phase #A to phase #C in Figure 35).

All that proceeds from any principle and reverts upon it has a cyclic activity. For if it reverts upon that principle whence it proceeds it links its end to the beginning, and the movement is one and continuous, originating from the unmoved and to the unmoved again returning. Thus all things proceed in a circuit, from their causes to their causes again. There are greater circuits and lesser, in that some revert upon their immediate priors, others upon their superior causes, even to the beginning of all things. For out of the beginning all things are, and towards it all revert.

In any divine procession the end is assimilated to the beginning, maintaining by its reversion thither a circuit without beginning and without end... This reversion of the end upon the beginning makes the whole order one and determinate, convergent upon itself and by its convergence revealing unity in multiplicity (Proclus, 1963: 37; 129).

This particular property of reality is important because (as will be discussed in the next section) it is the principal cognitive dynamic validating the long-time controversial phenomenon of immediate cognition or intellectual intuition.

Ninthly, at any one time, one of the phases of the trinity will predominate. Essentially, this is a consequence of the continual movement between the phases of a particular trinity and across adjacent levels of trinities. As identified above, Proclus (1963) explains that the three modes of a single trinity can be regarded as three aspects (or hypostases) of a single reality and/or three successive phases in the unfolding cosmos.

All things are in all things, but in each according to its proper nature: For in Being there is life and intelligence; in Life, being and intelligence; in Intelligence, being and life; but each of these exists upon one level intellectually, upon another vitally, and on the third essentially... they are successive, not co-ordinate, for each is predominate (though not to the exclusion of the others) at a certain stage... This may be expressed by saying that the triad is mirrored in each of its terms, so that
while e.g. the first term has Being as its predominant character, it is at the same
time Life and Intelligence sub specie entitatis (Proclus, 1963: 93; Dodds, 1963:
254).

As will be discussed in the next section, this particular dynamic property of reality is the
principal cause to validate and formulate character differences between individuals.

**In summary**, the structure and dynamics of the new JEWAL Synthesis Formwork can be
seen to be totally consistent and representative of the hierarchical, trinitarian structure of
reality expounded by the Neoplatonists. The Formwork can therefore be characterised as a
quasi-Neoplatonic interpretation of reality.

### 8.2 The Differentiation of Consciousness

In this section, the structure and dynamics of human knowing and personal governance
are explained by using the new Formwork as a lens into the writings of mainly Aquinas
(1952) and Lonergan (1957, 1967).

The writings of Thomas Aquinas (1952) can be seen in one sense to build on the
Neoplatonic metaphysical framework (albeit from a highly Christianised perspective) by
reflecting more on the process of reversion particularly as it applies to the human intellect.
The recent scholastic philosopher Bernard Lonergan (1957)—who claims to have reached up
to the mind of Aquinas sufficiently to justify reinterpreting him—goes much further in this
direction by focusing principally on the process of reversion to develop a whole thesis of how
we know and how we know we know.\(^{436}\) In so doing, Lonergan (1957) formulates in great
detail, the three principal levels of knowing; namely, *phase #A* of experience, *phase #B* of
intelligibility, and *phase #C* of rationality. These three phases form the core trinitarian
dynamic of personal knowing in the new Formwork of knowing. This principal focus on the
process of reversion is adopted in this section to explain the structure and dynamics of
knowing. It is contended that this explanation is essentially consistent with Aquinas (1952)
but is developed to a much higher degree of differentiation than is done explicitly by
Lonergan (1957).

**First**, in respect to human knowing, the term abstraction is used to explain what the
Neoplatonists outlined as the process of reversion.

The Philosopher says that "things are intelligible in proportion as they are
separable from matter." Therefore, material things must be understood according
as they are abstracted from matter and from material likenesses, namely,
phantasms... Therefore we must say that our intellect understands material things by abstracting from the phantasms, and through material things thus considered we acquire some knowledge of immaterial things (Aquinas, 1952: 451–452 or *Summa Theologica* I, Q. 85, Art. 1).

The human mind comes to know by abstracting a form from a material existent. The human mind only comes to know itself when it reflects on the processes of coming to know something else (Hall, 1992: 67).

In defining abstraction, Lonergan (1967: 39) suggested ‘that by psychological account of abstraction we mean the elimination by the understanding of the intellectually irrelevant because it is understood to be irrelevant. That we submit, is the very point of the celebrated three degrees of abstraction.’ To this definition should be added Reith’s (1958: 24) assessment that ‘As Gilson says “to abstract is not primarily to leave something out, but to take something in, and this is the reason why abstractions are knowledge.” Thus in natural philosophy, the mind grasps what is intelligible in the world of physical reality. If abstraction were a mere prescinding from matter, it would be only negation.’

The core understanding of Aquinas’s theory of abstraction (Lonergan, 1967), therefore, is that it *postulates three degrees of abstraction within the dynamics of the human mind.* Aquinas is said to have meant that (as interpreted in Lonergan, 1967: 42):

‘Conceptualization is the self-expression of an act of understanding...

- in so far as the understanding has its conditions all within the intelligible order, the expression abstracts from all that is sensible and imaginable, and so it is in the third degree;

- in so far as the understanding has conditions in the imaginable, but not in the empirical, order of sensible presentations, the abstraction is of the second degree; and

- in so far as the understanding has conditions within the empirical order of sensible presentations, the abstraction is of the first degree; but there is always some abstraction.’

This order used to describe Aquinas’ three degrees of abstraction from the highest to the lowest, reflects the Neoplatonists procession from universals or the unparticipated to individual participants. This order is now reversed to help better explain the process of abstraction as it operates in the human intellect. That is, the process of abstraction could essentially be explained as a process of reversion from the concrete reality in the participants to the universals contained in the unparticipated.
Through the lens of the new Formwork (but hotly contested by Lonergan's followers!), it could be argued that Lonergan (1957; 1967) uses this reversed order to help support the development of his three principle phases of knowing which are *to experience, to understand*, and *to judge*. That is, the first phase dealing with what one makes of the concrete world of the senses; the second phase dealing with the intelligible understanding or possible meanings of what has been experienced; and, the third phase dealing with the judgments and commitment to universals that express a fundamental truth of fact, or the cause behind the effect. Into Lonergan's (1957) very fulsome explanations of the dynamics of knowing through these three different phases can be seen the reality that all three are operating together, but at any one time one phase is predominant with the other two in supporting roles, to a greater or lesser degree.

As a consequence, a case can be made (as with the theory of *menetypes* explained earlier in the thesis)—though Lonergan (1957) certainly did not say so—that the dynamics of these three principal phases of knowing can be explained as the operation of the three phases of a trinitarian dynamic as conceptualised in Figure 37, and then in more detail in Figure 38. That there is a hierarchy of such trinitarian dynamics within the intellectual act of knowing is merely a sequential application of Aquinas' three degrees of abstraction. Alternatively it can be substantiated by an extrapolation of the Neoplatonic triadic construction of reality (Proclus, 1963).

**Secondly,** from the dynamics of the quasi-Neoplatonic triadic framework of reality, each phase (or mode) of thinking can be accessed from any other phase of thinking. That there is abstraction (i.e. reversion) from *phase #A* to *#B* to *#C* is fully explained in great detail by Lonergan (1957) in the development of his Method. That there is implementation (i.e. procession) from *phase #C* to *#B* to *#A*, is explained by Lonergan (1971) in his later work in relation to the implementation and propagation of theological doctrines. The most contentious aspect of the dynamic is the validity of the movement directly between the highest and lowest degrees of abstraction (i.e. directly between *phases #A* and *#C*).

Such a movement going from the lowest level of experience direct to the highest degree of knowing definitively is termed immediate cognition or intellectual intuition. Lonergan (1957: 269) says emphatically that he has not identified with such a phenomenon and discounts its occurrence. It seems that most other later philosophers agree (Eco, 1988: 62). However, others (e.g. Hamilton, 1859: 46) argue that there is a phenomenon of intellectual intuition as seemingly suggested in the writings of Proclus (1963) and Aquinas (1952). For instance (in addition to the quotes at *Point Eight* in the previous section): ‘since intuitive knowledge is the
beginning and first cause of all knowledge... Now the human consciousness does enjoy intuitive thought but it does so intermittently’ (Proclus, 1963: 23; Dodds, 1963: 233). What is meant here is that the human intellect can reach up a few levels of reversion without working meticulously through each intervening level of intellect along the way as required by Lonergan. More specifically, Proclus (1963: 63) argues that ‘either we see the product as pre-existent in the producer which is the cause... or we see the producer in the product... or else we contemplate each thing in its own station, neither in its cause nor in its resultant’.

In addition, this ability to move readily between the different modes of thinking shows up throughout the writing of Aquinas (1952; 1963) but particularly in his notion of the two different processes of abstraction; namely, abstraction and separation.

So there are two abstractions of the intellect. One corresponds to the union of form and matter or accident and subject. This is the abstraction of form from sensible matter. The other corresponds to the union of whole and part; and to this corresponds the abstraction of the universal from the particular. This is the abstraction of a whole, in which we consider a nature absolutely, according to its essential character, in independence of all parts that do not belong to the species but are accident parts. But we do not find abstractions opposed to these, by which a part is abstracted from a whole or matter from form, because a part either cannot be abstracted from a whole by the intellect if it is one of the parts of matter in whose definition the whole is included; or it can even exist without the whole if it is one of the parts of the species; for instance, a line without a triangle, a letter without a syllable, or an element without a mixed body. But in the case of things that can exist separately, separation rather than abstraction obtains (Aquinas, 1963: 32).

The distinction of the two types of abstraction into that of abstraction or separation is drawn out well by Reith (1958: 21–29) mainly from Aquinas’ Exposition of the Trinity of Boethius, Q. 5, Art. 3 (quoted above). Essentially, these are two separate cognitive processes or, as Aquinas (1963: 30) says, ‘Accordingly, through its various operations, the intellect distinguishes one thing from another in different ways.’ In essence, the two processes can be thought of as going in opposite directions; the first, which is truly called abstraction from sensitive going from the first degree of abstraction to the second and then onto the third. The second process, which is called separation, goes from the first degree of abstraction to the third, but resulting in a different rationality or judgment than that reached by the first process. That is, the first process leads to the true and the second process leads to the real; or as Aquinas says, ‘The first is that in which we abstract form from matter, and the second is that in which we abstract a whole from its parts’ (Aquinas, 1963: 30).
In summary, the structure and process of human personal knowing can be differentiated into three principal phases as explained by Aquinas and Lonergan in particular. However, these three phases should be regarded as a ‘unity-in-distinction’ (Dodds, 1963: 300) which, in the spirit of the Neoplatonic construction of reality, is the particular conscious innovation (or articulation) which is incorporated in the JEWAL Synthesis Formwork of this thesis.

Thirdly, the structure and process of knowing can usefully be thought of as differentiated systematically to a much greater extent than that formally propounded by Lonergan (although he did make casual allusion to the other “sub-phases” now to be differentiated formally). In essence, the further differentiation is achieved by a successive application of Aquinas’ three degrees of abstraction (Lonergan, 1967: 42)—which can alternatively be explained as reversions through successive trinities in line with the Neoplatonic construction of reality. Discussion of the particular phases brought out within the Formwork can be found within the writings of many philosophers and psychologists, but it has not yet been put together consciously in such a manner as proposed in the JEWAL Synthesis Formwork.

Essentially, the structure and dynamics of knowing can usefully be differentiated into primary, secondary and tertiary levels of abstraction, each of which can then be differentiated into a further three degrees of abstraction. Each grouping of three at whatever level operates as a trinitarian unity within a hierarchy of trinitarian unities, in keeping with the spirit of the Neoplatonic hierarchical triadic structure (Proclus, 1963).

The differentiated, integrated structure of knowing depicted in Figure 39 consists essentially of the following primary, secondary, and tertiary intellectual levels of knowing (consciousness).

- The primary level, reflecting the intellectual operation at the subordinate phases of the self, the group, or the society. This primary level trinity of the intellect reflects a knowledge of the individual as concrete and tangibly experienced, that of a group requiring an imaginative assembling of the various data of experience in the spirit of Aquinas’ (1952: 457) dictate: ‘The intellect can indeed understand many things as one, but not as many; that is to say, by one but not by many intelligible species.’

Thinking at the third level of the society is much more conceptual and subtle and is principally governed by identifying universals incorporated in the culture or the spirit of a society (or many groupings of people). In particular, Figure 38 portrays the secondary and tertiary levels of phase #A of the Self only within this Primary Level of the Intellect.
The secondary level (as applicable in particular within the “primary phase” of the individual) captures the three phases of personal knowing attributed above to Aquinas (1952) and Lonergan (1957); namely, experience (to sense), intelligibility (to understand), and rationality (to judge).

The tertiary level is conceptualised by the further differentiation of each of these three secondary levels of personal knowing by a process of differentiating each phase at the secondary level into a further three degrees of abstraction. Others, including Aquinas, can certainly be understood as differentiating to this tertiary level but have not formally conceptualised it in the manner incorporated into the JEWAL Synthesis Formwork.

This section goes on to explain each of these “tertiary level sub-phases” within each of the “secondary level phases” beginning at the lowest level of experiencing through to the highest level of judgment (as shown in Figure 38). Then some substantiation of moving to this tertiary level of differentiation will be discussed at least for one of the phases at the secondary level (namely, there is a discussion below on the trinitarian nature of the tertiary level of the third phase of rationality).

Fourthly, the first phase of the secondary level of knowing is the phase #A of experience (or sensate perception). This is the phase where one intellectually experiences or encounters the world. ‘Sensation has a bodily basis and functionally it is linked to bodily movements’ (Lonergan, 1957: 1182)—that is, what one takes in from one’s senses and processes through common sense (being where the senses are brought together and integrated to form a phantasm), and is registered in one’s conscious or unconscious psyche. This, in essence, is the raw data of reality—or, more pertinently, the individual’s reality. We store these experiences away in our memory to be recalled with varying degrees of ease some time later. If one really thinks about it, the current instant passes very quickly and one is inevitably processing the data after the event. Then it is essentially the data of the memory that are being processed. Such data could be readily accessible or could be cast down into the unconscious.

This phase #A of experience can be further differentiated by applying Aquinas’ three degrees of abstraction to obtain the following three sub-phases.

- Extraversion (phase #A$^A$ of thinking), where sense impressions are continually updated and changed by reference to the senses; in fact, the person tends to find his/her identity in the external world. It seems similar in operation to Aquinas’ concept of reproductive imagination (Brennan, 1941: 127), where the image of the
object is reproduced as faithfully as possible. Jung (1971: paragraph 710) described extraversion as ‘an outward-turning of libido... a positive movement towards the object.’

- **Introversion (phase #B of thinking),** where the internal world is the principal point of reference, often independent from any external stimuli and new information or new concepts, which are only taken on through a fairly heavy filtering process. It would seem to involve a primary focus similar to that found in Aquinas’ explanation of the operation of the creative imagination and memory powers (Brennan, 1941: 127–130). Jung (1971: paragraph 769) describes introversion as ‘an inward-turning of libido... Interest does not move towards the object but withdraws from it into the subject.’

- **Apperception (phase #C of thinking),** which is the seeing of something more in reality beyond which we can imagine as an extension of the concrete objects. ‘The term was originally used as a way of emphasizing the distinction between a passive sensation and a mental content self-consciously “apperceived”... It became the major technical term used by German philosophers to express what they considered to be the two fundamental features of the human mind: the fact that mental experience is not composed of separate bits but forms a unity, and the fact that this unity involves a constructive activity of the mind itself rather than a passive reflection of external events. This usage is found in the highly influential philosophy of Immanuel Kant where a clear distinction is introduced between the empirically observed unity of experience and a *transcendental apperception*, a cognitive act, which makes this unity possible’ (Gregory, 1987: 33). This would also seem similar to the operation of Aquinas’ estimative power, which is termed ‘cognitive power or particular reason’ (Brennan, 1941: 133; 144).

**Fifthly,** the second phase of the secondary level of knowing is the phase #B of Intelligibility (or Jung’s intellectual perception). How one understands reality actually requires a continual processing of the raw data into the intellectual patterns or universal concepts at one’s disposal to assimilate the data. When we strike a situation or raw data that do not fit into the conceptual models we currently hold, there is a tension—creating the energy of inquiry. If one goes with this energy, one poses questions that enable one to keep re-assembling data until one gains an insight that enables one to see new connections and meaning of the data. One then develops new concepts or formulations to help make sense of
the reality presenting itself. For instance, Edwards (1996:183–184) describes Paul Keating's (a recent Australian Prime Minister) insight into the workings of the economy:

He had ideas about economics and economic policy, about what made the place tick, but... He did not know how they fitted things together... economics had a language of its own, employed by a group of people new to him, a group of people he had not yet been able to handicap... [At the start] the task of coming to grips with understanding it seemed to him so great as to be much bigger than he had ever undertaken. But then...

"You need a framework, you need experience, you need judgment. You get clever with age. Things are puzzling and confused; you see it all jumbled up and then one day it's like putting on a pair of glasses—they are all suddenly clear and bright and you can see the arrangement, how all the bits fit." That's the economy he's talking about.

Because of the limitations of language, it is difficult to formulate one's understanding exactly, and one may arrive at a few ways to describe the meaning of the data. This is the level where one makes sense of the world (or the level of perception as used by Jung, 1971; von Franz and Hillman, 1971) and where we instil a coherent order into the range of data acquired through the phase #A of experience.

This phase #B of understanding or intellectual perception can be further differentiated by applying Aquinas's three degrees of abstraction to obtain the following three sub-phases.

- **Sensation (phase #A of thinking)**, which takes the phantasm from the lower phases of sense experience and makes meaning of it in a concrete sense. It is grounded in reality in that the phantasm is the formation of the perceptual image of the external reality. This is equivalent to Jung's (1971) function of sensation which is defined as 'the psychological function that mediates the perception of a physical stimulus—perception mediated by the sense organs and "body-senses" but as given meaning in the mind'.

- **Intuition (phase #B of thinking)**, which is the perception of something more imaginative in the objects than is presented by the senses, and which relies on a conceptual framework built up by prior insights into connections and totalities of things.

  'The intuitive function is represented in consciousness by an attitude of expectancy, by vision and penetration; but only from the subsequent result can it be established... how much was "read into" it... so intuition tries to apprehend the
widest range of possibilities, since only through envisioning possibilities is
intuition fully satisfied... In intuition a content presents itself whole and complete,
without our being able to explain or discover how this content came into existence'
(Jung, 1971: paragraphs 610; 612; 770). This can be seen as moving one step up
into having the conditions of knowing in the imaginable.

_Aesthesis (phase #C of thinking)_ , which is regarded as the perception of
something more in reality—‘aesthetic perception requires a certain detachment
which is lived by the body and its senses, but whose principle is found in the
transcendental imagination as a capacity to create distance’ (Dufrenne, 1973: 359).
That is, it must be held at a distance beyond presence and imagination and become
a spectacle to the mind. Dufrenne contends that sense perception provides the
secondary support to aesthetic perception and that the operation of imagination
(meaning intuition) ‘is only a modest one’ (Dufrenne, 1973: 360). This observation
of essentially a primary, secondary and repressed third phase is picked up later as
an example of the characteristic dynamic of the trinity of knowing.

Jung (1971: paragraph 794) also captures this concept although he does not quite
acknowledge it as a separate function. ‘Abstract sensation is a differentiated
perception, which might be termed “aesthetic” in so far as, obeying its own
principle, it detaches itself from all contamination with the different elements in
the perceived object and from all admixtures of thought and feeling, and thus
attains a degree of purity beyond the reach of concrete sensation’.

_Sixthly_ , the third phase of the secondary level of knowing is the _phase #C_ of rationality.
At the lower _phase #B_ of intelligibility, there is an understanding but one is not necessarily
committed to this as the real truth or the real solution to the situation. In the _phase #C_ of
rationality, one is looking to assess and personally say “yes” or “no” and so accept or reject a
particular formulation as _the_ explanation or _the_ solution. Having formulated propositions in
the _phase #B_ of intelligibility, one then discerns, chooses, asserts and then assents or not that
it is so. We might only agree with certain provisos, but we make a stand—we take a position
on it in some way. This is the phase in which one takes an intellectual position against the
world (which in the process of reasoning is, after taking account of all the variations of
understanding, reached in the _phase #B_ of intelligibility)—but only after checking the facts
back to data caught in the _phase #C_ of experience (even if one has to undertake more actions
or experiments to acquire more relevant data). That is, all three phases are involved but the
_phrase #C_ of rationality predominates.
If, within this *phase #C* of judgment, we merely affirm and choose the best alternative proposition available, we add to the store of knowledge that can be applied at a later date. If, however, we reflect intensely and canvass all the relevant questions, there may be another burst of insight to grasp the totality of the system of reality in one act of "reflective" understanding. Our viewpoint is, then, transformed and we, henceforth, see with new eyes. It is as if we have moved further up the spiral of knowledge and understanding.

This *phase #C* of judgment and decision can be further differentiated by applying Aquinas' three degrees of abstraction to obtain the following three sub-phases:439

- **Conation or "Willing the good" (phase #AC of thinking)**, which has conditions in the empirical order because it is tied to the sensible by the necessity for it to be possible (i.e. the will desires to change the present reality into a different or better reality). 'The will is nothing but an inclination consequent upon the form understood...' (Aquinas, 1952: 468). It is the synthesis of, and commitment to, a realistic vision about the ends that could be rather than what is.440 This is the function that keeps taking the present and attempts to create a new present by committing to a vision of the future that could be made present by human action. It is different from fantasy or dreaming, as willing is directly connected to present reality.

- **Reasoning or "Judging the true" (phase #BC of thinking)**, which is one step removed in that it involves a process of reasoning. The process aims at a universal truth that is obtained by abstracting the relevant contingent realities to focus on the connections between the relevant parts; that is, 'the act of judgment is not merely synthesis but also positing synthesis. The issue, then, is not knowledge as true or false, but knowledge as known to be true or false... True knowing is similar, false knowing is dissimilar, to the known... Assent occurs when we judge a conception to be true' (Lonergan, 1967: 59–61).

This is also equivalent to Jung's rational function of thinking which 'following its own laws, brings the contents of ideation into conceptual connection with one another (i.e. synthesis)... The term "thinking" should, in my view, be confined to the linking up of ideas by means of a concept, in other words, to an act of judgment, no matter whether this act is intentional or not... [it is] a rational function, because it arranges the contents of ideation under concepts in accordance with a rational norm of which I am conscious' (Jung, 1971: paragraphs 830–831).
Assessment or "Assessing the real" (phase #C of thinking), which is yet another step removed in grasping the essence or, some would say, the aesthetic message in the presenting reality. It is something beyond the power of our imagination to play with (as it plays with concepts), something beautiful and embracing that is hard to imagine or describe except by analogy—it is like true aesthetic assessment. This is essentially the equivalent of Lonergan's (1957) judgment of value or Jung's (1971) feeling function, which is primarily a process that takes place between the ego and a given content, a process, moreover, that imparts to the content a definite value in the sense of acceptance or rejection ("like" or "dislike")... feeling is a kind of judgment, differing from intellectual judgment in that its aim is not to establish conceptual relations but to set up a subjective criterion of acceptance or rejection. Feeling, like thinking is a rational function, since values in general are assigned according to the laws of reason, just as concepts in general are formed according to these laws. The more concrete it is, the more subjective is the value conferred upon them; but the more abstract it is, the more objective the value will be' (Jung, 1971: paragraphs 724–727).

"Feeling is that in me which relates to a certain quality of the object through which the object manifests its intimacy... Feeling reveals being not only as reality but also as depth... Authentic feeling is a new immediacy... feeling has a noetic quality. It reveals a world" (Dufrenne, 1973: 376–378).

That is, there is an assessment of the true essence of the object or reality. This function also encompasses saying "yes" or "no" to beliefs. Beliefs are readily accessible to the conscious and can be used in the instant to assess the present reality; for instance, whether something is good or bad, beautiful or ugly, holy or mundane, just or unjust. Some beliefs are perhaps a priori or otherwise established in early childhood years and are deeply held—they are usually changed only through dramatic experiences.

Seventhly, in an attempt to develop some reader confidence in the validity of the "new way" of differentiating at the tertiary level, it will now be explained how the three sub-phases of phase #C of rationality can be regarded as a triadic unity or trinity. This will be done by showing how "willing the good," "judging the true" and "assessing the real" are essentially an expression at the same cognitive level of rationality, but with a different orientation, and how they are interdependent and operate together. This level of rational judgment is chosen to be
exemplified principally because personal preferences at this level are the main determinants of the individual's motivation and personality.

Commitment of will (or decisions) and assessments of value about reality can be regarded as judgments or assents about different things that are made on the same level of rational consciousness as the judgments of objective truth. As Lonergan (1957: 612–613; emphasis added) acknowledges:

For the decision itself is an act of willing. It possesses the internal alternatives of either consenting or refusing... The fundamental nature of decision is best revealed by comparing it with judgment. Decision, then, resembles judgment inasmuch as both select one member of a pair of contradictories; as judgment either affirms or denies, so decision either consents or refuses. Again, both decision and judgment (of fact) are concerned with actuality; but judgment is concerned to complete one's knowledge of an actuality that already exists; while decision is concerned to confer actuality upon a course of action that otherwise will not exist. Finally, **both decision and judgment are rational**, both deal with objects apprehended by insight, and both occur because of a reflective grasp of reasons. However, there is a radical difference between the rationality of judgment and the rationality of decision.

While it will be explained later how each of these three differently oriented assents (i.e. decision, judgment and assessment) differ on the level of rational consciousness, the important point here is that they are depicted as being essentially equivalent because all are rational—but there is still a difference. Though Lonergan (1957; 1971) clearly has the will as following the intellect or judgment of the true (which it sometimes does if the process of cognitive reversion is pursued at the level of rationality), and as being operative at a higher level, Aquinas (1952) was more equivocal:

Now the more simple and the more abstract a thing is, the nobler and higher it is in itself; and therefore the object of the intellect is higher than the object of the will. Therefore, since the proper nature of a power is in its order to its object, it follows that the intellect in itself and absolutely is higher and nobler than the will. But relatively and by comparison with something else, we find that the will is sometimes higher than the intellect, from the fact that the object of the will occurs in something higher than that in which occurs the object of the intellect...

If, however, we take the intellect according to the common nature of its object and the will as a determinate power, then again the intellect is higher and nobler than the will, because under the notion of being and truth which the intellect apprehends is contained both the will itself, and its act, and its object. Thus the intellect understands the will, and its act, and its object, just as it understands other special things, as stone or wood, which are contained in the common notion.
of being and truth. But if we consider the will as the common nature of its object, which is good, and the intellect as a thing and a special power, then the intellect itself, and its act and its object, which is truth, each of which is some special good, are contained under the common notion of good. And in this way the will is higher than the intellect, and can move it. From this we can easily understand why these powers include one another in their acts, because the intellect understands that the will wills, and the will wills the intellect to understand. In the same way good is contained in truth, inasmuch as it is an understood truth, and truth in good, inasmuch as it is a desired good (Aquinas, 1952: 433–435; which is Summa Theologica, I, Q. 82, sections 3 & 4).

This certainly does not sound as if one sublates the other, unless both sublate each other. Rather it sounds as though Aquinas regarded the intellect and the will as though they were on the same level of consciousness. 442 Put in another way, 'Truth and good include one another; for truth is something good, otherwise it would not be desirable; and good is something true, otherwise it would not be intelligible' (Aquinas, 1952: 425; which is Summa Theologica, I, Q. 79, a. 11).

For Lonergan (1957), the judgment of value came between the act of reflective understanding and the decision of the will. Moreover, he essentially puts the assessment of value hand in glove with the decision of the will and therefore on the same level of consciousness (Lonergan, 1957: 598–601). By logic, therefore, judgment of value must on the same level of rationality as the judgment of truth and the decision of the will. Lonergan (1971: 37) himself observes that 'judgments of value differ in content but not in structure from judgments of fact. They differ in content, for one can approve of what does not exist, and one can disapprove of what does. They do not differ in structure, inasmuch as in both there is the distinction between criterion and meaning... In both, the meaning is or claims to be independent of the subject: judgments of fact state or purport to state what is or is not so; judgments of value state or purport to state what is or is not truly good or really better.' It does seem to suggest that they could be regarded as being on an equivalent level of knowing. 443

But are the judgment of value and the decision of the will separate and distinct? Firstly, there is some hint of separation in Lonergan's (1967: 141) early interpretation of Aquinas: 'The second [observation to inspire the concept of verbum] was that the analogy to the procession of the Holy Spirit lies in the act of love, not as within the will for that is processio operationis, but as grounded in a perfect inner word, a judgment of value.' In Method, Lonergan (1971: 37) does conclude that: 'The judgment of value, then, is itself a reality in the moral order.' Lonergan (1957; 1971) does, however, tie the judgment of value closely to the
concept of possibility and the good, which is really the object of the will. He therefore finds it difficult to separate the two notions and, to do so, it is necessary to check more closely what they are each about. As Aquinas (1952: 402; which is *Summa Theologica, I, Q. 77, a. 3*) says: ‘A power as such is ordered to an act. Therefore we seek to know the nature of a power from the act to which it is ordered, and consequently the nature of a power is diversified, as the nature of the act is diversified.’

The act of will is about possibility, about the good that could be, about the ends to be achieved, and so the object does not exist except in the mind of the subject. It needs to be a feasible extension of actuality but there does not need to be a logical connection to any judgment of the true or of the real. Such judgments can inform the will by presenting it with an object that reflects the true and/or the real, but not create or control the will. ‘The will is a rational power, since it is “in the reason,” as is stated in the book of the *Soul*… the will is a rational appetite…which follows from an apprehended form. Consequently, in order that the will tend to anything, it is requisite, not that this be good in very truth, but that it be apprehended under the aspect of good. Therefore the Philosopher says that “the end is a good, or an apparent good”’ (Aquinas, 1952: 655; which is *Summa Theologica, II, Q. 8, a. 1*). The will constructs the possible future essentially from reconstructing the reality that presents.

On the other hand, the judgment of value is more like the judgment of fact in that it appreciates what is. It is about actuality, about the reality that exists, not that which could be. To draw a further contrast, the judgment of value is better understood as aesthetic judgment and has beauty as its object more so than the good. Here aesthetic judgment and beauty take on the meaning explained by Dufrenne (1973: lx, emphasis added):

The beautiful designates the truth of the object when this truth is immediately sensuous and recognised, when the object imperiously announces the ontic perfection it enjoys. The beautiful is true made visible, it sanctions what is felicitous before reflection does. A locomotive is true for an engineer when it runs well, but it is beautiful for me when it expresses speed and power immediately and as if triumphantly. Because it expresses it in this way, it is aestheticized... The opposite of beautiful is not the ugly, as we have known since romanticism. The opposite of the beautiful is the abortive, in the case of a work that claims to be an aesthetic object, and the indifferent, in the case of an object which makes no such claim. An aesthetic object is imperfect because it does not succeed in being what it claims to be, because it does not realise its essence; and it is in terms of what it aspires to be that it must be judged and that it judges itself.
Dufrenne (1973) is seen here to separate the aspiring from the judgment of what it actually is. That judgment of value, of authenticity of true reality is of what exists, not what is aspired to (in the will)—to a judgment of what is, rather than what is intended. Judgments of value are then seen to be associated with depth, which is found in the world of feeling—not emotions, which belong to the lower levels of consciousness, but feelings in the way explained by both Dufrenne (1973) and Jung (1971).

Feeling is knowledge (connaissance). Accordingly the emotion of fear is not to be confused with the feeling of the horrible... Feeling is knowledge—even if it be that peculiar spark of knowledge which unleashes the emotions and enters into a circle with them... Conversely, this knowledge is feeling, because it is not reflective and, above all because it presupposes a certain predisposition to receive the affective. Of course, by exercising our judgment, we could always deny ourselves such a knowledge and thus take refuge in the Stoic idea of objectivity... Aesthetic feeling is deep because the object reaches into everything that constitutes me. My past is immanent in the present of my contemplation and exists there as what I am—it is not the result of a history which would turn me into the final term of a causal consequence, but the seat of a duration in which I am conjoined myself. This past, which I am, gives a density to my being and penetrating quality to my glance (Dufrenne, 1973: 378; 404).

The depth of this judgment of the immediate was very familiar to Aristotle and Aquinas. In fact, their whole metaphysics is based on the ability to see the real as real, to know the essence and the first principles of necessity. However, Lonergan (1967: 72) concluded that ‘only by reflection on the identity of act can one arrive at the difference of potency. And since reflection is not an identity, the Aristotelian theory of knowledge by identity is incomplete.’ Lonergan is correct in saying that its identity is incomplete, but it is no less incomplete than the knowledge of objective truth (or the relationship between the parts)—they are both a partial knowing of reality but in quite different ways. Lonergan (1957) actually acknowledges this type of knowing identified by Aquinas (1952) but misses the profundity of such judgments and dismisses them as just “looking”. He likens it to “‘knowing” in the elementary sense in which kittens know the reality of milk’ (Lonergan, 1957: 252). The paradox in Lonergan (1971: 290), however, is that he is prepared to use such “looking” at religious experience to establish his first set of categories in his fifth functionality (called Foundations). It seems obvious that he would not equate the deep “knowing” of religious experience as something that a cat or any other animal is capable of! These categories which are based on just “looking” are then to be used to inform all the other functional specialties which must imply such “seeing” is capable of carrying a meaning of some depth. Though Lonergan
(1971) wraps up this "looking" with the notion of conversion, it is essentially the same grasp of reality that is regarded as central by Aquinas (1952) and Dufrenne (1973).

Eighthly, to put this notion of similarity and distinction more succinctly, willing, judging and assessing can essentially be regarded as rational personal positions in respect to the three essential aspects of the one reality.

- There is the judgment of what could be better than the reality that presents itself now. It is about interpreting in concrete terms what could be, and it is the image of the good that is created in the mind that provides the object for the will to act. This image of the good is, of necessity, closely linked to the current reality because it has actually to deal with that reality. This judgment of the will, then, is primarily oriented to the future but its object can be informed by the judgment of what is true or what is real—but it is not necessary to be so informed.

- There is the judgment of the true, being the judgment of the relationships between the parts. While there is a synthesis of concepts to know the true, the accidentals of the particular reality (e.g. the accidentals immanent in the immediate) do not necessarily figure significantly in the deliberation. The search is for enduring objective truths one step removed from the present reality, and so there is a concern that the facts at least can be shown to have held in the past. In this way, the judgment of the true is most oriented to the past from a linear viewpoint.

- There is the assessment of the real, being the judgment of the whole to know its essence. While there is a synthesis of all the reality that presents itself, the concepts of relationships between the parts do not figure directly in the deliberation. In that it is concerned with all that is there, the judgment of the real is most oriented to the present and attending to the particular reality at hand.

So the aspects are seen to be similar in structure but different in content and therefore they form a triadic unity or trinity on the same level of consciousness. Within each hypostatic sub-phase of willing, judging and assessing, the individual comes to a personal assent as to what is a persuasively good possibility, a reasonably objective truth, or a glaringly real presence, and each of these are judged against a different set of transcendent criteria. As has emerged in the above discussion, there is, however, a relationship between them as, though they operate independently and with a different orientation, each can be informed by the other. They are interdependent because, in essence, they are focused on the one reality, but in different ways. They do not stand alone and there is obviously something missing if any phase is purposely
excluded. Moreover, they do form a coherent whole and not only are they all operative in each human being but it is also necessary for a full human life, that all three phases need to find opportunities to be expressed. Indeed, if we are sufficiently self-conscious we are able to move consciously between each of these types of judgment as considered appropriate to the circumstances. Normally, however, each individual develops one of the three sub-phases of judging the world as a matter of course and as a consequence of the dynamics of the relationship (which will be explained further later), a second is less well developed but supportive, and the third sub-phase is normally well under-utilised and under-developed. It then usually requires a conversion or personal transformation to bring this depressed third sub-phase into effective use. The relationship between the three sub-phases is therefore seen as analogous to the trinitarian relationship experienced between the three main phases of personal consciousness (which is to experience, to understand and to judge).

Ninthly, there is always something more. Each trinity is a conceptual depiction of the conscious operation of the intellect at that particular level. However, there is always some greater understanding, some more developed judgment of fact, some more profound assessment of reality, some more insightful grasp of better possibilities that can be accessed from the transcendent, the other, the unconscious. This phenomenon of the transcendent (to the particular trinitarian level) is depicted by the encirclement of each trinity by a bigger unity (i.e. circle), which can be regarded as part of even broader levels of knowing in the adjacent trinity of which it is now part.

The hint of something more than, of access to some transcendent knowledge or understanding, is seen in the act of insight when one sees a new way of putting the facts together or understanding one's experience in a different way. What is essentially happening in the act of insight is that there is a tension set up between the phases of the principal trinity of personal knowing. That is, there is a divergence between the cognitive product at the level of experience and the conceptual or mind maps we have at level two of understanding the experience. This psychic tension is fuelled by the continual questioning of the facts about the phantasm of experience until there is a flash of insight as a new way of making meaning of the facts suddenly appears in the mind. This insight can only come from somewhere else in the mind and this other place is termed the transcendent or the unconscious. 'The difference between invention and learning and use of science is that, in the first instance, phantasm has to produce the act of insight whereas, in subsequent instances, informed intellect guides the production of an appropriate phantasm, in other words, in the first instance, we are at the mercy of fortune, the sub-conscious, or a teacher's skill, for the emergence of the appropriate
phantasm’ (Lonergan, 1967: 29). The transcendent is also seen to be accessed at the level of experience or sensation (i.e. phase #A) when explaining the almost spiritual experience that can be associated with the sexual encounter.

This access to the transcendent is also illustrated by the mental flashes experienced in reflective understanding, and in Lonergan’s (1957; 1971) reliance on the concept of love to explain the energising of the downward process through his levels of cognition. In addition, the visions of the future conjured up by the will as it goes about framing better possibilities to achieve the “good”, seem to come out of some dialogue with the transcendent or the unconscious. Aquinas also attempts to grasp how the cognitional processes are informed by some transcendental infusion: ‘Further as the will is related to willing well, so is the intellect related to right understanding. But the will cannot will well unless it is aided by grace, as Augustine says. Therefore neither is the intellect able to understand the truth, unless it is illuminated by divine light’ (quoted in Hall, 1992: 62, note 52). The relation to the transcendent is also contained within Dufrenne’s (1973) reliance on the notion of the a priori, both in assessing the real and in assessing value, in his explanation of aesthetic judgment.

This contact with the transcendent and/or the unconscious is hard to pin down or define precisely but can happen anywhere in the cognitive process. This incorporation of understanding or knowledge from beyond is the way the individual finds the wherewithal to move to higher levels of cognitive understanding and knowing. Any conceptual capture of the influence of the transcendent or the unconscious also has to carry the capacity to embrace an explanation of the phenomena addressed by Jung and other depth psychologists. This influence of the “other” needs therefore to be envisaged as enveloping and in touch with the whole process.

**In summary** of this section:

- there are primary, secondary and tertiary levels of consciousness which can be conceptualised as all being interconnected in the form of a hierarchy of triadic unities or trinities;
- there is a continuous forward and backward movement between the three hypostatic phases of each trinity and between adjacent trinities;
- there are also three quite different cognitive processes on the level of rational consciousness which can similarly be conceptualised as a trinity of hypostatic sub-phases with similar forward and backward movements between the sub-phases; and
all the cognitive processes are enveloped in the transcendent morass of the unconscious and existence.

8.3 The Processions and Reversions of Knowing

Analogous to the dynamic nature of the Neoplatonic hierarchical triadic construction of reality (Proclus, 1963), the JEWAL Synthesis Formwork also captures the complex dynamism of knowing. Continual conscious and unconscious movements are acknowledged at and between all levels; that is, both within a trinity of a particular level and also across adjacent levels of trinities. This section sets out to shed some light on the significance of these movements and to capture the basic dynamics of human personal growth and development.

First, all movement within the Formwork represents the cognitive adoption of a different phase or orientation of knowing and there is a change in the shape of consciousness as a result of that movement. The cognitive movement is bringing to mind a different perspective of consciousness that is concerned with different aspects (and asks different questions) of reality. There are three basic movements, which are:

- the inner movement of reversion or transformation in which the individual tries to work it through from an effect to a personal knowing of the true cause (i.e. going against the arrow around a triad);
- the outer movement of procession or begetting in which the individual takes on a personal commitment or belief and makes something of it, which usually translates into some response or action in their external world (i.e. going with the arrow around a triad); and
- the movement between adjacent trinities, which can be either evolutionary or transformational.

'Procession is a passage from better to worse; reversion is a passage from worse to better... This is based on the Plotinian doctrine of the two fold activity of intelligibles, intrinsic and extrinsic' ⁴⁴⁴ (Dodds, 1963: 221; 234). The upwards and downwards movement between phases in different adjacent levels of trinities can in turn be regarded as a movement of reversion or procession in the more embracing triad (according to the rules of movement outlined earlier). In reaching an understanding of these basic movements it needs to be borne in mind that:
• no particular phase of knowing is operating alone but always in concert with other phases within the immediate trinity and, as a consequence, but to a less extent, all other phases at the different levels of knowing—'Every intelligence has simultaneous intellection of all things... All the intellectual Forms are both implicit each in other and severally existent... [however] all things are in all things, but in each after its own fashion' (Proclus, 1963: 149; 155; Dodds, 1963: 254);

• a movement then is merely a shift in cognitive focus or orientation to another phase of knowing (which would probably correspond to firing up a different set of neurons in the brain), where the second replaces the first as the predominant phase operative for the moment; and

• the mind carries out a large number of operations per second and it seems physiologically understandable that many phases of knowing could be accessed seemingly at the same time; however, from an observation of the effects from the earliest times, it has been acknowledged that one phase of knowing is called on to be predominant for a particular cognitive operation.

**Secondly,** the basic cognitive movement of reversion or inner discovery of the truth is an inward movement or questioning and reflection. 'Reversion may be said to restore to reality the value which was lost in the procession, without annihilating the individuality which procession creates' (Dodds, 1963: 221). It moves inward to adjust the mind patterns of consciousness to find the truth as it is ready to reveal itself to the individual's mind—'reversion generates the progressive perfection of the lower principle' (Dodds, 1963: 221).

Reversion is the way of questions, the way of inner psychic tension, of internal struggles which are in time rewarded with internal intellectual breakthroughs which have to come from the unconscious or the transcendent (i.e. from somewhere else in the sphere of the mind that has not yet been incorporated into the conscious, though it could be stimulated by further external input through experience). Lšnorgan explains these as insight, reflective understanding, and intellectual, moral and religious conversion. All of these transforming breakthroughs allegedly come as a result of following the direction of Lšnorgan’s (1957; 1971) transcendent Method; namely, the clockwise movement of reversion around the trinities.

It takes a conscious effort to effect a cognitive reversion. Essentially, the will turns inwards to drive the inquiry creating the psychic tension and till ing the soil for a fertile
revolution of the individual’s understanding. This turning inward of the will is the reason why reversion is regarded as an inner movement.

Thirdly, the cognitive dynamic of procession is also called begetting because it often involves creating something tangible and external out of the inner-held universal. It is therefore often termed a “downward” movement by the philosophers and is seen to flow much easier without the psychic tension associated with the “upward” movement or reversion. That is, the movement normally stems from a personal commitment to some particular truth, value or will at the level of rationality—no matter whether that personal commitment is formed by the path of reason or directly from the phase \( A \) of experience. Lonergan (1971) explains procession in his Method as the process of formulating and propagating the theological doctrine, which has been affirmed at the willing phase \( A^C \) of thinking—which is phase \( A \) of the level \( C \) of rationality.

A clear example is the way individuals make use of beliefs—even scientists are required to believe a lot of what already has been proved or what has commonly been accepted as true. Lonergan (1971) acknowledges that most of our knowledge of the objective true comes not from the cognitive reversionary evaluation of experience, insight, formulation, judgment and assent—but rather from belief.

Finally, the judgments, by which he assents to truths of fact and of value, only rarely depend exclusively on his immanently generated knowledge, for such knowledge stands not by itself in some separate compartment but in symbiotic fusion with a far larger context of beliefs... but the accuracy of the whole is a matter not of knowledge but of belief, of the surveyors believing one another and the rest of us believing the surveyors... that belief plays as large a role in science as in most other areas of human activity...He learns from others, not solely by repeating the operations they have performed but, for the most part, by taking their word for the results (Lonergan, 1971: 42–44).

Once a belief in a truth has been established by a personal commitment to its truth at the individual’s level of rationality, there is then the process of making sense of how to apply it in the present situation.\(^4\)

In this process of procession, the will is directed outwards to work out ways of implementing the universals, which the individual has personally committed to. Even in the acquisition of knowledge the will is directed to creating the tension in the external world by the process of projection. The individual’s unconscious is projected out onto external people and circumstances, and it can then happen that there is an intellectual or internal appropriation of what has been worked out on the outer.
Fourthly, the individual’s phase \( C \) of rationality (or phase \( C^C \) of thinking) can be reached from the lowest phase \( A \) of experience (phase \( A^A \) of thinking) by either the process of reversion or by procession—that is, by the hard way of Lonergan’s scientific method or by the seemingly easier way of intellectual intuition (or immediate cognition), adoption of a belief or psychic projection. That this easier way involves the acquisition of immediate knowledge in a movement direct from the lowest level of experience to the highest level of rationality, is perhaps the most crucial but contentious attribute underpinning the validity of the trinitarian nature of the JEWAL Synthesis Formwork.

Intuition means ‘a direct and immediate seeing of an object of thought which is currently present to the mind and is grasped by its individual reality’ (Roland-Gosselin as quoted by Eco, 1988: 61). Eco (1988: 62) goes on to note the debate about whether Aquinas supported the notion of ‘a type of knowledge in which the intellect is in direct and immediate contact with the sensible,’ and concludes ‘this does not exist’ and lines up many philosophers who agree with this denial. Other philosophers (e.g. Hamilton, 1859: 46) consider that the phenomenon of intellectual intuition does exist and that its existence can be interpolated from the writings of the Neoplatonists (Plotinus, 1952; Proclus, 1963) and Aquinas (1952). For instance, Brennan (1941: 37) asserted in his explanation of Thomistic Psychology: ‘It should also be pointed out that the passage from the first to the third degree of abstraction is immediate. Such a procedure is lawful for the reason that it does not violate any principle of mental continuity.’ Dufrenne (1973), who analysed aesthetic judgment in depth, has no doubt! ‘In other words, the represented object is discovered directly through appearance, which by itself says all’ (Dufrenne, 1973: 360).

There are two clear instances of intellectual intuition or immediate cognition, which can be understood by applying the quasi-Neoplatonic rules for moving between the different levels of trinities (not forgetting that the movement from the lowest to the highest level of a trinity will always be accompanied by a much lesser presence of the operation of the other middle level).

One is the movement from the highest sub-phase of the phase \( A \) of experience to the highest sub-phase of the phase \( C \) of rationality—that is, from the lower level sub-phase of “apperception” direct to the much higher sub-phase of “assessing the real” or assessing the value. This is precisely the cognitive movement involved in aesthetic intuition or the immediate assessment of beauty as ‘a lightning of the mind on a matter intelligently arranged’ (Maritain’s theory as quoted in Eco, 1988: 63). The affirmation of beauty is reached by an instantaneous internal analogical process with an immediate answer—the individual just
knows. This process of knowing is a knowing of the whole in the particular [as acknowledged by Aquinas' (1963) process of abstraction that he calls separation], rather than a knowing of the parts by cause and effect. It is an immediate recognition and affirmation of reality as Dufrenne (1973: lxiii) exclaims: 'The beautiful designates the truth of the object when this truth is immediately sensuous and recognised, when the object imperiously announces the ontic perfection it enjoys.'

Another is the movement from the lowest sub-phase of the phase #A of experience to the lowest sub-phase of the phase #C of rationality. That is, from the lower sub-phase of "extroversion" to the much higher sub-phase of "willing" with the "sensation" sub-phase of the phase #B of intelligibility in only a minor supportive role. This is essentially the cognitive movement involved in the development of personal commitment to a vision by just looking and seeing the alternative potential reality—that is, where the individual can see a better arrangement of the present in all its concrete reality, and action can follow directly. To validate the integrity and feasibility of this vision, then, the individual is required to keep moving his/her thinking process around the higher phase #C of rationality to the other two sub-phases of "judging the true" to assess whether the facts in terms of the known causes and effects can deliver the new envisioned future. The process could then move on to the next sub-phase of rationality to assess whether that new future is actually of value in the context of the person's or group's criteria for a "real" existence. This could probably involve much oscillation around and back within the different phases of the trinity of experience, intelligibility and rationality as the envisioned future is tested out for its practicality and the vision actually changes to accommodate any revealed practical difficulties and value conflicts. Needless to say, many times individuals do not bother too much with the two follow-up cognitive processes as it is hard work, and so they are content to sell their ideas of sensible course of action, or a better future, after it appears to them and they say yes to it. This cognitive process of envisioning a potential future, or co-creation, is effectively that which is described by de Bono (1990: 290) as water logic in comparison with rock logic which is logical reasoning (or Lonergan's Method, 1957; 1971). In addition, other explanations of the dynamics of the will might add some light:

Phenomenally, the act of willing appears precisely not as an occurrence caused by a different agent but as an initial act of the ego-centre itself (Pfander, 1967: 20).

The phenomenon of the will, an altogether different mental capacity, whose chief characteristic, compared with the ability to think, is that it neither speaks in the voice of reflection nor does it use arguments but only imperatives, even when it is commanding nothing more than thought or, rather imagination (Arendt, 1978: 371).
Will as the spring of action, that is, as a "power of spontaneously beginning a series of successive things or states"... First there is the apprehension of the end... the counsel (deliberation), about the means; and finally desire for the means. At each step, the apprehensive power precedes, and has primacy over, the appetitive movement (Arendt, 1978: 6; 117).

Fifthly, the process of human learning and development can be seen as seemingly continual oscillations (or alternating circular motion) and interplay between the reversion and processions of knowing. The way of reversion is the personal quest for answers; the what, why and how of what is experienced. Children embark on this process often when they continually ask questions to get assistance in their efforts to work it out for themselves. As explained earlier, the largest contribution, however, to personal knowledge is through the process of procession or belief where there is a personal commitment to the knowledge acquired from others as value judgments, facts or procedures. In Method, Lonergan (1971: 45–47) sets out the steps of taking on the belief as an assent of the virtually unconditioned objective true:

- First step, is that the truth fact or proposition is actually articulated to the subject, i.e. that the subject experiences at level one.

- ‘Second step, is a general judgment of value’ and ‘third step is a particular judgment of value’, which are level-three judgments of value that this authority on this particular issue is worthy of belief—i.e. the subject is prepared to believe this time.

- ‘Fourth step, is a decision to believe’—i.e. the subject exerts an act of the will that it is “good” to believe.

- Fifth step, is the act of believing. I, in my own mind, judge to be true the communicated judgment of fact or value. That is, the subject assents to a virtually unconditioned objective truth, ‘not because of my own immanently generated knowledge... but because of the immanently generated knowledge of others.’

So this process clearly involves the first step in the phase #A of experience and then the next four steps at phase #C of rationality, with a hint of some influence by the transcendent at the second step. As an aside, it is interesting to note that the direction of movement through the three different orientations of judgment (i.e. assent of value, decision, and assent of the true) is analogous to reversion within the phase #C of rationality. There is thus procession at the secondary level trinities of the intellect (i.e. from phase #A of experience to phase #C of
Rationality) and then a reversion on the tertiary level (i.e. through the sub-phases of phase #C of rationality). It is relevant to note that in Lonergan’s five steps (as set out above) there is no mention of phase #B of intelligibility. That is, the knowledge is affirmed as true even before it is clearly understood by the individual. The knowledge is taken on faith and the personal understanding is worked out later. That is, the assimilation of learnt truths or theorems is in large part accomplished by the act of cognitive procession taking on the universals first and then only later trying to find personal meaning in them.

What is gleaned from an understanding of the dynamics of procession and reversion, the rules for movement within the quasi-Neoplatonic Formwork and the clear preferences for modes of thinking (as discussed below), is that individuals will develop preferred learning styles. These styles can be identified and used to develop an effective learning/development strategy for a particular individual or group to encourage insights and quantum jumps in understanding and knowledge (in keeping with the quasi-Neoplatonic rules of the triadic movement). The results of the process of learning and knowledge acquisition would be shown conceptually within the Formwork as corresponding increases in the relevant circles of conscious knowing—that is, the quantum of consciousness developed by the individual would be increased.

Sixthly, all phases of the trinities are equivalent but different. Philosophers have always been inclined to term those powers at the third degree of abstraction, or the third phase of the trinity, as being higher than those at the second or first degree/phase. However, all three phases of any trinity offer a particular perspective and downplay the perspectives offered by the other phases of the trinity. That each phase is representative of a “differentiation-in-unity,” and that such differentiation can only be observed by their effects, it follows logically from the phenomenon of these differentiations that one phase can be seen to predominate at a particular time. Moreover, an individual develops a preference for a particular set of predominant phases and sub-phases across the hierarchical trinitarian Formwork.

Put in the light of Proclus’ (1963) construction of reality, though each individual has the potential to know all things in all ways, ‘no two intelligences have identical intuitions: otherwise they would be identical.’ By reasoning, they are different ‘in the point of view to which they relate their knowledge.’ (Proclus, 1963: 170; Dodds, 1963: 288) More explicitly, Proclus (1963: 149) argues as follows. ‘Since, then, it must know all things or one or else all in one especial aspect, we shall conclude that the last is the truth: intellection embraces all things perpetually, and in all intelligences, but in each it delimits all its objects by a particular character. So that in the act of cognition and in the content known there must be
some one dominant aspect, under which all things are simultaneously known and by which all are characterized for the knower' (emphasis added).

Aquinas also put forward this view when asserting that 'the possible intellect is the subject of intellectual habits... So, too, repeated acts cause a habit to grow' (Aquinas, 1952: 10; 19; which is *Summa Theologica, II, Q. 50, Art. 4; Q. 53, Art. 3*). This is the basis on which depth psychology (Jung, 1971) and theories of the brain (Edelman, 1992) suggest that individuals when young exhibit a preference for particular phases of knowing and with continual use they become "hard-wired" or strengthened psychologically and physiologically. As the individuals mature into adults, they have normally developed very definite patterns of motivation and character with pretty set responses to particular stimuli and a well-established learning style—though such patterns are always open to modification or transformation.

Going even further, the one preferred phase or sub-phase within each trinity of knowing powers then defines the secondary function as the one next in the direction of reversion (i.e. against the arrow in the Figures) and the third is little used. For instance, Dufrenne (1973: 345–361) describes how in reaching aesthetic judgment at the level of rationality, the *phase #B* of intelligibility is minimised while the *phase #A* of experience and reality is used very much as a secondary function to the aesthetic judgment. This phenomenon is explained in part by Aquinas' observations that the mind can only focus on one species at a time; 'but whatever things the intellect understands under different species, it does not understand at the same time' Aquinas (1952: 457 or *Summa Theologica, I, Q. 85, Art. 4*). In an empirical study of the development of new computer systems within banks, Lejeune and Roehl (1997) also observed this phenomenon of primary, secondary and minimal influence of the three levels in the same order as that suggested above, occurring in the patterns of strategy and behaviour of the participants in the IT process.

There has to be a deeper analysis of the processes of abstraction to explain precisely why the secondary function is the next highest degree of abstraction (with the highest being connected to the lowest). However, consistent empirical evidence, in particular, through the experience of the Enneagram (Riso, 1987; Palmer, 1991) suggests that it is a strong hypothesis.

**Seventhly**, the combinations of preferences across different trinitarian levels of knowing also come with different preferences for the cognitive processes of reversion and procession. This in some part is determined by the quasi-Neoplatonic rules for movement within and between the trinitarian levels.
In particular, the necessity for movement between supra-jacent levels to be through similar phases or through the third phase of the lower and the bottom phase of the higher, means that there will be simpler movements where preferences have been established for similar phases of the trinities on each level. For instance, where preference is developed for sub-phase \(\#A\) of each of the trinities of the intellect—viz. “extraversion,” “sensation” and “willing”—there is a tendency to move mainly through across the levels rather than within a particular level trinity. This means that possible futures might be envisioned, worked through in a sensate way on how to make them happen, and then implemented—all perhaps without too much questioning or reflecting on the reasoned logic of what is envisaged, or without too much thought as to whether it is morally or ethically right or wrong.

The effects of all these differences manifest in the cultivation by individuals of different personal motivations and character, and different learning styles—which will be explored in the next section.

**Eighthly,** there is a conscious intellectual potency and power representing that part of the intellect or mind that has been used and developed so that it can be brought to act with intent. There is a complementary unconscious or shadow power representing that part of the full potential of an individual that has yet to be harnessed in a way that it can be developed and used in a meaningfully effective way.

Therefore, the depiction in Figures 35–39 is a depiction of the ideal in the sense that all powers are represented as being equal. As explained above, an individual develops distinct preferences for one particular phase of the cognitive triads, and develops some intellectual powers while correspondingly diminishing others (that is, a primary power and a secondary power and a third that is considerably underdeveloped). Of psychological necessity, this imbalance leads to the development of a compensating personal shadow, which can be depicted for any particular level, as shown in Figure 40. The less consciously developed is the particular power, the bigger is the compensating shadow. This compensating shadow often manifests itself in a person’s behaviour as the person’s “dark side,” or as very primitive behaviour associated with this particular power—a subject that Jung (1964a; 1969a; 1969b; 1970; 1971) analyses at great depth in his writings.

**Ninthly,** reversion and procession are essentially the cognitive processes used in the development of rational scientific knowledge and intuitive or ‘absolute knowledge’ (Capra, 1976: 36), respectively. These processes engage the conscious and unconscious intellectual powers or phases of knowing in different but complementary ways. In effect:
- Reversion or the inner-directed movement is primarily a conscious act that calls upon the unconscious to respond to its inquiry and inform the conscious.

- Procession, or the outer-directed movement, primarily involves the unconscious using the conscious to act out its unknown fantasy for its own purposes in the act of projection.

The effect of these processes operating on the conscious and the unconscious can be conceptualised as somewhat like a double-helix construction of trinities—similar in essence to the double helix structure of DNA (Watson, 1968), but different because the helix of the mind is incorporeal and as one. In one sense, the trinities of consciousness and unconsciousness can be thought of as forming the outer backbone of each helix, with weak psychic links connecting the two helixes through each phase of the triads. However, the helix is not linear (or cylindrically defined) as conceived for DNA, but something more complex, with the sizes of the backbones of the helices being complementary throughout. The helices run through the whole being of a person as defined by the full extent of the hierarchy of trinities within the JEWAL Synthesis Formwork of Reality. Development into a mature, effective person or group would require developing both a flexibility of mind to be able to move between the phases of knowing as required and a constructive dialogue between the helix of the conscious and that of the unconscious.

In summary, this section has attempted to capture some of the complexity in simplicity of the dynamic that can be represented within the new Formwork. To develop effective heuristic strategies for learning and development of individuals, groups and societies, one would also need to understand the way the character of individuals is formed—and some explanation of this is given in the Section 8.4.

### 8.4 The Conceptual Formwork and Its Significance

The insights presented in this section have been the driving force for the author to go into a deeper discussion of Lonergan (1957; 1967; 1971) and Aquinas (1952) and so develop the connections discussed so far in this Chapter. This is the gold that can be brought forth from the mine of the scholastics and cognitional theorists. Acknowledging that there is no answer to everything, the potential usefulness of the synthesis explained in this section is substantial but limited mainly by an individual’s ability to apply it—for, as has already been observed, no individual can think in all directions at once. However, a richer apprehension of past actions or in planning or preparing for future actions can be developed by accessing all phases of
thinking by a systematic series of questions and/or reflections following the logic of the Formwork.

Even though the subject matter of this section is of fascinating intellectual interest to the author, there is no attempt to develop a justification or argument for the insights articulated. Rather, the section has been included to give an indication of the potential power that can be unleashed by the synthesis of the old and the new, of the West and the East. As such, a wealth of knowledge suddenly becomes available to help understand and orchestrate human affairs more consciously. If the integrity of the Formwork so far presented is sound, there is a direct connection to the Jungian (Jung, 1971; Myers, 1980) and Enneagram (Riso, 1987; Palmer, 1991) typologies. Indeed, if the integrity of only the intellectual trinitarian phases of the Formwork is sound, the link is still made—albeit not as rich or convincing.

**First,** all constructions of metaphysics, philosophy, physical and social sciences, psychology, etc., are formulated by the human mind and offer different understandings of different aspects of the one same reality—that is, they reflect the complexity of the product of different modes of thinking. In grasping a philosophy of mind that captures the essence of this complexity of human thinking and knowing, one acquires a powerful tool of understanding and a means with which to exert a more conscious governance of human affairs. The *Jewel Synthesis* Formwork has captured a universal understanding of the way we know (and also what we know)—it articulates the ancient scholastic understandings, incorporates the modern philosophical and psychological developments in understanding and cross-fertilises this with the Eastern-based reflections on human motivation and behaviour (Enneagram). This section attempts to capture the holistic nature of the “new” Formwork and give some hint of the way it can underpin and assist development in many areas of study.

The Formwork is grounded on the simple yet profound building block of a trinity of hypostatic phases that are differentiated but one. As developed most fully in the Neoplatonic writings of Plotinus (1952) and Proclus (1963), the whole human subjective and objective world can usefully be formulated in terms of an interrelated hierarchical trinitarian structure from the higher metaphysical appreciation of the human experience to the lowest objective thing. The scholastic philosophers concentrated mainly on the structure and movement emanating from the highest unity. However, this can be understood and looked at in reverse and, starting from the manifestation of reality in all participants, go on to capture a dynamic model within which to study the whole human experience. Bringing all this together would obviously require a separate paper or book to develop the hierarchical structure in its totality. However, a reasonable starting point in one of the broadest trinities of intelligible
reality could be in terms of *phase #A* of the external objective world, *phase #B* of the internal subjective world, and *phase #C* of the spiritual transcendent world.

Just focusing on the subjective world of knowing (which is the topic of this paper), the base triad of knowing was identified by Aquinas (1952: 452—in *Summa Theologica, I, Q. 85, Art. 1*) as:

- 'the sense, [which] is the act of the corporeal organ. And therefore the object of every sensitive power is a form as existing in corporeal matter.'
- 'the human intellect [which] holds a middle place, for it is not the act of an organ, yet it is a power of the soul which is the form of the body.'
- the transcendent, 'which is neither the act of a corporeal organ, nor in any way connected with corporeal matter; such is the angelic intellect, the object of whose knowing power is therefore a form subsiding apart from matter'.

These three hypostatic phases constitute the base-level trinity of the soul as shown in **Figure 41**, within which the whole Formwork of the human experience can be contained.

Each of these three main basic levels of abstraction can be broken down into three more degrees of abstraction and then again into another further three degrees of abstraction. This is difficult to convey as by going up to the level of intellect that has been discussed in this Chapter, there are some 3^4 separately identified “grades of knowing powers” in an ascending order of abstraction. This hierarchy of knowing powers is sketched out and named in **Figure 42** (by following through only that hierarchy of powers that leads to the area of interest for this Chapter). The hierarchy of knowing powers is then re-presented in **Figure 43** to show more clearly the integrated hierarchical nature of the interrelationships. A third view of the same hierarchy is given in **Figure 44** to give a clearer picture of the individual trinitarian phases of the hierarchy. The three representations of the same hierarchy effectively demonstrate the different pictorial ways of conceptualising the detail of the trinitarian hierarchy. Although there is a symmetry and sameness about the different trinities of knowing powers, much work would be needed to flesh it all out in relation to the broad range of the current areas of human study.

The main concern in this Chapter has been with the intellectual powers (and only in relation to the subject as an individual), and then only with the top two degrees of abstraction at that (as indicated within the hierarchy of the repeated trinities of knowing powers shown in **Figure 42** and contained in detail in **Figure 38**). It is important to appreciate that the hierarchical trinitarian construction means that these intellectual powers can be affected by
the interaction or influence from any of the other powers at any of the other levels to varying degrees (or, in particular, by the lower emotional levels).448

The transcendent or spiritual knowing powers are, of course, difficult to grasp and usually regarded as beyond us. However, all the real metaphysical and mystical conjecture on the immaterial world comes about through the exercise of these powers.449 As Aquinas (1952: 452) says, ‘therefore we must say that our intellect understands material things by abstracting from the phantasms, and through material things thus considered we acquire some knowledge of immaterial things, just as on the contrary, angels know material things through the immaterial.’ It would seem that the Christian Trinity has been a vision of triadic reality beyond the basic abstractions from the material world.

Secondly, the Jungian (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) functions and the determining attributes of the Enneagram (Riso, 1987; Palmer, 1991) are essentially an expression of the interaction of the trinities of cognitive powers in the phase #C of rationality and the phase #B of intelligibility. To be specific, the phases of understanding/knowing that are involved are (in reference to Figure 38):

- **Phase #C of rationality or judgment sub-phases:**
  - #A. will (or conation), #B. reasoning judgment, and #C. assessment (or feeling judgment);

- **Phase #B of intelligibility or intellectual perception sub-phases:**
  - #A. Sensation, #B. intuition, and #C. aethesis.

Combining the three sub-phases of each of two cognitive levels with each other generates the nine (3 x 3) individual spaces of the Enneagram typology. The Jungian typology proposed only two sub-phases on each of the two levels of knowing (2 x 2) and, as such, can be seen as being an incomplete expression of the Enneagram.450 In particular, Jung (1971) did not acknowledge the knowing power of the will (phase #A\(^C\) of thinking which is lowest orientation of the phase #C rationality) as a rational function (but only identified thinking and feeling). The earlier part of this Chapter provides substantial justification for the inclusion of the “will” but much more could be argued by drawing on Jung (1971) himself and also on Arendt (1978) and Weber (1949). Aesthetic perception (phase #C\(^B\) of thinking which is in phase #B intelligibility) is the “irrational function” which was not identified as a separate function by Jung (1971), but he did explain it (as quoted earlier) in such a way that it could be taken as separate. However, Jung (1971) accounted for the experience of aesthetic perception with a convoluted piece of logic that represented it as a combination of sensate perception and
feeling judgment. Dufrenne (1973), on the other hand, gives a cogent explanation of the
distinct power of aesthetic perception. A more fulsome justification and case of the necessity
for including these two cognitive functions alongside the other more established functions
will need to be taken up elsewhere.

Thirdly, as discussed earlier, each individual chooses and develops a particular degree of
abstraction or sub-phase in both the phase #B of intelligibility (or perception) and the phase
#C of rationality (or judgment). In each of these two phases in an individual there is formed a
primary, secondary and minimally developed cognitive power. For instance, a typical wise
scientist-type would have primarily developed their intuitive perception and rational thinking
functions and, as a consequence, would have minimised the development of their capacity for
sensate perception and willed action.

The primary determinant of an individual’s motivation and character is the preferred
orientation in the phase #C of rationality. It is at this level that a “yes” (or even “yes” that it is
not so) is said to what is good, true and real in that particular individual’s reality, and is
personally committed to the higher cognitive position. An individual has essentially chosen
one of those modes of rationalising reality to be his/her pre-eminent guide on the
interpretation of life. This is manifested in the Enneagram typology (Riso, 1987; Palmer,
1991) by an individual’s experienced preference as between the Head, Gut and Heart
“centres”.

The preferred orientation within the Phase of Intelligibility is the secondary determinant
of an individual’s motivation and character. As such, it defines in which of the three
Enneagram spaces in the preferred “centre” that his/her motivation and character will be best
described. Taking the two phases of rationality and intelligibility, each with three sub-phases
of possible preference, means that there are nine possible options for each individual. In such
a way, therefore, can the Enneagram’s nine spaces be defined and this is set out clearly in
different ways in Figure 45 and Figure 46.

The main characteristics and motivational preferences of each space on the Enneagram
can be explained logically from a starting point of their preferred sub-phases of thinking and
knowing as conceptualised in the JEWAL Synthesis Formwork. A full analytic explanation
(i.e. working clockwise as in the Method) for each space would stand as some kind of
validation of the authenticity of the Enneagram typology because the Enneagram typology
itself has been built up from experience and seeing it how it is (i.e. mainly in an anti-
clockwise phenomenological-linked cognitive process of procession) over a long time.

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The mapping of the preferences across the three degrees of abstraction of each of the two Phases of Rationality and Intelligibility (Figure 38) clearly shows the archetypal patterns associated with the three core preoccupations of human endeavour, namely, a pursuit of the desired good, the objective true, and the truly real. The powers of sense perception and an exercise of the will (or conation)—which, in combination, are associated with the Enneagram space of a three—are needed to identify and pursue the good. In the centre of the table in Figure 47, the necessary requisite intellectual powers that need to be exercised to arrive at a knowledge of the objective truth are intuitive perception and rational judgment (reasoning) [essentially, the requirements to pursue Lonergan’s (1957; 1971) Method] which are those of the Enneagram space of a five. Likewise the powers of aesthetic perception and aesthetic assessment (or feeling judgment) which are associated with the Enneagram space of a one, are needed to be able to recognise the truly real and be able to assess and articulate it (the archetypal art critic).

It has been argued since Neoplatonic philosophy/psychology (Plotinus, 1952; Proclus, 1963) that it is impossible for one individual to pursue an effective knowing of all three at once—that is, one human person would find it impossible to have a fully developed view of the “good,” the “true”, and the “real” at the same time. That is why it is necessary for organizations and societies to have processes in place so, as a group, they can come to a definition and assent to what is real, true and good for the group at large. That is to say, then, that a particular individual is likely to find it very difficult to come to grips with the one (or perhaps two) of the three human goals, because they have repressed any thinking about it to give pre-eminence and life to one of the other goals. For instance, a person with the attributes of the five space [i.e. intuitive perception and rational judgment (reasoning)] who is best equipped to pursue knowledge of the objective truth, is least well equipped to exercise his/her will to identify and pursue the “good” for himself/herself or his/her group. That is precisely why many of the modern scientific breakthroughs largely ignore consideration of whether they are indeed for the good of man or society and are usually in advance of a developed viewpoint about the morality of what is discovered.

The phase #A of experience (i.e. the first degree of abstraction before the phases of intelligibility and rationality) defines the individual’s preference as between Jung’s (1971) extroversion and introversion, and covers his much analysed ability to perceive such abstruse phenomena as synchronicity. Preferences at this level seem to contain indicators of the likely preference in the way the individual moves through the phases of knowing. That is, whether there is a preference for the first or second process of abstraction (for reversion or recession),
or whether the individual prefers to build up his/her view of reality from inner or outer resources. Without having developed an adequate analytical justification as yet, there is reason to believe that there is a connection between the preferences exercised at this level and the choice of the particular wing chosen in each Enneagram space. For instance, the more a person in a five space personally chooses introversion, the more likely it is that the individual would demonstrate a choice for a six wing; and a greater preference towards extroversion is likely to coincide with a choice for a four wing.

**Fourthly,** the vast amount of knowledge of cognitional processes will greatly inform the phenomenological and psychological understandings already expressed in the Enneagram (Riso, 1987; Palmer, 1991). In addition, both the knowledge of cognitional processes and the Jungian analysis of the psychological types can enhance the methods for identifying a particular individual’s preferences as expressed in a particular Enneagram space. The directions of growth expressed in the Enneagram can be better informed in terms of cognitional processes and Jungian psychology. In short, the cross-fertilisation of the knowledge and understanding of the three previously separate areas of study (viz., philosophy of mind, Jungian psychology and Enneagram typology) can lead to a very powerful analytic and predictive model of human endeavour. Nevertheless, the essential structure is trinitarian and the structure and dynamics of the Enneagram provide the sound phenomenological foundation upon which the other conceptual frameworks can be structured and understood.

Moreover, all the analysis that has been discussed as applying to the individual can legitimately be applied to groups or to societies. This is so because as was shown in the explanation of the Formwork, the group and society are merely higher degrees of abstraction than the individual but still on the same primary level of cognitive activity. The complexities of how reality is played out across these three degrees of abstractive thinking (i.e. individual, group and society) are far from simple because there are so many different combinations of interaction between the preferred orientations of the individuals involved. However, it can be systematised to a useful extent by looking at the interaction of individual character preferences as against the character profiles (as per the Enneagram) defined in the roles that such individuals are required to fulfil within groups and in society. Such an approach is developed in some length in the next Chapter on the Theory of Governance that flows directly out of the application of the JEWAL Synthesis Formwork of Knowing. The theory of governance can be used to analyse and develop more holistic and integrated guidance for conscious action by social enterprises such as the self, groups, organizations, governments.
and nations, as has been done in the sociological analysis of the US society and organizations in the earlier part of the thesis.

In addition, the JEWAL Synthesis Formwork has been used by this author to conduct a final-year Master capstone subject on Strategic Analysis and Decision-Making. The heuristic power of using the Formwork was amply demonstrated by one small group of students who responded with a project that delivered a most penetrating and immediate analysis of organizational change. The study (Ransom, Reid and Ward, 1999) analysed the dynamics and consequences of the organizational transformation that was effected in Campbell Soups' takeover of Australia's most famous biscuit-maker, Arnotts. The most telling factor of the students' exercise was that the analysis was sufficiently informed to make insightful recommendations on where Arnotts should go to next.

Fifthly, the dynamics of this simple hierarchy of interrelating trinities is somewhat complicated by the interaction with its complementary hierarchy of compensating shadow trinities. However, by concentrating on the dynamics of the hierarchy of the conscious trinities, heuristic processes can be identified and developed particularly for individuals and groups, and even for societies.

Different heuristic processes would be more or less effective depending on:

- the current state of the relative capacity of the conscious powers in any particular individual—including the set of hierarchical preferred phases of knowing of the individual, but particularly the preferences at the intellectual levels as captured by the typologies explained above;

- a definition of the combination of powers required for the role that the person is required to fill at the level of the group (the second degree of abstraction or phase #B of the intellect) or the society (third degree or phase #C of intelligence); and therefore,

- the strategy to move around the Formwork in an appropriate way so as to equip better the individual with the intellectual powers to cope. Some sense of the influence of the other powers at other levels would need to be taken into account.

Of central importance in assisting the formulation and articulation of heuristic processes is the profound conclusion of this paper that the Enneagram (Riso, 1987; Palmer, 1991) and modified Jungian (Jung, 1971; von Franz and Hillman, 1971) typologies are a valid and realistic expression of the structure of knowing. On this basis many of the heuristic processes have already been developed and explained in the context of the two typological analyses of
personal development and learning strategies. These existing strategies can be enriched by incorporation of the Formwork’s reflection on the dynamics of knowing and then also be applied to the dynamics of groups and societies in keeping with the levels of knowing explained above. The Enneagram is the container in which these seemingly diverse streams of knowledge and understanding can be brought together. It is suggested that, although it has been conventional wisdom that the Enneagram was developed by Eastern mystics, the integrity of its ordering of the diversity of human motivation can actually be underlined by Western metaphysical/philosophical/psychological theory. The processes to identify and test the individual’s particular orientation can therefore combine experiential and rational analytic approaches. It is this enriched Enneagram typology that can be validated and formulated by the JEWAL Synthesis Formwork.

The details of this approach will have to be worked through elsewhere.

Sixthly, it is also helpful to analyse the trends of the great social thinking in terms of the Formwork modes of knowing. For instance, it is helpful to view postmodernism as yet just another shift between different modes of personal and collective thinking. In broad terms, the Enlightenment reflected a wholesale movement in thinking from the feudal phase #C traditional, in-the-moment-type inertia to the more adventuresome and inspirational phase #A entrepreneurial way of thinking—creating ideas and future possibilities that others could aspire to.

The development of modern thinking continued the “reversion-type” movement to eulogise the phase #B logical rationality and orderly progress along with the idea of the self. ‘The marriage of the idea of the self and of civil authority propelled the political imagination of the Enlightenment and still characterizes the West today’ (Racevskis, 1993: 5). ‘Modernity’s forward-looking thrust relates strongly to belief in progress and the power of human reason to produce freedom’ (Lyon, 1994: 19). Weber (1930) described much of this movement and probable consequences very clearly, and the many deeper currents of thought that have been identified as carrying it along could be explained in terms of changes at particular levels of thinking. ‘The bureaucratic official was for Weber the epitome of modernity’ (Lyon, 1994: 31). Modern thinking has come under pressure because of its all-pervading reliance on reason and the search for the objective truth. ‘The postmodern, then, refers above all to the exhaustion of modernity... Even the metanarratives of modernity turn out to have limited shelf-life’ (Lyon, 1994: 6; 55).

As discussed above, reason-oriented thinking is only “one-third” of the story and, as Camus (quoted in Racevskis, 1993: 84) observed, ‘a day comes when ideology conflicts with
psychology.’ The other cognitive aspects that have been repressed to give reason to its
dominance rise up in the unconscious or “the other” and begin to assert themselves in the
conscious world. ‘There are, then, two kinds of operations of knowledge—one conscious
rational, visible but superficial, serving to promote official goals and programs; the other
unconscious—unobtrusive but most influential, determining moral norms and legitimising
epistemological principles and standards... It is precisely when rational intelligibility imposes
itself as all-encompassing and self-sufficient that power strategies operating outside the limits
of immediate comprehension are given free rein’ (Racevskis, 1993: 60; 58). The
identification of the social and cultural shift to a postmodern mindset is then capturing
fragments of the continuing “reversionary” movement (i.e. clockwise around the Figures in
this thesis) of collective knowing, onwards, to rely yet again on a phase #C predominance—
namely, a preoccupation with endless political manoeuvring around shared values or personal
subjective basic drives. In keeping with the dynamics of the Formwork, following are
indicators of this broad movement from a phase #B Weltanschauung of reason to one centred
around a phase #C feeling assessment of the particular reality in the moment.

- ‘We are rediscovering something that Voltaire believed in profoundly; that the
recourse to abstract systems and metaphysical explanations is the way to delusion
and catastrophe; and that constant vigilance, critical attention, and skepticism are
still the best weapons for confronting reality of the human condition’ (Racevskis,
1993: 87). This encapsulates the move from a phase #B “head” orientation to a
phase #C “gut” way of operating. This also encapsulates a recognition that
‘knowledge of man, unlike the sciences of nature, is always linked, even in its most
vague form, to ethics and politics’ (Racevskis, 1993: 89).

- ‘The late twentieth century is witness to unprecedented destruction of meaning’
(Lyon, 1994: 16). The status of reason is being consciously repressed (or devalued)
in order to focus on the discourse of the immediate and particular as presented in
the current reality—‘the migration from word to image.’ ‘By eschewing the idea
that any standpoint, any universal principle exists by which our situation may be
judged... Another possibility is that they simply talk past each other, drawing on
different understandings of “reason”’ (Lyon, 1994: 7; 79).

- There is a wholesale shift of focus from the universals of truth to the ‘essence of
reality’ or Being (Racevskis, 1993: 10; 22). ‘Heidegger shares Nietzsche’s interest
in “philosophy of difference”, but goes beyond Nietzsche in declaring that Being,
not truth, is what should concern philosophers... Rationality would be called into
question and a new hedonism would flower’ (Lyon, 1994: 9; 38). This shift to a focus on Being, or reality as existing, ushers in a new set of transcendental criteria of rationality concerned more with value and aesthetics (or beauty) of the present reality (Lyon, 1994: 83). First, the concern with values: ‘it is always possible to distinguish between the just and unjust, the legitimate and the illegitimate, but this can be done from within a given tradition, with the help of standards that this tradition provides’ (Mouffe as quoted in Racevskis, 1993: 86).

Next, the greater concern with aesthetics (phase #C) is also emerging: ‘The net critical effect of deconstruction is thus seen as a gratuitous, lucid strategy that reduces everything to a play of signifiers, to a problem of textuality, or to a question of literature. It is viewed as an aesthetics parading as an ethics and its significance is therefore considered academic’ (Racevskis, 1993: 18).

- The control and predictability of the modern project are fragmenting into multiplicity—‘Indeterminacy thus becomes the principal subject of postmodern critique’ (Racevskis, 1993: 131). As a consequence, the overriding requirement of modernity to “be reasonable” is giving way to a greater focus on appearances in the current reality and the need to “be authentic” (a key phase #C value), which brings with it a greater concern for ethical issues (Lyon, 1994: 78–82). ‘The ascetic ideal, for example embodies both life-affirmation and life-denial. The ethical subject embodies both autonomy and subjection. Authenticity embodies both self-realization and self-deconstruction’ (Racevskis, 1993: 59).

- The declining validity of using reason to legitimate power and the rising recognition of the direct use of power to gain advantage for particular interests. ‘The accession to power of this post-modern reincarnation of the Prince signals the advent of a new order of things, in which it is no longer the truth of science or reason that is the goal but the reality of appearances... What is left is the infinite multiplicity of opinions. Power is nothing more than the fact of its exercise’ (Racevskis, 1993: 99–100). Such a situation leaves the way open for a resurgence in totalitarianism (Racevskis, 1993: 107).

- ‘Modernity started out to conquer the world in the name of Reason’ (Lyon, 1994: 21). In a sense, there is a shift from the preoccupation of modernity with power over reality to an acceptance of that reality and a focus on the means of power over the players in that reality. ‘We are all manipulated by power, like prisoners, yet colluding with our own incarceration in society... For Foucault, as for Nietzsche,
the will to power is bound up with establishing any truth’ (Lyon, 1994: 15; 75). However, ‘Reason was incapable of guaranteeing the integrity of the Enlightenment project because it had no hold over the workings of power’ (Racevskis, 1993: 66). In reaction, postmodernism in the words of Foucault ‘might be seen as “discourses of power”’ (Lyon, 1994: 15). There is, therefore, a consequential shift from accumulating scientific knowledge to developing its practical application in building wealth. ‘While it is true that “most Americans now earn their living by working with knowledge”... the emphasis is placed on the professional competency and expertise to be claimed, not on the enrichment of one’s soul’ (Racevskis, 1993: 117). That is, the knowledge and the acquisition of knowledge is valued more for how it can be used rather than for its contribution to understanding and meaning for a particular system or process. In fact, there has also been an associated shift “back” to more interest in income from wealth accumulation (industrial conglomerates and increased community participation in share trading) rather than production.

- ‘The one rationale that is still operative and helps maintain a semblance of legitimacy... is the notion of prosperity’ (Racevskis, 1993: 117). The concept of prosperity is passing from the sense of security and belonging in the formal world of work and other institutions, to one based on consumerism, of indulgence in the moment; ‘one reference point remains: consumption... If postmodernity means anything, it means the consumer society’ (Lyon, 1994: 54; 68). ‘The altered emphasis from the economic and functional to the cultural and aesthetic is clearly visible in urban areas... Shopping, no longer a necessary evil or a domestic chore, now exhibits itself as a leisure pursuit... Today’s postmodern challenge returns the spotlight to the ideals, values and symbols of economic life, as they appear in the lives of consumers and in consumerism’ (Lyon, 1994: 57; 74). That is, there has been a successive move through the “new-world” (asset) building of entrepreneurs through modern efficiency of production and thereon to consumerism.

- There is a move from the objective stance in seeing the individual as replaceable in a role within an institution to something more tribal—as a citizen (Lyon, 1994: 68) and particularly as part of a particular clan or group with 'established bonds, knots, pacts' (Racevskis, 1993: 23). The exercise of power in the interests of these particular groups then becomes the prevailing preoccupation of reality (Lyon, 1994: 66).
• The shift from the linear, controlled progress of evolutionary advancement (Lyon, 1994: 14) to the embrace of chaos and change as a more genuine and useful expression of reality. "Postmodernism swims, even wallows, in the fragmentary and chaotic currents of change as if that's all there is." Ecstasy, enthusiasm and even emancipation are promised in the postmodern... So many postmoderns accept, and embrace, chaos' (Lyon, 1994: 75–76). Moreover, 'for the postmodern critics the task has been to turn the crisis in philosophy into a philosophy of crisis' (Racevskis, 1993: 9).

• There has been growing acceptance of phenomenology as a way of science and of the validity of discourse of particular individual experiences—which, in essence, replaces the search for the meaning and the objective cause and effect playing out behind the experienced phenomena. There is also an associated refocusing on social justice as the discourses of the victims are allowed to be heard. 'Foucault's recommendation was that we "listen to the victims, not to the theoreticians"' (Racevskis, 1993: 28).

• The phenomenon of 'globalization, a process increasingly central to the analysis of postmodernity' (Lyon, 1994: 81), represents a shift in thinking from the group or organization to the society or the world. Moreover, 'the global and the local have never before interacted in such intense ways in routine, daily experience' (Lyon, 1994: 60). This brings with it a different way of respecting the individuality of the person, as he/she less concerned with his/her role in a particular institution and more concerned with defining his/her own individuality in this much bigger game.

• There has been a growing acceptance of the ways of the East as a necessary counterbalance to the Western Weltanschauung (Racevskis, 1993: 24). The expression of Western Christianity can be regarded as underpinning the modern project (Weber, 1930), whereas the likes of the Eastern Tao exhibit a much more phase #C-based spirituality.

The postmodern experience can therefore be seen as just another necessary phase to pass through on the way to even more sophisticated ways of operating. The ability of many to think in former "modern" ways remains, but mankind moves on and the collective thinking becomes more complex but seemingly more focused in a different direction or another phase of knowing. Rather than being the end of history as some academics (Fukuyama, 1992) are wont to suggest, it is merely Western societies' preparatory staging post for yet another dawning of a new era of transformational social movement. That is, 'Postmodernism thus fits
into a traditional pattern of renewal and continuity’ (Racevskis, 1993: 133). Looking back at this period, the experience of postmodernism will undoubtedly seem like trying to revisit a bit of the dark ages where the love of knowledge and learning for its own “good” is being disparaged; but it is not likely to be of a long enough duration to be as distinguishable in time as the feudal ages. A new entrepreneurial era is already emerging. Moreover, what is required in this time of tumultuous change is to understand what is going on. ‘Instead of attempting to control knowledge, a Foucaultian approach invites its practitioners to investigate the configuration and genealogy of different kinds of knowledge... “Teaching thus, is not the transmission of ready-made knowledge, it is rather the creation of a new condition of knowledge—the creation of an original learning disposition”’ (Felman as quoted in Racevskis, 1993: 121–122). The expected future return to “modernity-reliant-on-reason”, which is still to be developed but on new levels of knowing, will be quite different.

**Lastly,** what has been covered in this Chapter could easily take up a great tome or two to argue the validity of the proposed Formwork, its interpretation and its interrelationship with the Enneagram (Riso, 1987; Palmer, 1991) and Jungian (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) typologies. It is hoped, however, that sufficient argumentation and justification have been included to allow readers to appreciate the way that the *JEWAL Synthesis* Formwork provides a powerful framework of reality and of human knowing. This Chapter has highlighted the simple trinitarian base upon which to build the whole quasi-Neoplatonic Formwork through the systematic, hierarchical application of Aquinas’ three degrees of abstraction. This foundation is built solidly on basic truths arrived at by both the West and the East and, as such, should provide a dynamic framework to help make better sense of the possible connections and interactions between the different sciences and other areas of human study.452

It certainly is not being suggested that the proposed Formwork provides all the answers. Rather, it merely provides a more powerful and useable dynamic cognitive framework and process with which to analyse and understand human social interactions. In such a way knowledge and understandings can be more systematised and interactive, which has always been a principal aim of most philosophers, sociologists and community leaders through the ages. An understanding of the reality of the Formwork helps appreciate the worldview espoused by the Neoplatonists (Plotinus, 1952; Proclus, 1963), Aquinas (1952; 1963) and others; namely, that individuals and even particular societies can ever only see a fraction of the total of reality at any time. It is like looking at life through a hologram and seeing the same reality in everything but from a large number of different perspectives. The Formwork
provides a map if you like, so that the observer can consciously visit a number of key strategic vantage points in a systematic sequence. The result of such a conscious approach to life is the acquisition of a greater personal store of true knowledge and wisdom about the way things are, have been and could be in the future.

It is trusted that there has been enough discussion for readers to be able to appreciate the possible “good” that could be achieved by using the Formwork to suggest effective innovations in many areas of individual and group development, and organizational and societal governance. Of particular importance is the development of the theory of governance in the next Chapter.

In conclusion, therefore, armed with a worldview informed by the Formwork, one might attempt a response to the three principal questions of knowing, along the following lines:

- **What does one do to know?** One steps systematically through cognitive processes to develop an ever-growing awareness of the true reality, an ever-growing body of knowledge of the objective true, and an ever-growing appreciation of the possibilities to achieve the good. Or, one is systematically dialoguing with the unconscious and acquiring insights into, and appreciation of, reality across the range of possible levels of abstraction or modes of thinking.

- **Why is doing that knowing?** Because it is developing a richer, more meaningful, and more useful appreciation of reality through the many possible ways of living, seeing, understanding and knowing that reality. In effect, it is building up a map of the way reality can be lived and known by that particular individual.

- **What does one know when one does it?** One knows one’s own reality in many ways by exercising many, albeit limited, perspectives as though viewing reality through a three-dimensional hologram. In particular, one has a limited grasp of the truly real in its wholeness and beauty, the objective truth of reality as composed of parts, and the real as it could be in its goodness—and an appreciation of just how limited that particular personal grasp of reality truly is.

This story on the philosophy of the mind will continue to unfold and promises to hold greater and greater significance for a more integrated study of social sciences in the future.
9 The JEWAL Theory of Governance

The validity of institutional archetyping has been established within the framework of the philosophy of mind. A theory of governance and a system of cognitive menetypes that help explain the structure and dynamics of organization in the economic, social and political spheres of human activity come directly out of the JEWAL Synthesis philosophy of mind explained in the previous Chapter. What is expounded in this thesis does not represent a critique of the current political and management literature to find what is the best particular conceptual framework. Rather, it is more in keeping with the style of Montesquieu's (1952) The Spirit of Laws in that it is an ab ovo development of theory and comment as informed principally by the JEWAL Synthesis philosophy of mind and the "empirical" analysis of the US governance system in the earlier part of this thesis. It stands as a particular, coherent framework to explain the way humans construct their perspectives of reality and in this sense it is constantly referenced and compared with the current literature and thought on the issues being discussed.

What follows, in essence, expresses the reformulation and sublation of Weber's (1947; 1962) ideal types within the broader context of cognitive menotyping. The basic problem with ideal types has been that they are considered to stand alone as particular perceptions of exaggerated characteristics. Even though they have been used widely in descriptions, nobody really takes them seriously (as far as regarding them as part of a scientific explanation of reality). By putting elemental ideal types within a conceptual framework of the trinitarian hierarchy and explaining the dynamics of their interrelationships, their explanatory power is transformed and brought to life in a very powerful and practical way.

This transformation is effected and underpinned by perhaps what could be regarded as an underlying Western philosophy that is captured in the JEWAL Synthesis philosophy of mind, as explained in the previous Chapter. The introduction of the concept of a trinity of interrelated and numbered ideal types or menetypes, is the critical analytic addition that revitalises and transforms ideal types into cognitive psychotypes—specifically, by explaining how each of the ideal types are in each other and that there are particular dynamics between them. The following theory of governance explains how the basic interrelationship can be captured in terms of a triadic unity, or trinitarian relationship—a relationship that expresses a similarity in difference or a difference in similarity. Essentially, this also captures the same spirit of trinitarian thinking that seems to underlie both Montesquieu's (1952) and Weber's (1962) insights into governance and authority.
The point of the whole exercise is to help inform the individual’s understanding and knowledge of the reality that presents in the expectation that the much richer grounds for our cognitive assessments help make for more appropriate or effective judgments, decisions and actions. Therefore, the worth of this thesis essentially rests upon the grounds of the credibility and utility of the analysis of social organizations as conducted in the earlier part of this thesis. That is, does the theory and exposition of governance expounded herewith hold up and have any practical value? Are the reformulated perspectives on the ongoing management polemics of any help in understanding what is going on? Can the underlying philosophy of mind guide our thinking in such a way that we come up with more meaningful understandings? This Chapter, therefore, explores a proposed theory of governance, which comprises the four Laws of Menetyping derived principally from the JEWAL Synthesis philosophy of mind and informed by the above “empirical” evidence embodied in the analysis of governance in Western society. Any clarification of our understanding of governance must be a plus, as it does seem a very confused concept amongst both academics and practitioners alike.

Governance is a key concept in terms of a sociological appreciation of human life. A generic understanding that is applicable at each level of the individual, the organization or company and society or nation is captured by de Geus (1997: 18—emphasis in original): ‘Like all organisms, the living company exists primarily for its own survival and improvement; to fulfil its own potential and to become as great as it can be.’ One of the prime determinants of whether the unit will survive, let alone prosper and fulfil its inherent potential, is the quality and adaptability of governance that it is able to exert on its being, its development and its processes of achievement. The prime importance of getting the governance right is also captured in the cornerstone of a successful company man in a company that is Built to Last (Collins and Porras, 1998): ‘Be prepared to kill, revise or evolve an idea... but never give up on the company’ (Collins and Porras, 1998: 20—emphasis in the original). As is normally the case, however, both authors quoted above describe a particular, desirable mode of governance that makes for successful companies, but they do not present it in the context of the concept of organizational governance. In fact, the term corporate governance has been unduly constrained by many commentators to mean only the regulatory and administrative framework that defines the composition and operation of the corporate boards of public companies.

On the other hand, the term governance has been used much more loosely in the public administration literature; so much so that Rhodes (1997: 15) is given to conclude that ‘It has too many meanings to be useful.’ After canvassing many “definitions” or, more accurately,
uses of the word governance, Rhodes (1997) then himself goes on to define it in terms of one particular mode of governance; namely, that of a new process of governing by policy networks. This seems an entirely unsatisfactory state of affairs! As acknowledged by Rhodes (1997: 46), 'even the most cursory inspection reveals that “governance” has several distinct meanings.' There is much talk in the literature (Dictionaries, Senge, 1990; Campbell, Hollingsworth and Lindberg, 1991; Cadbury Report, 1992; Osborne and Gaebler, 1992; Schein, 1992; World Bank, 1992; Hilmer, 1993; Kooiman, 1993; Leftwich, 1993; 1994; Charkham, 1994; Williams and Young, 1994; Bosch, 1995; Fukuyama, 1995; Nonaka and Takeuchi, 1995; Rhodes, 1997) about particular modes of governance such as Rhodes' (1997) new form of government by policy networks, “good governance” by Leftwich (1993) and the World Bank (1992), Osborne and Gaebler's (1992) “new public management”, corporate governance or Campbell, Hollingsworth and Lindberg's (1991) governance of industries and industry circumstances at capturing what is really involved in the concept of governance.

What is required, therefore, is to capture and define the concept of governance in such a way that the many modes of governance encountered in reality can be positioned and analysed. This is done in the first instance by gathering some notion of the meaning of governance from the extant writings. However, this is only used as a backdrop for the real effort of going back to first principles and acknowledging that the starting point, rather, has to be in the way humans know and interact with reality. In particular, how do they utilise their cognitive powers to govern themselves, others and societies, and why do they need to do this?

From the writings, then, the concept of governance can be seen to include the following generic notions (leaving aside the specific modes).

- Applicable at each of the three levels of the individual, the group, organization or company and the society or nation.
- A system, pattern or structure of participants in such a way that they are a distinctive unit with some notion of a shared purpose.
- The rule, management, regulation, direction, control or leadership of the affairs or participants of such units.
- An acknowledgement of the autonomy and roles played by the individual participants or elements.
Governance, then, can be seen as the nature and dynamics of a catallactic system that allows power to be used by individuals and groups to reconcile competing ends to the benefit of all in some definable way.\(^{454}\)

The nature and dynamics of this interacting catallactic system of persons can be more specifically determined by using the philosophy of mind to derive the "cognitively natural" Four Laws of Menetyping. These laws are then used to build up a comprehensive, dynamic system of cognitive menetypes to explain the many modes of governance within our society. What is offered as way of "proof" for the Theory of Governance, incorporating these Laws of Menetyping, relies essentially on the following:

- the validity of the JEWAL Synthesis philosophy of mind as their source, which has been theoretically "proven" by the Neoplatonic philosophers (Plotinus, 1952; Proclus, 1963), perhaps the Scholastic philosophers through the ages (Aquinas, 1952), and empirically analysed through the Enneagram (Riso, 1987; Palmer, 1991) and Jungian (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) typologies;
- the repeated demonstration throughout the "empirical" analysis in the earlier part of this thesis, of their operation and applicability in the real world of governance; and
- that "it feels right", meaning that it is resonating with the way each human has the capacity to think.

9.1 The First Law of Menetyping—Governance Structure

In order to govern, human consciousness differentiates in an ordered architecture (or Formwork) of complexity, which is modelled on hierarchically ordered trinities of cognitive menetypes.

There is a basic structure and dynamic to every trinity of menetypes in the hierarchy. This fundamental pattern is captured in the foundational trinity of cognitive menetypes that explains the essence and interrelationship of the three generic perspectives on reality (as depicted in Figure 48). Each trinity of menetypes captures a system of dynamic relationships, the nature of which will be explained by the following Laws of Menetyping. This trinity is the basic building block. The following three menetypes express the generic cognitive perspectives of reality (as used in the analysis in the earlier part of this thesis).
- Menetype #A (i.e. Mt #A): this mode of thinking within the trinity is an expression of an intelligence of the concrete, sensible, external reality. It captures the outer dynamics and is focused towards making the present one's own—it is concerned with formulating and implementing concrete will to bring into being the sensible practicable "good." This always accords to the essence encapsulated in the bottom right hand circle of each trinity of interrelated menetypes.

- Menetype #B (i.e. Mt #B): this mode of thinking within the trinity is an expression of abstract thinking, one step removed, dealing with an imaginative construction of meaning or cause and effect and a striving for the "objective truth." It captures the inner perspective and uses what has been experienced or analysed in the past to establish the facts and how they are related to each other, basically in terms of cause and effect. This always accords to the essence encapsulated in the bottom left-hand circle of each trinity of interrelated menetypes.

- Menetype #C (i.e. Mt #C): this mode of thinking within the trinity is an expression of an intelligence that prescinds beyond the sensible and the imaginative to discern the true reality as it is. It is a balance between the inner and outer orientations and prescinds from both to capture the present as it is concerned in dealing with the "real." This always accords to the essence encapsulated in the top circle of each trinity of interrelated menetypes.

There is always a fourth pseudo-menotype, namely the other, which is represented by the enveloping circle around the basic trinity. Essentially, this signifies that this particular trinity of menetypes being differentiated and depicted, for now, has some connection and access to all other trinities and phases of thinking in some way. This phenomenon has variously been labelled the other, the personal unconscious, the collective unconscious, and/or it can be regarded as containing the next mode of thinking in the hierarchy that may be accessed by the right insight or cognitive movement. The main point is that, unlike ideal types, each menotype or even trinity of menetypes can never be completely isolated or stand alone from the other phases of thinking, as captured by Proclus (1963: 103): 'All things are in all things but in each according to its proper nature.'

There are three well-known trinities of menetypes that have shone out in the study of politics, administration and management.
- Montesquieu's (1952) three different types of government: namely, monarchic, republic and despotic; and his lower order trinity of power distribution in any government: namely, the executive, the judiciary and the legislative.

- Weber's (1947; 1962) three types of legitimate authority: namely, charismatic, rational-legal and traditional.

- Mooney's (1947) three principles of organization: namely, the coordinating, the functional and the scalar principles.

Each of these mentioned trinities encapsulates the same basic essence and associated principles of each of the menetypes in respective order as spelt out in the generic trinity of menetypes. This is principally why each of the examples of three have struck such a responsive chord in the minds of political and social scientists since—mainly because the trinities resonate the way humans structure thinking about reality. It will therefore be very helpful to understand the dynamics of each of these particular trinities and this will be best carried out after all the Laws of Menetypes are spelt out. Meanwhile, it is heuristically helpful to identify three other particular illustrations of how a trinity of menetypes can capture a differentiation of perspectives to assist the understanding of real phenomena. Therefore, the following three examples of a trinity of menetypes in action in society will be revisited for each of the Four Laws of Menetypes to provide some sort of validation—any formal proof of the Laws would have to be developed in detail from an application of the proposed philosophy of mind, which will have to wait for another time.

The first example is the trinity of menetypes that helps make sense of the fundamental differentiations in the way humans think about the basic hierarchical level of being, namely (as depicted in Figure 49—The trinity of the sense): 

- **Object (Mt #A):** which is the concrete something out there that the senses have perceived in some way.

- **Subject (Mt #B):** which is oneself and, though one's senses can detect one's body, one needs to use imagination (or abstraction) to grasp what comprises the intellect that enables one to make sense of it all.

- **Media (Mt #C):** which has to prescind from both the subject and the object to mediate a definitive communication within and between them.

This thesis has been concerned mainly with the Mt #A level of the object in the discussion of governance in the real world. In the discussion of the governance of the self and the
explanation of the philosophy of mind, the thesis ventures into the \(M_t \#B\) level of the subject as it analyses how one thinks and knows. This thesis does not really explore the philosophy of language, but that it is a valid, real perspective is attested to by the avid interest in this area of study [Wittgenstein (1953) being perhaps the most prominent and, in light of the discussion in the previous Chapter, it is significant that this phase \#C aspect has been a central concern of the postmodern dialogue]. However, the significance of language and meaning is inherent in the particular differentiations of perspectives, as the different modes of thinking employ different uses and meaning of the same language. The significance of this aspect is made particularly poignant with the author as he struggles to convey what is clear and simple within the mind of his subject to a group of readers who are regarded as mere objects out there and who are all different.

The second illustration is the trinity of menetypes that captures the basic way that one differentiates one's knowing at the hierarchical level of participation—which essentially underpins the cognitive validity of institutional archetyping (as shown in Figure 50—The trinity of the intellect):

- **Individuals** (\(M_t \#A\)): which identifies and deals with the self and others as separate individuals to be dealt with on a one-to-one basis.
- **Groups** (\(M_t \#B\)): which identifies and thinks of a group of people as an individual. This requires a level of abstraction one removed and captures how one can think of an organization as a separate individual using the same associated system of menetypes as if thinking of an individual—except they are different because all the modes of thinking are on the higher level of abstraction of \(M_t \#B\).
- **Societies** (\(M_t \#C\)): which identifies and thinks of big groups of people at an even higher level of abstraction that really prescinds from the notion of an actual individual. Again, one can think of a society in the same terms of cognitive menetypes as if one were thinking of another individual or organization—except they are different because all the modes of thinking occur on the highest level of abstraction of \(M_t \#C\).

It is important to understand that all humans can think at any of these three levels of abstraction, namely about individuals, groups or societies as though they are distinct living entities with human characteristics. That is, this trinity of menetypes can contribute to a knowing of each of the object, subject and language in turn. On the one hand, one can analyse an object, the actions of an individual, a group or a society. On the other hand, one can think
of oneself as part of and one with, an individual, a group or a society. Grasping the reality of
this particular trinity of differentiated perspectives is critical in understanding and using the
hierarchy of trinities of menetypes. Such insight enables one to understand how if one chooses
to focus one’s mode of thinking on the level of the individual (Mt #A), then it directly affects
one’s capacity to think in the other modes (i.e. on the levels of Mt #B and Mt #C). One cannot
think on all three levels at once (as explained by the JEWAL Synthesis philosophy of mind)
and the nature of the interrelationships between the different modes of thinking is explained in
the Laws of Menotyping.

The third illustration is the trinity of menetypes that grasps the principal differentiation of
thinking in which one can make sense of the hierarchical level of exchange—which was used
as the basic differentiation for our analysis of the US society (as depicted in Figure 51—The
trinity of human exchange).\footnote{458}

- **Economic— Market (Mt #A):** which captures the external, objective nature of the
  exchange of concrete facts and commodities. It is dealing with the exogenous
  commodities, which can be seen and handled by all, and the benefits to all
  participants can be made quite explicit. Therefore, this market or economic level of
  exchange can be therefore be subject to contract. The role called on to be filled by
  sellers and buyers is well defined in the economics literature and proselytised *ad
  nauseam* by the business sector. To the extent that participants follow the role
  models defined by classical economics, there would be a perfect market (such as
  the share market or the fruit markets).

- **Associative—Hierarchical (Mt #B):** which captures the more abstract and
  sophisticated forms of interaction between humans where they form into groups in
  specific ways for yet to be achieved but specifiable ends. It is essentially dealing
  with endogenous variables and is needed to provide internal order and
  predictability. That some hierarchy should emerge when people associate to
  process something is essential if the appropriate movement is to occur. Everybody
  is different and there needs to be some choice of what is the best way. The actual
  substance of interactions is not always concrete and requires some degree of
  imaginative or abstract thinking on the part of the participant to know what he/she
  is doing and to explain what he/she is part of. The primary influence usually
  involves loyalty to a higher order concept of something such as the self, an
  organization, or the nation. Objectives and rules are devised and shared in an
  explicit way but still with much room for imaginative interpretation. The benefits
are not always concrete but often can be expressed for the moment in some way. For instance, the mass production of widgets, once promised, is usually only undertaken to guarantee greater predictability than could be achieved through purchasing elsewhere in the marketplace.

- **Political—Network (Mt #C):** which is an even more subtle form of association between individuals where they enter some form of protracted process of rather nebulous nature for no necessary specific goal but just in case or just because it is right. It is not only dealing with products and services but is also concerned with building long-term relationships that can be trusted to provide cooperation in some endeavour in the future. There might be codes of behaviour but they are implicit—all participants instinctively know them but they are rarely made explicit. Out of these rather loose associations is expected to come some benefit at some time, at a yet unknown cost. Networks are held together by commitment to a common set of values and trust in each other as the basis of all interactions. The role of each of the participants (as the secondary Mt #A aspect) and the "rules" or norms of their interaction are known in a more subtle way and are deliberately not spelt out formally as happens in a hierarchy. That which is shared in the relationships is often tacit but is cumulative, and participants would have to be cognizant of other members of the network in using whatever knowledge is shared. One aspect of networks that has not been given much attention, at least in the public administration literature, is that it is really about the "goodies" and the "baddies"—the goodies are ones that you can trust and the baddies not only cannot be trusted but also are probably out to do you in. There is, therefore, the notion of conflict around networks and they are actually a mechanism designed to help handle that conflict and increase the chances of survival and prosperity for the individual and/or the group.

This trinity of catallactic *menetypes* of markets, hierarchies and networks has actually been identified in more recent writings (Campbell, Hollingsworth and Lindberg, 1991; Thompson et al, 1991; Jorgensen, 1993; Rhodes, 1997). The dynamics of this particular trinity of exchange, particularly as it impacts on the organizations (i.e. Mt #B in the hierarchical level of participation) in the public and private sector, were explored earlier in the thesis as all are in operation in some appropriate way. It has also recognised that the society's understanding of the multinational corporation has really moved up to the societal level (Mt #C level of operation in the hierarchical level of participation).
9.2 The Second Law of Menetyping—Governance Processions

In the dynamics of knowing, preferences are developed in the way of shifting the focus of attention between the particular three menetypes of a trinity and between the different hierarchical levels of menetypes.

Namely,

- the way of procession, which is externally oriented (and depicted as moving anti-clockwise around the trinity);

- the way of reversion, which is internally oriented (moving clockwise around the trinity); or,

- the way transformation which, is the movement between the hierarchies, which proceeds either sequentially through the highest menetype in the lower trinity and the lowest of the higher trinity, or by quantum jumps along the same mene-line (e.g. between two Mt #A phases in adjacent trinities in the hierarchy).

First, these three movements follow from the processions at work within the individual's differentiated consciousness as explained in the JEWAL Synthesis philosophy of the mind. The implications of the ability for the processions to be in either direction means that any aspect of a trinity of governance perspectives can be reached from any of the other two aspects. The ability to move between hierarchical levels means that all menetypes are interconnected in some way, whether it be in a weaker or stronger way. However, there is significance and there are consequences in the direction of motion in any change between the aspects of the trinity. Any group of individuals who develop a way of being together effectively will usually settle into a pretty clear preference of governance patterns. Therefore, in any mature grouping, any movement from one aspect of the trinity to another will involve a felt change, which could be experienced as negative or as positive. Putting it another way, individuals within the group will know when there is a shift in governance patterns and it will also probably be noticed by those external individuals who are in contact in some way with the group. Moreover, these processions between the different aspects can go on between the levels of collective consciousness (such as between the hierarchical levels of being, participation and exchange outlined above) as well as within any of the hierarchical levels (such as between the individual, the group and society in the level of participation).
Secondly, the clockwise reversion (\(\#A\rightarrow\#B\rightarrow\#C\rightarrow\#A\)) is the way of questioning within the group, the way of intellectual tension or internal struggle, which can be rewarded with intellectual breakthroughs coming from outside the existing group consciousness (represented by the regions outside the trinity but within the whole as depicted in the Figures). This cognitive reversion is analogous with the scientific process and involves a critical reflection on experience, the consecutive acquisition of insights into the meaning of the way things happen, and then a reflective understanding of the best way of proceeding (Lonergan, 1957). Although significant breakthroughs or insights are achieved, this process of reversion would normally be associated with evolutionary progress of society. This was captured by Weber (1930) in his observations of the development of Western civilisation from traditional authority through charismatic leadership through to bureaucratic authority. He saw this bureaucratic authority as the ultimate, but progress can go on and the next step could be something in keeping with the communitarian society envisaged by Etzioni (1995).

Thirdly, the anti-clockwise procession (\(\#A\rightarrow\#C\rightarrow\#B\rightarrow\#A\)) seems to be the easier path—where enlightenment seems to come from the outside or is emanative from the transcendent or the other. This is analogous to the guided learning by the child and involves believing what is taught and learning from experience. There does not have to be much inner tension as there is a straightforward acquiescence to yes, this is the way; or yes, it is right to believe and act accordingly. For instance, when an individual takes on a new role within the group, he/she accepts the definition of the role and sets about learning how to carry it out. This is the way one adopts beliefs by hearing or seeing, and believing—provided of course that one has already decided (by the first mentioned psychic reversion) that this particular authority should be believed. A more equitable combination of the two involves an oscillation usually pivoted around the base \textit{menotype} \textsc{Mt} \#A. For instance, rather than merely accepting beliefs on the bonafides of the witness, they are consciously put to the test by asking the questions that take one in the direction of reversion and reasoning it out logically. This is allowing oneself to consider it from different perhaps incomparable perspectives in the same consideration, just to test out which seems more right.

Fourthly, a much less common and much more dramatic/traumatic experience is the movement of thinking between adjacent trinities in the hierarchy. The higher levels in the hierarchy can be accessed in the course of either of the two movements (procession and reversion) around the trinity (explained above). In the process of reversion (clockwise), the movement is sequential through each mode of the trinity before going to the next highest level (i.e. from the \textsc{Mt} \#C of the lower level to the \textsc{Mt} \#A of the higher level). For instance, when an
individual decides what specific action to take (i.e. Mt #C⁴), a thinking individual strives to access an understanding of the “good” or the will of the organization (i.e. Mt #A²) in which he/she operates. He/she would not normally strive to access an understanding of the “good” or the will of the society (i.e. Mt #A²) in the same action but he/she could address the appropriate questions sequentially.⁴⁵⁹ Reflection or cognitive procession prepares the individual for a possible experience of immediate intuition where knowing at the higher levels is accessed without the accompanying effort of cognitive processes of logic. For instance, the deep meditation of mystics allows them to access quite higher levels of spiritual knowing (which are higher again than the knowing of the intellect as can be understood in the context of the JEWAL Synthesis philosophy of mind).

**Finally,** the manifestation and significance of this *Second Law of Governance Processions* is illustrated by elaborating on the examples set out in the previous sections. However, it has to be acknowledged that the task of succinctly isolating and drawing out the dynamics from the hurly-burly of real life becomes a little more challenging and, consequently, requires perhaps a little more effort by the reader.

- The Trinity of Being *Menetypes*: Object, Subject and Media

  Reversion (or clockwise movement around the trinity) is the way of evolution, the inner striving, bit by bit, for truth of fact. A search for the knowledge of the way the things in the external world fit together in terms of cause and effect, to make sense of the objective world in a logical way to the mind. It is relevant to this *Second Law of Menetyping* that in the emergence of modern science over the last few centuries, there has first been the development of the physical sciences (dealing with the object), then the human sciences dealing with the subject (particularly psychology), and then the emergence of the philosophy of language or linguistics.

  Procession (or anti-clockwise around the trinity) is mainly the process of learning from the external world, principally by projecting from our “other” (or unconscious)⁴⁶⁰ things that we do not consciously know onto something or somebody out there, but then appropriate it for ourselves. Others usually help us to appropriate and understand it and one is prepared to believe as it resonates within one. The most obvious example is the way adults teach young children language. First, there is the object. Next, the parent repeats the name of the object (teaching the child the new language) and then gets the child to assimilate it within his/her
knowledge by making him/her speak the name (which is reinforced by an experience of the object to use the different media or sense of touch etc).

A combination of procession and reversion is employed as a basic cognitive tool when one first sees the reality as a whole (procession) and then looks more discerningly to break that reality up in some way to know it in more detail (reversion). In this case, listening to an unknown foreign language might be a useful example. One hears the totality of what is said and probably makes some kind of assessment of its nature (perhaps a request for help, or an expletive). One next goes through what was said word by word to construct a string of meanings in one's own language, which can then be looked at in its entirety to get the gist. One may then go on to analyse it again bit by bit to clarify the detail of what was said in the first place, and so on.

- **The Trinity of Participation Menetypes: Individual, Group, Society**

  The way of evolution is the way of reversion. All new knowledge evolves through the scientific community by first being "discovered" by an individual, next it is shared and tested by a reasonably defined group of scientists of the same discipline, and then it percolates up into the wider community.

  The way of dissemination is the way of procession. Societal norms are taught by what is held up in the society for reward or punishment (such as sporting prowess). This is reinforced within the culture of many social groupings including work, family and religion, and then it is further reinforced by the personal teaching of those close to the individual.

  Fashions within a society are constantly evolving through a process of discovery, the selling of the idea to the industry, and then promotion of the product to the wider society. The response comes back from the society through sales or polls to be interpreted by the groups in the industry who then discourage or encourage individuals, and so on. There is a constant flux as fashions come and go. In contrast, the culture of a society is much more in keeping with the principles of the type of society it is, and is built up and disseminated over a much more protracted cycle of reversion and procession.

- **The Trinity of Exchange Menetypes: Markets, Hierarchies and Networks**

  The long-term evolution of the nature of commerce can be understood in terms of reversion. At first, trade was carried on by individuals or small groups with a
primary focus on market transactions in physical goods. This focus on the market was the driving force through the industrial revolution. Following the emergence of mass production, the focus shifted more to the hierarchy level of operation and the theory of the firm evolved. The focus was on what was required for the firm to prosper even if this meant switching markets. Then followed the development of the big conglomerates and multinationals where executive thinking requires a much greater focus on the operation of effective networks to coordinate autonomous divisions or foreign-based subsidiaries.

The effective selling of a corporate plan is a relevant example of procession. First in the executive’s presentation is a focus on the place of the organization in the wider market economy including the global market, and what opportunities there are over the coming years. Next there is a focus on direct competitors and probably the need for “best practice”—setting out just how the firm needs to operate much better as a group. Then it comes down to what the individual needs to do to pull his/her weight to help make it all work. To instil corporate ownership of a plan, the development of a corporate plan would best include the individuals in the developmental process of reversion fist, which would then be an aid to its effective dissemination.

An organization that puts an effort into on-line corporate planning and leadership will have a continual process of developing the vision/plan, promulgating it, redeveloping and re-promulgating, and so on, so that a continual rhythmic flux between action and reflection is maintained.

9.3 The Third Law of Menetyping—Governance Orientation

To differentiate a particular perspective of knowing, human consciousness chooses to focus within the trinity on a primary menetype, which then specifies the secondary menetype that is able to support it (namely, the next highest level of abstraction in the trinity), with the third menetype being actively suppressed.

First, it is obvious from experience of the world that there are different modes of governance in operation in different societies, different organizations and companies, and

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different individuals. This Third Law of Menetyping states all these different modes of governance can be explained by a particular set of preferences within each of the trinities of governance perspectives.

Secondly, this Law means that within any trinity of governance perspectives there is a primary aspect and a secondary aspect, with the tertiary aspect being largely repressed. This is shown in Figure 52 where Mt #B is depicted as being primary, which then defines Mt #C as secondary and Mt #A is largely repressed. This means that this particular trinity would take on the character of the Mt #B. This develops what can be referred to as the shadow. In this way there can be regarded as being the personal shadow, the group shadow or the societal shadow [i.e. Jung’s (1960; 1964b; 1969a) collective shadow is further differentiated into the group and societal levels as discussed earlier].

Thirdly, the members of the group will become particularly proficient in operating in the manner called for by the primary preferences. Those members who cannot develop proficiency will either move on, or be moved on, or stay and become dissatisfied and dysfunctional (and become largely side-stepped). On the other hand, members of the group will not develop the skills and ability to operate in the aspects of the menetype perspectives that are repressed. If they are ever called on to perform in such a manner, their execution will likely be clumsy and undeveloped and guidance or coaching will probably be necessary.

Fourthly, longer-term successful members will become comfortable in operating within the established governance regime. If they have a good grasp of the operation of the authority and culture trinities, then usually they are able to work through any tensions between their role and personal orientation. However, when either of the culture or authority trinities go through transition, then unless they are part of the group actually orchestrating the change, life could be very uncomfortable.

Finally, the manifestations and significance of this Third Law of Governance Orientation is illustrated by elaborating on the examples set out in the previous section.

- *The Trinity of Being Menetypes: Object, Subject and Media*

In the scientific process, which is a mature way of looking at objects, there is a primary focus on the objective world out there. In support, the individual is required to interpret the facts to the cognitive world of knowledge within the subject. If the individual’s interpretation does not fit there is tension and the subject’s cognitive world of knowledge is adjusted or even transformed. This, however, normally takes place within the constraints of existing language which is
taken as given. In the scientific world, this would be described as sticking within the existing paradigms. It is only after some adjustment to the internal cognitive world of knowledge that the individual might revert to developing the language so as to better express the new knowledge.

A primary focus on the subject is illustrated by the practice of the mystic. The mystic eschews the external world of objects but rather acknowledges and focuses on the inadequacy of the existing language to express his/her ecstatic experiences. His/her secondary focus is then on developing a better way of expressing the ineffable, usually by developing imagery and poetry.

The philosophy of linguistics promoted by Wittgenstein (1953) has a primary focus on the role of language in knowing. Though not having read much at all in this field, the expectation of this Third Law of Menetyping is that the philosophy of linguistics would look for secondary support from the use and influence of language in the external world of knowledge, and largely ignore the internal processes of human knowing—perhaps even needing to disparage them to make its point.

- The Trinity of Participation Menetypes: Individual, Group and Society

The politicians who are out for their own glory are focused principally on causes that advance their own careers. They also pay due heed to developing their place in their particular political party and constituency (at the group level) as it is crucial to their advancement. What is repressed in the scheme of things, though, is the sense of what is really best for society (i.e. their national spirit) because it may conflict with their ambitions. Opinion polls are more important than national leadership.

The “company man” who is focused primarily at the group or organizational level, is renowned for the neglect of their own personal needs (health, family, time, etc.). In his drive to further the good of his company, he is obliged to look to its place in society and think at that level as he sees the organization as a player rather than himself and that there really is a societal world out there to which the company has to adapt in order to do well.

The “statesman” struts the world stage with a focus primarily at the level of society. It is more important (and evident) that the statesmen look to enhance their own individual place in the scheme of things, rather than advancing the status of
their particular political party or institution. That is, they are leaders of nations rather than of particular parties.

*The Trinity of Exchange Menetypes: Markets, Hierarchies and Networks*

The private sector economy has a primary focus on commercial markets. In support, the companies employ hierarchies (even if it is only one boss and the rest workers) to organize production and distribution (etc.) to the market. By and large, common sentiment eschews the use of networks or collusion in commercial dealings and actually enacts laws to prohibit them. Moreover, the existence and importance of political-type networks within and between organizations are largely downplayed or even ignored.

The public sector organization has a principal focus on the level of hierarchies, principally in being a good organization and doing what is required of it by the outside political masters. Bureaucratic loyalty is pre-eminent but, secondarily, a healthy understanding of the dictates and processes of the associated political networks is also encouraged as important. Commercial practices have by and large been actively repressed as manifested in the long-standing guidelines that public bureaucracies should not put themselves in competition in the marketplace with private sector firms.

In the political sphere, networks are the main focus and most important. The secondary effort of political parties is to sell their program to the marketplace of the electorate. Programs need to be concrete, articulated plans that will impact on the real external world that the voter lives and survives in. What is clearly evident in the operation of political networks is the distaste and sometimes neglect of attached hierarchies, which politicians often find more useful to attack publicly rather than to nurture and support. Moreover, the use of bureaucratic rules in networks is anathema in political parties as witnessed by the much-loathed and often internally destructive, financial disclosure laws that some governments have felt pressured to introduce.
9.4 The Fourth Law of Menetyping—Governance Learning

An individual, group or organization learns by the creation of new understandings and knowledge that manifest as a result of the dynamic tension between any of the three menetypes of a trinity.

First, the way of learning is the way of questions, reflection and dialogue. Dialogue between the perspectives of the different menetypes and the grappling with particular questions are key determinants of the learning process. Different questions focus on different menetypes and the movement between them, as identified in the JEWAL Synthesis philosophy of mind. Essentially, the particular questions, dialogue or reflection determines the type of movement around the trinity, which in turn determines the type of learning that is experienced. As explained in the Law of Governance Procession above, the clockwise reversion around the trinity (#A→#B→#C→#A) is the way of inner tension and evolution of knowledge, whereas the anti-clockwise procession (#A→#C→#B→#A) is the way of implementation and action, and reflection and learning from those outside the group.

Secondly, a group can often tussle with other ways of doing things that are more in keeping with governance preferences other than its own. However, if it decides to adopt such particular practices, it will normally adopt them in such a way that it retains its essential orientation of governance preferences. If this process of learning is handled effectively, the group will work through the tension of addressing the questions about better ways of doing things and gain insights of how to do its core business better while retaining its essential character. That is, the group consciousness is enlarged by learning what it had not appreciated earlier. This could be represented in the trinity of menetype diagrams by an expansion of the relevant circles and a corresponding reduction in the unconscious ("other") space around the three spheres of collective consciousness. If such a process actually leads to the group pursuing a change in culture, authority regime or significant personnel, then there will be a different governance structure and a ‘different ball-game’—there will be a need to learn completely new ways rather than enriching the old.

Thirdly, it can be seen that each of the cognitive processions has different ramifications. It was pointed out in the Law of Governance Orientation that the group chooses one particular aspect of the trinity over the others and in so doing actually chooses a secondary perspective in support. Therefore, the reversion movement (clockwise around the trinity) can be seen as a self-help step to the secondary function of the trinity, where the group has already developed a significant expertise in operating. This would seem a fruitful and natural evolution—to take on more of the good practices of the secondary aspect of the trinity—and it is likely to do it
well. The procession movement (anti-clockwise), however, involves the group moving to an aspect that has hitherto been consciously repressed. The members of the group would all be unpractised, clumsy and perhaps inept at handling such an orientation. That is why the second procession can only come about by the group looking elsewhere and seeing that the “grass might be greener”. It actually needs to come to believe that it is better and have a wish to make it on its own. Implementing such a change is hard work and involves close direction and support—perhaps even from external consultants. In many cases such a change is so difficult for individuals that the ruling group often changes the staff by replacement rather than by educating the former staff.

Fourthly, it is a fine call as to whether the group should change any of its governance perspectives or whether to retain but enrich the current orientation. Organizations that continue to operate basically in the same mindset can become stuck in a rut or in a blissful state of groupthink. Moreover, changed circumstances do call for different responses that often may not be available with any of its particular setting of governance preferences. The successful, long-thriving companies and organizations establish processes that are capable of adapting on a temporary basis to different governance perspectives and making it legitimate to do so. This is often such so demanding for the individuals involved, however, that it really only works effectively over time when the individuals have adopted the sort of attitude of loyalty as advocated in the book *Built to Last* (Collins and Porras, 1998) and quoted above. In the current climate of corporate and public administrative turmoil, much of such loyalty has been severely eroded.

Finally, to illustrate this Law is a bit more complex because it involves movement and interaction within and between differing levels in the hierarchy of trinities. To keep it simplified and not too onerous, the Trinities of Being, Participation and Exchange *Menetypes* are taken together in this example of a high-flying private sector entrepreneur going to work in a stable, long-standing public sector bureaucracy.

It is reasonable to characterise the person who prefers to operate in the market environment as *Mt #A* cognitive orientation with an outlook at the individual level (as the entrepreneur has probably acted with autonomy in dealing individually with big clients). In the marketplace it is all happening and quickly, and so the entrepreneur’s focus is out there on the external world around him/her (i.e. *Mt #A* in all three trinities). On the other hand, most of the bureaucrats could be characterised as *Mt #B* cognitive orientation. They prefer operating in a hierarchy, think at the group level in terms of the good of the organization (as prescribed in rules and norms of behaviour), and would be more introspective (focus in on the subject)
and keen to build themselves a sound, logical mental framework to help them process their work methodically (i.e. Mt #B in all three trinities).

In entering a bureaucracy, the entrepreneur would obviously experience personal tension in the new workplace, but how will he/she learn to operate effectively? According to the JEWAL Synthesis philosophy of mind, he/she can never really become a Mt #B person, but as it is his/her secondary aspect he/she has a reasonable chance of developing some proficiency in the new way of approaching things. The hardest path of learning, perhaps, is the way of reversion—the way of internal questioning. Noticing that these other bureaucrats operate differently, the entrepreneur needs to ask why? How? This requires a movement from observing them as object to working it out in relation to his/her own way of operating—a shift to the subject mode of thinking. “How do I operate? What is different in the way I approach things compared with them? Can I really persuade them to my way of thinking?”

Grappling with such questions, the breakthrough might come that these other bureaucrats are in fact talking a different language. “They don’t mean what I would mean when they say something. What do they mean when they talk about the need to do it this way? Why are they so obsessed with rules? Who’s pulling the strings here anyway? Why do they like checking things all the time? Why don’t they just do it?” The entrepreneur could process through such internal questioning by exerting personal discipline and it would be very tortuous and time-consuming, but gradually insights would emerge. Bit by bit, the entrepreneur would learn that he/she is different and how he/she is different, and perhaps learn how to cope with that difference. It would, however, always be a struggle while the entrepreneur’s Weltanschauung (Weber, 1947; 1968; 1978a) remains basically the same.

Formal and on-the-job training is the way of procession and teaches knowledge and know-how. Essentially the entrepreneur is informed about the place of the organization in the scheme of things; the importance of involving the right people in decisions and following proper process and why; the importance of accountability and the need for rules; the importance of language and being measured in how proposals are handled; and the way to be more reticent and take time to work things out for oneself before initiating anything. What is actually required is that the entrepreneur needs to get to a personal position where he/she is able to say to himself/herself, “yes, this is a different game I’m in. These are the critical facts and these are the principal drivers. Yes, I believe in them and will try to respond to them.” Properly done, this sort of training is useful and helps put things in perspective, but is less than effective if the person does not develop an appreciation that he/she is actually different and why.
The other way of learning by procession is through active meditation. Having recognised the tension and done some working out of why there are differences of views, the entrepreneur can take himself/herself away with the Gestalt question of what is it all about? In an active meditation sequence the entrepreneur can actually imagine he/she is the Minister and then let his/her inner voice inform him/her of how he/she would act as the Minister—and let it run. It is a letting go of the conscious control of the problem and allowing the unconscious to inform the conscious. It is similar to the experience of grappling with a difficult problem then giving it a rest, only to find the answer pops up unexpectedly while doing something else. This sort of process can lead to a transformation of the person’s Weltanschauung. A person’s consciousness and worldview get bigger by incorporating a different way of thinking at the rational level. However, transformation only occurs if the ground is fertile through inner tension, brought about by the process of reversion or perhaps some external traumatic event.

In this simplified example, it is easy to suggest that all three learning processes should occur and that there should be some dialogue between them. It would be more effective if they were embarked on consciously and there were to be a supportive mentor to help. The essential point is the new person involved needs to learn how to deal effectively with the different set of menetypes and this is difficult to achieve. But if achieved, the person would broaden his/her consciousness and perspective, and enhance his/her capabilities. Whether that is what is required for the actual role to be performed is another question to be addressed.

9.5 Validation in the Literature

A brief commentary follows on each of the trinities of menetypes from the writings of Montesquieu (1952), Weber (1962), and Mooney (1947). Comments are succinct and to the point of validating their representation as a trinity of perspectives that follow the above Four Laws of Menetypes. However, the treatment of the examples is not exhaustive and there is, of course, still some interpretive work left to be done by any readers with the interest. 461

9.5.1 Montesquieu’s Trinity of Governments: monarchy, republic and despotc (as depicted in Figure 53)

- Monarchical rule is driven by the principle of honour, which is in the eyes of the beholder or external, therefore its nature is consistent with that of Mt #A governance orientation. Everybody in a monarchy is into external appearances. As
Montesquieu (1952: 11) says, 'in well-regulated monarchies, they are almost all good subjects, and very few good men.'

Monarchic rule eschews the capriciousness of despotic rule as it could degrade the honour in the throne, which needs to be maintained at all costs. So as not to get the hands too dirty in any demeaning way, the monarch develops the secondary aspect of a republican-type organization with laws and processes—and the aristocracy is the "halfway-house" institution to achieve that: 'an elective monarchy, like that of Rome, necessarily supposes a powerful aristocratic body to support it' (Montesquieu, 1952: 77).

Montesquieu (1952) identifies the monarchy as being corrupted if the power of the nobles becomes arbitrary (i.e. there is a procession seemingly backwards into their undeveloped inferior despotic menotype), but is enhanced if they observe the laws (i.e. if there is a forward-striving reversion towards their secondary republic menotype).

- The republic rule has a focus on self-discipline of the citizen, 'as in a country of liberty, every man who is supposed a free agent ought to be his own governor' (Montesquieu 1952: 71). The driving principle is virtue, which is 'the love of one's country, that is the love of equality' (Montesquieu, 1952: xxii). *The virtue can also be categorised as loyalty.* Equality means equality before the law. The nature of this rule, therefore, is focused inwards on the subject and is consistent with that of Mt #B governance orientation. As Montesquieu (1952: 9) says, 'a popular government, where the person entrusted with the execution of the laws is sensible of his being subject to their direction.' That is, the need for, and acceptance of the rule of law is internalised in every citizen.

The republic rule eschews the "prima-Donna", monarchical-type as everybody is equal before the law. What is helpful though is some sort of boss in the executive role actually to get things done, rather than forever deliberating. Elected officials are therefore invested with much power in their actual person while they hold office (and even more power in their person during time of war), but there are always set periods after which they can actually be voted out.

Montesquieu (1952) identifies two possible movements away from democracy, namely, the slackening of the efforts to maintain equality leading to aristocracy or monarchy (i.e. a corruption of the principle resulting in a movement by procession backwards into their inferior phase), and the pushing of the spirit of equality to
extremes, 'which leads to despotic power, as the latter is completed by conquest' (Montesquieu, 1952: 51).

- Life under the **despotic rule** is serendipitous and dependent on the whim of the boss. The driving principle is identified as fear (but viewed from the perspective of the despot it is more about the principal; of power—the power of might and right and fear is a consequence), fear of survival with the despot being the protector, and then fear of the arbitrary power of the despot's whim in the moment. As Montesquieu (1952: 12) says, despotic rule 'is directed by no rule, and its own caprices are subversive of all others.' That is, despotic power prescinds from all honour and virtue or the law. This is consistent with the Mt #C governance orientation.

The despotic rulers eschew laws and bureaucracies that are a threat to their personal whims and a potential concentration of power in others. Despots looking for themselves and their family to survive in the long-term strive to impress something more than human to their standing, some greater respect so that they could feel safer if they thought they had some subjects whose loyalty went beyond who happened to have the power at the moment.

Montesquieu (1952) adopts a very negative attitude to despotic rule—any movement towards despotic power is seen as dangerous. He values little the possible necessity that a society may look to such a strong leader for protection. A modern and less emotive term for despot is an autocrat or “boss” (the latter being used particularly when we cross over to look at the phenomenon in organizations).

Montesquieu (1952: 77) observes that 'a state may alter in two different ways, either by the amendment or by the corruption of the constitution. If it has preserved its principles and the constitution changes, this is owing to amendment; if upon changing the constitution its principles are lost, this is because it has been corrupted.' The former is consistent with evolutionary development of reversion to the secondary *menotype* and the latter is consistent with the depredating procession to the repressed inferior *menotype*. 
9.5.2 Montesquieu’s Trinity of Powers: executive, judiciary and legislative
(as shown in Figure 54)

- The driving principle of the executive is action in the external world. In particular, the executive ‘makes peace or war, sends or receives embassies, establishes the public security, and provides against invasions... [that is], the execution of that general will [of the state]’ (Montesquieu 1952: 69–70). This is consistent with a Mt #A orientation, which is echoed in Montesquieu (1952: 72), ‘The executive power ought to be in the hands of a monarch’—which also exemplifies the Mt #A orientation.

‘If the executive were to have a part in the legislature by the power of resolving, liberty would be lost’ (Montesquieu, 1952: 73). That is, it should not meddle in its repressed Mt #C perspective. Rather, the link is through the negative power of rejection! However, the army, which (as Defence) is perhaps the biggest bureaucracy of all, should be in support of the executive. That is, the executive should be given the secondary support of the Mt #B perspective.

- The driving principle of the judiciary is equality before the law, which involves punishing criminals and determining disputes that arise between individuals (Montesquieu, 1952: 69). This is consistent with the Mt #B orientation in also being consistent with the key principle of the republic—‘The judges ought likewise to be of the same rank as the accused or, in other words, his peers’ (Montesquieu, 1952: 71).

Montesquieu identifies the social calamity at some time in ancient Rome of giving the judiciary role to the knights or “nobility” who were also part of the executive in collecting taxes. On the other hand, it stands as a fact of experience that, in interpreting the laws, the judiciary are also in some sense making law and so they need to be cognizant of the political will contained in the laws. Moreover, ‘liberty is in perfection when criminal laws derive each punishment for the particular nature of the crime’ (Montesquieu, 1952: 85) and, when out of kilter, this should be the area of influence of the judiciary.

- The power to resolve is identified as the driving principle of the legislature, to deliberate on the options to capture the will of the state, to enact temporary and perpetual laws or abrogate those that have already been enacted (Montesquieu,
1952: 69–70). The principle is power, and political consent is the means to exercise it. This is consistent with the essence of *Mt #C* spirit.

Montesquieu’s suggestion is for a two-sided legislature (one for making laws and the other for moderating between the former body and the executive. This is actually in keeping with the two main aspects of the power focus of the *Mt #C* orientation—namely, the power of might and the power of compromise (the third type is the power of right or ideological righteousness). We saw how when the power of might and right is the driving force of a nation and vested in one person, despotic rule ensues.

It is corrupting for the legislature to have any judiciary power (Montesquieu, 1952: 70)—that is, they need to repress their activity in *Mt #B* operations. However, the legislature should express the will of the state, meaning it is to define what the executive should implement. In this sense, the executive (*Mt #A*) is a “servant” in support of the legislature.

- Montesquieu’s recommendation for the famous and much-used principle of separation of powers is the admission, on the one hand, that all three powers are of equal importance and necessity; but, on the other hand, that it is inappropriate and too difficult for one unit (person, group or nation) to be responsible for all of them together. In fact, as Montesquieu acknowledges, if all three powers in a trinity acted together, ‘these three powers should naturally form a state of repose or inaction’ (Montesquieu, 1952: 74). A system and process needs to be established to move smoothly between them so ‘they are forced to move, but still in concert’ (Montesquieu, 1952: 74). In the need to devise such a system lies the heuristic value of seeing the dynamic of three powers as captured in the trinity of *menetypes*.

### 9.5.3 Weber’s Trinity of Authority: charismatic, bureaucratic and traditional

(as shown in Figure 55)

- ‘In the case of **charismatic authority**, it is the charismatically qualified leader as such who is obeyed by virtue of personal trust in him and his revelation (or vision), his heroism or his exemplary qualities so far as they fall within the scope of the individual’s belief in his charisma... In its pure form charismatic authority may be said to exist only in the process of originating’ (Weber, 1947: 328; 364, emphasis added). The principle of charismatic authority is in “the doing” (i.e. the executive action), or with the leader being seen by followers to be able to create something
they “want” which others cannot—i.e. the leader captures an expression of the followers’ (often unconscious) will to construct a better reality from the present. Its nature is outcomes oriented and what is required to convince followers is ‘a “sign” or proof’ (Weber, 1947: 359)—i.e. it is achievement or respect in the external world that makes for a charismatic leader. Originally, the meaning of charismatic had largely been restricted to reflect the influence of divinity: ‘Hereditary monarchy is a conspicuous illustration’ (Weber, 1947: 366), but its generic character manifests in other contexts. For example, entrepreneurs succeed because many people are inspired to have confidence and hope in their ability to be able to succeed in building their vision, and therefore become followers in the sense of joining with them directly or lending them large amounts of resources.

‘[T]he only basis of legitimacy for it is personal charisma... What is despised, so long as the genuinely charismatic type is adhered to, is the traditional or everyday economizing’ (Weber, 1947: 362). That is, the $Mt \#C$ orientation is repressed and in fact charismatic or entrepreneurial leadership is seen as the way out of the “rut” where they are stuck in the traditional way of doing things—which needs to be left behind in the new world being built by the charismatic vision. Psychologically, this repression of the ability to think at the highest levels of cognitive abstraction (i.e. $Mt \#C$) manifests in “an undeveloped” projection of these unconscious qualities of greatness (in the form of a sort of divine power) onto other concrete individuals, and then being prepared to live it out by becoming followers.

‘It is not impossible, as in the case of Napoleon, for the strictest type of bureaucracy to issue directly from a charismatic movement’ (Weber, 1947: 383). In addition, Weber (1947: 363–386) argues that, in time, charismatic authority inevitably becomes ‘routinized.’ That is, charismatic authority needs to take on as a secondary function some of the rational, logical structures of the $Mt \#B$ phase in order to develop practical processes of executing the plans of the leader and setting the mechanisms for leadership succession. According to Weber (1947), charismatic power can be either traditionalised or bureaucratised. To the extent it becomes traditionalised there could be a usurpation of real power by the leading group and the adoption of autocratic powers has often led to ugly results (such as the degradation to autocratic rule in many cults). However, to the extent that it is legalised and striving for order and security (Weber, 1947: 370–371), a positive evolution can unfold—much along the lines of the development of the aristocracy
as explained by Montesquieu (1952). This is echoed in Weber’s (1947) observation that ‘its original peculiarities are apt to be retained in the charismatic standards of honour attendant on the social status acquired by heredity of the holding of office’ (Weber, 1947: 369). In Weber’s examples of the ‘routinization’ of charismatic authority, such as the elections of Popes, Bishops and kings, the essence of the charismatic projection by the willing followers and their expectations that the leaders are capable of “delivering the goods” is maintained. If those expectations are not met, the charismatic leader is likely to be abandoned or killed off.

• ‘In the case of legal authority, obedience is owed to the legally established impersonal order. It extends to the persons exercising the authority of office under it only by virtue of the formal legality of their commands and only within the scope of authority of the office’ (Weber, 1947: 328, emphasis added). The guiding principle of the Mt #B phase of rational-legal authority is thus the same internalised commitment of each individual to Montesquieu’s (1952) “virtue” or love of equality before the law. ‘The organization of offices follows the principle of hierarchy’ (Weber, 1947: 331) and bureaucracy is the ideal type of the Mt #B phase.

The manifestation of legal-rational authority or bureaucratic authority, eschews the charismatic or personalised authority. ‘For republics... striking victories may be dangerous in that they put the victorious general in a favourable position for making charismatic claims’ (Weber, 1947: 382). Rather, the bureaucracy institutes ‘the dominance of a spirit of formalistic impersonality’ (Weber, 1947: 340). In fact, bureaucratisation is seen as an evolutionary development from charismatic transformation (Mt #A) such as from capitalism or from aristocratic-type societies by ‘a levelling of social classes and this can be shown historically to be the normal tendency’ (Weber, 1947: 340). In this way it has to turn its back on the charismatic mode to stabilise the bureaucratic authority.

A well-developed bureaucracy, on the other hand, looks to instituting more traditional-oriented constraints. The recognised significance of instituting a culture of consistency engenders the pressure to do it always the way it has been done in the past (i.e. a touch of the traditional), and the importance of the informal networks by which many decisions get support are clear manifestations of this healthy move towards the Mt #C phase. Weber himself acknowledges, ‘thus at the top of the bureaucratic organization, there is necessarily an element which is at
least not purely bureaucratic' (Weber, 1947: 335), and, as has been discussed above, this element in the modern corporation (as well as the public bureaucracy) is of a political/network type character (i.e. Mt #C).

- **In traditional authority**, 'obedience is not owed to enacted rules, but to the person who occupies a position of authority by tradition or who has been chosen for such a position on a traditional basis... But here the obligation of obedience is not based on the impersonal order, but is a matter of personal loyalty within the area of accustomed obligations' (Weber, 1947: 341; 328). Acknowledging that one of the most traditional means for choosing a person to obey is through a contest of power or of arms, then this traditional authority is equivalent to Montesquieu's (1952) despotic, or autocratic, authority. The key principle is the possession of power (and the fear of that power), and its direct and personal exercise by the leader, chief or autocrat. Moreover, 'the obligations of the obedience on the basis of personal loyalty are essentially unlimited... which is free of specific rules' (Weber, 1947: 342). Within the context of this unspecified limit to the use of the autocrat's power, 'the principles of substantive ethical common sense, of justice or of utilitarian expediency' (Weber, 1947: 388), become important and of ongoing concern (and these are precisely the preoccupations of the Mt #C phase). Trust is the binding force and therefore structures are 'patrimonial' and rife with nepotism. Lack of trust is the separation principle and results very much in a "them and us" type mentality.

To make this autocratic use of personal power work, there is a turning away from bureaucratic practices and any rules. 'Traditionalism places serious obstacles in the way of formally rational regulations... There is a principle which is derived from the arbitrary power of the political chief; namely, that in the presence of the chief himself the jurisdiction of any court (i.e. 'the laws') is suspended... [and] Rational technical training as a basic qualification for office is scarcely to be found at all among household officials or the favourites of a chief' (Weber, 1947: 356; 344–345). Moreover, 'it is impossible in the pure type of traditional authority for law or administrative rules to be deliberately created by legislation' (Weber, 1947: 342).

Rather, 'what is new is thus claimed... to have become known through the wisdom of the promulgator' (Weber, 1947: 342), or, in other words, there is a supporting expression of the entrepreneurial (Mt #A) mode. This tendency is also manifest in the way the autocrat searches for some more lasting justification for his/her power
base beyond the mere force of arms. Therefore, Weber (1947) identifies something of the charismatic element in the various expressions of ‘enlightened despotism’ (claim of extraordinary wisdom), ‘gerontocracy’ (claim of wisdom from age), ‘patriarchilism’ (special place by inheritance), and ‘patrimonialism’ (claim of personal powers) (Weber, 1947: 346 ff). For instance, an element of the charismatic (or divine) responsibility is injected into the patrimonial system through the concept of ‘an oikos maintained by the chief where needs are met on a liturgical basis wholly or primarily in kind in the form of contributions of goods and compulsory services’ (Weber, 1947: 354).

Moreover, Weber is noted for his observations of the evolution of legitimate authority from the traditional (Mt #C) through the charismatic (Mt #A) revolutionary transformation to the epitome of social organization in the form of bureaucratic authority (Mt #B). ‘In traditionally stereotyped periods, charisma is the greatest revolutionary force’ (Weber, 1947: 363), and the charismatic authority inevitably becomes routinised (Weber, 1947: 373ff) and often “flowers” to the point of becoming ‘the purely bureaucratic type of administrative organization… that is…from a purely technical point of view, capable of attaining the highest degree of efficiency and is in this sense formally the most rational known means of carrying out imperative control over human beings’ (Weber, 1947: 337). This reflects Weber’s (1947; 1948; 1978b) personal bias and orientation towards the bureaucratic (Mt #B) mode which is “obviously pre-eminent” and the mode towards which all things gravitate (or evolve towards). This personal bias seems to prevent him from conceiving the further development of the bureaucratic authority into an even more complex arrangement that shifts its principal driving force “back to the future” in re-entering anew in the traditional (Mt #C) phase (such as the current moves to globalisation and postmodernism). There seems, however, to be some inkling in his observation, ‘It was only after rational technical bureaucracy had come to be finally and irrevocably supreme that a need has been felt, particularly in relation to parliaments, for solidarity of the highest collegial bodies under monocratic direction through a prime minister. With this latest development the general tendency of monocracy, and hence bureaucracy, in the organization of administration has become definitely victorious’ (Weber, 1947: 403).

Weber (1947: 382ff) clearly acknowledges that these ideal types rarely appear alone but rather in combinations, and he explores many of these combinations.
However, Weber (1947) does not differentiate sufficiently to identify any particular pattern in the way they tend to appear in combination, other than the general direction of evolution which is identified as clockwise around the *menotype* trinity.

- Another interesting aspect to be picked up later is Weber’s (1947: 405) passing observation that ‘The constitutional separation of powers is a specifically unstable structure.’ Essentially, Weber (1947: 406) fears the lack of an obvious “pre-eminent power” to settle potential power struggles such as in passing the Budget. Somewhat contradictory, however, he also concludes that ‘Hence in the functioning of the political system the separation of powers is generally favourable to the formal rationalization of economic activity’ (Weber, 1947: 406). This actually seems to be in keeping with Montesquieu’s (1952) point that the separation of powers stimulates movement and is conducive to the democratic principle of equality before the law—in this particular case, meaning the law in the economic sphere.

9.5.4 Mooney’s Trinity of Organization: Coordinative, Functional, Scalar
(as shown in Figure 56).

- The **Coordinative Principle** captures the executive aspect or the “doing” aspect, which is ‘the guttural equivalent of “Heave ho!”’ (Mooney, 1947: 5). It is outcomes-oriented with a primary focus on the purposes or objectives of the organization. This is captured in the acknowledgement ‘that the strength of an organization is determined by its spirit, that the spirit must be determined by the purpose and the means necessary to its attainment’ (Mooney, 1947: 13). This spirit is in keeping with the notion of spirit held up for followers in the charismatic, monarchical, or executive (i.e. *Mt #A*) phases. For instance, ‘concerning the first, or coordinating principle, Catholic doctrine rests this authority in God, by whom it is mediately delegated to the pope... This authority is represented in one absolute head’ (Mooney, 1947: 102). This is charismatic, divine authority to lead, for the Pope to act in an “infallible way”—that is, followers necessarily believe in the extraordinary powers of the leader, powers that they as ordinary mortals do not consciously acknowledge.

Within the coordinative principle, ‘when we consider *the procedure necessary to attain the objective*, we encounter the secondary meaning of the word’ (Mooney, 1947: 11). The secondary function of procedure equates with organizing the
processes into specific parts within some kind of hierarchical structure—thereby
acknowledging the secondary support of this Mt #B phase.

When discussing the discipline needed to institute the 'organized efficiency' (i.e.
the Mt #A mode supported by the Mt #B mode), Mooney (1947) refers to self-
discipline of the leadership authority. 'The commander of a battleship is subjected
to a greater degree of discipline than a bluejacket. Even the pope must every year
wash the feet of a beggar and must go to confession twice a week' (Mooney, 1947:
13). This emphatically represses the arbitrary caprice of the autocratic authority
(i.e. Mt #C).

- The **Functional Principle** means 'the distinction between kinds of duties... Strictly
speaking, the word “function” means the act of performance or execution’
(Mooney, 1947: 25). Thus the principle is about order, about the breaking up of the
process into parts and putting them logically together so that everything flows
smoothly and efficiently during the implementation of the will of the authority.
This is equivalent to the principle of the Mt #B mode of hierarchy and ordered
bureaucracy. 'Reason and evidence combine to prove the exactitude in the
specification of tasks' (Mooney, 1947: 30), and one could go on to include the
same exactitude of rules and procedures found in such Mt #B bureaucracies.

In his discussion of the functional principle, Mooney (1947) focuses on the
elaboration of line and particularly staff duties. The line organization is the means
of conveying the duties and orders from the highest authority to the lower
authorities in the course of implementing proper policy or orders. The explanation
focuses on the support requirement of the line to command. This relies on the
notion of the individual concerned to take personal autocratic authority to interpret
and apply the rules and carry out the duties as specified. It is constrained but
nevertheless the person in office dictates to all those beneath. In addition, the staff
is regarded as 'purely an auxiliary (or secondary) service... which is something to
support or lean on' (Mooney, 1947: 35). A key requirement for effective staff
functioning is to network in order to uncover information and to test out reaction to
various options. In formulating advice on the current situation vis-à-vis the rules
and processes, staff would canvas the views of other line authorities, specialists
and other interested parties. In fact, as Mooney (1947: 29) acknowledges, 'How
often do we hear it said of organized institutions of every kind, that they are all

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“shot through with politics.” Thus it is that the Mt #C network/political mode is regarded as a secondary support to the function principle (Mt #B).

On the other hand, the vision or purpose (Mt #A) is seemingly taken as a given—it is, by and large, provided to the functional principle from the coordinating function. Too much focus on the ends rather than the means is discouraged. As little discretion as possible should be left even to the extent of the ‘exact definition of duties... and this must begin at the top. Without it there will be friction even at the top, and under these conditions it is futile to look for harmony down the line’ (Mooney, 1947: 30). That is, any entrepreneurial or visionary leadership (Mt #A) should be discouraged if ordered efficiency is to be achieved.

- The Scalar Principle is about authority or about the distribution and exercise of power within the organization. The organization of authority that is described is essentially the hierarchical authority (Mooney, 1947: 14), but the discussion focuses on the nature of the authority of the leadership and the delegated power—that is, how much power does each level of authority have and how is it exercised ‘according to degrees of authority and corresponding responsibility’ (Mooney, 1947: 14). The point is made ‘that whenever we find an organization even of two people, related as superior and subordinate, we have the scalar principle. This chain constitutes the universal process of coordination, through which the supreme coordinating authority becomes effective throughout the entire structure’ (Mooney, 1947: 15). That is, this is equivalent to the principle of authority power (Mt #C).

An important support for the scalar principle is the personal quality and gifts of the leader, ‘But the qualities of leadership involve more than capacities of the organizer; they demand psychic qualities of the leader. This phase of leadership is as vital as the spirit of coordination itself... Although the leader always influences the group, he must, in order to justify his leadership, be satisfactory to the group’ (Mooney, 1947: 16). That is, there must be followers and they must see something in the leader to instil confidence of being able to achieve. This reflects that the charismatic or executive principle (Mt #A) is embraced as secondary support for the scalar principle (Mt #C).

In his discussion of delegation, Mooney (1947: 19) emphasises the point ‘that there is one thing he cannot delegate, namely, his own authority and the responsibility it involves.’ That is, the person delegating cannot use the specified duties of the position below to excuse himself/herself from the responsibility of his/her assigned
authority. In other words, the effective operation of authority requires personal responsibility and downplays the role of specified rules and duties of those in the hierarchy. The way to distinguish what to do ‘can never be answered by mere rules of procedure [i.e. Mt #B]. The real solution must be found in principles that are superior to all rules... what here is meant is a real coordination of spirit, based on the common knowledge of the common purpose [i.e. Mt #A] and ingrained through the doctrine of organization’ (Mooney, 1947: 22)

- Further to his three principles of organization, Mooney (1947), like Montesquieu (1952) before him, further subdivides each principle in terms of another trinity of principles. Because it deals essentially with organization with its underlying mode of hierarchy (i.e. Mt #B), his key axis of differentiation is in the Mt #B functional principle. The lower order principle outlined in the functional principle is explained as the determinative (Mt #C), the applicative (Mt #A), and the interpretive (Mt #B), which he actually equates (Mooney, 1947: 26) with the legislative, the executive and the judicial functions explained in Montesquieu’s trinity above.

- Mooney (1947) also readily acknowledges that the principles of organization never act in isolation and, throughout his explanations of each principle, he always includes the interaction with, and cross influence of, the other principles. In particular, ‘The frequent presence of all three primary functions in the same job indicates how much less we may expect to find these functions completely separated in the general structure of the organization... The truth is that the ideal of organized efficiency is not the complete segregation, but the integrated correlation of the three primary functions’ (Mooney, 1947: 27-28). There is some differentiation of the degree of interaction and reliance of one principle on the support of another, and this has been identified as supporting the dynamics of the trinities of menetypes outlined above. There is still some obfuscation, however, because the focus on illustrating that each of the principles is acting in each other prevents a deeper analysis of the differentiation to identify the patterns of secondary and tertiary support between the principles.

- Given his recognition of the deep level of interaction and mutual support of all these principles in any situation, it would be reasonable to assume that Mooney (1947) would not have Weber’s (1947) concerns about the dangers of the constitutional separation of powers. He would likely see that any such conflicts are overcome by the appeal to a higher principle for resolution, ‘the strength of an
organization is determined by its spirit' (Mooney, 1947: 13). For instance, an organization in a capitalist democracy would use the associated principles of freedom of enterprise and equality before the law to help resolve conflicts at the lower levels of the organizational leadership.

**In conclusion** on the observations in the above examples.

- On the one hand, each of the Montesquieu (1952), Weber (1947), and Mooney (1947) trinities is different because it explains from perspectives focused on different levels/aspects of societal reality. On the other hand, all the trinities are basically the same because they capture the same fundamental trinity of principles arranged in the same numbered order and exhibiting the same dynamics of interrelationship. That is, they exhibit the same difference in similarity, or similarity in difference, as captured in the basic trinities of *menetypes*.

- Moreover, there is an obvious hierarchy within the examples and a reflection of this has been captured above in the hierarchy of US governance. While the trinities of Montesquieu (1952) and Weber (1947; 1962) essentially reappear in explaining the model of US governance, another more useful and embracing expression of the principles of governance is employed instead of the particular one used by Mooney (1947). The main point to appreciate, however, is that each phase of each trinity captures essentially the same basic principle of dynamic interrelationship that is captured by the same numbered mode in the other trinities. As Mooney (1947: 80) observed, ‘The principles of organization are universal, but the manner of their application must always be determined by the given problem.’
10 CONCLUSION

This thesis has delivered intellectual produce essentially on three levels:

(i) the philosophic level, by explaining the structure of human thinking;
(ii) the scientific level, in proffering a theory of governance; and
(iii) the empirical level, by reframing some of the key management polemics and interpreting the changes taking place in society and its organizations.

These levels are listed above in descending order of weight given to them in the course of the thesis research effort and, indeed, in descending order of abstraction and importance to the human study of social action and organization. The following summary of the thesis conclusion attempts to capture, as succinctly as possible, the essential achievements and offerings of the thesis in its study of human organization and management.

10.1 The Structure of Human Thinking

(1) First, the most important "discovery" of the thesis is that the structure of human thinking is founded on the practice of differentiating into the three basic degrees of abstraction, viz: the concrete, the imaginative and the prescinded—and the hierarchical repetition of this differentiation at increasingly abstract levels of thinking.

(2) Second, the cognitive movements within and between the trinities of abstract thinking explain the processes of human motivation, interaction, and learning and growth. Further, it has been explained how the human mind thinks in terms of the individual, the group and the society as different objective realities but after the same principle of unity—it regards them essentially as though they were separate human individuals endowed with a similar set of characteristics which, indeed, they are in terms of each being a creation of the human mind (for instance, we do not know other individuals as they truly are, but only as we perceive and interpret them).

(3) Third, the structure and dynamics of thinking have been captured in a conceptual framework called the JEWAL Synthesis Formwork of Knowing (or the JEWAL Synthesis philosophy of mind), which informs the metaphor of the mind to analyse organizational governance. The essential contributions of this
study to the clarity of articulation of this fundamental knowledge which was first coherently expounded by the ancient Neoplatonic philosophers (Plotinus, 1952; Proclus, 1963), are the full expression of the hierarchical and dynamic trinitarian arrangements, its application and exposition in terms of the structure of knowing, and the comprehensive pictorial representation of its structure and interactive dynamics. Unlocking the secrets and grasping an understanding of this fundamental philosophic structure of knowing unleashes an explanatory power that drives the remainder of this thesis.

(4) In conclusion, the metaphor of the mind (as expressed in the JEWAL Synthesis Formwork of knowing) captures, in one vessel, the wisdom of both the Eastern philosophical psychology (as expressed in the form of the Enneagram) and the Western (essentially scholastic) philosophic tradition and depth psychology.

10.2 The Theory of Governance

(1) First, it has been explained that organizations and societies are so because human minds think it is so and organizations seem different because human minds think it is so in a particular way that is explained by their cognitive orientation. An individual’s concept of an organization is the outcome of a set of automatic cognitive acts processing out of a set of beliefs about society and human nature that are well indoctrinated into the way each individual mind thinks. Consequently, the structure of governance units can and has been explained in much the same terms as the structure of thinking.

(2) Second, the concept of institutional archetyping has been validated and given meaning in terms of the natural way people think. In essence, the human mind not only thinks in terms of the individual, the group or the society as separate autonomous individuals (though different, of course, in their levels of complexity), but also endows them with the same sort of structure and dynamics that the human mind knows—which therefore infuses the coherent groups with life-like human characteristics. Institutional archetyping is comfortable thinking, which provides meaning and enables the necessary articulation to initiate, order and implement social action in a coherent and effective way. However, there are many perspectives and ways of seeing reality; in particular, there are many ways of conceiving organization and this has been captured in a conceptual
framework of governance that flows from the framework of principles about the way humans think.

Third, the structure and dynamics of governance at each of the individual, group and societal levels of action have been captured in the development of *JEWAL Synthesis* Theory of Governance, which emanates from and retains the essential framework of the philosophy of mind—but is more manifold as a natural consequence of the procession of thought. The theory of governance merely articulates the concrete expression of human thinking about the external, real world of human interaction. In particular, the theory explains the way organizations are structured in terms of the authority sphere, the way they operate in terms of the culture sphere, the particular manner in which individuals participate in its life, and the ways that the organization can learn and grow.

In conclusion, the *JEWAL Synthesis* Theory of Governance serves as a bridge between the inner machinations of the human mind and the external ramifications of human participation and interaction in the real, concrete world.

### 10.3 Governance of Organizations

First, the understanding and explanation of governance in real world organizations emanate from and reflect the theory of governance and the higher principles in the philosophy of mind. Given that the level of thinking (or abstraction) about actual organizations is at the third level removed from the higher principles of unified thought, its structure is seen to be in a much more manifold form but still reflecting in part (and only in part), the whole of the human capacity to govern and think. Organizations operating in different societal spheres and settings are therefore different, but their structure and dynamics flow logically from the whole that comprises the higher principles embedded and captured in the developed theory of governance and philosophy of mind.

Second, it has been explained how society can be understood in terms of the operation and interaction of the economic, social and political spheres. Organizations operating in each of these spheres of societal activity are imbued with the spirit of that sphere (in the context of the nation as a whole) and therefore adopt different goals, processes and actions, which are explainable
within the holistic conceptual framework of the theory of governance. The relative importance of these different organizations, the way they interact and their essential modus operandi have also been explained in terms of the particular orientation that the collective thinking has adopted—that is, the collective thinking about society, the spheres of activity within the society, the organizations and the orientation of the individuals themselves. None of the organization forms is intrinsically more meritorious than any of the other organization forms, but the particular orientation of the collective thinking means that some aspects are valued over others for that particular time. Hence in the US society, predominance and importance has been accorded to the economic sphere, the private sector corporation, and individual achievement and economic success (essentially all those of menotype #A orientation).

(3) Third, since the manifestation in the real world of each collective or individual mindset is differentiated and selected from the whole potential Formwork to deliver a particularly desired reality, it is necessarily deficient in some respects—this is a natural consequence of human thinking and action. At first such deficiencies are tolerated or rejected anyway but, over time, such deficiencies cause psychic and social unease which grows in the collective desire to make good and restore that which is missing. The individual and collective mind is therefore necessarily dynamic and always looking to complete itself—to move to higher levels of abstraction and complexity in an attempt to embrace as much of the whole as possible and minimise the deficiencies. This defines and drives human change and (perhaps) progress. This thesis has identified and explained the latest big societal shift from managerialism to politicism (or from menotype #B modernism to menotype #C postmodernism), which is finding expression in all the various spheres of society, principally because it is being inspired and occurring in the minds of most individuals. The ramifications of this gigantic cultural shift in collective thinking has been analysed for the various spheres and their principal organizations in the US society; in particular, for the US private corporation, public administration, and the Catholic Church.

(4) In conclusion, the theory of governance has helped give new meaning to a number of long-standing management polemics and has made greater sense of the developments in different US organizations. Most importantly, the analysis
has been able to provide some concrete pointers and suggestions on how organizations and individuals can handle themselves and thrive in the emerging new politicist age.

10.4 Finale

The metaphor of the mind, as informed by the JEWAL Synthesis Formworks of knowing and governance, is presented as a real step forward in the power of human thinking about social organization. In effect, it is a synthesis of Eastern and Western philosophy and psychology and is necessarily complex because it is required to be capable of explaining so much. By naming and understanding the way humans think, it provides an opportunity to harness its cognitive power for analysis of the societal and group movements in this fast changing world. In particular, the thesis has concluded that the Western World is effectively headed “back to the future;” namely, it is entering into a politicist age akin to the feudal times, but this time at a much more sophisticated, complex and challenging level of abstract thinking and decision-making.
Endnotes

Ch. 1 Introduction

1. In this quote the words “good governance” replace the word “inequality” in Rousseau’s (1952) original statement.

2. The basic principle in forming groups and society is much the same in that individuals give up their prerogatives of governing themselves to the group for their mutual benefit generally unachievable were they to remain as individuals. ‘This is more than Consent, or Concur; it is a real Unite of them all, in one and the same Person, made by a Covenant of every man, in such manner, as if every man should say to every man, I Authorise and give up my right of Governing my selfe, to this Man, or to this Assembly of men, on this condition, that thou give up thy Right to him, and Authorise all his Actions in like manner. This done, the Multitude so united in one Person, is called a COMMON-WEALTH, in Latine CIVITAS’ (Hobbes, 1688/1651: 227).

3. And if the group is to thrive it requires such leaders to know what is desired, how to achieve it and how to keep the group together towards the overall good. “I say,” said Socrates, “that over whatever a man may preside, he will, if he knows what he needs, and is able to provide it, to be a good president, whether he gave the direction of a chorus, a family, a city, or an army” (Xenophon, 1996: 38).

4. ‘Every state is a community of some kind, and every community is established with a view to some good; for mankind always act in order to obtain that which they think good. But, if all communities aim at some good, the state or political community, which is the highest of all, and which embraces all the rest, aims at good, in a greater degree than any other, and at the highest good’ (Aristotle, 1952: 445).

5. That indeed, governance is to be understood as operative at all three levels of the society, the organization and the individual is essentially captured in the following Dictionary definition of governance: ‘1. The action or manner of governing; the fact that (a person, etc.) governs. b. Control ME. C. The state of being governed. 2. The office, function, or power of governing ME.; governing person or body – 1643. 3. Method of management, system or regulations – 1660. 4. Mode of living, behaviour, demeanour. b. Wise self-command –1600’ (Oxford Dictionary, 1973: 874)

6. ‘I have not separated the political from the civil institutions, as I do not pretend to treat of laws, but of their spirit; and as this spirit consists in the various relations which the laws may bear to different objects, it is not so much my business to follow the natural order of laws as that of these relations and objects’ (Montesquieu, 1952: 3).

7. ‘Art goes yet further, imitating that Rational and most excellent worke of Nature, Man. For by Art is created that great LEVIATHAN called a COMMON-WEALTH, or STATE, (in Latine CIVITAS) which is but an Artificial Man; though of greater stature and strength than the Natural, for whose protection and defence it was intended; and in which, the Soveraignty is an Artificial Soul, as giving life and motion to the whole body’ (Hobbes, 1988: 81).

8. Although he is credited with the introduction of the concept and term ideal type, 'Weber did not consider the ideal type to be a new conceptual method but, rather, an explication of existing practice... Ideal types were Weber's answer to the problem of an attempt to describe and define these non-individual, non-general, synthetic concepts which are commonly employed by social scientists... Weber asserts that ideal types are syntheses of characteristics or significant features constructed on the basis of logical and meaningful compatibility, as opposed to general concepts that are syntheses of average or common features...
Ideal types are neither hypotheses nor descriptors of reality but "yardsticks" with which reality can be compared; they are neither historical reality nor "true reality," but purely limiting concepts or utopias; the purpose of ideal types is to provide a means of comparison with concrete reality in order to reveal the significance of that reality...

In summary, Weber's theory offers a unified conceptual approach to analysis of both subjective mean and structural forms...

Social scientists deal not with real actors but with ideal types who are puppets, not with the real social world but with a model of it (Hekman, 1983: 8; 31; 32; 77; 93).

9. Weber was fully aware of the shortcomings of his theory, which, moreover, he presented only in broad outline, without pursuing all its methodological implications. He has often been criticized for his failure to do so. The major part of the immense literature concerned with his work deals with his theory of knowledge, and in particular with the concept of the ideal type, often in an altogether negative manner. That in itself is an indirect recognition of the importance of the question he posed. He replied in advance to his future critics by inviting them to meditate on his propositions until they were in a position to offer something better (Freund, 1972: 70).

"Alfred Schutz argues that because Weber fails to clarify what he means by "subjective meaning," his whole methodological approach, including his theory of ideal type, is not firmly grounded" (Hekman, 1983: 81).

10. An ideal type is still regarded as 'a one-sided emphasis and intensification of one or several aspects of a given event and represents a uniform mental structure. Weber is quite insistent on making clear that such an ideal type must be at least in the realm of probability and not merely possible. Thus, the construction of an ideal type can also be regarded as a working hypothesis, which, until its realistic worth has been proved by observation, may, like any other hypothesis, be of little analytic value. The ideal type, furthermore, is purely descriptive and should not be misused to explain the data it reveals; nor does it indicate what action can or should be taken. The ideal type is therefore primarily an instrument for classification, and as such 'useful for the systematic arrangement of several categories' (Secher's introduction in Weber, 1962: 14).

11. As observed in the introduction of Secher's translation of Weber (1962: 16):

'The importance of "understanding" lies for Weber in its strictly technical nature of providing a clue to the observation and theoretical interpretation of the subjective states of mind of individuals whose behavior is being studied. In other words "understanding" becomes a tool of sociological research which aims at providing more insight than can be had, even by the most precise statistical proof, and the high correlation between a given situation and a corresponding course of behavior. "Understanding" goes further by asking not only why an action has taken place but also why a certain "behavior pattern" continues to be followed. In this way the search for motivation is introduced as basic to any kind of sociological interpretation."

12. The Enneagram is a very popular personality typology that has been traced back to Eastern origins (though contested in some quarters):

'The Enneagram is an ancient Sufi teaching that describes nine different personality types and their interrelationships. The teaching can help us to recognize our own type and how to cope with our issues; understand our work associates, lovers, family, and friends; and to appreciate the predisposition that each type has for higher human capacities such as empathy, omniscience, and love...The Enneagram is part of a teaching tradition that views personality preoccupations as teachers, or indicators of latent abilities that unfold during the development of higher consciousness... the complete Enneagram is one of the very few models of consciousness that addresses the relationship between personality and other levels of human capability. The power of the system lies in the fact that ordinary patterns of personality, those very habits of heart and mind that we tend to dismiss as merely neurotic, are seen as potential access points into higher states of awareness' (Palmer, 1991).

13. A cognitive menetype captures the essence of a particular perspective, or mode of thinking or knowing about reality. Mene (pronounced "meenie") with the second e sound shorter than
the first) is the Aramaic word for "numbered". This is the critical difference from an individual ideal type, as each menotype is always a numbered perspective of a trinity of related cognitive perspectives. Menotype is a new term coined by the author to avoid the limiting and negative connotations of the term ideal type, which has to come to be taken as not particularly related to reality. This new term is meant to reflect the fact that each menotype captures a particular perspective of reality but that the menotype (or a numbered ideal type within a trinity) never stands alone. Menotypes are formed in the mind and are always constructed within a set pattern of a trinity of perspectives. Each trinity of menotypes is connected in a hierarchical system of trinities or triadic unities as part of the process of knowing and understanding reality.

14. In terms of the JEWAL Synthesis philosophy of mind, the thesis' analysis of corporate and political governance in the USA is an act of cognitive procession that flows almost involuntarily but informatively out of the author's definitive "yes" at the highest cognitive level of knowing, that the philosophy of mind is indeed "true", "real" and "good." The flow of analysis is therefore more similar to an explanation in the light of the established theory of governance. Moreover, the way of cognitive procession also demands that the analysis should begin at the level of Western society which influences and shapes the nature of the organizations that are formed within the nation's economic, political and social spheres—namely because higher-level abstract thinking drives the lower-order thinking.

This approach has been used in preference to conducting a truly empirical analysis in the way of cognitive reversion, where the analysis of basic information "from the field" on real-life governance is used to provide insights that can then contribute to the construction of a conceptual framework for the theory of governance. The reason for this is that the way of reversion used to establish the theory of governance in this thesis was through the fields of philosophy and psychology and, though this path of insights is not documented, the results in the form of the philosophic framework are explained and justified in Chapter 8.

As such, understandings, meanings and connections flow freely in the early explanation of real-life governance and put the author in a cognitive position of confidence to critique the governance perspectives of others against those that emanate from the developed philosophy of mind. In a sense, then, the validity of the JEWAL Synthesis theory of governance presented in this thesis can be tested by judging the quality of this analysis and critique of the corporate and political governance theory in the USA.

15. "In other words, the choice of object of investigation and the extent and depth to which this investigation attempts to penetrate into the infinite causal web, are determined by the evaluative ideas which dominate the investigator and his age. In the method of investigation, the guiding "point of view" is of great importance for the construction of the conceptual scheme which will be used in the investigation. In the mode of their use, however, the investigator is obviously bound by the norms of thought just as much here as elsewhere. For scientific truth is precisely what is valid for all who seek the truth" (Weber, 1949: 84).

The "point of view" or mindset informing this thesis is the Neoplatonic/Enneagram-like philosophy of mind explained in Chapter 8. The method and structure of the analysis in the thesis are also based on this trinitarian hierarchy of thinking and driven by the conceptual framework of the metaphor of the mind. The most critical observation in the paragraph above is the last sentence:

"For scientific truth is precisely what is valid for all who seek the truth"

The aim of this thesis is to so structure the analysis as to comply with Weber's (1949: 58) concept of scientific truth, namely: 'those arguments which appeal to our capacity and need for analytically ordering empirical reality in a manner which lays claim to validity as empirical truth.'

16. "The number and type of causes which have influenced any given event are always infinite and there is nothing in the things themselves to set some of them apart as alone meriting attention. A chaos of "existential judgments" about countless individual events would be the only result of a serious attempt to analyse reality "without presuppositions." And even this result is only seemingly possible, since every single perception discloses on closer examination an infinite number of constituent perceptions which can never be exhaustively expressed in a judgment. Order is brought into this chaos only on the condition that in every
case only a part of concrete reality is interesting and significant to us, because only it is related to the cultural values with which we approach reality. Only certain sides of the infinitely complex concrete phenomenon, namely those to which we attribute a general cultural significance—are therefore worthwhile knowing. They alone are objects of causal explanation. And even this causal explanation evinces the same character; an exhaustive causal investigation of any concrete phenomena in its full reality is not only impossible—it is simply nonsense. We select only those causes to which are to be imputed in the individual case, the “essential” feature of an event” (Weber, 1949: 78).

The aim of the main text at this point is to explain how this limited appreciation of the world which is of any interest to us can be usefully differentiated into three distinct viewpoints that appreciate the presenting reality in three quite distinct ways, but nevertheless can be explained in terms that would be of interest to those in our particular cultural setting. The trinity of perspectives is therefore not trying to explain everything, or pretending to be everything, but rather it reflects the human predilection to discriminate in particular ways—namely, through the cognitive device of the trinity of abstractions. The remainder of the infinite number of largely irrelevant perspectives is represented in the other, which is always associated with a particular trinity of abstraction (or menetypes).

17. In essence, this expresses the Platonic aspect of the philosophy of the mind in that the higher principles infuse lower principles with their spirit though in a weaker reflection, as explained in great detail in the hierarchical construction of the world by Proclus (1963). So Plato (1952) might explain it in a way that starts off with three key transcendent Forms that emanate a few more transcendent Forms as a paler but still relatively pure Form which then all influence and inspire a set of principles that guide the life of the society, the organization and, at the lowest level, the individual. Within such a Platonic (1952) construction it is easy to appreciate that the beliefs and mores at the society level will heavily influence and determine the nature and dynamics of the organization which both in turn influence the thinking and behaviour of the individual.

18. These observations are in keeping with the characteristics that flow from thinking of these phenomena in terms of their differentiation into a trinity of menetypes. It is explained in the main text above and in more detail in Chapter 8, that when there is a primary menetype such as #A in this case, the secondary menetype in play is menetype #B, with the other menetype #C being actively repressed. This pattern is highlighted in the many instances and examples discussed in this thesis, and to the extent that reality is seen to follow such a pattern of differentiation, the trinitarian construction is validated.

19. Apologies to Tolstoy (1954) for paraphrasing his famous opening line from Anna Karenin!

‘All happy families are alike but an unhappy family is unhappy after its own fashion’ (Tolstoy, 1954: 1).

20. An in-depth critique of Bernard Lonergan’s works was informally pursued in response to the debate the author engaged in with members of the Lonergan Society. As this critique was not germane to the main thesis it has not been formally written up except to the extent that it was incorporated into a couple of papers and personal letters. Threads of the argument appear later in Chapter 8 of this thesis as part of the explanation of the philosophy of mind.

21. The metaphor of the mind is an expression of the JEWAL synthesis philosophy of mind that is explained in Chapter 8 of the thesis. That Chapter explains that the mind can be thought of in terms of the way humans know; that is, in the way the mind knows by differentiating in a trinitarian hierarchy of abstract thinking about the subjective and objective reality.

In essence, the validity of the analysis of governance in the US society set out in this thesis rests upon the validity of this metaphor of the mind which is an expression of the Jewell synthesis philosophy of mind. Chapter 8 therefore attempts to establish the validity of this philosophy of the mind by reference to the postulates of those Neoplatonic and scholastic philosophers from earlier days who developed cogent and coherent models/theories about the structure of thinking and knowing.
22. 'Aristotle adopted Plato’s famous principle, “the state is the soul writ large,” and “the soul is the state writ small.” In our contemporary context, we would say that a culture sets the conditions for developing the character of its people, or a culture is the people writ large... Plato and Aristotle were both aware of this mutual relation between particular souls and their social order. Plato’s famous maxim that the state is the soul writ large also implies that the soul is the state writ small. The social order does not necessarily determine the character of its members, but it certainly does set the conditions and disposes them to behave in socially approved and disapproved ways’ (Flanagan, 1997: 202; 211).

'First, organizations are cognitive systems; organizational members generally internalise these systems and thus unknowingly become unconscious thinkers. But organizational thinking may even become conscious and systematic when it is articulated with fundamentalist overtones. This kind of thinking is characteristic of “theorists” who articulate the cognitive system inherent in a particular type of organization as a normative cognitive system in general' (Ramos, 1981: 44)

In general, individuals accept or believe in the identity of the organization—that is, they internalise the systems and think of them as entities but at the higher level of abstract thinking that is applicable to their thinking about groups. This is automatic and in that sense unconscious, and so they play their part according to the dictates of what they believe the systems are requiring them to do.

As Boulding (1993: 188) observed, 'Another important artefact consists of organizations—families, corporations, churches, states, professional societies, and so on. These exist primarily as images in peoples’ heads, though they may be embodied in part in buildings, homes, or in documents, charters, though even these are important mainly as symbols and evidence of the existence of the organization in the minds of people. The 49th parallel is quite invisible from outer space and exists only in the minds of humans as a boundary... Similarly, a corporation exists only in the minds of humans in a common belief in its existence, the evidence of which may also be embodied in charters and legal documents, shares of stock, bonds and so on. A share of stock is not the paper it is written on, but is a belief in the minds of the right people that governs their images of the future and their behaviour and decisions.'

23. 'The problem, however, with the current type of unidimensional organizational theory and practice is that it assumes that administrative behavior is identical to human nature. This erroneous assumption is sometimes made in crude terms. For instance, in one typical behavioural textbook one reads that "the organization is believed to have, on a large scale, all the qualities of an individual" (Rush...). Under the pressures of the market system it is not surprising that the average individual is confused about both the nature of humanness and personal actualization' (Ramos, 1981: 125).

Even though such analysts as Ramos (1981) argue against the logicality or simplicity of regarding organizations as individuals, they have not been able to alter the fact that people keep thinking of organizations as single entities with particular (albeit complex) characteristics which are explained in ways that could be attributed to human characteristics. Ramos (1981: 170ff) goes onto to advocate “an endurance-centred” organization, which is explained in the same terms as an endurance-centred individual as follows: 'Moreover production is also a moral issue because of its impact upon nature at large. Indeed nature is not inert material; it is a living system... "Endurance is retention through time of an achievement of value. What endures is identity of pattern self-inherited. Endurance requires favourable environment. The whole science revolves round the question of enduring organisms" (Whitehead...). This citation sets the scenario for the elucidation of the parochialisms characteristic of extant organizational theory' (Ramos, 1981: 171).

This is the foundation for Ramos’ (1981) call for organizational theory to move on to a concern for value and ethics, to be considered by a different human mindset as will be explained in the course of this thesis. What is required, though, is a conception that is not one-dimensional either in respect to the individual or in respect to the organization—and such a more complex adequate model is developed in this thesis.

24. Miller (1969: 275) quotes the historian Edward P. Cheney as saying, ‘These great changes [the Protestant Reformation, the American Revolution, and the development of parliamentary government] seem to have come about with a certain inevitability; there seems to have
been an independent trend of events, some inexorable necessity controlling the progress of human affairs. The "inexorable necessity" driving human affairs has been termed as the collective unconscious and is the thinking of individuals at the level of society, albeit in an unconscious way for the vast majority.

25. Aquinas (1952) discusses this point in terms that when talking about, say, a lot of people who are of course different, the human mind does not immediately think of the separate individuals but thinks of them as a collective of one species, understood to be one intelligible entity.

"From this it is evident that many things, in so far as they are distinct, cannot be understood at the same time; but in so far as they are joined under one intelligible aspect, they can be understood together. Now everything is actually intelligible according as its likeness is in the intellect. All things, then, which can be known by one intelligible species, are known as one intelligible thing, and therefore are understood simultaneously. But things known by various intelligible species are apprehended as different intelligible things... The intellect can, indeed, understand many things as one, but not as many; that is to say, by one but not by many intelligible species... Therefore it is impossible for one and the same intellect to be perfected at the same time by different intelligible species so as actually to understand different things..."

But a man is the master of a free subject by directing him either towards his proper welfare, or to the common good... first, man is naturally a social animal, and so in the state of innocence he would have led a social life. Now a social life cannot exist among a number of people unless under the headship of one to look after the common good; for many, as such, seek many things, but one attends only to one...

It is impossible for one man’s will to be directed at the same time to diverse things, as to so many last ends... Therefore, just as of all men there is naturally one last end, so the will of an individual must be fixed on one last end’ (Aquinas, 1952: 301; 457; 513; 613).

26. ‘It is Max Weber’s contention that although social science is value-neutral, values embraced by a society are themselves criteria which indicate what issues are relevant to a particular form of human associated life during a certain historical period... The so-called science of organization, as we now know it, is entrapped within the unchallenged assumptions derived from and reflective of the market-centered economy... As Adam Smith acknowledges, the market society necessarily transforms the individual into a job holder: “Where the division of labor has been once established,” he says “every man lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society” (Smith...’) (Ramos, 1981: 24–25; 73; 89).

This is put the other way around by Worthy, as quoted in Sutton (1993: 8). ‘Governance... is concerned largely, though... not exclusively, with relating the corporation to the institutional environment within which it functions.’

That institutional environment is the society, and institutions will have different cognitive orientations in different societies.

27. As noted in the main text above, this is an important point concerning the construction and content of this thesis—namely, that the explanation and descriptions of the particular Menetypo synthesis of patterns, characteristics and dynamics substantially inform the nature, characteristics and dynamics exhibited in the different spaces of the Enneagram (Riso, 1987; Palmer, 1991) and Jungian (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) typologies.

28. As Gordy (1993: 101) notes, ‘Corporate legitimacy cannot be abstracted from its context, from its interrelationships with politics, economic developments, cultural milieu, etc.’

This is acknowledged in this thesis, as the organization is placed in its political, economic and social milieu but is thereby differentiated in the way it operates.

29. This is a very common and accepted differentiation. For example, just to mention a couple, it was referred to in Burnham (1941: 74) and Galbraith (1967: 49).
30. From Hayek (1991: 298—299): ‘Since the name “catallactics” has long ago been suggested for the science which deals with the market order and has more recently been revived, it would seem appropriate to adopt a corresponding term for the market order itself. The term “catallactics” was derived from the Greek verb katallattein (or kaatakassein) which meant, significantly, not only “to exchange” but also “to admit into the community” and “to change from enemy into friend”. From it the adjective “catallactic” has been derived to serve in the place of “economic” to describe the kind of phenomena with which the science of catallactics deals. The ancient Greeks knew neither this term nor had a corresponding noun; if they had formed one it would probably have been katallaxia. From this we can form an English term catallaxy which we shall use to describe the order brought about by the mutual adjustment of many individual economies in a market. A catallaxy is, thus, the special kind of spontaneous order produced by the market through people acting within the rules of the law of property, tort and contract.’

It can be seen that in applying it just to the economic market, Hayek (1991) has hijacked the term for a more narrow use than was originally intended by the wider meaning accorded to it by the Greeks. In particular, in Hayek’s (1991) own quoting of the original Greek meaning of the word “catallactic”, the meaning “to exchange” could be taken to refer predominantly to markets, “to admit into the community” could be taken to refer to hierarchies (or clubs), and “to change from enemy into friend” could be taken to refer to networks. Thus the term “catallactic” is more appropriately used for the science of governance, as defined in this paper.

31. The scope of the social life is well captured in the introduction to Tocqueville (1966: 100): ‘Here he is concerned mainly with the egalitarian principle and how it has worked itself out in America in the industrial society, in the philosophy, history, and literature of the new civilization, in its work and leisure, its family relations, its public image and its sense of privacy, its moral codes and religion, its life purposes, its personal alienation and social cohesion.’

32. Birnbaum’s (1953: 125–141) analysis of the conflicting interpretations of Marx (1952) and Weber (1930) on the rise of capitalism, concluded that ‘(Marx’s) explicit emphasis in his depiction of the rise of capitalist society rested heavily on elements of compulsion and external pressure.’

This is not consistent with the direction of human thinking required to move from a focus on the political sphere as required in the feudal system to one focused on the economic sphere as required in capitalism. Weber’s (1930) assessment, that it was the result of the changing spiritual outlook and therefore more internally generated, is much more in line with the direction of development suggested by cognitive evolution. That is, the spiritual thinking of the individual operates at a higher level again to that of the intellect, and so that any change in religious beliefs or spiritual commitments at that level flows down automatically into the way individuals think about their society, organizations, and themselves.

33. As observed by others, ‘it would be difficult to deny that Western systems of rewards, recognition, status and values have been dominated by business for at least the past century’ (Sutton, 1993: 6).

Moreover, Ramos (1981) is more specific as quoted above and also: ‘Today the market tends to become the shaping force of society at large, and the peculiar type of organization which meets its requirements has assumed the character of a paradigm for organizing human existence at large. In such circumstances the market patterns of thinking and language tend to become equivalent to patterns of thinking and language at large; this is the environment of cognitive politics’ (Ramos, 1981: 81).

34. ‘Growing numbers of analysts pose that our association with a corporation is becoming more important even than our identification with a particular nation-state—that, in time, the multinational corporation will eclipse the nation-state altogether’ (Sutton, 1993: 6).

35. Habermas (1993: 45) puts it slightly differently, ‘But in liberal capitalism, there occurs a peculiar transfer of socially integrative tasks to the separate, unpolitical steering system of the market in such a way that the elements of tradition that are effective (at first for the
middle class) for legitimation (rational – natural law, utilitarianism) become dependent on an ideology that is itself built into the economic basis.'

36. 'Einstein, for instance, seems to avoid indulging in sheer scientism. It is no accident that he claimed "it is... theory [not method, A. G. R.] which decides what can be observed." This statement is significantly quoted by W. Heisenberg in an essay in which he tries to conciliate Copernicus, Galileo, Newton, and physical science in general with the classical tradition. He sees the historical trajectory of physical science not as radically discontinuous with the classical tradition, but as a "history of concepts" (Heisenberg...), an increasing differentiation of the knowledge of stable structures of reality' (Ramos, 1981: 40).

37. They are all really *menetypes* but pitched at different levels of abstraction—in similar fashion to the way *ideal types* are applied to an infinite spread of situations, but all *menetypes* are connected in a definable way through the hierarchical structure of trinities. However, a system of superscripts as explained in the text and the prefix sub- will be used when necessary to maintain some clarity about which level of the social collective hierarchy is being discussed.

38. As acknowledged by Mason (1993: 142–143), 'Economists have been inclined to think of market power which they conceive, and sometimes try to measure, in terms of a departure from its opposite, an impersonal, and hence powerless, purely competitive market. But all the markets that have ever existed inevitably contain certain buyers and sellers with some degree of market power.'

In fact, from the view of these aspects as a trinity of *menetypes*, Smith's (1952/1776) "invisible hand" can be interpreted to mean that the conscious aspects of this *sub-menetype #C* aspect are actually repressed in the economic sphere! That is, the mechanics of exchange happen in the collective unconscious or in other words the actual mechanics are not consciously recognised.

39. It is useful here to use Jungian typology (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) to differentiate between "feeling" and "emotion" and also between "rational" and "logical." "Feeling" is taken as a cognitive phenomenon happening at the higher conscious level of personal assessment and commitment, and is exercised by assessing against a consciously held set of values. "Emotion" is a much lower-level cognitive experience, which is in the form of seeming involuntary experience of inner sensation caused by the confluence of the inner and outer situations. In a sense, "feeling" is a conscious act whereas "emotion" is essentially unconscious or irrational, although we can certainly become and are conscious of them.

With that understanding, Jung (1971) defines the act of "feeling" as a "rational" function alongside the "thinking" function as opposed to the irrational functions such as sensation and intuition, which are more or less spontaneous, automatic and seemingly autonomous. So both feeling and thinking functions are "rational" in the sense that they are made consciously at the "rational" cognitive level, or the level of personal assessment and commitment (as explained in Chapter 8). As opposed to this, "logical" is the cognitive process of reversion, which is a conscious movement of thinking through the relation of what is perceived to the individual's held concepts, or the judgment of the true relations of the parts to one another within the paradigms defined by previously exercised commitments to certain truths and beliefs. In this sense, the thinking function is logical but the feeling function is not, but it is rational because it involves the act of cognitive procession, which consciously assesses what is "seen" against the individual's higher criteria of value. Perhaps it can be said that the thinking function is "logical" while the feeling function is "analogical, but both are "rational."

40. This is where the author is clearly calling on his knowledge of the patterns of the Enneagram personal typology. In Enneagram terms (Riso, 1987; Palmer, 1991), it is the individuals who would identify as being in the "gut" centre who operate out of the *phase #C* mindset (as pointed out in Chapter 8) that are being discussed here in the main text. For this thesis, the nature and dynamics of the Enneagram have to be taken as understood, as background knowledge already established by extensive field research and reasoned (though mainly analogical rather than logical reasoning) decisions by many others. As explained earlier,
there is an extensive cross-fertilisation within the author's understanding between the knowledge of the Enneagram (Riso, 1987; Palmer, 1991) and that of Neoplatonic (Plotinus, 1952; Proclus, 1983) and Scholastic philosophy (Aquinas, 1952).

41. For instance, this disregard for the aesthetic life is couched in the meaning of the adage that "only when living standards have reached a certain threshold level can a society think about aesthetic achievement"—which is ludicrous when it is considered that earlier civilisations left lastingly impressive examples of their artistic life while operating at a much lower level in the standard of their living conditions. Moreover, the undeveloped, crass approach to the arts by the successful type #A capitalistic entrepreneurs is exhibited in the exorbitantly high prices paid for works of art (such as the high price paid for van Gogh's *Irises* by Australia's Alan Bond), but would they personally sit for long stretches of time valuing the aesthetic beauty of what they have acquired—but more importantly, they don't really need to own the piece of art to appreciate it. In fact, they cannot really "own" the beautiful reality of the piece of art by just paying money for the physical thing. In reality, they are more likely to be buying esteem in the eyes of their peers and hopefully a remunerative investment, rather than an aesthetic experience.

42. Following is some further explanation of why the Executive typifies and enacts the type #A orientation. Firstly, it encapsulates the most simple and concrete expression of political authority. Executive authority resides in the one person of the President, rather than in the hierarchy and procedures that form the court system (type #B), or in the more complex and subtle interacting network of alliances and power negotiation that characterises the Legislature (type #C). The concrete aspect is embodied in the role of the President to implement the Government's program, and his/her performance is measured by the concrete, visible changes on the ground. Secondly, the role is defined as expressing the will of Government, which translates into proposing policy or envisioning and articulating the possibilities of a better reality—the creative policy that will fix things up; namely, co-creativity which is a key characteristic of phase #A thinking. In essence, it is the expression of group will or conation through the simple conduit of one person's decision. Thirdly, it allows for the expression of the charismatic aspect of Government, which means that it allows the society's individuals to project all their hopes and dreams onto the President in Office. This encapsulates the outer focus on appearances and articulated expectations that go hand-in-hand with the inner projection of the individual's power (repressed type #C) onto the President to do and bring about that which the individual feels unable to do himself/herself. This charismatic aspect of the President's role is often expressed at a higher level than the other two aspects discussed, particularly when the President is able to capture and articulate the "good" of the society, which strikes a chord with the inner hopes and aspirations of the people in the society—the "vision thing."

43. John Kennedy epitomised the visionary, conative spirit of the menetype #A orientation when he remarked along the lines: "Some people see what is and say why, I see what could be and say, why not" (some speech of unknown date and source but it resonated with, and was remembered by, the author).

44. Political power is structured the way it is in the USA because that is essentially the way it was organized to a greater or lesser extent in the minds of the individuals who participated in the drafting of the Constitution, with the final details of the structure and processes coming after much debate and compromise. Such menetypes or cognitive constructions were available to the level of thinking at that time because there had been much debate about political systems and democracy in the preceding era (e.g. Montesquieu, 1952). What is in place now is there because the trinity of menetypes was able to be differentiated back then and people since have likewise seen the simple truth and usefulness of continuing this particular trinity of menetypes as an accepted way of human organization in the political sphere of its society.
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45. This is the point of departure from Mooney (1947), who focuses on a different, but similarly structured, trinity of perspectives leading to a seemingly less workable exposition of organizational dynamics. This can be understood by the discussion on Mooney's (1947) trinity of organizational principles in Section 9.5.4.

46. These three forms of legitimate authority correspond directly with Weber's (1962: 81) three forms of legitimate authority; namely, charismatic, rational-legal and traditional, respectively.

47. The phenomenon of this cognitive interconnection between menetypes of the same phase is a cognitive law identified by Proclus (1963) and extended in Chapter 8. The same understanding, however, has also been captured by McNulty (1993: 155) with respect to the economic and political spheres of the society. The similarity between consumer sovereignty in the economic sphere and the "general will" in the political sphere is readily apparent. The meritocracy so envisioned in the economic sphere parallels the liberty and freedom goals in the political sphere.

The meaning that is given to meritocracy and the principles of liberty and freedom would have them resulting from sub-menotype #B thinking in each of the respective spheres.

48. This nature and power of this culture inner sanctum (sub-menotype #B in the menetype #B sphere) are the essence of what Boulding (1993: 192–200) called the integrative power, which he regarded as the 'ultimate power.' It is surprising how infrequently integrative power is recognized as an essential, even dominant, form of power, perhaps because it is subtle and all pervasive... Integrative power pervades everything, often very surprisingly.

That is, it is held in the stable inner sanctums of the mind and operates upwards and downwards to influence one's thinking about other aspects of the organization. Without integrative power both threat power and productive economic power are hard to generate and preserve (Boulding, 1993: 192). That is, there has to be some kind of interrelationship between the mindsets operating at the different levels in the organizational thinking if there is to be a constructive synergy that motivates participants.

49. This sub-sub-menotype #C (top phase of the top group commitment or political-type sphere) so-called righteous phase concerns the adoption of ideological thinking and accords very closely to Satow's (1975) interpretation of "value-rationality," which she claimed to be Weber's (1947; 1962) missing "fourth" type of authority—given that Weber discussed four types of social action and four bases of legitimacy but only three types of authority (Satow, 1975: 526). Satow (1975: 527) goes on to identify her concept of "value-rational authority" in the following terms: 'It is possible to construct a fourth type of authority based on 'faith in the absolute value of a rationalized set of norms' (Willer, 1967: 235) by extending Weber's [1947; 1962] notions. Obedience is given to an ideology; that is, to ideological norms rather than formal laws or rules. Those in authority are therefore also obliged to obey the norms in giving orders and the content of the orders are legitimised by their relationship to the goals of the ideology. The basis for recruitment into and placement in the organization is a combination of competence and faith in the ideology.'

From the viewpoint of this thesis, what Satow (1975) describes is just like a subset of Weber's (1947; 1962) traditional authority—The oldest and most universally held legitimacy is based on the sacredness of tradition. Fear of magical penalties strengthens the psychological inhibitions regarding changes in customary modes of behavior. At the same time a system of authority continues as valid because of the many vested interests which arise with respect to its perpetuation (Weber, 1962: 81). Tradition can be regarded as being driven by adherence to a set of norms that have been built up by tradition over time, where tradition is defined, inter alia (in the Oxford Dictionary, 1973) as: 'a long established and generally accepted custom, or method of procedure, having almost the force of law.'

In general, the essence of "custom" can be regarded as synonymous with "norm." According to the Oxford Dictionary (1973):

"Norm" means 'a rule or authoritative standard' and

"Custom" means 'a usage which by continuance has acquired the force of a law or right.'
This is saying that Satow's (1975) fourth authority type of "value-rational" is equivalent to Weber's (1962) "traditional authority" at the level of sub-menentype #C political authority sphere, but this can be differentiated into three at the lower level of sub-sub-menentype, one of which is Satow's (1975) "value rational authority."

This difficulty in identifying what is a so-called fourth authority and what are lower level classifications of authority comes about because Weber (1947; 1962) never set out, in any comprehensive way, the conceptual framework which under-pinned his ontological analysis of social dynamics. Weber (1947; 1962; 1978a) talked about authority systems, the culture of different societies and the personal conduct observed within those systems. The analysis of each of these three levels of human phenomenon could be interpreted as being informed by an intuitive understanding essentially similar to the conceptual dynamic of three, in its approach to explain what was happening.

The reason for this is that, although he addressed the organizational and societal level, Weber (1947; 1978a) did not adequately include into his explanations the level of the individual human phenomenon—namely, the personal orientation of the individual actors themselves. Not that Weber (1948; 1978b) was ignorant of this dimension, as he made much of the scientists' personal value orientation in defining what they actually chose to focus on and study. However, it seems that Weber (except in relation to vocation in 1948; 1978b) did not elaborate on the nature of the social actor's value orientation in his conceptual framework. Neither did he see the types of such value orientations mirroring his three types of rationality that appeared, for example, in his ideal types of authority (Rothschild-Vhitt, 1979; Satow, 1975). He did, however, grasp at the relevance of this level of phenomenon by his reference to value rationality—that is, the importance of value orientation of the individual in determining social conduct.

As observed at the start of this quote, Weber (1947; 1962) has been seen to discuss four types of social action and four bases of legitimacy, but only propose three ideal types of authority (Satow, 1975; Willer, 1967). However, Weber (1962, p. 81) does actually refer to a fourth type of authority, initially, and that is 'by virtue of a rational belief in its absolute value' or as based on natural law. This fourth type of authority has always been omitted from his later discussion, basically because Weber accepted that natural law is claimed in all expressions of legitimate authority.

The claimed fourth type of social action and legitimacy, which is termed value rationality, is similar to this fourth type of authority in that it embraces all three types and hints at some deeper personal motivation of the social actors themselves—the dimension that seems to be missing from Weber's (1947; 1962; 1978a) analysis. For instance, value-rational social conduct can be seen as something stemming from one of the three types of motivation; namely, from the emotional centre or affective behaviour; from the mental centre or rational behaviour; and from the instinctive centre or traditional behaviour. If it lines up with the particular social conduct demanded by the social environment (affective, purposive, or traditional) or culture, then it could be called rational. However, if the action does not line up, because it was driven more by personal motivation, then it could possibly be called irrational.

In summary, Weber's "missing" fourth ideal type of authority is not really missing because there really is not one. The so-called fourth type (value rationality) is encapsulated in the framework of the whole of the system that manifests three core types of authority (traditional, charismatic or legal). One reason for the confusion (Freund, 1972; Ramos, 1981; Satow, 1975) is that the concept of value rationality actually substitutes for the missing level of social phenomenon—the realm of personal motivation.

Social conduct should, therefore, be seen as the product of the synthesis between the personal orientation and motivation of the individual, and the demands of the social system (culture and authority). Where there is a "fit" of motivational orientation of the individual and the particular type of culture and authority (all rational-legal or all traditional) there is harmony, consistency and, apparently, rational, acceptable behaviour. Where there is incongruence, there is some type of dysfunction or tension that needs to be worked through. Such a mismatch of the individual and social environment can be either constructive or destructive. Such a mismatch of types between the culture and current authority arrangements usually generates social upheaval as societies try to work it through (for instance, the attempt to impose Liberal democracy on traditionally oriented societies such as Asian countries).
Ch. 4  Evolution of Governance

Section 4.1 The Iron Law of Oligarchy

50. Michels (1962: 205–208; 326) stresses the hard work put in by the leaders to acquire the personal wherewithal to rise to leadership positions.

51. Which is perhaps why in past eras it was only the moneyed, non-employed gentry who had the time to sit around and reflect sufficiently to become the thinkers and leaders of their people. These days, one’s education and employment situations call forth higher levels of thinking particularly in politics and multinationals, and so there are many more people capable of thinking at the higher levels of abstraction that focus on society. As a result, Michels (1962: 85) observes that “most people are altogether devoid of understanding of the actions and reactions between that organism we call the state and their private interests, their prosperity, and their life.”

52. “First, man is naturally a social animal, and so in the state of innocence he would have led a social life. Now a social life cannot exist among a number of people unless under the headship of one to look after the common good; for many as such seek many things, but one attends to only one. Therefore the Philosopher says, in the beginning of the Politics, that “wherever many things are directed to one, we shall always find one at the head directing them.” Secondly, of one man surpassed another in knowledge and justice, this would not have been fitting unless these gifts conducd to the benefit of others’ (Aquinas, 1952: 513, which is Summa Theologica, Q XCVI, art. 4).

“Secondly, it results from the foregoing that a good society is hierarchical. Although men as rational beings are potentially equal, for circumstances we cannot explain they are not identically able to stand the tension implied in the life of reason. The abest in standing this tension constitute a minority, and a society is good to the extent that this minority carries out leading political functions. Voeglin does not hesitate to speak out against what he considers the mistaken democratic feelings of the present age. Sheer egalitarianism is against the life of reason, whose intrinsic requirements alone give rise to the “good society.” In the “good society” social differentiation between people has to be acknowledged and legitimised as a consequence of the diversity in the objective ability in human beings to bear the life of reason. In other words, status, wealth, race, and sex should have no place as a criteria for allocation of authority and power” (Ramos, 1981: 17–18).

53. Reflective transformation of thinking is explained later in Chapter 8 but in extreme form it is similar to the way of the mystic, where a conscious conflict is stilled through reflection or meditation and the unconscious breaks through with a significant insight that allows one’s thinking to transcend the conflict to see the situation at a higher level of understanding.

54. Perhaps using a technique such as active imagination (Johnson, 1986: 135ff).

55. “There were no Athenian entrepreneurs to exploit tea or cotton plantations, to mine gold or diamonds, to build railroads or jute mills in the subject territories... a large part of the trade was in the hands of noncitizens, not of the citizens who alone made the political decisions, and no ancient author ever raises commercial considerations in this context’ (Finley, 1985: 85).

This is in stark contrast to the US society, where economic imperatives are predominant and figure large in the political decisions. There have been transformations for society to get from the Greek to the US worldview: “How this transformation occurred is a very complex question which, incidentally, has been thoroughly discussed by W. A. Weisskopf (1957, 1971). This discussion focuses only on the psychocultural reasons for the “sudden, spectacular rise of labor from the lowest, most despised position to the highest rank, as the most esteemed of all human activities” (Arendt...)” (Ramos, 1981: 115).
56. Schumpeter (1950: 254) stresses 'the strongly equilibrarian character of both the classical doctrine of democracy and popular democratic beliefs. It will be pointed out later on how Equality may acquire the status of an ethical postulate.' And, like Weber (1930), Schumpeter (1950: 265) later refers to the spiritual beliefs of the Christian in how Christ 'testified to the intrinsic value of the individual soul... Christianity harbours a strong equilibrarian element.' This is saying that one's thinking at the highest level of abstraction, namely the level of the spirit, is imbued with the "good" of equality which influences the thinking of the intellect below.

57. This was not the case for Russian communism and is why the Communists not only get off to a bad start by taking society into their previously undeveloped political sphere, but then in relying so heavily on bureaucratic organization, they provided the wrong secondary support structure of implicit assumptions (i.e. menetypie #B). They should have underpinned their political regime by some configuration of economic freedom—which would have had, of course, a different appearance than economic freedom under capitalism. It would seem that China relies less on a widespread bureaucracy and more on delegated freedom to the many provincial areas, and is for that reason, perhaps, a bit more stable than was Russian communism.


59. Which as explained earlier in this thesis are leadership/charismatic, management/legal-rational and political/traditional.

60. Although there could be debates about the terminology, Michels (1962) terms this acquisition of personal power in various ways, such as: 'the aristocratic tendency manifests itself very clearly' (Michels, 1962: 70); 'a strong organization needs an equally strong leadership' (Michels, 1962: 73); 'effective power is here in inverse ratio to the number of those who exercise it' (Michels, 1962: 88); 'all of this brings honor to the leader, gives him power over the mass, makes him more and more indispensable' (Michels, 1962: 91); Thus democracy ends by undergoing transformation into a form of government by the best into an aristocracy' (Michels, 1962: 114); 'the longer the tenure of office, the greater becomes the influence of the leader over the masses and the greater therefore his independence' (Michels, 1962: 117); 'in proportion as the chiefs become detached from the mass they show themselves more and more inclined... to create new posts on their own initiative. There arises in the leaders a tendency to isolate themselves as it were, with a wall, within which they will admit those only who are of their own way of thinking' (Michels, 1962: 126); 'The consciousness of power always produces vanity, an undue belief in personal greatness. This desire to dominate for good or evil, is universal' (Michels, 1962: 206); 'He who has acquired power will almost always endeavour to consolidate it and to extend it' (Michels, 1962: 206); 'To retain their influence over the masses the leaders study men, note their weaknesses and their passions, and endeavour to turn these to their own advantage' (Michels, 1962: 207); 'Having become absorbed in the daily political round the scientists are dead for their discipline, for they no longer have time' (Michels, 1962: 207); 'It may perhaps be said that there is not a single party leader who fails to think and to act, and who if he has a lively temperament and a frank character, fails to speak, of the example of Le Roi Soleili, and to say "Le Parti, c'est moi"' (Michels, 1962: 221); 'The despotism of the leaders does not arise solely from a vulgar lust for power or from uncontrolled egotism' (Michels, 1962: 222); 'There is little difference, as far as practical results are concerned, between individual dictatorship and the dictatorship of a group of oligarchies' (Michels, 1962: 349, emphasis added); 'At the outset, leaders arise spontaneously. Their functions are accessory and gratuitous. Soon, however, they become professional leaders and in this second stage of development, they are stable and irremovable' (Michels, 1962: 364); 'Michels view of power is... logic of self-interest, of exploiting the masses to maintain or extend their own privilege and power' (Michels, 1962, Introduction: 35).

61. Much has been made of the routinisation of charismatic authority, but Weber (1947) went further to see the legal-rational menetypie bureaucracy as the epitome of monad efficiency, and to where everything heads and where it rests.
62. Weber (1930; 1948; 1968; 1978a) wrote extensively on the operation of charismatic power. Though it is essentially incidental to Michels’ (1962) main argument, he acknowledges that ‘At the outset, leaders arise spontaneously. Their functions are accessory and gratuitous.’ (Michels, 1962: 364)

63. ‘From my experience as a consultant, I conclude that few share a common definition of the concepts of power and politics. In fact, irrespective of a person’s position in the organization, few even bother to attempt to define power and politics and care even less as to the lack of specificity. It is the emotive element that is of concern... With such experiences in mind, I turned to examine the literature on power and politics in organizations. It is extensive, as can be seen from some of the contributions in this book. Yet many authors felt the need to state that power and politics in organizations is an insufficiently developed, emerging discipline in the behavioural sciences. They are right. Although much has been written... the style of writing is apologetic. It is as if writers and researchers wished they had never entered into the subject area, recognize power and politics to be a valuable area of exploration, but apologise for it being the darker, tainted, underhand side of interpersonal interactions’ (Kakabadse and Parker, 1984).

This is a description of the general repression of thinking on politics, which then results in the shadow-like viewpoint on the operation of politics in the organization. The exercise of political power in corporations has, however, been recognised clearly by the more astute practitioners such as Franklin Roosevelt: ‘Concentration of economic power in all-embracing corporations represents a kind of private government which is a power unto itself—a regimentation of other people’s money and other people’s lives’ (as quoted in Monks and Minow, 1996: xx).

64. In this thesis a much broader understanding is accorded to the term “corporate governance” than is commonly used which ‘is often applied to questions about the structure and functioning of boards of directors or the rights and prerogatives of shareholders in boardroom decision-making’ (Blair, 1995: 3), and moreover to specific matters of financial structures and probity. In this thesis, corporate governance is taken to encompass the whole organizational control dynamic, or as Blair (1995: 3) also adopts, one that ‘refers to the whole set of legal, cultural, and institutional arrangements that determine what publicly traded corporations can do, who controls them, how that control is exercised, and how the risks and returns from the activities they undertake are allocated.’

65. ‘Karl Manheim in his classic Ideology and Utopia, has captured the dynamics of the political menetypé #C thinking well: “When... we enter the realm of politics, in which everything is in process of becoming and where the collective element in us, as knowing subjects, helps to shape the process of becoming, where thought is not contemplation from the point of view of a spectator, but rather the active participation and reshaping of the process itself, a new type of knowledge seems to emerge, namely, that in which decision and standpoint are inseparably bound together... This then brings up another aspect of the problem of the observer: the idea... that value premises, far from being improper in research, are necessary’ (Miller, 1969: 281).

This is a description of the menetypé #C process of using deeply held values to operate intuition so that the political thinking just knows—it does not have to think too much about it at all.

66. ‘The old theory implies that production is only a technical matter. However, the fundamental assumption of the new science of organizations is that production is both a technical and moral issue... thus the production of commodities must be managed ethically, because as an infinite consumer man does not endure but exhausts his very being. The use of the verb “to endure”... is intentional. Endurance is a category of physical, human, and social existence... Christopher Alexander correctly envisions such a search as an analytical process leading to the discovery and implementation of a good “fit” enabling the satisfaction of the mutual demands which context and form make on one another. Alexander is suggesting an endurance-oriented process of design. He therefore acknowledges that “in their own way the simple cultures do their job better than we do ours” (Ramos, 1981: 171–172).
This captures menotype #C thinking in terms of survivability or endurance, in a "good fit" or just doing what is appropriate at the time, and most of what is regarded as simple or primitive cultures is in this menotype #C in the moment, traditional-type organizational decision-making. It is also the basic essence of the mindset advocated by Porter (1980; 1985) in his "positioning approach" to strategy in Competitive Strategy and Competitive Advantage (summarised in Porter, 1995).

67. As Boulding (1989: 194) acknowledged: 'One of the curious features of organizational life is the fact that though many people know that they are surrounded by organizational politics, they rarely come out and say so. One ponders politics in private moments or discusses it off the record with close confidants and friends, or in the context of one's own political manoeuvrings with members of one's coalition... It breaks all the rules of organizational etiquette to impute private motive to organizational acts, which are supposed to serve the organization's interests above all else. For these and other reasons, including the fact that privatization and secrecy can serve political ends, organizational politics becomes a taboo subject.'

68. This aspect is well captured by 'Anton Zijderveld, in his book The Abstract Society, has shown how the growth of industrial society introduces an element of unreality into people's lives as the sources of power become more remote and abstract' (Schneiderman, 1988: 67).

Section 4.2 Capitalism to Managerialism

69. 'Since the 1930s the dispersion of share ownership has increased markedly. Edward S. Herman repeated the Berle and Means analysis in the late 1970s and concluded that, by 1975, 82.5 percent of the 200 largest non-financial corporations (and 85.4 percent of the value of assets of these firms) were under "management" control, as opposed to being controlled by a significant shareholder or other financial interest' (Blair, 1995: 30).

70. Their essentially similar appreciation of the trend is captured in the following excerpts from Schumpeter (1989: 185–187), 'In this case the [wartime] policy of income-generating public expenditure will be continued... these are taxation high enough and progressive enough to prevent private accumulation... labor legislation that shifts questions of wages, hours, and factory discipline to the political sphere... but it is capitalism in an oxygen tent... it will therefore be perfectly natural—in fact it may be a practical necessity—to take further steps toward state management... Guided capitalism will shade off into State Capitalism, a system that may be characterized by the following features: government ownership and management of selected industrial positions; complete control of government in the labour and capital market; government initiative in domestic and foreign enterprise.'

71. The essential point is that the Greek society had a fundamentally different motivation at the societal level. This difference in societal-level motivation is why there is an answer to the question posed by Miller (1969: 273): 'The principle, for example of the steam engine was known to ancient Greece, but it was never used as anything other than a toy. Why?' It was because the basic motivation driving the Greek society was civic duty and participation, and that they prized stability, loyalty and methodical, orderly and logical progress—they actually repressed the individual entrepreneurial spirit, and this is where they came unstuck—namely, in the bumbling, irrational (unconscious) way that they handled the entrepreneurial, expansionist escapade against Sicily (Finley, 1985: 20–23). In the early days of the industrial revolution, it was the emerging societal-level motivation to physical achievement (characterising the economic imperative) that energised the mind to look for ways of making things better. There was intellectual energy to look at the world differently and to focus on identifying new technologies that could be introduced to make a difference for the better.

72. Recent newspaper reports have commented enthusiastically on the growing proportion of the population who own shares, even amongst the youth.

73. Galbraith (1967: 282ff) used the term "educational and scientific estate" in his The New Industrial State. 'I have appropriated and somewhat altered the usage of my friend Professor Don K. Price who speaks of the scientific community (including the part employed by industry and government) as the Scientific Estate. I am much indebted to his valuable book

74. ‘For example, the American Bar Association is responsible for providing pro bono publico (for the public welfare) services for lawyers and for promulgating regulations that affect directly the conduct of the government system of justice. Likewise, boards of physicians are charged with similar public responsibilities for public health. The countless advisory panels of government represent another case of the private citizens and private organizations acting in the public capacity. For example, the national Science Board, a group of private individuals, is charged with significant policy-making responsibilities in science and technology’ (Bozeman, 1993: 67).

75. The following assessment echoes the thoughts of many others: ‘Added to this has been a business-supported governmental attack on labour unions in the United Kingdom and North America that has significantly undermined the efficacy of those unions as corporatist structures at the local level, and has left many local populations with diminished power over events in their daily lives’ (Aykac and Gordy, 1993: 220).

Section 4.3 Decision-making in Capitalist Society

76. The dynamics of groupthink are discussed in greater detail later in this thesis but it can be understood to mean when a group of people get stuck in a particular, narrow mindset and do not have the processes or the will to be able to look at other perspectives on the situation despite the availability of evidence that would suggest there is a better or more appropriate course of action. Janis (1982) lists a number of characteristics that define the occurrence of groupthink, which will be used to corroborate the cognitive assessment from the perspective of the conceptual framework being used in this thesis.

77. The ‘capitalist civilization is rationalistic “and anti-heroic.” The two go together of course... if capitalistic evolution—“progress”—either ceases or becomes completely automatic, the economic basis of the industrial bourgeoisie will be reduced eventually to wages such as are paid for current administrative work excepting remnants of quasi-rents and monopoloid gains that may be expected to linger on for some time... [and] in the end it ousts the entrepreneur’ (Schumpeter, 1950: 127; 134).

78. As (Schumpeter, 1950: 82; 83), himself, said, ‘The essential point to grasp is that in dealing with capitalism we are dealing with an evolutionary process... Capitalism is by nature a form or method of economic change... that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This process of Creative Destruction is the essential fact about capitalism.’

79. Schumpeter (1950) argued that the shift to corporatism also undermines both the core institutions of property and the political structure, and that the capitalist process produced that atmosphere of almost universal hostility to its own social order’ (Schumpeter, 1950: 143). There is to be political attack through grievance ‘from an attitude which spurns allegiance to extra-rational values’ (Schumpeter, 1950: 144), from the mass of have-nots, and from those affected by the daily hurly burly and fallout of the capitalistic system. Capitalism cultivates social unrest, including among the educated, who are alleged to have ‘moral disapproval of the capitalist order’ (Schumpeter, 1950: 153), and have helped shape the labour movement through the packaging and propagating of ideas. This freedom of discussion that is allowed becomes the ‘freedom to nibble at the foundations of capitalistic society’ (Schumpeter, 1950: 151). As a consequence, because there is an indirect and direct (through staffing) connection between the educated, thinking intellectual and the public administration and the political process, ‘public policy becomes more hostile to capitalistic interests’ (Schumpeter, 1950: 154). Legislative, administrative and judicial hostility follow. He also saw the disintegration of the family and the “Evaporation of Consumers’ Property” (Schumpeter, 1950: 158), which undermines the incentives of society’s long-run interests. ‘Perhaps the most striking feature of the picture is the extent to which the bourgeoisie, besides educating its own enemies, allows itself in turn to be educated by them’ (Schumpeter, 1950: 161), and that everybody ends up accepting that capitalism is destructive and, moreover, is destroying itself. But, not to worry, it is creating the conditions
for another economic system, namely socialism, which could come in any way 'from a
gradual bureaucratisation to the most picturesque revolution' (Schumpeter, 1950: 163)—all
in good time, of course!

80. ‘As Eells and Walton point out, “In the economic sphere, rights are now more clearly
attached to men rather than to things—something that has always been true in the political
sphere. The result is that, from an economic point of view, society has passed from a private
property system to a corporate power system”... Finally, it seems appropriate to quote from
Mary Parker Follett, who, handicapped by the lack of a vocabulary not yet invented,
suggested that a “right and proper” decision, i.e., an authoritative decision, must always be
based on the “law of the situation” (McNulty, 1993: 162).

Now, with the new information or knowledge era, even the lower-level managers are saying
‘it is a different kind of decision making now... I have to make the larger decisions and I have
to have the information to make those decisions’ (Zuboff, 1996: 555). ‘While efficiency was
the hallmark of deterministic industrial-era technology, reliability is the hallmark of stochastic,
continuous technology associated with the postindustrial era’ (Weick, 1996: 563), who then
go on to describe this shift in the nature of decision-making demands on the manager as
going from structure to structuration. ‘Structuration is defined as “the production and
reproduction of a social system through members’ use of rules and resources in interaction”’
(Poole as quoted by Weick, 1996: 566). If the understanding of “rules” is taken as more the
implicitly understood rules as the context would seem to suggest, then what is being
described is a political process (i.e., menetyp #C), where trust, reliability and dependability
are the key driving principles. ‘Related to all three characteristics (i.e. complexity, dynamics
and diversity) of the modern world is the ‘politicising’ of the administrative apparatus as a
strategy’ (Kooiman, 1993: 257).

81. The timing quoted by Burnham (1941: 68) is uncanny in terms of the growth and maturation
of managerialism to the point it can begin evolving into politicism. ‘This transition is from
the type of society which we have called capitalist or bourgeois to a type of society which we
shall call managerial. This transition period may be expected to be short compared with the
transition from feudal to capitalist society. It may be dated, somewhat arbitrarily, from the
First World War, and may be expected to continue, with the consolidation of the new type of
society, by approximately fifty years from then, perhaps sooner.’

82. Managers for their part ‘realized that the abstraction of work necessitated a fundamental
reappraisal of their methods of supervision and evaluation’ (Zuboff, 1996: 551). Most are not
finding these new intellectual demands personally difficult. Many are not getting the
opportunity as they get “downsized.” The higher education sector had grown to be effective
in providing a solid foundation to get aspiring managers to the level of thinking required in
the managerialist world. It is not so evident they are equipped to help educate them to the
next cognitive level of abstraction—it might even be said they are going in the wrong
direction as the humanities courses are being scaled back just when our managers need to
be more aware of human relations, and how humans think and learn.

83. Miller (1969: 296) concludes that ‘the growth of the supercorporation is, in no small part,
attributable to affirmative aid from government. Not only a favorable legal system helped, but
direct subsidies were the norm—and still are, for that matter.’

84. Miller (1969: 295) also makes the point that even the courts gave their blessing as ‘an
equally important ruling held that bigness in and of itself was no violation of the antitrust
laws.’

85. Miller’s (1969: 295) report of the ‘the famous advice of Richard Olney, Attorney General
under President Cleveland, is true not only for the Interstate Commerce Commission (about
which he wrote) but also for the antitrust statutes [and other agencies]... Further, the older
such a commission gets to be, the more inclined it will be found to take the railroad view of
things... The part of wisdom is not to destroy the Commission, but to utilize it.’

86. This is characterised by Ramos (1981: 84): ‘The truth, however, is that prevailing
organizational scholarship does not have a theoretically refined and systematic
understanding of the organizational design implications of the contemporary, all too
contrived, social environment. Contemporary theoreticians and practitioners tend in fact to legitimize the expansion of economizing organizations beyond their specific contextual boundaries by practicing a misplaced and mistaken “humanism.” Through “integrationist” strategies, i.e. through strategies which aim at the integration of individual and organizational goals, they strive to transform economizing organizations into homelike social systems. Thus they indulge in cognitive politics...

This is the economic sphere trying to take over the function of the social sphere and displace it. Conversely, but in a complementary reinforcing manner, the values of the social sphere inherent in its institutions are being pushed in the opposite cognitive direction to adopt the economic value system. Habermas (1993: 61) puts it this way: ‘A legitimation crisis, then, must be based on a motivation crisis—that is, a discrepancy between the need for motives declared by the state, the educational system and the occupational system on the one hand and the motivation supplied by the socio-cultural system on the other.’

There seems to be a looming motivation crisis in the many of the institutions in the social sphere as they are publicly being called to the economic motivation but in the people’s minds, the thinking still lines up those institutions with the core democratic-type spirit at the heart of the social sphere.

87. The following is a review of the state of the societal governance of the US nation in terms of the antecedent conditions for groupthink as proffered by Janis (1982: 176-177).

- Mills (1956) has argued that there is a great degree of cohesiveness in the mindsets of the ruling elite—namely, that a primary sub-menotype #C political orientation at the organizational level serving the menotype #A societal-level orientation of capitalism.

- The corporate and political elite of the powerful US nation are to a large degree insulated from the differing perspectives of “lesser” nations and openly hostile to the views of the “enemy” nations (essentially the communist countries).

- The leadership from the President and Congress is always partisan in respect to other cultures. Sometimes the two constitutional powers are in conflict but when the one party has power in both places, the governance of the nation is even more partisan for a time. The national will can then be captured in such a way (such as President Reagan’s vision of a smaller government) that the policy momentum seems inexorable and seemingly impossible to arrest or divert.

- In modern times, there is always some degree of psychological stress, either from external threats or internal problems—and if there are not any, then they are usually fabricated to serve the purpose (e.g. the numerous enemies of democracy and freedom).

- While Americans would assert that the Constitution provides the norms and methodical procedures to deal with government decision-making, there is also a prevailing view that particularly the President needs to do whatever is necessary for the good of the nation—to go against established norms where necessary and even in contravention of the law to get the right thing done (e.g. there was widespread sympathy for the patriotism of those involved and tried for “Iranagate”).

- As discussed elsewhere, US corporations are continuously looking to assert their pre-eminence and continue expanding their power, influence and profit in the expansionist menotype #A spirit.

It perhaps, then, can be argued that in a generalised sense, the political and corporate governance of the USA is in the grip of a giant case of groupthink and that it will be a difficult task to get the USA to veer from its national drive to subjugate all aspects of society to the menotype #A imperative.

88. What is being concluded from this cognitive analysis is broadly in keeping with the conclusions of Durkheim as interpreted in Aykac and Gordy (1993: 219). ‘He essentially saw corporatism as a way of circumventing the problem of what he called “anomie” (alienation). His view was that industrial society, having alienated a majority of people, needed some way of reintroducing the moral training and social discipline required to keep society together. This could not be done through the state, not because of the state’s basic inability to deal with the problems in general but because it was too distant and emotionally neutral to be able to deal with anomie. This was a task His view was that industrial society, having
alienated a majority of people, needed some way of reintroducing the moral training and social discipline required to keep society together. Therefore this task was to be carried out locally through corporatist institutions that, while no longer explicitly political, maintained an intermediary role between the state and the mass of population. Social clubs, private schools, trade unions, and in some respect political parties.

In Durkheim's terms (Aykac and Gordy, 1993: 219), then, there will be an increasing sense of "anomie" with the breakdown of the motivation of such institutions which, he suggests, can only be replaced by a reliance on corporatism—but the cure would be cognitively worse than the disease and even greater anomie would be the likely result for many. The institutions in the social sphere, therefore, need to hold firm to their integrity and core motivation and reassert their ascendency over the economic motivation to profit financially.

89. This notion of learning explained in the following text, is essentially that proposed by Proclus (1963: 221; 234) in his exposition of the hierarchy of trinitities that is incorporated into the conceptual framework expounded later in Chapter 8. It is the idea essentially incorporated in the notions of cognitive reversion and procession. This differentiation of learning also lines up with the spirit of the categorisation reported in Miller (1969: 264–265): "Professor Ernest Nagel, in The Structure of Science: Problems in the Logic of Scientific Explanation has set forth a classic account of the difficulties in explaining any phenomenon, natural or social. He begins his book by postulating four types of explanation: (a) "deductive," in which the explicandum (the "fact" to be explained) is a logically necessary consequence of the explanatory premises (which may be, often are, a priori); (b) "probabilistic," in which the premises are logically insufficient to determine the truth of the explicandum, but they do make it "probable"; (c) "functional" or "teleological," which state the instrumental role some action plays in producing a given goal; and (d) "genetic," which attempts to state the way in which some earlier system evolved into a later one. (Genetic explanations tend to be probabilistic, so that there are really but three types of explanation.)"

Learning is coming to terms with one of these strands of explanation and normally pursuing one line of explanation in preference to another. The line-up of the above types of explanation with the cognitive based learning categories in the main text are (a) exemplifies menotype #B thinking, (b) and (d) exemplify menotype #C thinking and (c) exemplifies menotype #A thinking.

Ch. 5 Governance in Private Sector Corporations

90. Corporations are here taken to be large private companies and in particular what are commonly called multinationals. From the various definitions of a corporation, it is readily seen that it is an organizational construction of the human mind that is projected into the outer world as a conceptual framework to organize and effect reality.

'Corporations are legal devices for assembling and organizing capital, labour, and other resources to produce and sell goods and services' (Blair, 1995: 2). The appropriateness of extending this legal device to treat the corporation as a separate individual is an issue to be taken up shortly in this thesis.

'A corporation is an artificial being, invisible, intangible, and existing only in the contemplation of the law. Being the mere creature of the law, it possesses only those properties which the charter of its creation confers on it, either expressly or as incidental to its very existence. These are such as are supposed best calculated to effect the object for which it was created. Among the most important are immortality, and, if the expression be allowed, individuality; properties by which a perpetual succession of many persons are considered the same, and may act as a single individual' (Chief Justice John Marshall as quoted in Monks and Minow, 1996: 1).

'An artificial person or legal entity created by, or under the authority of, the laws of a state... The corporation is distinct from the individuals who comprise it' (Black's Law Dictionary as quoted in Monks and Minow, 1996: 1).

Moreover, the study of an organization or a corporation is the study of relationships, or the dynamics of human interrelationships: "This independent entity must still relate to a wide variety of "constituents," including its directors, managers, employees, shareholders,
customers, creditors and suppliers, as well as the members of the community and the government. Each of these relationships itself has a variety of constituents... And each of these relationships affects the direction and focus of the corporation. The study of corporate governance is the study of the connection of those relationships to the corporation and one another... the governance challenge is to require that the resolution of conflicts be an open process between entities that are informed, motivated, and empowered' (Monks and Minow, 1996: 2; 75).

Section 5.1 Corporate Power and Authority

91. This concept of differing notions of property that suit the situation is captured by Schlatter (1951: 77): 'It is commonplace of intellectual history that each age must find new arguments to justify and defend its interests even though the interests themselves remain the same.'

While the interests in general might remain the same, the emphasis changes and that is why the arguments change to promote or justify the changes in emphasis. Tracing these changes has been the preoccupation of historians through external events and philosophers through internal events.

92. Schumpeter (1950) focused mainly on the external reality and analysed developments essentially from a socialist-type perspective in the shadow of Marx (1952). His assessment of where the economic developments were headed were coloured with that brush and had the air of inevitability that comes with a rather developed and rigid personal perspective.

93. Miller (1969: 286–297) documents the particular US law cases in the late-19th and early-20th centuries that gave legal legitimacy to the already held notion that the corporation was in essence a separate entity in its own right and that it should be treated as a person under the meaning of the Constitution.

94. Such as Galbraith (1983: 132–133), who reported not only the decline of personality (in the entrepreneur) as a source of power, but 'The role of property has similarly declined. The management-controlled corporation, the trade union, the modern bureaucratic state, groups of farmers and oil producers, trade associations and lobbies—all are manifestations of the age of organization. All attest to a relative decline in the importance of both personality and, though in lesser measure, property as sources of power.'

95. Burns (1974: 148) also refers to these latter two transitions to managerialism and then to politicism: 'The two successive transformations of the market society—first into a liberal, pluralist, society increasingly dominated by bureaucratic organizations and then to a fully fledged corporate system—are reflected in the political as in the economic evolution of western societies.'

Here, his "fully fledged corporate system" differentiates corporation from the meaning of "big organization" as used by earlier writers (such as Galbraith, 1967) to now mean that of a political conglomerate as described in his quote at endnote 98. The other point to appreciate is that there have been two transformations of the market society, it is still essentially a market or economic society.

96. There is a parallel in the spiritual world in the Christians' path to knowing the Trinity, which in Weber's (1930) terms could be the great driver of the evolution of human thinking as explained in relation to property. However, this would be the subject of a separate treatise if only because my appreciation of the dynamics of the Trinity might not be regarded as the accepted doctrine of procession, but more in keeping with Neoplatonist (Plotinus, 1952; Proclus, 1963) and early Christian mystical (Pseudo-Dionysius, 1920) views. In short, the process could be portrayed as first meeting God, the Father (#C), who became incarnate and external as God, the Son (#A), who sent God, the Holy Spirit (#B), who would help lead us back to know God, the Father in a new way... amen!

97. There is also the entire postmodern movement that is explained to a certain extent later in the thesis as a move from the logical ordered menotype #B mentality (modernism) to the more fractual, in the moment, menotype #C mindset (postmodernism).
98. Burns (1974: 140) characterised the progress towards this politicisation of the corporation as follows: 'What has happened over the past generation is that the area of competition has grown with the size of the winning competitors from regional or national markets to international, from single products to product ranges, from products to systems—and again from vertical or horizontal expansion to agglomeration.'

99. Monks and Minow (1996: 63ff) go on to outline the shape of the new enhanced corporate responsibilities by referring to David Engel's conclusion 'that there are four general areas where extra value maximization objectives are justifiable.

1. Obey the law...
2. Disclose information about social impact beyond the minimum requirements of law that relate to the impact of corporation on society...
3. Dramatically reduce corporate involvement in politics...
4. Adhere to the "Kew Gardens" principle... [which means that] corporations should act when failing to do so would certainly create serious damage for society.'

100. This external equivalence of a corporation to a nation-state has been observed by many including Paul Eddy, Elaine Potter and Bruce Page (as quoted in Monks and Minow, 1996: xx): 'Corporations, especially the large and complex ones with which we have to live, now appear to possess some of the qualities of nation states including, perhaps, an alarming capacity to insulate their members from the moral consequences of their actions.'

Also Richard J. Barnet and Ronald Mueller (as quoted in Monks and Minow, 1996: xx): 'By making ordinary business decision [corporate] managers now have more power than most sovereign governments to determine where people will live; what work they will do, if any; what they will eat, drink, and wear; what sorts of knowledge, schools, and universities they will encourage; and what kinds of society their children will inherit.'

101. 'The importance of corporate governance lies in its contribution both to business prosperity and to accountability. In the UK the latter has preoccupied much public debate over the past few years. We would wish to see the balance corrected' (Hampel, 1998).

102. In an Appendix reporting on Research Findings on the Effects of Board Structures to the Independent Working Party on improving corporate governance, Lex Donaldson (Hilmer, 1993, 81–93) concludes that the empirical research studies into boards over the past thirty years, 'have failed to find any consistent support for the proposition that independent boards lead to better outcomes such as greater profit or shareholder wealth. In fact, some studies have found the opposite.'

In a follow-up study, Muth and Donaldson (1998) acknowledge that Agency Theory implies some connection between board operation and corporate performance and then show, through their empirical studies, that Stewardship Theory also helps explain that company performance is linked to such aspects as the network connections of management and board members. The salient point is that the nature of board decisions statistically has some impact on company performance, irrespective of whether the nature of those decisions are influenced by the size and make-up of the board or by the nature of its external networking connections.


104. Robert A. G. Monks and Neil Minow have been at the forefront of shareholders' activism for years, leading shareholder initiatives like Sears, Westinghouse, Kodak, and Borden. They are among the small group of people who have defined modern corporate governance.

105. Henry Bosch was a previous Chairman of the Australian National Companies and Securities Commission and has served as chairman, or director, of nearly thirty companies in Australia.
106. Frederick Hilmer is an Australian academic and industrialist, and has led many important national reviews on behalf of the Australian Government. The book quoted here, reports on a study of corporate governance undertaken on behalf of The Sydney Institute and supported by the Australian Institute of Company Directors.

107. This interpretation is also corroborated by contemporary commentators such as Harvard Professor John Pound (2000b: 167) who observes that the ‘new political approach to governance thus draws its strength from both the collapse of takeovers and the rise of informed institutional investors.’ This is incorporated in ‘his proposal of a “political” model for the board of directors. According to Pound, calls for stronger accountability, stakeholder consideration, and public oversight, plus the rise of constituency directors, are making corporate governance look less like a market function and more like a political, public sector affair’ (Ward, 1997: 202).

Though the wording lacks the differentiation aimed at in this thesis, the sentiment of politicism is clearly there.

108. That the quality of the decision-making processes is one of the key determinants of sound corporate governance is also echoed by Pound (2000a: 81–82). In the managed corporation ‘corporate failures are not the result of power imbalances… corporate failures occur because of subtle failures in the decision-making process—in how boards and managers make decisions and monitor corporate progress… at its core, corporate governance is not about power; it is about ensuring effective decision making… The new model can be called the governed corporation because it reconnects two critical parts of the corporate governance equation—shareholders and board members—to the decision-making process. Reforms based on the governed-corporation model do not revolve around power shifts. Instead they center on roles and behavior.’

Though he insightfully acknowledges the key role of decision-making and in another place that ‘In the 1990s, politics will replace takeovers as the defining tool for corporate governance challenges’ (Pound, 2000b: 157), for some inexplicable and inconsistent reason Pound (2000b) tries to contend that power is not a key factor. In fact, the particular power balance is a key determinant of the dynamics of a decision-making system. He goes on to study power relationships in his model; namely, those between the three critical constituencies of managers, the board and shareholders, which this thesis later identifies as three key participants of the internal stakeholder, authority stakeholder and external stakeholder spheres, respectively.

109. Legislative, executive and judiciary powers which comprise a trinity of demeotypes about political power, have been explained above (Section 2.3) in respect to the political sphere of society and below (Section 9.5.2) in terms of Montesquieu’s (1952) analysis of this particular trinity. This trinity is applicable to the analysis of the authority sphere of corporate governance because it conveys a more readily identifiable functional split of corporate power than does the corresponding trinity of political, leadership and management power—but both trinities are capturing essentially the same nature and dynamics of motivation and behaviour. Whether corporate governance has evolved sufficiently to be more effective with the separation of these powers is the essential issue to be addressed.

110. ‘In 76 percent of the largest US companies, the chief executive is also the chairman of the board. In England, by contrast, the figure is roughly reversed, with only one-third of the largest companies having a joint CEO/Chairman. Note, however, that UK boards have a higher percentage of inside directors as well’ (Monks and Minow, 1996: 179).

111. ‘Most members of The Business Roundtable believe their corporations are generally well served by a structure in which the CEO also serves as chairman of the board’ (Business Roundtable, 1997: 12).

‘In its 1992 survey of company directors, Kom/Ferry found that just under 20 percent believed that separating the CEO and chairman positions would have a “very negative impact” on boardroom performance. A little more than 20 percent thought it would have a “very positive impact” and not quite 60 percent thought the impact of separating the roles would be neutral. Those who thought separating the roles would have a negative impact
thought it important that a company be led by one person... "I believe they should be the same person. If they are not, the chairman would be a figurehead or would usurp the role of the CEO..." One outside director commented that when the CEO is also the chairman there is "too great a temptation to 'till' things toward protecting CEO career interests"... While there has not been much empirical work done on this issue, at least one study found that companies with separate CEOs and chairmen consistently outperform those companies that combine the roles' (Monks and Minow, 1996: 179–180).

112. It is impossible to talk about everything or all levels of explanation at once and so it is important to be clear about the level that is being focused upon. In this case we are talking about the political sphere (menotype #C) of the corporation (menotype #B) in the economic sphere (menotype #A) of society. Hence it can termed menotype #C of corporate governance, or menotype #C of the economic sphere, or menotype #C of society.

113. Ward (1997: 270) tells the story of Al Dunlap as Chair and CEO at Scott Paper, which saw heavy downsizing with the resultant increase in stock price and subsequent sale at a considerable profit. 'However, a 1996 article in Business Week claims that under Dunlap the company had received only a hasty "slash and burn" fix-up, weakening its core structure while prettifying it up for a quick sale. Newsweek calls Dunlap "the poster boy for the folks who say that CEOs have gone too far." Investors in Scott Paper certainly made out well over the short term, but did the company's board select the wisest long-term course?'

114. Performance achievement and economic success are still the key goals of the private corporation. 'The true benchmark must remain shareholder value. Evidence tells us that both shareholders and society do well by boards doing good' (Ward, 1997: 334). However, it is important to acknowledge that this is an assessment over the long term rather than short term.

115. In fairness, Ward (1997: 48) does go on immediately to downplay this statistic a bit: "However, this division falls apart on closer inspection. The combined position was much more common at large corporations, which have tended to be trendsetters in management techniques. Further, the idea of naming a distinct, permanent chair was not widely observed—the same study found that only 39% of board charters required election of a chair at all. Finally, when a formal, separate chair existed, he would often be the former CEO Emeritus, on his way "up and out." In these cases, the person elected to serve as a board check on management power was a lame duck manager himself.'

Be that as it may, some of these excuses actually support the argument in the main body of the paper on the politicalisation at the top of the large organizations.

116. This shift to short-termism is described by Blair (1995: 124): 'Two Harvard Business School scholars, Robert Hayes and William Abernathy, were among the first to argue that a systematic problem in the way US companies are governed or managed was weakening the US competitive position. In a 1980 article in the Harvard Business Review, they argued that American management suffered from "competitive myopia." They blamed this myopia on several features of what they called the "new management orthodoxy," including a tendency for managers to rely too heavily on "short-term financial measurements like return on investment for evaluating performance"... The high cost of capital of that period provided one possible explanation for why financial markets might be a source of "short-termism" pressures on corporate executives.'

But today the use of return on investment is even more important in measuring the performance of the CEO and executive team, and the cost of capital is now relatively low.

117. Blair (1995: 211–212) quotes Votaw (1985: 28): 'the modern corporation has been aptly described as a "constellation of interests" rather than that the instrument of the acquisitive individual' and Allen (1982): 'Resolving the often conflicting claims of these various corporate constituencies calls for judgment, indeed calls for wisdom, by the board of directors of the corporation.' However, Blair (1995: 212) goes on to acknowledge Berle saying in a later essay that 'Now I submit, that you cannot abandon emphasis on the view that business corporations exist for the sole purpose of making profits for their stockholders until such time
as you are prepared to offer a clear and reasonably enforceable scheme of responsibilities to someone else.'

The shareholder still seems to be the best and most reactive assessor of performance.


119. That the evolutionary changes on corporate governance are overall beneficial to society is sufficient cause for the government to intervene once again (as it did in development of the charter and later) to encourage the introduction of such changes a bit sooner and in a more ordered, constructive way than otherwise, as acknowledged by Monks and Minow (1996: 15), 'the government should step in only when the system of corporate governance cannot be assured of producing a result that is beneficial to society as a whole.'

120. This objective of sustainable health of the corporation is termed “overall wealth production" by Blair (1995: 219): 'Defining the interests of the corporation in terms of maximizing the wealth-producing potential of the enterprise as a whole also provides the beginning of a way to resolve the long-term, short-term conflict, as well as a basis for deciding which corporate constituencies matter under what circumstances.'

121. Blair (1995: 61ff) provides a good discussion on the role and influence to date of financial institutions which 'hold more than 80 percent of corporate bonds and almost half of corporate equity claims. Among the largest blue-chip companies, institutional investors often account for an even larger share—as much as 60 to 70 percent—of corporate equities... At first blush, then, financial institutions would seem likely to have a major influence on the governance of corporations. But for several reasons, that is generally not the case. The claims against any one corporation are typically divided among dozens, sometimes hundreds, of financial institutions, each with only one or a few specialized types of claims.' (Blair, 1995: 148)

However, Blair also notes that 'Harvard professor John Pound, executive of CAIPERS, and several institutional shareholder groups advocated more formal and informal governance roles for large institutional shareholders... “major institutions have exactly the right set of characteristics for playing the role of concerned, informed, but low-key monitor” asserts Harvard professor John Pound' (Blair, 1995: 75, 172).

However, though financial institutions should certainly have an interest and perhaps be involved on some boards, this is no panacea as they have their own objectives and though able to point out problems, they are not necessarily competent to advise or initiate the appropriate governance structures for particular companies. 'But in addition to their seeming disqualifications, pension trustees have no particular expertise as "owners," much less as monitors of the performance of corporate managers and directors' (Monks and Minow, 1996: 282).

Then there is also the free rider problem, 'To be an effective monitor, an investor must expend resources. But more effective monitoring will benefit all investors, even if they have contributed nothing to cover the costs. Small investors therefore have an incentive to wait for someone else to do the job' (Blair, 1995: 173).

122. Although not really comparable and certainly inconclusive, the following complementary statements give some hint that the growth success drive of US corporations has resulted in there being more and bigger corporations in the United States than in Germany. On the one hand, Mason (1993: 140) observes that 'The one-hundred-and-thirty-odd largest manufacturing corporations account for half of manufacturing output in the United States. The five hundred largest business corporations in this country embrace nearly two thirds of all non-agricultural economic activity.' The situation has undoubtedly become more concentrated in large corporations since then as observed by Blair (1995: v; 95–96), who concluded: 'In the United States, publicly traded companies generate about 58 percent of all national income and employ about a third of all employed people... Indeed, large, publicly traded companies have dominated the US economy longer and to a greater extent than they have any other modern economy.
On the other hand, Charkham (1994: 17) observed that in Germany, ‘Small business (less than 500 employees), usually family owned, account for two-thirds of the work force.’

Lastly, Miller (1969: 297) confirms such a conclusion that the United States is more ripe for the growth of the corporations, why even today are many of the other industrialized nations of the world noted for the absence of super-corporations?... It will not do... to point to Unilever and Volkswagen, to Philips and Renault, for these under any criterion are the exception in England and Germany, Holland and France. We are thus left with an unanswered, possibly unanswerable, question.'

But the answer is in the different cognitive orientations at the society-level thinking of the different nations.

123. To suggest the development of a second tier of the corporate board is in keeping with the political orientation of the decision-making and has actually been suggested by Turnbull (1993: 1–3): ‘Companies should set up a binary board structure. German Ags for example, have two-tiered boards. Another possibility is the institution of a “corporate senate”, which has veto power over the actions of the board that involve conflicts of interest. The corporate by-laws would give the senators (as well as the directors) access to all corporate information and oblige each director to report any conflicts of interest to the senate. Senators would be elected on the basis of one vote per shareholder, giving small shareholders the same power as large shareholders’ (quoted in Blair, 1995: 199).

It has also been raised in a different form in Ward (1997: 139): ‘Millestein was a long-time critic and thinker on the role of corporate boards and a powerful supporter of board empowerment... and... supported the concept of a “certifying board.” A certifying board would be one able to act as the corporation’s superego, an accountability mechanism and reality check for the board to the shareholders and for the CEO to the board.’

It may be that the US corporations already have a pseudo two-tiered system with the executive management committees and the corporate board acting more like the house of review, as captured in this idea of a Senate and the upper tier of the German board.

124. This is as opposed to the quote from which the wording is derived, and reflects the different direction of the conclusions of the analysis of this thesis and that of Monks and Minow (1996 225): ‘In January 1993, A Fortune magazine cover story had a provocative headline echoing the Declaration of Independence: “The King is Dead.” It went on: “Booted bosses, ornery owners, and beefed-up boards reflect a historic shift in corporate power. The imperial CEO has had his day—long live the shareholders.” The article ran down a list of deposed CEOs. 13 from the Fortune 500 in just 18 months.’

125. In the 1819 Dartmouth v. Woodward case, Chief Justice Marshall defined the corporation as “an artificial being, invisible, intangible, and existing only in the contemplation of the law” (as quoted in McNulty, 1993: 156). Then in the 1886 decision of the Supreme Court, Santa Clara County v. Southern Pacific Railway Co., the Justices accepted without argument that the corporation is a person within the meaning of the Constitution’ (Miller, 1969: 293).

126. Thomas Donaldson (as quoted in Monks and Minow, 1996: 12) provides an analytical structure in which this conception of the corporation as a moral individual can be understood: ‘In order to qualify as a moral agent, a corporation would need to embody a process of moral decision making. On the basis of our previous discussion this process seems to require at a minimum: (1) The capacity to use moral reasons in decision-making. (2) The capacity of the decision-making process to control not only overt corporate acts, but also the structure of policies and rules.

[The first] is to raise the corporation above the level of a mere machine. To be a moral agent something must have reasons for what it does, not simply causes for what it does, and for something to be a moral agent, some of those reasons must be moral ones. Obviously corporations are unable to think as humans, but they can employ reasons of a sort, and this is shown by the fact that they can be morally accountable. That is, with the proper internal structure, corporations, like humans, can be liable to give an account of their behavior where the account stipulates which moral reasons prompted their behavior.’
This way of thinking of a corporation is particularly pertinent as it becomes more apparent that the decision-making processes within the corporation and particularly the corporate executive/board are now more politically oriented (menotype #C), which is that mode of thinking based more on the rationality of morality—that is, decisions about what is right or wrong, good or bad, etc. that are the subject of political processes.

127. As observed by Ward (1997: 133), ‘too often companies found themselves with a global presence, but a provincial mind-set and talent pool.’

128. The fact that corporations have been incorporated under State law rather than Federal law has resulted in a competition between States to attract the corporate activity with the obvious results as identified by Blair (1995: 22-23): ‘Companies may incorporate in any state they choose, without regard to where their operations are. Since early in the twentieth century, however, Delaware has been an especially attractive state for incorporations, and now more than half of all large companies (those traded on the New York Stock Exchange, for example) are incorporated in Delaware. Some scholars argue that Delaware achieved this position by winning the “race to the bottom,” that is, by making the law increasingly permissive in order to attract corporations’ (with reference to William Cary’s article on “Federalism and Corporate Law: Reflections upon Delaware” in Yale Law Review 83, March, 1974, 663-705).

Moreover, ‘the idea that world powers like General Motors, AT&T, or Du Pont are granted their legal framework out of a tiny office in Delaware seems ludicrous, especially as we are about to start a new, global millennium. Also, federal chartering has a cyclical nature. This suggests that at the very point when the idea seems less likely, we are most certain to begin a swing back toward it... Why not end the piecemeal approach and enact a single, omnibus, federal standard of corporate governance... if federal corporate certification could supersede state lawsuits, coordinate often contradictory federal regulations, and set clear standards for board behavior, it might well draw new fans from the business sector... [however,] federal chartering has no real boosters at present’ (Ward, 1997: 341–344).

Perhaps the transition to Internet B2B activity will provide the necessary plank and impetus to bring forward this Federal legislative initiative once more. This is because the global, lightning fast, highly competitive and open transactions behind the veil of the Internet are undoubtedly going to call forth loudly for regulation—and the federal level is going to be the most relevant and effective.

129. This conclusion is not new. ‘Among the “big ideas” on corporate governance, federal incorporation is one of the oldest... Planks supporting federal incorporation appeared in both the Democratic and Republican presidential platforms between 1904 and 1912. A number of federal bills were introduced, though none advanced very far... In the late 1930s, with the strong support of liberal SEC Chairman William O. Douglas, a serious move to enact federal chartering began... However, the New Deal juggernaut was losing steam, and the O’Mahoney bill, still highly controversial, died away’ (Ward, 1997: 335–337).

‘One controversial but recurring proposal is to move the power to incorporate firms from the state level to the federal level. Consumer groups and other reformers first raised this proposal in the 1960s and 1970s, arguing that a federal corporation law would be less subject than the various state laws to manipulation by corporate executives. More recently, some shareholder rights groups have taken up the argument. For decades legal scholars have charged that corporate executives seek out the most lenient states in which to incorporate, and states, in turn, offer lenient laws to compete for corporate law business... Others caution that a federal law is the wrong remedy, however. Legal scholar Roberta Romano, for example, believes that such a law would not serve shareholder interests because service to corporations would have much less priority on a national agenda than it does on the agenda of a small state, such as Delaware, that counts on the revenues from the incorporation business’ (Blair, 1995: 110–111).

The other argument is that corporations involve themselves in political decision-making ostensibly at the Federal level. In case of The Bank of Boston v. Bellotti, the US Supreme Court ‘upheld corporations’ right to enter the arena of political advertising. The Court said that the bank must be permitted to spend whatever shareholder funds it thought appropriate to influence voting on a referendum matter that, by definition, was not related to its business.

455
This shows that the power of corporations has advanced to the point of domination of the political process. It is power—political power—and not the workings of the market-place that determines corporate survival' (Monks and Minow, 1986: 31).

If the corporations are openly operating in the political arena with their vast influence, then it is only appropriate that they should be required to pay more accountability to the political system—or the people. They should be incorporated under the ultimate expression of that power which means under Federal legislation. However, the argument in this thesis is more about the internal cognitive rationale rather than the external machinations.

In summary, it can be concluded that 'while corporate governance in the United States has long since outgrown the control of state law, federal law is still struggling to take custody... Among the "big ideas" on corporate governance, federal incorporation is one of the oldest.' (Ward, 1997: 335).

130.

For instance, 'The Federal Corporate Chartering Act of 1977 would apply to all corporations with over $250 million in goods and services, including those privately held, and would serve as an additional level of chartering on top of present state provisions. Shareholders, but also citizens, would gain expanded rights of action against the corporation' (Ward, 1997: 337).

131.

This call for a bill of rights or some such process/document is echoed by others. 'Some scholars have developed what they call an "ethical contract." The ethical contract is built on the model of more traditional, operational contracts between the executives and the other stakeholders in the venture. It assumes that any executive's legitimacy can only be sustained by the interaction of these "relationships" with other stakeholders. External legitimacy of the executive and the employees must be sustained and controlled by the personal ethic of the individuals involved as well as by broader corporate and social ethics. The personal ethics operate through conscience. The corporate and social ethics work through the internal and external systems of scrutiny, each of which is reinforced by mechanisms for enforcement. Together, these underpin the "corporate contract" between the employee and the firm' (Monks and Minow, 1986: 37).

Section 5.2 Corporate Culture and Decision-making

132.

This need for a proper and wise decision-making process has also been confirmed in decisions by the US courts as explained by Ward (1997: 83; 87; 90): 'In summary, the Van Gorkom decision was breathtaking in its implications by simply holding up the mirror of logic to precedent on board duty of care. This precedent for many years held that the final outcome of a board's decision was not the issue but that the board's decision process was... Boards, the Delaware court held, face a two-part test in determining how far they can go with takeover defenses. The first is the long-established business judgment doctrine. The board must thoroughly, objectively examine the bid and judge whether it will really harm the shareholders' long-term interests... second... This raises (in a masterpiece of legal coinage) the "omnipresent spectre" that the board may be acting in its own self interest... The board must now prove that its takeover fortifications are reasonable... even the most basic takeover decisions could now be second-guessed... It may be overstating matters to say that the Trans Union and Unocal cases triggered a legal panic for corporate boards... The board decision-making process, with its long record of informality, subtext, and inscrutability, would suddenly have to be rationalized and then justified in court.'

What these court decisions do is underscore the evolutionary movement of the need for boards to have a sound decision-making process (menotype #B) and then actually to reach a sound, reasonable decision (menotype #C). This thesis goes on to explore just what mechanisms need to be in place to give boards a reasonable chance of meeting these two requirements.

133.

This aspect was noted earlier in reference to Mills (1956), but Ward (1997: 133–134) also makes the point. 'Now God knows, you did not claw your way to the 14th floor at GM by being a wimp, but you did not rise well enough through the bureaucracy of the above companies by making waves either. Asking impolite questions, pushing bold ideas, and thinking the unthinkable is not the sort of attitude we encourage around here, young fella. As Forbes magazine observed in eulogizing Kodaks Kay Whitmore, he was "typical of a breed who ran
most major U.S. corporations in the 1970s and well into the 1980s. Men (always men) who rose to the top through affability, by being 'one of us,' good and faithful company men."

This is a description of very *menetype #B* managerial environment with a dash of the *menetype #C* political aspect, which in recent times has risen up to be predominant—with the consequent repression of the value that had been given to being "good and faithful company men."

134. Daft and Weick's (1984: 288ff) model captures four categories of interpretation behaviour:

- *The enacting* mode reflects both an active, intrusive strategy and the assumption that the environment is unanalyisable. These organizations construct their own environments. They gather information by trying new behaviors and seeing what happens...  
  [i.e. essentially *menetype #C/#A*]
- *The discovering* mode also represents an intrusive organization, but the emphasis is on detecting the correct answer already in the analyzable environment rather than on shaping the answer. Carefully devised measuring probes are sent into the environment to relay information back to the organization...  
  [i.e. essentially *menetype #A*]
- Organizations characterized as *conditioned viewing* assume an analyzable environment and are not intrusive. They tend to rely on established data collection procedures, and the interpretations are developed within traditional boundaries...  
  [i.e. essentially *menetype #B*]
- *Undirected viewing* reflects a similar passive approach, but these organizations do not rely on hard, objective data because the environment is assumed to be unanalyzable.'  
  [i.e. essentially *menetype #C*]

135. 'As Jay Lorsch wrote, "In most instances, directors understand the company through the CEO's eyes." The CEO is a daily presence in the corporation and controls the conduits of information, and every employee works for him or her' (Ward, 1997: 251).

136. 'In testimony at the above 1991 Senate hearings, Ralph Whitworth, president of United Shareholders Association, focused attention on the executive pay issue where it would do the most good. "For all practical purposes, boards are appointed by management... Board members are dependent upon—and thus beholden to—the CEO for their positions, pay and perks"' (Ward, 1997: 115).

137. Devil's advocate is defined as one who indicates short-comings or other possibilities so as to cause discussion or dialectical argument. In this thesis it is taken to mean both critical analysis of given proposals and comparison against other possible options.

138. The nature of the political process has been likened by some to the experience of the fire brigade; the firemen need practice and the best practices are the real thing or simulated exercises. 'How can we move beyond this reactionary, fire alarm board style to make boards a true, systematic player in corporate governance?' (Ward, 1997: 144).

'in a way, boards are like fire departments: they aren't needed every day, but they have to perform effectively when called upon. One chair observed that in good times corporate governance is largely irrelevant, but in bad times it is crucial. Formal, periodic board appraisals can help ensure that when the board is needed, all the right processes, procedures, members and relationships are in place and ready to go' (Conger, Finegold, and Lawler, 2000: 127).

Or more pointedly, 'Firefighters must practice in order to cope with an emergency, and so must directors' (Lorsch, 2000: 31).

To this should be added the value of having a dry run or conducting realistic "what if" exercises.

139. Monks and Minow (1996: 178) report an apt example. 'There are ways to ensure that directors are well informed. Home Depot, Inc., for instance, requires its directors to spend at least one full day a month at one of its stores, and to visit eight to ten stores a quarter, both in and out of the areas in which they live... "It's a very, very good way for the board members
to get a different feel for what's happening in the company... When they do this, they come back with recommendations. It's been very valuable for both sides—from our side as operators and for the board members for their knowledge of the company."

140. 'Through most of US business history, boards had been either control mechanisms for the founders and financiers or sleepy, insider-dominated serfdoms of the CEO... Roger Smith [past CEO of GM] wanted them to share their ideas and energy to help him do what he intended to do anyway. Whether the idea was good, bad, overreaching, or 20 years too early did not matter... the board existed to approve what management was already doing... boards had grown up a great deal by the early 1990s, but not enough. If they hesitated to move until the present crisis, what were they doing through all of the earlier crises?' (Ward, 1997: 7; 41; 137).

141. Perhaps a consequence of this attitude is the reported project by Kerry Packer and Axon to collate a wide range of information on every individual for sale to financial, marketing and other commercial businesses, and there has been little concern expressed by the business community—perhaps the opposite, as many corporate managers can see the potential commercial benefits.

142. Perhaps an even more relevant indicator for the new politician age is a "reality quotient" (RQ), which would include the "emotional quotient" (plus a "values quotient" and an "aesthetic quotient") but also register the person's ability to read particular situations and interrelationships. In short, such a quotient would measure the individual's capacity to read the presenting reality correctly and to choose an appropriate response in mind and body.

143. This is also echoed by Blair (1995: 272), 'The new model of production more closely resembles the old craft systems, which used less rigid manufacturing technologies but relied on more highly skilled workers.'

144. Effective networking is also required within the corporate management team and with those other outside management teams that are needed to help the corporation to perform. For instance, 'we find companies involved in an intricate latticework of collaborative ventures with other firms, most of whom are ostensibly competitors... At what point is it more accurate to characterize these alliances as networks rather than as joint ventures among hierarchical firms... In networks, the preferred option is often one of creating indebtedness and reliance over the long haul... in networks modes of resource allocation, transactions occur neither through discrete exchanges nor by administrative fiat, but through networks of individuals engaged in reciprocal, preferential, mutually supportive actions... A basic assumption of network relationships is that one party is dependent on resources controlled by another, and that there are gains to be had by the pooling of resources. In essence the parties to a network agree to forgo the right to pursue their own interests at the expense of others. Networks are particularly apt for circumstances in which there is need for efficient, reliable information... Trust (which is the binding, key value of networks) reduces complex realities far more quickly and economically than prediction, authority or bargaining' (Powell, 1990: 299–330).

145. This trinity of menetypes of external, internal and authority stakeholders is echoed in Ward's (1997: 245) triangle of shareholders–management–board (but expressed in a different order), and he notes that it 'becomes badly tilted as the two inside entities are joined under one leader... Indeed, if the CEO slowly took over the position of chair to cope with increasing board power, why not then use the position to limit that power?'

146. 'Back under the pre-Revolutionary tree, sitting uncomfortably around their corporate plank, we found directors who could make the best possible claim to representing investors—they were the investors... As late as the 1840s, corporations were few and small, and they involved daily contact between owners, directors, and managers. Indeed, these titles usually all applied to the same handful of partners. "Owners managed and managers owned their enterprises," observes Alfred D. Chandler Jr.' (Ward, 1997: 35).

147. 'The current board structure is built upon the outline of the old-style board in much the same way a 1996 auto still has the basic elements of a carriage from 100 years ago. Greater
demands are being made of a governance model ill-suited for heavy service... Building a twenty-first-century board marked by utility, power, and speed upon such a historic framework is proving a real challenge... we are left with a problem, the need to create a governance function that has never truly existed before' (Ward, 1997: 173; 198; 199).

Some others agree, saying there has been little evolution in the visible structure of corporate boards: 'Hamilton would have no trouble recognizing the corporate board of today. The structure and composition of boardrooms have changed surprisingly little in 200 years. Average board size has remained at about 15, give or take a director or two. Audit committees remain an important force in board life. And most of today's directors come from the same segment of the population as the directors of SUM, the commercial elite... Nonetheless, organizations that have tracked shifts in board size, composition, and structure see significant changes' (Monks and Minow, 1996: 169). They go on to identify that boards have got slightly smaller, have more outside relative to inside directors, and include more women and minorities. Moreover, 'boards had grown up a great deal by the early 1990s, but not enough' (Ward, 1997: 137).

148. Monks and Minow (1996: 142) report evidence of such a trend: 'Further concerns about the board have been reflected in shareholder resolutions calling for separate individuals to serve as chairman and CEO, compensation and nominating committees to be entirely made up of independent outside directors, and an overall majority of independent outside directors on the board as a whole.' The experience of the Compaq Computer's board has been hailed as a great example of the value of a separated Chair and CEO, when the board was able to replace the CEO expeditiously to counter poor performance and wrong strategy. 'Compaq's board structure gave it "the ability to act when we felt it was necessary to act," according to Rosen [the Chair]. A Fortune article examining the overthrow could not help but note, "Rosen maintains that if GM's board had been similarly structured, it would have removed Robert Stempel long ago."' (Ward, 1997: 143).

It is claimed that 'Foreign business observers consider the joint CEO/Chair model to be one of our distinctly oddball U.S. corporate traits, right up there with massive liability suits and equally massive executive pay' (Ward, 1997: 244). This contrasts with the United Kingdom experience; the Cadbury Commission recommended the split role as a matter of course. Germany, with its bi-level supervisory and management boards, has two "chairmen" for each company. In Japan, the pattern is similar to that of the United States 50 years ago (which was about 60% split CEO/Chair positions and a reflection of a managerialist orientation). (Ward, 1997: 243). From the analysis in this thesis, the contention would be that the United States is the odd one out with its principally combined CEO/Chair positions, essentially because it is basically a menelype #A economy-oriented capitalist society and because of where it is in the evolutionary cycle of corporate maturation.

149. 'In contrast, publicly traded corporations in Great Britain commonly have outside (nonmanagement) chairmen' (Blair, 1995: 78). There are many who recommend that the Chair of the board should be an outside director ([Lorsch and MacIver, 1989: 70; Cadbury Report, 1992: 21–22; Stern, 1993: 9; and Koppes, 1992: 84]—as quoted in Blair, 1995: 197; Monks and Minow, 1996: 299).

'The New York Times story on the GM board reports that Smale "unequivocally supports the separate chairman concept," quoting him as saying that "it is very difficult to logically defend any other format." According to Smith, having an outsider as chairman "allows directors to decide what they want to look at, and to demand what they want to see in terms of performance... It sets the priorities of the organization. It makes us get the attention of people right down to the plant floor." Dobrzenski concludes that, "To some extent the withholding of information from the GM board by previous management is what got the car maker into such deep trouble in the first place" (Monks and Minow, 1996: 297–298).

John Smale was the Chair and John smith the CEO of GM at the time of the 1995 New York Times article by Judith Dobrzenski—but subsequently the role of Chair was handed back to the CEO and made into a joint position again.

'There are many compelling arguments for splitting the positions of chair and CEO, Shareholder groups hold religiously to a separation between the board of directors and management' (Ward, 1997: 245). Moreover, Frank Blount, a US CEO who formerly headed Australia's Telstra, observes (as quoted in Gottliebsen, 2000: 50) 'that the US model of

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having a joint chairman and CEO often leads to problems. "Over time the person in that job starts thinking he is really a chairman and he should be the titular head. But he forgets he also has the job of CEO."

150. 'Yet corporate reality seems to have eroded the bright promise of the separate chair, turning the idea within less than half a decade from coming trend to great disappointment' (Ward, 1997: 250).

One clear way to grant the board the independence it needs to exercise effective oversight of the CEO is for the board's chair to be someone other than the CEO, to be someone who represents the owners of the company. "This is the single most important factor in creating the right balance of power needed for effective governance," says Benjamin Rosen, chairman of Compaq Computer Corporation. "Our country has this separation of powers, why shouldn't companies?" The separation of chair and CEO is common in companies initially financed through venture capital. But it is unlikely to be widely adopted among large corporations in the United States because, Rosen says "there is so much peer pressure on CEOs to keep the two roles together." Today only 3% of those chairing boards at large public companies in the United States are not current or former chief executives of the company' (Conger, Finegold, and Lawler, 2000: 114).

151. 'But the lead director concept grows unwieldy when we talk about making it a formal office, as do such supporters as Martin Lipton and Jay Lorsch. If the lead director should be voted into the office, run board meetings, and automatically take over if the board fired the CEO, how would he or she differ from a separate chair? Korn/Ferry finds that even fewer boards are considering the lead director idea than that of a separate chair, with 78% saying "no"' (Ward, 1997: 254).

152. Lorsch (2000: 30) also likewise observes that 'in companies such as Dayton Hudson Corporation and Medtronic, where directors have long been empowered to monitor corporate and management performance, there is no evidence that the CEO and other top-level managers have found their power to lead the company diminished.' By inference this is extended to include instances where there is a separate, interested Chair.

153. This definitive action is required because of the peer pressure for the joint position amongst the CEOs of large corporations (Conger, Finegold, and Lawler, 1998: 114, noted in endnote 150) and as Ward (1997: 348) concludes, 'will the future rend asunder the combined office of CEO and chair? I don't think so. Although the number of separate chairs at US corporations has increased during the 1990s, it remains uncommon... Look for this pattern to continue, at least until the board chair as an independent office brings real power of its own. Although the CEO/chair split will then likely stay uncommon, it will be more socially acceptable.'

Also, 'In 1978, SEC Chairman Harold Williams proposed that CEOs should not be chairs of the board (and also proposed that all inside directors save the CEO, be banned)' (Ward, 1997, 244). The proposals 'created such an uproar that Williams dropped the idea' (Ward, 1997: 62). Stronger action is perhaps required, as suggested.

154. That the corporate executive is given the freedom to implement the strategy by taking advantage of opportunities as they arise is very important. 'Reforms of governance must protect sufficient energy in the executive. This freedom to act, in turn poses new tests for executives in our generation... Any scheme of governance that sinks executives in two feet of peanut butter violates the nature of executive institutions: Executives must be allowed to execute' (Novak, 1997: 27).

Or as Lorsch (2000: 27) advises: 'Outside directors must recognize and respect the boundary between monitoring management and actually managing the company.'

155. This suggestion has some things in common with that initiative described by Monks and Minow (1996: 213): 'An interesting legislative initiative enacted in Michigan permits companies incorporated there to designate an independent director, meeting certain criteria, for special compensation, rights (including communication with shareholders at company expense), and responsibilities (including determinations on indemnification, transactions that
raise conflicts questions, and derivative litigation). This designation is limited to a three-year term. Significantly, companies who exercise this option have more limited liability.

156. This is similar but different to the suggestion of Ralph Nader in which his 1976 manifesto for federal corporate chartering, *Taming the Giant Corporation*... proposed total shareholder nomination and election of directors, all of whom could serve on only one board. These "public" directors would each be assigned a distinct interest to represent, with a director for such concerns as "Employee welfare... consumer protection... shareholder rights" (Ward, 1997: 175).

157. 'What kind of people make effective directors? Professors Gilson and Kraakman suggest (understandably) that academics are ideally suited to the role, and they also include senior partners in accounting and management consulting firms' (Monks and Minow, 1996: 303).

158. 'By 1990, the average board had reached its current makeup of nine outside directors and three insiders, an impressive three-to-one ratio... The 1995 Korn/Ferry Board of Directors survey found that most directors felt the most effective board was 12 members, nine from outside and three insiders, including the chair' (Ward, 1997: 98, 157).

159. This has also been suggested by Professors Gilson and Kraakman in their 1990 paper titled "Reinventing the Outside Director: An Agenda for Institutional Investors," as quoted in Monks and Minow (1996: 305): 'What most outside directors get is a selective digest of what the CEO and officers already know and are willing to pass on to the outside directors. But a professional director of the quality, experience and motivation proposed here will intuitively know what he or she needs to do the job right, and will request and if necessary demand it. It has been suggested that a special staff resource should be made available by the company specifically to serve the outside directors. Such a resource would be dedicated to satisfying their needs and requests for information.'

This arrangement would be akin to that of the Ministers' and politicians' staff in the political arena. In fact, 'John Pound commented on this in his proposal of a "political" model for the board of directors. According to Pound, calls for stronger accountability, stakeholder consideration, and public oversight, plus the rise of constituency directors, are making corporate governance look less like a market function and more like a political, public sector affair. Taking the analogy a bit further, why not give these semipublic boards their own staff, like the "hill rats" buzzing about the offices of Congress?' (Ward, 1997: 202).

160. For instance, Ward (1997: 7–8) tells of the experience of the GM board who first sought outside legal counsel as protection against a possible law suit and then went on to use that advice when needed through the processes of replacing the incumbent but underperforming CEO/Chair. When Roger Smith [CEO/Chair] proposed buying EDS in 1985, Elmer Johnson [corporate general counsel and director] warned directors that the tricky transaction could leave them vulnerable to suits by disgruntled stockholders... These outside directors were pleased with the value of Millstein's work and retained him to continue serving as an independent counsel for the board, a capacity separate from the GM legal structure. Some of the outsiders were also impressed with Millstein's ideas on corporate governance.'

161. In his political-type model of the governed corporation, Pound (2000a: 92) comes to similar conclusions in that 'directors need better access to information... and... must be empowered to seek out their own information from those in the corporation... directors should be required to devote a substantial portion of their professional time to the corporation... At General Motors, directors spent an average of 24 days on company business in 1993. At Lockheed, another corporation with an active, involved board, there are ten full board meetings per year plus numerous committee and partial meetings.'

The need for extra time and effort has also been suggested by others such as Minow and Bingham (1993: 11–12), and Lipton and Lorsch (1992: 69–70): 'Directors should be required to make a specific commitment of time and should be permitted to sit on no more than three boards at once. Each day of board meetings should be matched by one to two days of preparation' (as quoted by Blair, 1995: 198). In keeping with this idea, Lipton and Lorsch (1992: 68) suggest specifically that 'Boards should meet monthly or even bimonthly for a full day, and should have a one two- to three-day strategy session each year' (as quoted by
Blair, 1995: 198). 'Lipton and Lorsch go on to say that for a director to do his or her job properly, he or she needs to devote at least 100 hours annually on the job' (Monks and Minow, 1995: 189).

A conclusion of this thesis is that directors should expend at least such an amount of time, and perhaps even more, on corporate board business. For instance, Denys Henderson, non-executive Chair of ICI and Zeneca, observes on the role of the non-executive Chair: 'Fundamentally, the non-executive chairman's job is to manage the board... The two [Chair and CEO] also should share responsibility for tending to important corporate relationships... The job of managing those relationships as well as running the business has become so demanding that it's now too much for one person... How much time does it take for a non-executive chairman to perform his job? If it's a big company with a wide variety of businesses, it probably will require between 75 and 100 days a year' (Harvard Business School, 2000: 206).

162. 'More fundamentally, some critics have questioned whether boards of directors, no matter how constituted or motivated, can ever do more than react to management's decisions. To the surprise of many of these skeptics, however, boards of directors appear to be assuming more power in practice. From mid-1992 to the end of 1993, boards ousted the CEOs of poorly performing companies in numerous well-publicized cases. Such actions are "evidence of a seismic shift" in the independence and effectiveness of corporate boards, according to shareholder advocate and board critic Nell Minow' (Blair, 1995: 80).

163. 'While corporations seek new and better faces for their boards, these very boards are just as likely to frown on their CEO adding any more outside commitments to his or her own busy schedule... In board searches today, red flags go up if a candidate already has more than two or three directorships. Yet these high-achieving directors are often the most desired' (Ward, 1997: 281).

164. That the directors are there for the corporations' health and benefit rather than for their own or that of the company executive is emphasised. 'The Commission is issuing this report to emphasize that corporate directors have a significant responsibility and play a critical role in safeguarding the integrity of the company' (from an SEC report on a company fraud saga as quoted in Ward, 1997: 315). But the "integrity of the company" is taken to mean not only the avoidance of fraud, but also that it is being as successful as it can be, and that is a direct responsibility of the board.

Such has been the intention from the earliest times: 'The responsibility of today's boards of directors is little different from what it was in Hamilton's day. Compare Hamilton's statement of the role of the board with today's General Corporation Law of the State of Delaware which reads: "The business and affairs of every corporation organized under this chapter shall be managed by or under the direction of a board of directors." Of course, the legal implications of such statements have been examined and developed in enormous depth. Today, an enormously complex, ever-changing body of law governs the role of the corporate board of directors... Legally, the answer is clear; in the final analysis the board has the responsibility for the company and, is, therefore, the ultimate fountain of power' (Monks and Minow, 1996: 171; 177). 'The SEC has notified the corporate world that it now takes an interest in how effectively boards do their job—and that it has the authority to act when they fail... the SEC now assumes that boards play a central role in corporate decision-making' (Ward, 1997: 319–320).

165. This thesis author taught a Masters'-level unit on strategic management and decision-making during the time of writing this thesis. In the course of those lectures it was shown that the progression over time of the approaches to corporate strategy developed step by step around the trinity of strategic perception from the simple selling of products in the market place (menotype #A), to formal planning (menotype #B) around the cycle to Porter's (1995) competitive positioning approach (menotype #C). It has now progressed on to a more entrepreneurial marketing approach (menotype #A) through the B2B networks being developed on the Internet.
In his insightful work on corporate governance, *Strong Managers, Weak Owners*, Mark J. Roe details a perhaps unintentional government/business "conspiracy" to limit outside influence on U.S. corporate boards. As Roe notes, banks, insurers, mutual funds, and pension funds are the major boardroom players in countries such as Germany and Japan, and their U.S. counterparts likewise hold huge amounts of equity in the United States. In 1993, banks held assets of $4.8 trillion, insurers held $2.3 trillion, mutual funds held $1.2 trillion, and pension funds (public and private) held $3.4 trillion... [but]... As Roe summarizes: "...Private pension funds are under management control; they are not yet ready for a palace revolution"...by the beginning of the 1990s the holdings of institutional investors in the largest 1,000 corporations approached 50%" (Ward, 1997: 39; 100), and this proportion of holdings has increased since then (though it first dipped slightly in 1992 to 47 percent, as quoted by Monks and Minow, 1996: 106).

It has been reported that more than 54 percent of Australians now have a direct or indirect ownership of shares and more than 50 percent of households with incomes of $A50,000 owned shares directly (Shannahan, 2000: 13), and more than one third of US teenagers now own shares or bonds (Rhodes, 2000: 38).

Namely, the two landmark statutes of the New Deal era: the 1933 Securities Act and the 1934 Securities and Exchange Act 'in response to overwhelming evidence of mismanagement, deception and outright fraud during the stock market boom of the late 1920s. In the Public Utility Holding Company Act of 1935 and the Investment Company Act of 1940, multiple classes of common stock with differing voting characteristics were flatly prohibited for the affected companies... they tried to set up a process of corporate accountability' (Monks and Minow, 1996: 102).

The accountability was to the shareholder community.

As Monks and Minow (1996: 111-113) identify, 'over 30 percent of all equity investments in the country are held in public and private pension plans. This means that the largest accumulation of investment capital in the world was the responsibility of trustees, who have a perspective (and set of incentives) very different from the strictly economic "invisible hand" of the capital markets... Peter Drucker called this "The Unseen Revolution" in 1976, noting that "if "socialism" is defined as "ownership of the means of production by the workers"—and this is both the orthodox and the only rigorous definition—then the United States is the first truly 'Socialist' country." Further, Blasi and Kras are quoted as concluding that 'The property rights of workers will dwarf labor laws as an option for influence in corporations' (Monks and Minow, 1996: 113).

This is further underscored by acknowledging that interests in the public and private pension funds that hold 30 percent of all equity investments, 'are widely held—almost 100 million Americans have interests in employee benefit plans—so their pension trustees are good proxies for the public interest' (Monks and Minow, 1996: 120).

These sentiments are echoed by those in the know, 'In late 1991, CalPERS CEO Dale Hanson queried, "How can we make corporations accountable again? We believe that the answer is to focus on the board"' (Ward, 1997: 119).

This need to transform the dynamics of the corporate board is also underlined by Peter Drucker's conclusion (as quoted in Monks and Minow, 1996: 174). 'Whenever an institution malfunctions as consistently as boards of directors have in nearly every major fiasco of the last 40 or 50 years, it is futile to blame men. It is the institution that malfunctions.'

Monks and Minow (1996), however, do attempt to address this central issue of board failure by the remedy of "ownership control." They pin their hopes on the financial institutions (who are not really owners) acting as owners and becoming active enough to call the corporate boards to order, as has happened in a number of instances. CalPERS has been very effective by focusing on governance issues and targeting a "top ten" list of "underperforming" companies... Studying 42 companies targeted by CalPERS as underperformers, Nesbit found that in the five years after CalPERS came knocking, "these targeted companies outperformed the (Standard & Poor) index by 41%." This study also suggested an intriguing clue on the importance of governance in turnarounds... their strategy
shifted (with more success) to a greater concentration on building value and share price “through more aggressive pressure on management and board directors” (Ward, 1997: 120, 150).

Essentially, however, Monks and Minow (1996) explore ways to reverse the reality of the dispersed and diluted ownership that is the reality of modern corporate ownership by effectively seeking to interject the management layer of these fiduciary institutions above the board of directors.

172. This is a similar but more inclusive prognostication to that reached by Pound (2000a; 2000b), who focused specifically on the rising power of only one external stakeholder: namely, the institutional investor in his political model of corporate governance. ‘By taking a systematic, indeed a scientific, approach to divining the concerns of their major institutional investors, corporations can create a governance process that begins to approach the ideal articulated for over a century by legal and economic theorists. In that system, the capital markets reflect the investors’ broad expectations for the future. Those expectations are channelled back to the corporation through the market. By responding to these expectations, the corporation can adapt long before a series of obvious disasters in product markets or operating results spur a painful retrenchment’ (Pound, 2000b: 177). As can be suggested by the latter part of this quote, these sentiments are not only applicable to the institutional investor, but indeed to all external stakeholders. In fact, Pound (2000b: 179) goes on later to say this very thing. ‘Corporations need oversight and managers need to hear and respond to signals about changing market conditions and broader social concerns. The new politics of corporate control offer everyone a way out of a very difficult dilemma’

173. ‘Although actual practice varied widely, the post-war norm on most major corporate boards was a majority of inside employee directors. From the 1920s to the 1960s, the average big-league corporate board consisted of slightly more than half insiders... Yet 20 years later, a real demographic change had occurred. Even academic Stanley Vance, a strong advocate of inside directors, would admit that on the typical Fortune 1000 company board, 60% of directors by the early 1980s were outsiders’ (Ward, 1997: 61).

174. The quote goes on to note the substantial shift to the use of outside directors on most corporate boards: ‘Over the past five years, as a result of direct shareholder activism and of indirect pressures, there has been a net loss of 91 inside directorships and a net gain of two outside directorships. The median ratio of outsiders to insiders is now 3:1, and more than a quarter of the boards in the study had a ratio of 5:1 or greater. Only seven of the boards in the survey had a majority of inside directors’ (Monks and Minow, 1996: 145).

175. The Business Roundtable (1997: 10) is very strong on this requirement of independence of corporate board directors; ‘It is important for the board of a large publicly owned corporation to have a substantial degree of independence from management. Accordingly, a substantial majority of the directors of such a corporation should be outside (non-management) directors. The degree of independence of an outside director may be affected by many factors, including the personal stature of the director and any business relationship of the director with the corporation or personal relationship of the director with management.’ Moreover, Blair (1995: 191) notes that ‘Scholars, reform advocates, corporate lawyers, and even many corporate executives have gradually come to agree that giving boards of directors some independence from management is essential to good governance.’

What is not mentioned but is regarded as important is the nature of the mechanics of selection and appointment of the non-executive directors.

176. ‘Scholars from law and economics, and more recently from management theory... Some even suggest that employment itself creates a form of ownership, echoing the sentiments of Clarence Darrow: “The employer puts his money into... business and the workman his life. The one has as much right as the other to regulate that business.”... Over the long term, the employees may be the ones who are in the best position to decide many aspects of corporate direction, based on their superior access to information and their minimal conflicts of interest. After all, no one has a longer-term commitment to the company or a more closely aligned interest in the company’s long-term vitality... There is a lot of appeal in the notion
that those who provide the labor have an "ownership" right to the economic value of a corporation" (Monks and Minow, 1996: 243; 245; 247).

It is worth noting that the justification in terms of the employees' long-term attachment to the corporation has been weakened somewhat over the recent decades.

177. 'In the 1980s, 28 states passed stakeholder constituency statutes that allowed (and in some cases, required) boards of directors to factor stakeholders into their decisions along with the stockholders... Stakeholder concerns have exploded during the past year as "corporate responsibility" issues have grabbed the headlines—and the political agenda... In May 1996, the Clinton administration convened the first annual Corporate Citizenship Conference at the White House to bring stakeholder issues to the national policy level... Summing up, Secretary of Labor Robert Reich said that corporate responsibility "will continue to be an issue after the November Elections." In the United Kingdom, Labour Party leader Tony Blair has made a "stakeholder society" a plank in his efforts to return Labour to power... Bringing stakeholder concerns into the boardroom stirs strong debates and unusual alliances... Boards have other reasons (than diminished direct ownership rights) to approach corporate responsibility considerations with caution—they create liability minefields... Japan and many European countries, particularly Germany, have long practiced a form of social responsibility governance in running their corporations... There is very little legal reason why boards cannot already take the wider world into account in their deliberation... as long as they do not conflict with shareholder needs' (Ward, 1997: 329–333).

178. 'The new, improved boards of the 1990s had divorced themselves from these puppet shows. The outside independent directors were now empowered CEOs, academics, and civic leaders. Despite the advantages seen in these new outside directors, they had one serious disadvantage compared to their predecessors. They lacked a mandate' (Ward, 1997: 99).

The cognitive analysis in this thesis helps in part to establish the bona fides and mandate for effective participation of such independent directors as academics and civic leaders.

179. Ward (1997: 157) was quoted earlier as saying that "there is no urgent need for any employee other than the CEO to hold a board seat." However, at that time, Ward (1997) still argued more strongly for the value of having insiders on the board. In his latest book, this thinking has moved on to the point where he acknowledges that "the latest governance turn is tighter standards for just how "independent" your outsiders are. Does this make the inside director an endangered species, or will the slot evolve with new standards? Here are some views from some savvy boardroom observers.

Larry Stybel, Stybel & Peabody "... It’s becoming less common."

Susan Schultz, SSA Executive Search "... In my experience there is nothing to be gained from having insiders on the board unless the CEO is looking for another vote... I recommend strongly against it" (Ward, 2000: 42).

180. 'With the nominating committee, however, this effect has been for the good, adding a measure of planning and objectivity to the traditional recruitment routine—the CEO saying, "Well, there's a fellow I know..." Even if, as Johnathon Charkham estimates, 90% of board recruits are still known by the CEO in advance' (Ward, 1997: 172).

This personal connection to the CEO has to be broken and the process objectified as much as possible to avoid the tendency to politicise the process overly. There has already been some advancement as Ward (1997: 172) goes on to point out, 'at the end of the 1980s, perhaps 12% of Fortune 500 board searches made use of a search firm. "Today, it's probably close to 50 percent."'

181. 'However, nominating committees are gaining rapidly in corporate popularity. The 1995 Korn/Ferry survey found 71% of major companies have one (though the prevalence declines among smaller corporations). In 1973 the same survey found them at a negligible 2.4% of corporations. In 1994, Ted Judick of Hedrick & Struggles called the nominating committees "the most striking example of a board committee coming of age." The traditional route, with the CEO suggesting a splendid fellow he knows, is still quite common, but it will become less defensible as we move into the next century' (Ward, 1997: 226; 229).
182. What is conceived here is a mandatory system, which is a combination of Ward’s notions of certification and licensing: ‘Certification would likely be awarded by an educational, professional, or investor group... Licensing is the next stage in qualifying directors, and at present has few adherents. To be effective, it would need to be mandatory... [but] Who would decide exactly what makes a good director?... Ira Millstein, also a panel member, was more optimistic on the matter of accrediting directors. "I wouldn't write off the certification notion," he told the NACD conferees. "Next year, no. Five years, no. Maybe ten years, yes..." However, Millstein saw board certification as less important than board professionalism... Some directors' and officers' insurance companies have expressed support for certification as a risk management tool...Ultimately, director certification is an idea with few real enemies, but as yet even fewer real supporters’ (Ward, 1997: 180–183).

Ward (1997: 182) also observes that Australia already has in place a reasonable, graded certification scheme run by the Australian Institute of Company Directors.

183. ‘Candidates from this particular source [i.e. ex-CEOs] already have most of the proven qualities to be effective directors, but could be made even more so by a short and intensive course in corporate governance and practical directorship. A modest step in that direction has been taken in the United States and the United Kingdom, as mentioned earlier. The National Association of Corporate Directors has announced that it is convening a “Blue Ribbon” commission to make recommendations on director “certification,” possibly along the lines of the Australian example mentioned above’ (Monks and Minow, 1996: 304).

184. ‘In 1940, William O. Douglas, then serving a tumultuous term as chairman of the SEC, suggested a new class of “salaried, professional experts [who] would bring a new responsibility and authority to directorates.”... ‘There was a resolve in the air in U.S. boardrooms in the early 1990s that reflected this new sense of accountability... The skills of directorship, so long an afterthought or adjunct of management, began to receive attention as a discrete profession, with standards of practice and unique training requirements’ (Ward, 1997: 174; 117).

185. ‘Professionallsm has become the buzzword for board structure and oversight. Shareholder value, good supervision, and active involvement with management to gain results have grafted themselves onto the genetic code of corporate America’ (Ward, 1997: 153).

The idea of “professional” directors has been considered from time to time by various academics and others interested in improved governance, but perhaps most comprehensively and persuasively by Professors Ronald Gilson and Reinier Kraakman in their 1990 paper titled “Reinventing the Outside Director” (Monks and Minow, 1996: 300).

They suggest ‘that institutional investors create “a market for independent directors” by “recruiting a class of outside directors who actively monitor public corporations, much as LBO sponsors or universal banks in Japan and Germany actively monitor their own companies.” They suggest that the institutions, perhaps through some coordinating entity like the CII or IIS, develop a cadre of full-time directors whose entire professional obligation would be to serve as director of five or six companies. Gilson and Kraakman point out that the institutions have the votes to make this possible... The National Association of Corporate Directors also evaluates boards and maintains a database of director candidates’ (Monks and Minow, 1996: 212).

‘Professors Gilson and Kraakman recommend that a full-time professional’s portfolio should consist of no more than six boards, but it can be argued that even that is too many. Robert Monks, for one, suggests a limit of three’ (Monks and Minow, 1996: 301).

186. This is not to say that the financial institutions should appoint one of their fiduciary officers to one of the boards. ‘Nell Minow observes that “I’m very respectful of the expertise needed to be a good money manager, and of that needed to be a good director, but they’re not the same” (Ward, 1997: 291–292). Rather, it is sufficient that the suitably qualified candidate appreciates that he/she owes his/her position to the financial institutions. However, ‘As “delegates” wholly dependent on the shareholder groups for their mandate, these directors would, it is claimed, be the ultimate pipeline between those who own and those who manage’ (Ward, 1997: 176). But they can ever be only part of the pipeline!
Shareholder nominating committees are suggested by Pound (2000b: 174) in his political model of corporate governance where "in the institution-dominated market, dissidents genuinely committed to soliciting independent board members can convene a committee of major stockholders to choose the best possible candidate... This creates a true two-party corporate election where a dissident slate develops an alternative agenda and runs an independent campaign offering shareholders a distinct choice. To institutionalise and do this as a matter of course would constitute an overt acknowledgement of the political nature of corporate governance and would therefore be a positive step forward in keeping with the argument of this thesis.

Moreover, the notion of the financial institutions caucusing is similar to the concept of the 'Shareholder Advisory Committees (SACs). The SACs would serve as a go-between body of representatives elected by major investor groups to offer input and feedback to the board... SACs were viewed as a consultative group, able to give the board a shareholder's take on issues like board nominations, pay, and restructuring' (Ward, 1997: 120). What would be added is that this group would consciously nominate and have its suitably qualified representative actually on the board.

In consideration of this notion, it should be kept in mind that though there are many financial institutions there are not actually that many who have sufficient holdings in one corporation, or have intentions of keeping them there for the long-term, or have the motivation or wherewithal to be involved: 'There might be talk about all the new, awakened shareholders and institutional investors, but there's really not much more than a dozen public pension funds involved... Despite the mass of their holdings, do institutional investors bring real commitment to governance or are they boardroom dilettantes? They may be big owners, but are they the real owners?' (Monks as quoted by Ward, 1997: 106–107; 109).

187. The political democracy of the United States has a voluntary voting system in which only a proportion (less than 50% of adult citizens) of the electorate end up voting in political elections yet have dubious unsupervised proxy mechanisms to try and orchestrate a vote of up to 100% of shareholders in the election of corporate directors (who are sometimes nominated unopposed by the CEO/Chair). Moreover, 'it was the first formal ruling of the agency with jurisdiction over the ERISA funds that the right to vote proxies was a "plan asset." Money managers across the country began to establish procedures and policies for voting proxies' (Monks and Minow, 1996: 139–140). It is proposed that the election of corporate directors becomes as independent and democratic as the election for political office.

188. These three principal criteria are reasonably basic and essentially cover the usual list of requirements such as those suggested by an earlier NACD Blue Ribbon Commission on Performance Evaluation of Chief Executive Officers, Boards, and Directors, and quoted in Ward (1997: 184) as integrity, experience, judgment and knowledge, time and commitment, teamwork abilities, and absence of conflict.

189. As Ward (1997: 268) observes, 'we have adequate evidence that at least some CEOs, consciously or not, realized that a fat and happy board was more likely to tolerate a fat and happy CEO. Codependency was a boardroom hazard long before it made the TV talk show circuit.'

190. The actions of Al Dunlap are a clear example of a sophisticated feudal lord who comes, conquers, pillages and disappears to the next victim for more pickings: 'When he took office, Scott Paper was worth $2.8 billion. The stock price climbed steadily, and when Scott was sold to Kimberly-Clark in 1995, the company brought $6.8 billion (with Dunlap's severance package worth a whopping $100 million). However, a 1996 article in Business Week claims that under Dunlap the company had received only a hasty "slash and burn" fix-up, weakening its core structure while prettying it up for a quick sale. Newsweek calls Dunlap "the poster boy for the folks who say that CEOs have gone to far," Investors in Scott Paper certainly made out well over the short term, but did the company's board select the wisest long-term course?' (Ward, 1997: 270).

191. The bureaucratic menotype #8 spirit was still alive in the 1960s when Myles Mace recalls that 'when interviewing top executives for his book Directors: Myth and Reality, "They
expressed instantaneous, vigorous and unqualified disapproval" of any plans to put stock in director hands. A stockholding board, the managers feared, would prove a meddlesome board' (Ward, 1997: 276). More importantly, directors were just there to do their fiduciary duty in a managerist corporation and should be remunerated accordingly.

However, a survey conducted in 1995 picked up the shift to politicist, or "revived feudal," thinking. 'Directors quizzed by Korn/Ferry agreed overwhelmingly (89% to 11%) that directors should be paid partially in stock. (Interestingly, the same percentage mix, 89% to 11%, disagreed with the idea of paying directors totally in stock)... A 1996 survey of institutional investors by Russell Reynolds Associates found that 61% consider company stock the ideal form of pay for directors' (Ward, 1997: 280).

192. This is saying it is not so much that 'if we want directors to think like shareholders they should be shareholders' (Ward, 1997: 275). But rather, the psychology is that the company directors are operating in a very political milieu and if they are successful then they consider it reasonable that they should extricate a part of the spoils by extracting some of the economic rents. 'A 1998 article in the Corporate Board by A. W. Smith Jr... voiced a common fear that [stock] options gave the appearance of self-enrichment and would tempt directors toward short-term decision-making solely to goose stock prices. Besides, he noted, "Options do not equal ownership." Rather, Smith, a noted pay consultant, advised payment with restricted stock, though once again concerned about the appearance of self-dealing' (Ward, 1997: 277).

Monks and Minow (1996: 208–209) take the opposite view and argue strongly that it is desirable to try and make directors act like owners: 'Increasingly, shareholders are looking to outsiders—who are willing to own a significant block of stock—to take the lead on board issues... And she [Marcia Lewis in Directors and Boards] rightly suggests that more share ownership makes better directors.' As a shareholder can no longer be an owner in the sense of the old entrepreneur, this proposal is talking about more or less compensation. This equates with the old theory of the "invisible hand" where self-interest produces community interest, or the more recent version, "greed is good."

That it is wrong-thinking self-deception to try and make directors like owners by giving them some shares, is underscored by the survey of director motivation: 'a 1996 study by Leslie Levy's Institute for Research on Boards of Directors surveyed over 300 directors of top corporations and found that the directors rated themselves and fellow members little motivated by material rewards. Only 7% said that "the opportunity to increase cash income" was a top reason for joining a board. Even less exciting were board benefits, given as an important consideration by only 1% of directors. On the other hand, 74% cited "the opportunity to contribute and be part of a force for change" as the board motivator swayed them, followed by "respect for the CEO" (61%) and the chance to be "part of a winning team" (38%)' (Monks and Minow, 1996: 288). The situation would get even more clouded if the trend and encouragement to "professionalise" the corps of directors were to become predominant—it would then become a matter, perhaps, of working out how best to pay the mercenaries of corporate politics! As Ward (1997: 293) observed 'that on the issues of boards and stockholdings, our agenda has outstripped our present knowledge base.' Again, there is the need to admit the dynamics are political and feudal-like and then reconsider how best to compensate directors.

193. Justice is a big issue for the menotype #C mindset, but it can just as easily be inward-turning as outward-turning.

194. As Ward (1997: 271) concludes, 'The shareholder performance that we pay directors to deliver, then, is certain only at the extreme ends of the scale. A company that is obviously a mismanaged dog has no business making either its executives or its board wealthy. A company like Disney has made Michael Eisner a very wealthy man over the last decade, and the board also deserves its share of Disney World passes. Yet in between are many very lightly delineated shades of grey.'

195. This is an important consideration when making an assertion along the lines of the following—are the shareholders interested in short-term harvesting or long-term increase in yields. "Similarly, a shareholder should want to invest in a CEO whose compensation depends on the money the shareholder will receive. Compensation plans also reveal what
the company's goals are and how confident the CEO and board are of the company's future' (Monks and Minow, 1996: 232).

**Section 5.3 Corporate Governance and the Individual**

196. According to the spirit of the legal framework, 'management serves at the pleasure of the board. The reality is the exact opposite. Directors are beholden to management for nomination, compensation, and information... In 95 percent of large US companies, candidates are recommended to the board by a nominating committee... Kom/Ferry found in 1991 that 82 percent of board vacancies were filled via recommendations from the chairman. Given that at nearly 80 percent of companies the chairman is also the CEO, it is clear that in reality the CEO plays an important, even dominant role in the selection of director candidates. "Nominating committees all too often are a sham, pure and simple," said Dale Hanson, then CEO of the California Public Employees' Retirement System, Before a House of Representatives Subcommittee... Rather, the CEO/Chairman wields the power in the boardroom, and the directors mostly serve at his pleasure' (Monks and Minow, 1996: 174; 182; 195).

This aspect is also highlighted by Blair (1995: 78): 'In US corporations board members other than the chairman are typically either part of the management team, in which case they report to the CEO and are unlikely to be strong critics, or they are outsiders (non-management) who were selected by the CEO or by a nominating committee strongly influenced by the CEO. "Independent" in principle, these outsiders may in fact know little about the business of the firm and are therefore very dependent on the CEO and other senior officers of the company to tell them what is going on.'

197. Robin Mann, an economist, and Henry Manne, a legal scholar at about the same time, expressed this sentiment slightly differently in the 1980s (as reported in Blair, 1995: 62). 'They posited that public corporations would not stray too far from profit-maximizing behavior because market forces would restrain management from using corporate resources in ways that do not advance the interests of shareholders. The market they had in mind was the market for the shares of the company's stock (which Manne referred to as the "market for corporate control"). If management failed to make investments or take actions that would maximize the value of those shares (by maximizing the stream of future profits those shares would earn), they argued, an opportunity would be created for a more skilled or more scrupulous management team to take control of the company. The usurping team would remove the poorly performing management and capture the gains from improved management through the higher stock prices. Competition in the market for corporate control would thus give shareholders ultimate control and compel firms to engage in profit-maximizing behavior, just as economic models of the firm assumed.'

198. From a different perspective, it is the third of Carl Kaysen's three alternative modes of containing corporate power which he spelled out in his *The Corporation: How Much Power? What Scope?* The alternative modes are: 'The first is limitation of business power through promoting more competitive markets; the second is broader control of business power by agencies external to business; the third, institutionalization within the firm of responsibility of power. Traditionally, we have purported to place major reliance on the first of these alternatives, in the shape of anti-trust policy, without in practice pushing very hard any effort to restrict market power to the maximum feasible extent... What I consider more likely is some mixture of the second and third types of control' (as quoted in Monks and Minow, 1996: 18). Moreover, 'Kaysen is pessimistic about the prospects for corporate self-regulation' (Monks and Minow, 1996: 18).

199. The continual questioning fosters a continuing level of cognitive tension between different perspectives, which is fundamental to effective decision-making processes as explained by Forbes and Miliken (1999: 494): 'Moreover, the existence of cognitive conflict on the board can serve to remind management of the power and role of the board and of the importance of considering shareholder interests in the formulation of strategy even beyond the boardroom. In addition, cognitive conflict results in the consideration of more alternatives and the more careful evaluation of alternatives—processes that contribute to the quality of strategic decision making in uncertain environments (...). Watson and Michaelson (1988) have found that groups performing an intellectual task perform better when their interaction
behaviors feature the inclusion of multiple viewpoints and the exchange of both positive and negative comments. Likewise, Vanous and Youtz (1986) have found that solution diversity has a positive influence on the quality of group decisions; Schweiger, Sandberg, and Ragan (1986) have found that conflict-inducing techniques contribute to the effectiveness of strategic decision-making groups.'

200. This is reinforced by some as the proper role of the corporate board as follows: 'It is the management's responsibility to develop policies which address these matters; in doing so they must have regard to the overriding objective of preserving and enhancing the shareholder's investment over time. The board's task is to approve appropriate policies and to monitor the performance of management in implementing them' (Hampel, 1998: 12).

201. This is essentially what happened in the much studied groupthink example of John Kennedy and the Bay of Pigs fiasco. The dynamics of this difference can be appreciated by reference to the two countervailing examples Janis (1982: 14–47; 132–158) analysed from President Kennedy's administration. Essentially, the same people were involved but the Bay of Pigs invasion of Cuba was an example of groupthink where there was no real energy of inquiry or learning dialogue and the Cuban missile crisis was an example of the value of an effective decision-making process in the terms of the framework of this paper.

202. Janis' (1982: 9) definition of groupthink is in terms of 'a mode of thinking that people engage in when they are deeply involved in a cohesive in-group, when the members' strivings for unanimity over-ride their motivation to realistically appraise alternative courses of action... group-think refers to a deterioration of mental efficiency, reality testing and moral judgment that results from in-group pressures.'

Many motivations may actually contribute to this reluctance to appraise alternative courses of action, but reluctance is the key. The group does not have a process to allow and stimulate questions that would lead to insights that could call for change in phase #B (or the level of meaning and understanding) concepts of reality and proposed solutions to the problem at hand.

203. These antecedent conditions can be compared with those proffered by Janis (1982: 176–177):

- The degree of cohesiveness in the group (invoking loyalty);
- the insulation of the policy-making group (and perhaps hubris);
- the lack of tradition of impartial leadership (strong boss);
- the presence of psychological stress; and
- the lack of norms requiring methodical procedures for dealing with decision-making tasks (not geared for learning).

In his appraisal, Janis (1982) fails to give cognisance to the important influence of having a shared vision of the desired outcome. He might, however, say that he would include such a condition within his concept of a cohesive group. Stress, however, is a fact of life and is present both in cases of groupthink and in instances of effective decision-making.

204. In fact, 't Hart (1990: 96–97) illustrates the plausibility of this linkage by observing; 'Both concepts are associated with defective decision-making and policy failure: group-think describes how the failure may arise, entrapment describes a specific pattern of failure... The antecedent conditions of group-think bear some striking similarities to elements in the determinants of escalation behaviour and entrapment... (Janis, 1982: 48–49; Staw and Ross, 1987: 58–59). The psychological function fulfilled by the symptoms of group-think (and entrapment) is basically a protective one.'

205. The different motivations described in this paper are basically the same as the major determinants of commitment to a course of action that Staw (1981: 581–582) included in his theoretical model. There is, however, no recognition that the particular determinant operating could be different for the different personalities involved. Staw (1981) relied on a survey of empirical research and a consideration of leadership theory and compliance literature to come up with his group of alternative, normative determinants.
206. The possible remedies proffered by Janis (1982: 262–271) can be seen as more particular suggestions in keeping with those offered here. His suggestion to appoint a specific devil's advocate in the decision-making processes, is of particular significance.

207. There has been considerable encouragement for corporate boards to take cognisance of the interests of all stakeholders. For instance the UK Committee on Corporate Governance stated that: 'Good governance ensures that constituencies (stakeholders) with a relevant interest in the company's business are fully taken into account' (Hampel, 1998: 7).

The Business Roundtable concluded (1997: 3), 'Thus, to manage the corporation in the long-term interests of the stockholders, management and the board of directors must take into account the interests of the corporation's other stakeholders. Indeed, a number of states have enacted statutes that specifically authorize directors to take into account the interests of constituencies other than stockholders, and a very limited number of state statutes actually require consideration of the interests of other constituencies.'

In addition, 'Directors who fail to consider the interests of customers, employers, suppliers, and the community fall in their duty to shareholders; a company that neglects those interests will surely decline. The danger lies in allowing corporate managers to make policy trade-offs among these interests [but they do]... Companies cannot afford to ignore the needs of their constituencies... It has always been permissible, even required, for directors and managers to consider the interests of all stakeholders, as long as they do so in the context of the interests of shareholder value... "But while firms have a duty to respect the rights of others, they are under no obligation to promote the interests of others"' (Monks and Minow, 1996: 34–35). However, Monks and Minow (1996) also make clear (as quoted elsewhere in this thesis), that the shareholders now are comprised more and more of the employees and the bulk of the community who, in turn, go to make up the other constituencies.

Moreover, 'It is the role of the Director to be generally out among the various stakeholder groups listening to their concerns and views and, where appropriate, taking issues back to the full Board or management for consideration. Access and a willingness to listen and consider views with an open mind are the keys' (Crawford, 1996: 4).

208. A first and necessary requirement to have an effective share of power is to be truly independent from the CEO/Chair as emphasised in the United States by The Business Roundtable (1997: 10–11), 'It is important for the board of a large publicly owned corporation to have a substantial degree of independence from management... The overall result should be a board that, as a whole, represents the interests of stockholders with appropriate independence.' The UK Committee on Corporate Governance also supported this need for Directors to be able to exercise independent judgment: 'The true safeguard for good corporate governance lies in the application of informed and independent judgment by experienced and qualified individuals—executive and non-executive directors, shareholders and auditors' (Hampel, 1998: 11).

209. There is now widespread acknowledgement that the ultimate responsibility for strategic direction and performance lies with the corporate board and therefore Directors need to be actively involved in setting corporate strategy. The Business Roundtable (1997: 6) is very clear that 'When a corporation fails significantly short of its important objectives or when plans appear to be inadequate, more intensive board oversight of management is warranted. This kind of circumstance requires the best judgment of people highly experienced in business and management. Alternatives must be considered carefully and appropriate action taken.'

Crawford (1996: 3) is insistent the corporate directors should 'add value to the strategic planning process... by translating changes in other environments into the company's context and bringing these issues to the table in the strategic planning process. In other words questioning the impact of these trends on the company for the future... Whilst the Board should have regular reports from management on the business and its performance, the Board's focus must be firmly on the future and the impact of today's performance on the strategic direction. Also, whilst it is a key role of the Director to intelligently question direction or decisions, he or she should also be prepared to bring suggested solutions or options for consideration—questioning is no longer enough.'
There has been much written about the need to build learning organizations (Senge, 1990) or knowledge-creating companies (Nonaka and Takeuchi, 1995). 'Learning involves a new response or action based on the interpretation (Argyris & Schon, 1978). Organizational learning is defined as the process by which knowledge about action outcome relationships between the organization and the environment is developed (Duncan & Weiss, 1979). Learning is a process of putting cognitive theories into action (Argyris & Schon, 1978; Hedberg, 1981). Organizational learning is analogous to learning a new skill by an individual' (Daft and Weick, 1984: 286).

However, it is also important that corporate boards have a positive attitude to continued learning. 'A key element of leadership often overlooked is the desire to continue learning and improving through the application of that learning. This is a crucial issue for tomorrow's Directors. Appointment as a Director can be seen as a pinnacle of achievement on one view but it must also be viewed as the start of a process of learning—about the organization, its operations and people, its industry (locally and globally) and so on' (Crawford, 1996: 3).

It is acknowledged that 'there can be few intellectual quests that, for educators, and trainers of adults, assume so much significance and yet contain so little promise of successful completion as the search for a general theory of adult learning. Kidd has compared the quest to the search for Eldorado... Learning activities and learning styles vary so much with physiology, culture and personality that generalized statements about the nature of adult learning have very low predictive power' (Brookfield as quoted in Jarvis, 1987: ii).

Though it is impossible to have a theory that explains everything, it is contended that differentiation along the lines suggested in this thesis would go a long way in providing a holistic explanation of the learning process that could be used with high predictive power. However, since that is not the topic of focus, the full development of a useful learning theory will have to be dealt with elsewhere. It is hoped, however, that some appreciation can be obtained of the power and integrity of the few perspectives developed in this section and in other parts of the thesis.

The term "biography" is taken to mean the individual's state of knowing as the result of the individual's experience to date and his/her degree of learning.

In this book, we classify human knowledge into two kinds. One is explicit knowledge, which can be articulated in formal language including grammatical statements, mathematical expressions, specifications, manuals, and so forth. This kind of knowledge can be transmitted across individuals formally and easily. This has been the dominant mode of knowledge in the Western philosophical tradition. However, we shall argue, a more important kind of knowledge is tacit knowledge, which is hard to articulate with formal language. It is personal knowledge embedded in individual experience and involves intangible factors such as personal belief, perspectives, and the value system. Tacit knowledge has been overlooked as a critical component of collective human behavior. At the same time, however, tacit knowledge is an important source of Japanese companies' competitiveness' (Nonaka and Takeuchi, 1995: viii–ix).

However, Nonaka and Takeuchi do not differentiate the creative aspect of knowledge but rather see it as deriving from the tension between the other two aspects of knowledge (which it does of course but nevertheless it is there in the human mind ready to be brought forward or tapped). "In this book, we focus on explicit knowledge and tacit knowledge as basic building blocks in a complementary relationship. More importantly, the interaction between these two forms of knowledge is the key dynamics of knowledge creation in the business organization. "Organizational knowledge creation" is a spiral process in which the above interaction takes place repeatedly' (Nonaka and Takeuchi, 1995: ix).

Innovation is taken here to mean an increment in knowing, which encompasses an increment in any of the three modes of knowing—that is, an enhanced potential to perform better by an increase in knowledge, an evolutionary development of style or culture, or an enhanced capacity to reach judgments and commitments to the right course of action.

John Waters who is doing a PhD (Management) at the University of Western Sydney has researched the theories on innovation and concluded that the greatest focus has been on
the aspect of knowledge acquisition and very little attention given to the critical need for commitment if the organization is to develop into an innovative company. Waters identified the same three aspects of knowledge, style and commitment as the core differentiation to understanding innovation and in conversations with him he agreed in the ascending order of abstraction of the three notions that is the focus of this thesis. Waters’ focus has been to rewrite the theory of innovation, whereas the focus of this thesis is to identify initiatives to enhance performance and learning in individuals and organizations.

216.

De Wit (1997: 11) in the context of a book reporting a conference in Porter’s honour bona fide on the reason for the popularity of Porter amongst the corporate executives: ‘Porter considered that his primary target group to be practitioners: “This book is written for practitioners, that is, managers seeking to improve their businesses”... the importance of Porter’s contributions to business managers is illustrated by Shell’s CEO Herkströter’s contribution,’ who gave Porter (1995) big accolades for the impact of his generic competitive strategy approach with executive decision-makers. ‘He is a profound thinker on matters about which Shell feels strongly. And it is particularly those of his ideas that have found practical application in the hard-nosed world of business, that I wish to recall here. Who can doubt that he has had an impact?’ (Herkströter, 1997: 19).

217.

There are, in fact, proposals to develop such schools for directors: ‘There is the foreign service school that produces an elite corps for the State Department, so there could also be a school that would produce qualified directors’ (C. Vance quoted in Ward, 1997: 181). The comment here is that the foreign service school produces polished bureaucrats and perhaps diplomats who advise the foreign policy leaders on the National Security Council, who invariably have not been processed through the foreign policy school. In addition, Dror (1971: 218) in his continual concern to improve the inner mind of government and the quality of its leaders recommended the establishment of a school for political leaders. He then developed these thoughts into another article titled ‘School for Rulers’ in which he reasons: ‘Four premises serve as a foundation for this assertion: One, Rulers matter a lot; two, Rulers must know a lot, in addition to meeting other criteria; three, as a matter of fact nearly all Rulers lack essential knowledge, in particular policy-cognition competence; and four, carefully designed learning institutions are needed to supply Rulers with required knowledge and can do so’ (Dror, 1991: 2).

Ch. 6 Governance in US Public Administration

218.

This phrase was used specifically in the Blacksburg Manifesto (Wamsley et al, 1990: 34) to promote its cause. ‘Our focus is on the functions of government agencies and not on how they might be organized. Thus we speak of “The Public Administration” as an institution of government rather than of bureaucracy as an organizational form.’ It remains to be seen as to whether this concept of being an institution remains a valid claim in the context of the following analysis.

219.

As opposed to the thinking of Woll (1963: 18), who contends that ‘the premises of the constitutional system are no longer valid today. This is a further reason to support the view that present bureaucratic power does not fit neatly into the pattern of limited government established by the Constitution of 1789’.

This thesis goes on to argue that Woll (1963) is wrong on both counts—the basis of the Constitution is still as sound today as it was when it was constructed because its premises about human nature still stand (humans have not basically changed but only matured), and public administration has fitted in all along—it’s just that its importance is naturally suppressed and it is only through the process of greater differentiation and complexity in the understanding and practice of governance over time that public administration has been required to stand more apart and on its own feet.

220.

Put in another way: ‘Human beings have a remarkable capacity for social construction or perception. We create our selves, communities, organizations, institutions, and reify them—endorse them with varying “realities” and meanings. This creates ontological and
epistemological problems for us as we seek to understand our various social constructs. People’s sense of being, their concepts of truth and reality and how they can know them, vary sharply and widely. Consider the implications for public administration’ (Wamsley, 1996: 390).

Section 6.1 Constitutional Power and Authority

221. ‘For many founders, it seemed self-evident that the U.S. Constitution was the practical implementation of the separation of powers theory. “Our Government,” Edward Livingston of New York told the House of Representatives in 1798, “is founded on the establishment of the principles which constitute the difference between a free Constitution and a despotic power; a distribution of the legislative, Executive, and Judiciary powers into several hands... strongly marked, decisively pronounced” (Powell, 1987: 27).

222. ‘The theory of the separation of powers consists of two major elements. First, it holds that power can be conceived as powers, i.e., as a few distinct categories defined according to general functions... In the evolution of the theory, there were debates on what exactly these categories were. But by the time the theory had come to America, it was accepted on all sides—working mostly from Montesquieu’s design—that there were three basic powers: a legislative power, meaning a power to make laws; a judicial power, meaning a power to apply penalties (criminal or civil) and to have a role in applying law (including constitutional law); and an executive power, meaning in a strict sense a power to execute or carry out laws and, more broadly, a discretionary power to act in behalf of the nation, especially in crisis or foreign affairs, when laws either could not apply or when they might conflict with the national interest... It is not too much to say that the dispute over whether to recognize the executive power in this broader sense—meaning an admission of its existence, of its importance for any government worthy of the name, and of the need for its being exercised effectively—was the central question in the debate over the Constitution...
Second, the allocation of power according to the principle of the separation of power promotes efficiency, at least in one respect. Because these functions are different in character, their effective performance demands different qualities. Each institution can be structured to carry out its own function in an effective way. Thus the executive power can be housed in an institution headed by one individual in order to be able to act quickly and secretly, while the legislative power can be placed in an institution that provides for broad representation and ensures deliberation’ (Ceasar, 1994: 93).

223. ‘The theoretical concept of separation of powers is often equated today with that of checks and balances (as in the opinion of Justice Brandeis quoted above), and indeed on occasion Americans in the founding era also combined or confused them. In the origins, in eighteenth-century political science, and in the minds of most founders, however, the two ideas are quite distinct... Mixed government Theorists were unconcerned about concentrating power as long as the interests of the different estates were in balance; separation of power Theorists did not object to the domination of government by a single social class as long as different persons wielded the functionally distinct governmental powers’ (Powell, 1987: 26).

‘Separation of powers was originally a republican doctrine that Locke and Montesquieu rationalized, neutralized, and cleansed of its partisan animus. But to do so they reinterpreted the English Constitution rather than abstracted from it... The other argument for separation of powers, less obvious in The Federalist but implied by Hamilton’s mention of the “regular” distribution of power (Federalist 48), is the separation makes the powers work better’ (Mansfield, 1994: 9; 10).

Moreover, politics is a natural and constructive component of a healthy society. The separation of powers is a core principle that determines the shape of the political process and any society should wish to effect the most constructive processes possible to resolve the inevitable social tensions. ‘I must begin by noting that politics as a social process must be accorded ultimate respect; the political process is the means by which society heals its collective problems, the problems caused by the limits of the consciousness of its citizens... Society, rather than having it development carried forward by individuals, must attempt to heal itself. Politics is this healing process. Politics, then, is above all the process by which societies come to terms with eruptions of unconscious energy... eruptions that occur because the symbolic analogues of the society have become inappropriate to its pattern of
development... Politics is a power game, a game based on the pulling and hauling of interested parties' attempts to dominate. Hence, by its very nature, cannot be rational in the way that participation can be in principle... Politics is society struggling to settle itself through structured disruption. Politics is a collective process, a process that deals in the irrational... Politics is the process by which a society relates to its unconscious. Politics therefore has a certain transcendent quality of its own that is unique to it. It is the process through which a society lives out its collective destiny' (White, 1990: 235–236).

That is, politics is a process of dialogue and ordered exercise of power to aspire to the greater public good, which, of course, can never be attained because humans and human constructions are by necessity limited and limiting—they can never be perfect.

224. 'Indeed, Madison defends the form of separation of powers under the Constitution not simply in terms of checks and balances, but for the purpose of separating the executive from the legislative as a means of obtaining stable, energetic and competent government, and also for establishing justice within a "wholly popular" regime' (Marshall, 1994: 28).

For much of this century, many political scientists, legal scholars, and journalists have taken for granted that the eighteenth-century principles underlying the constitutional separation of powers are incompatible with the governing demands of the twentieth century. They view "government inefficiency" as the inevitable cost of the Founding Fathers' "passion" for dividing power... these critics assert that the American political system is ill-suited to foster good administration. But this view mischaracterizes the actual principles of American constitutionalism. A careful re-examination of the origins and the classic elaboration of the American separation of powers doctrine demonstrates that constitutional structure embodies a dual commitment to ensuring effective governance as well as to protecting liberty...

In that discussion of the three branches (Federalist Papers #47–51), Publius abstracts from the qualities of executive, legislative, and judicial power in order to concentrate on the branches' mutual checking capacities. It is in later Papers that Publius develops the "positive intention" of the tripartite system: "to contribute 'energy' and 'stability,' so as to constitute a 'good' or 'useful' government rather than merely a safe one" (Korn, 1996: 14, 19).

'As Justice Robert Jackson would later put it, "While the Constitution diffuses power the better to secure liberty, it also contemplates that practice will integrate the dispersed powers into a workable government. It enjoins upon its branches separateness but interdependence, autonomy but reciprocity"' (Heclo, 1994: 132).

'This characteristic of inefficiency, it is worth noting, is the central criticism made by adherents of the doctrine of the modern presidency. They argue that the Constitution leads to policy stalemate and deadlock, preventing majorities from having their way. Interestingly, this criticism was almost never heard until this century. Earlier critics attacked the Constitutional plan on the grounds that it provided the federal government not with too little, but with too much, capacity for action. It was the Founders themselves, not their contemporary critics, who worried about how to make the government energetic enough.

This brings us to the other point, which is that not all instances of mixing and sharing of power were included as checks. Granting the president a role in the legislative process was, as noted, intended to endow the government as a whole with a greater capacity for the effective exercise of power' (Cesare, 1994: 96–97).

225. This is not to say that it did, or could be expected to, operate smoothly and maturely from the start. Like a child born with the power to think and then brought up in an environment that encourages the development of its power to think, decide and act, the new US governance system had to crawl before it could walk, and walk before it could run. Woodrow Wilson (1966/1887), himself, recognised this and actually defined three stages of state evolution (Rohr, 1984: 39–40). The main point, however, is that the US constitutional governance system was effectively provided with the structure and dynamics to think collectively, decide, act and then reflect on all that, and learn—as would a self-interested individual. Learning organizations might have only arrived on the scene recently (or more correctly only named and discussed recently), whereas an effective earning constitutional governance system has been around in the United States since 1789.

226. The necessity and value of effective and constructive dialogue between all the different political perspectives has long been regarded as a necessary virtue for good government.
For instance, Bagehot 'concluded the introduction to his second edition by observing that the English constitution and the American constitution provide two leading forms of "government by discussion" (Bagehot...). Government by discussion was, for Bagehot, a necessary condition for the development of a first-rate political community' (Ostrom, 1989: 67).

In particular, Marshall (1994: 41) notes of the US Constitution: 'By comparison, the Madisonian design compels negotiation and compromise, the very feature most despised by its critics.' The very idea of modern "checks and balances" suggests, as Woodrow Wilson animadverts, a mechanistic, Newtonian vision of power balancing power. In Montesquieu's schema, liberty is thus secured not by a judgment over these competing claims but by their maintenance in perpetual tension' (Marshall, 1994: 27).

227. In other words, 'Constitutional government in the United States subsumes the democratic process... thus the Constitution was actually concerned with limiting governments (both national and state) as well as with limiting the direct power of the people' (Woll, 1983: 21).

228. In fact, it seems that it was never intended that they should be distinct and mutually exclusive: 'The problem with using the theory to interpret the Constitution, as James Jackson of Georgia replied to Lee in 1789, is that the framers had so thoroughly rejected the object of the threefold functional analysis—to keep in separate hands the different powers. "Are the Legislative, Executive, and Judicial powers kept separate and distinct? No, Mr. Chairman, they are blended... in all the possible forms they are capable of receiving." The actual Constitution—as opposed to the imaginary one Theoreticians like Lee had conjured up out of their own ideas—was one long repudiation of the separation of powers theory' (Powell, 1987: 28).

Which correctly identifies the secondary fact about the powers being blended to a degree, but overlooks the primary fact that each of the three primary institutions of Legislature, Executive and Judiciary is allocated the bulk of the respective power with the other two institutions only being accorded a secondary or tertiary role for that particular power.

Goodnow (according to Waldo, 1984a: 106) used the impracticability of a pure division of the three powers into different institutions as a basis to argue for the validity of the separation of politics and administration as a better tool to inform the structure and working of government.

'The second most influential treatment of the separation of powers by an American student of public administration is that of W. F. Willoughby. His The Government of Modern States, though formally a text on comparative government, best presents his distinctive viewpoint.

He finds the American threefold division of powers as unsatisfactory as did Goodnow: "Examination will show that it cannot stand the test of scientific analysis..."

The threefold scheme is at once too subtle, and lacking insubtlety. It is too subtle because it posits three equal powers when, broadly speaking, government is a process of two parts: "If the work involved in the administration of any service or enterprise is subject to analysis certain important distinctions appear. The first of these is that between the function of direction, supervision, and control, on the one hand, and execution on the other..."

Third, the details of the argument must not obscure important points of agreement with Goodnow: Willoughby as well as Goodnow is preoccupied with a dichotomy between politics and administration, and Goodnow as well as Willoughby recognizes a function of "administration" apart from and in addition to the "executive" proper' (Waldo, 1984a: 109; 111).

This thesis provides a scientific or philosophic analysis of the structural separation of powers and analyses the deeper nature of control and execution, and between politics and administration. Further, there is a deeper analysis of Willoughby's (Waldo, 1984a) initial differentiation between the "administration" and the "executive" and its proper relationship.

229. 'The Constitution, on the other hand, does not completely separate the powers of the three branches of government, but rather blends them so that each branch will be able to check the other branches by interfering with their functions' (Woll, 1983: 13).

However, it is more a matter of reality that the powers cannot be completely separated but need to interact and support one another in different ways as the circumstances change— and so it is within a trinity of monotypes.
'Publius argued that a "partial mixture" of the three governmental powers would provide the "necessary constitutional means and personal motives to resist encroachments of others." In contrast, a pure separation of powers system—the kind demanded by the Anti-Federalists—would provide no protective weapons to enable members of each branch to check potential abuses of members in the other branches. Without a mixture of powers within each branch, Publius warned, constitutional provisions expressly prohibiting the encroachment of one branch on another would prove nothing more than "parchment barriers" (Korn, 1996: 17).

230. 'In 1960, in what became an influential text on the American presidency, Richard Neustadt wrote, "The constitutional convention of 1787 is supposed to have created a government of 'separated powers.' It did nothing of the sort. Rather, it created a government of separated institutions sharing powers." Dozens, perhaps hundreds, of times since Neustadt's book was written, students of American political institutions have cited Neustadt's formulation with approval... Despite the views of Neustadt and his intellectual progeny, the Framers very much believed in a formal separation of powers, or functions, of government and expressly designed each of the governing institutions to carry out effectively the category of powers assigned to it' (Bessette and Schmitt, 1994: 47–48).

Both of these two perspectives on the nature of the separation of powers are subsumed in the conceptual understanding explained in this thesis.

231. However, there is only indirect influence. The Court argued that, apart from impeachment, the president is "responsible not to the Congress but to the people" and that "once Congress makes its choice in enacting legislation, its participation ends. Congress can thereafter control the execution of its enactment only indirectly—by passing new legislation." The Court went on to quote the sweeping language of the 1935 Humphrey's Executor case to the effect the "the fundamental necessity of maintaining each of the three general departments of government entirely free from the control or coercive influence, direct or indirect, of either of the others, has often been stressed and is hardly open to serious question" (Heclo, 1994: 141).

232. Which means that the legislative or menotype #C power is regarded as superior to the judicial or menotype #B power, which is, in turn, regarded as superior to (and mediating with) the executive power (menotype #A).

"From its origins, justice William Paterson wrote in 1795, the Congress was "the general, supreme and controlling council of the nation, the centre of union, the centre of force, and the sum of the political system." Like the British Parliament, Congress's powers were coextensive with the nation's needs. "To determine what their powers were," Paterson wrote, "we must inquire what powers they exercised" (Powell, 1987: 35).

To ensure that Congress remains the supreme power, it alone has been accorded the power of the purse. 'Based primarily on its power to appropriate funds and its unique status as a representative body, Congress with good reason calls itself the "First Branch of Government." The power of the purse, James Madison noted in Federalist 58, represents the "most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure." Article I, Section 9 of the Constitution places this weapon squarely in the hands of Congress' (Fisher, 1978: 166).

233. This order or precedence of the powers has been echoed by many scholars. 'Many persons consider the three branches to be equal, but the Constitution clearly gives the Congress the central power if it chooses to exercise it. Nevertheless, in recent decades the President has overshadowed Congress, and the courts are a distant third as holders of power. Each branch has powers of its own and checks over the other two branches... Nevertheless, the branches retain considerable independence. The classic description of the operation of the separate branches in that they provide checks and balances.' (Max Skidmore and Marshall Carter Wanke, as quoted in Merry, 1980: 219).

'The balance of the American Constitution is a balance between the stronger—which in most circumstances is the legislative—and the weaker departments, and more fundamentally, is a balance between the dependence on the people and the auxiliary precautions, the chief one of which is the separation of powers' (Wilson, 1994: 83).
'Of course, the Capitol was built on the heights of what was then known as Jenkins' Hill. This gave the Congress a pre-eminence position within the federal district's core, reflecting no doubt its high public responsibility of passing laws for the republic as a whole. Yet counterbalancing this was the decision made soon thereafter to locate the buildings housing the departments of war, state, and the treasury on the grounds reserved for the executive's mansion. Congress was placed on a pedestal, but the weight of government's day-to-day business was adjoined to the presidency' (Bessette and Schmitt, 1994: 61–62).

234. This type of relationship between the different aspects of governance power is a reflection of a broader perspective on human affairs as captured by Marshall (1994: 24): 'But within the broad philosophical tradition defending the idea of transhistorical principles against those who deny them, one may discern three modes of reasoning through which political things are perceived: science, practical reason and aesthetics. According to whichever mode is selected as primary, human affairs will appear under profoundly altered lights... Corresponding to the three modes of perception are, indeed, three philosophical traditions adhering to the idea of a transhistorical principle of right; and each of these traditions in turn traces a radically different path to constitutional government.'

This is the truth that this thesis has explored. There are three philosophical traditions which are captured by the metaphor of the mind at the broadest level (as alluded to in earlier discussion of democracy).

235. 'The Constitution's purpose was to make "the government of the United States a complete government with all the powers within itself for the general purposes."' (Powell, 1987: 35).

236. For instance, the legislature has been deemed to have the power implied in the Constitution, to investigate the executive administrative function: 'The court announced in 1927 that a legislative body "cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change..." Investigation is a prerequisite for intelligent lawmaking' (Fisher, 1978: 139). The legislature would regard the Executive as its secondary support to implement its legislation and so would be looking to influence its operations.

On the other hand, the Executive has been deemed to have the power implied in the Constitution to withhold information for the purpose of confidentiality "to the extent this interest relates to the effective discharge of a President's powers, it is constitutionally based." These implied powers meet head-on whenever Congress, in an attempt to carry out its investigative function, is denied information by a president who invokes the executive privilege' (Fisher, 1978: 139).

237. 'I shall begin with an assumption (which requires no proof because it is beyond argument) that all human groups up to and including the nation-state itself are oligarchically ruled. Although the rhetoric of course differs, this assumption includes the political entity called the United States of America. The people do not rule, either directly or through their elected "representatives." There is, therefore, no valid reason for calling the United States a "democracy"; it is not now, was not in the past, and shows no likelihood of becoming, a true democratic polity—however one defines democracy (more than 200 definitions exist)... As for the United States, it seems clear beyond doubt that we have always had an elitist form of actual government, however much the popular wisdom is to the contrary... "Great family wealth, as well as corporate wealth," a careful study by Professor Philip Birch concludes, "has long exercised more influence in American government than has been generally realized. In fact, if anything, that is an understatement... It would be more accurate to say that, regardless of changing form, America has almost always been dominated by some kind of wealth." In other words, those who formally rule take their signals and commands, not from the electorate as a body, but from a small group of men (plus a few women). This group will be called the Establishment' (Miller, 1987: 2).

More importantly, Woodrow Wilson (as quoted in Rohr, 1984) identified the necessity for modern States to be self-conscious: 'In his notes, Wilson distinguishes between the constitution of a before and after "the modern time" which he calls "the regime of liberalism." The older constitutions were concerned "only with make-up and method." Modern constitutions add "an authoritative body of limitations or a grant of power from without." The
modern constitutional state is "a self-conscious, adult, self-regulated (democratic) State," with the following characteristics" (Rohr, 1984: 37).

But as noted above, even a State cannot be adult as soon as it is born and needs to mature through all of its nourishment, nurturing and experiences provided, of course, that it is equipped with the collective cognitive wherewithal to be reflexive.

238. An understanding of the hierarchy of powers in terms of the degree of abstraction in their decision-making is contained in the thinking around the original development of the Constitution as encapsulated by Madison in Federalist 48 when discussing the encroachment of powers: The legislative department derives a superiority in our governments from other circumstances. Its constitutional powers at once being more extensive, and less susceptible of precise limits, it can, with the greater facility, mask, under complicated and indirect measures, the encroachments which it makes on the co-ordinate departments. It is not infrequently a question of real nicety in legislative bodies, whether the operation of a particular measure will, or will not extend beyond the legislative sphere. On the other side, the executive power being restrained within a narrower compass, and being more simple in its nature; and judiciary being described by landmarks, still less uncertain, projects of usurpation by either of these departments would immediately betray and defeat themselves" (Hamilton, Madison and Jay, 1952: 157).

That they are interrelated and interconnected means or process of dialogue and decision-making between different perspectives about the ends or "public interest" and not a statement on the particular ends, is captured by Marshall (1994: 17): "The American Constitution's text shows separation of powers, along with federalism, to be the document's "central organizing principle." Yet the chief author of that text, James Madison, designates this separation as an "invention of prudence," an "auxiliary precaution," thus not a principle but a means for achieving the Constitution's end of justice. For a century and more, however, since the writings of Woodrow Wilson, critics of this "invention" have seen it rather as a barrier than as a means to achieving this end. In this respect, whereas Madison had sought to join the means with the end, the critics would separate the two.'

That the Constitution and the construction of the separation of powers is in accord with the natural cognitive dynamics of human thinking means that it keys in with the human psyche in much the same way as the myths do. "Constitutional mysticism or mythology comes in many guises. The foundation, or basic, myth has four features. First, the myth sees the United States as being born by a political immaculate conception, pure and untrammelled. This is the creation myth. Nothing constitutionally significant is considered to have occurred prior to 1787—not even the Declaration of Independence or the Articles of Confederation. In significant respects, the formal constitution as written is a counterrevolution to the principles of the Declaration. Second, the myth views the constitution as a set of immutable truths revealed—some think by divine inspiration—to the framers. Among other things, this means that the constitution is—or as Attorney General Edwin Meese would have it, should be—the same today as it was in 1789, when the government began operations. Third, those "truths" serve to limit government on behalf of individual liberty and also allow the people to rule. This is the idea of popular sovereignty. Finally, the foundation myth stoutly rejects any suggestion that the constitution is inadequate and needs change. Some view it as a perfect instrument, good for all times and all circumstances...

Or, as Supreme Court Justice William Johnson wrote in 1823, "in the Constitution of the United States—the most wonderful instrument ever drawn by the hand of man—there is a comprehension and precision that is unparalleled; and I can truly say after spending my life studying it, I still daily find it in some new excellence" (Millier, 1987: 33; 35).

This thesis argues the inherent truth in the spirit of these myths—but not necessarily the literal truth of them.

239. This is also similar for the dynamics of the trinity of the nation's jurisdictional powers (as depicted in Figure 20). The national, state and local governments are separate and independent to a degree but there is an accepted hierarchy in which the lower gives way to the higher, and the state governments play a mediating role between the national and local levels. There is widespread acceptance that where programs are being delivered to the citizens, government action is best delivered at local level unless there is a good reason not to. And the reason not to is usually related to the issues of equality, efficiency (which are
mediating, menotype #B issues) or capacity/power to act (menotype #C). So there is a
costant tension between operating at the level of principle in a capitalist, democratic nation
and the principle of subsidiarity or effective delegation to local levels (particularly in national
programs), which still has great natural persuasive power—namely because this is
equivalent to acting at the executive jurisdictional level of society.

'The constitution utilizes both the concept of federalism-division of power between the
national and state governments—and separation of powers—the checks and balances
existing among the three branches of the national government. In reality, the term shared
powers is more accurate. Power is neither completely divided nor complete separated. Both
the national and the state governments have some powers in common, such as taxation,
road construction, and education. And within the national government, overlap exists among
the executive, legislative, and judicial branches, even though they are independent of each
other' (quoted from Charles W. Dunn, American Democracy Debated: An Introduction to

240. Self-reflexive means becoming aware and conscious of itself as the political processes of a
nation and this can only happen through some kind of hierarchy as discussed earlier in this
thesis. It is an understanding also echoed by Fred Thayer as reported by White (1990: 188;
224): 'In the latest version of his [Thayer's] analysis, hierarchy is a metaphor for a form of
consciousness characteristic of the entire era of civilization, in that it probably, in his view,
began to develop when the human race ceased hunting and gathering as its main form of
food-generating activity. It is obvious how this critique confronts (and affronts) the
conservative image of social life, where central emphasis is placed on the creation and
maintenance of stable hierarchical institutions. His critique of liberalism—as liberal
capitalism—is somewhat more subtle. Put in sketch form, his argument is that liberal
capitalism is a direct reflection of hierarchical consciousness... Authority in the sense of
unilaterally asserted, legitimate power-based action, is essential to these conditions and
hence to the process of creating and maintaining consciousness... That is, society must
have an ego, and a typical persona, if the socialization process on which the ego
development depends is to occur. Legitimacy, of course, entails authority. The values that
characterize a particular society must be embodied in institutions, and it is in the nature of
institutions that they are invested with authority.'

'As James Russell Lowell observed in 1888, "After our Constitution got fairly into working
order it really seemed as if we had invented a machine that would go of itself, and this begot
a faith in our luck which even the civil war itself but momentarily disturbed"' (Miller, 1987:
150).

241. 'Leaving aside for the moment how accurate these labels might be, they all miss the most
important and least commented upon feature about our separation of powers system; its
durability. With the basic constitutional design of separated powers still in place after 200
years, durability is something we simply take for granted...

How has the separation of powers design managed to be so durable? Not perhaps, because
of any unique wisdom or virtue inherent in the American people. The Founders' mixed view
of human nature seems to have gotten it about right: people are bad enough not to be
trusted with power but virtuous enough to govern themselves within properly designed
constitutional institutions for allocating power...

To say that developments in the separation of powers have been ad hoc, experimental and
event-driven is not to suggest that things have just happened without rhyme or reason. The
president's growing prominence as policy leader is directly connected to the increasingly
complex demands on government that have come in the wake of rapid economic,
technological, and social changes. These demands strained Congress's ability to legislate in
sufficient detail. Bureaucracy grew in Washington, as it did in the states and in other
developed countries; and the president as head of the executive bureaucracy became a
focal point for policy management' (Heclo, 1994: 132; 133; 136–137).

At the end of a discussion of the effect that the vast technological change experienced up
until now might have on the views of the framers of the Constitution back in 1787, Westin
(1987: 198–199) concluded: 'To sum up, separation of powers and the checks and balances
system that reinforces it are alive and well in the computer age. The executive has not blown
the other two branches away. Nor has the information technology dissolved the interbranch conflicts intended by the framers'.

The interpretations of this thesis suggest that it is in error to argue as some have done that ‘the premises of the constitutional system are no longer valid today’ (Wolf, 1963: 18), or that it ‘uniformly failed to provide an adequate basis for an effective, stable political system’ (Vile, 1967: 2). In fact, it has always had its detractors, even in the early days, as identified by Waldo (1984a: 104–105): ‘Generally speaking, students of administration have been hostile to the tripartite separation of powers. In this they have not been alone; their hostility must be viewed against the background of almost complete lack of sympathy for the principle by American reformism and political science. This lack of sympathy became more widespread decade by decade between the Civil War and the First Great War. It found its justification in the unhealthy condition of our government and politics.’ But the US governance system was still in adolescence at that time. Nevertheless, the nation had been born with the right governance framework of collective thinking for a successful development of its governance system.

The unequivocal support for the doctrine also stands in contrast to the long-standing criticisms of the three powers because of their lack of purity, as reported by Waldo (1984a: 106): ‘The separation of powers, Goodnow finds, is both a good and a bad thing. More precisely, distinction and division of functions is good, separation of powers is bad…’ We soon learn, however, in considering Montesquieu, that though “the recognition of separate powers or functions of government” is good, “the existence of separate governmental authorities, to each of which one of the powers of government was to be entrusted,” is bad, at least if it is followed very far. The unworkability of this “corollary” to the separation of powers, the “separation of authorities,” is conclusively proved, Goodnow feels, by American experience. In fact, “no political organization, based on the general theory of a differentiation of governmental functions, has ever been established which assigns the functions of expressing the will of the state exclusively to any one of the organs for which it makes provision.”

\[242.\]

‘The significance of this omission is captured in the observations of Burns (1965: 239–241): ‘A nation may be said to exist only when most of its people share some common set of beliefs, expectations, symbols and ultimate values that together make up a national purpose… There must be some transcendental purpose that gives meaning to their everyday activities, and this purpose can be found in religion or government or—usually—in some combination thereof. The purposes may be manifold and even mutually contradictory… But if a society is to realize its national purpose, there must also be some institution through which social change can be directed and related to that purpose. In other nations the Church or the Crown or some economic estate might serve this purpose; in the United States the national government is the only institution possessing either the power or the mandate to legitimize the national purpose and to attempt to realize it. And considering the pluralistic forces in Congress and working through it and the restricted political role of the judiciary today, the American Presidency has been the institution best equipped to serve as formulator and symbol of the national purpose.’

The call to the spiritual may not be reflected in the Constitution but its legitimacy as a natural extension is displayed in the way it is included in oaths and in that the banknotes carry the assertion “In God we trust.” Over time, prominent people have called directly on the spiritual beliefs as the newly inaugurated (2001) President Bush did by referring to the Christian bible story of the “good neighbour” and repeating a spiritual metaphor from earlier times: ‘After the Declaration of Independence was signed, Virginia statesman John Page wrote to Thomas Jefferson: “We know the Race is not to the swift nor the Battle to the Strong. Do you not think an Angel rides in the Whirlwind and directs this Storm?”… This work continues. This story goes on. And an angel still rides in the whirlwind and directs this storm. God bless you all. God bless America’ (Bush, 2001: 8).

This call upon the spiritual is tantamount to a call for the nation to move on to something better and the something better that is stressed in President Bush’s inauguration address is the call to the responsibility of neighbourliness: ‘What you do is as important as anything government does. I ask you to seek a common good beyond your comfort; to defend needed reforms against easy attacks; to serve your nation beginning with your neighbour. I ask you to be citizens’ (Bush, 2001: 8).
This call to the spirit of neighbourliness or to look after your own is consistent with the movement of society to politicism or postmodernism. The managerialist notion of being able to devise a government program to fix any problem is giving way to the more political notions of personal justice and looking after your own.

243. This observation has been explained earlier in the thesis, but is also exemplified in the words of President Coolidge (1925) as quoted in Waldo (1984b: 228): "The business of America is business."

244. The framers assumed that the people would be primarily represented in the congress and that the president would principally be an executing rather than policy-making officer. The president would represent the people but be more than merely responsive. He would rise above volatile public opinion and serve the larger public interest. The presidency envisioned by the founders derived its authority from the Constitution. The modern presidency of Woodrow Wilson and his successors has its power and authority conferred by the people. The personal power of the presidency became "the engine for enlightened administration" (Lane, 1996: 230).

In summary, the Founding generation's view of executive power was more complex than is usually recognized. In spite of America's struggle with the crown, even the most whiggish among them retained an appreciation for the fact that at times a strong executive capacity was needed if a government was to be effective. The real issue, then, was not whether a strong or a weak executive was to be preferred but, rather, when and how the executive's great potential was to be utilized. Was a powerful executive needed more or less often, and would the decision to employ that power rest, under a constitution, largely with the legislature or with the executive itself?... Like Patrick Henry in the Virginia ratifying convention, Publius noted quite pointedly in Federalist 6: "Every man the least conversant in Roman history, knows how often that republic was obliged to take refuge in the absolute power of a single man under the formidable title of dictator." In short, the real issue for the Founders was not whether this potentially fearsome aspect of government could be avoided, but, instead, how it might best be called on, put to use, and, when necessary, regulated or checked (Bessette and Schmitt, 1994: 54–55).

Finally, the doctrine of the modern presidency, formulated by Woodrow Wilson and supported by most progressives, sought directly to counter the weak presidency that had become the accepted norm and to make the presidency and presidential leadership the "centre of action" in the American political system. This doctrine was supported by Democratic party liberals and large parts of the academic community from Wilson's day up until the end of the 1960s. It survives in a few quarters today... [however]... If we wish to develop a sound doctrine to defend a strong, but still limited, presidency, there is no better place to begin than with the Constitution. The theoretical understanding on which the Constitution is based offers the fullest account in American political thought of the character of the powers of government and the best guide for determining the basic division of authority between the president and Congress' (Ceaser, 1994: 90; 111).

By contrast, developments after 1932 institutionalized the presidency as the focal point of the national government leadership, no matter who held the office and whether or not there was a national crisis. By mid-century, the president's "legislative program" was expected to set the main agenda for Congress and the nation each year. Executive agency proposals for legislation, testimonies to Congress, and comments on pending legislation had to be "cleared" through the president's Office of Management and Budget staff. After 1981 their proposed regulations had to be cleared as well (Heco, 1994: 138).

"Herman Finer, an emotional believer in the American chief executive, who once characterized the presidency as "the incarnation of the American people in a sacrament resembling that in which the wafer and the wine are seen to be the body and blood of Christ" and also as "belong(ing) rightfully to the offspring of a titan and Minerva husbanded by Mars" (Lane, 1996: 253).

Weber (1978b: 231; 247) also identified this elevated aspect of the role of the Presidency as the charismatic aspect of US governance power: "The power of charisma, by contrast, depends on beliefs in revelation and heroism, on emotional convictions about the importance and value of a religious, ethical, artistic, scientific, political or other manifestation, on heroism, whether ascetic or military, or judicial wisdom or magical or other favours. Such
belief revolutionises men "from within" and seeks to shape things and organizations in accordance with its revolutionary will...

But even in highly bureaucratised structures as the North American parties, as the last Presidential campaign showed, the charismatic type of leadership occasionally comes to the fore again in times of great excitement. If there is a "hero" available, he seeks to break the domination of the party machine by imposing plebiscitary forms of designation, and in some cases by transforming the whole machinery of nomination. Whenever charisma gains the ascendancy in this way, it naturally runs up against the resistance of the normally dominant apparatus of the professional politicians, especially the bosses who organize leadership and finance and keep the party functioning and whose creatures the candidates usually are.

"As Daniel Patrick Moynihan once put it, "America is the hope of the world, and for that time given him, the president is the hope of America..." because "the President is the literal embodiment of American mass democracy and... the symbol of pervasive egalitarianism which from the beginning has characterized the emergent forces of the American democratic ideal." Moreover, in this view, "There is virtually no limit to what the President can do if he does it for democratic ends and by democratic means." Although somewhat extreme, this outlook nevertheless represents a central strand of American thought concerning the presidency...

At the broadest level, "What the nation has been beguiled into believing ever since 1960 is surely the politics of evangelism: the faith that individual men are cast to be messiahs, the conviction that Presidential incantations can be substituted for concrete programs, the belief that what matters is not so much the state of the nation as the inspiration-quotient of its people." This is the essence of style over substance, with which every American should now be familiar" (Nachmias and Rosenbloom, 1980: 69–70; 73).

"Although presidents themselves have contributed to the cult of the presidency, in more candid moments many have spoken of the frustrations and limitations of their office. None of them compares with Truman for graphic clarity: "They talk about the power of the President, they talk about how I can just push a button to get things done. Why, I spend most of the time kissing somebody's ass." Indeed, many observers—even while embracing the textbook model—have argued that the president's powers are too limited" (Nachmias and Rosenbloom, 1980: 74).

The argument becomes very complicated when the position of chief executive is examined. He has, of course, purely executive duties, such as commanding the army and seeing the laws are "duly enforced"; but he has also been made administrator-in-chief by Congress.

"The chief executive has been given the general status and powers of an administrator-in-chief... we have in effect the same person holding two offices. As administrator-in-chief the person holding the office of chief executive plays the dominant role in the work of the administrative branch. In doing so, however, he does not do so in virtue of any inherent powers as chief executive, but merely because the legislative branch, in which final authority in respect to the organization and work of the administrative branch is vested, has, as a matter of policy, made of this officer one to serve in this capacity" (Waldo, 1984a: 110–111).

Waldo's (1984a) discussion of Willoughby's interpretation grapples with the inherent hierarchy of the three powers but gives too much independent standing to the supremacy of the Congress rather than the acknowledgement that it is in fact a trinity of autonomous powers.

It is in this sense as a transcendent collective that the people can be regarded as sovereign (rather than the simple desires and opinions of many individuals). 'On the issue of separation of powers within the federal government, the legislative is not supreme because the people are. The object of choice of the sovereign people is not a group of legislators who will carry out their will. What the people have chosen is a constitutional order that balances the powers they have delegated to three equal branches... Herbert Storing captures the spirit of the Federalists' argument when he describes their handiwork as "a balance of constitutional orders or powers... requiring only the impulse of popular consent to breathe life into it." This breath of popular consent is the taproot of the democratic character of the regime. It allows James Wilson to say of the government created by the Constitution: "In its principle it is purely democratic" (R.o.r, 1980a: 75; 77–78).
249. In this sense the Constitution can be said to embody not only the authority structures of power within the community but also the people themselves as a collective and as the nation as a whole. In *Federalist 78*, Publius... goes on to argue that not only is the Constitution superior to a statute, but it is in a sense superior to the people themselves* (Rohr, 1990a: 79).

'Whereas in a popular government the people are sovereign, nonetheless "the aim of every political Constitution is or ought to be first to obtain for rulers, men who possess most wisdom to discern, and most virtue to pursue the common good of society; and in the next place, to take the most effectual precautions for keeping them virtuous, whilst they continue to hold their public trust"' (Marshall, 1994: 28–29).

'As the United States commemorates the 200th anniversary of its only constitutional convention, most Americans view the formal constitution with awe and reverence. They unthinkingly take part in the eulogies of 1897, which resemble the celebrations in 1976 when the declaration of Independence had its 200th anniversary. To the extent that people believe—as many say they do—that what was written in 1787 has an enduring significance and that the views of the men who drafted the formal constitution should be determined for present-day constitutional interpretations—again, as many believe—the United States may be said to be a hagiology, ruled (if those views are accurate—which they emphatically are not) by a gaggle of men long dead' (Miller, 1987: 31–32).

Miller (1987) assigns a wrong interpretation to make his point but the fact is clear that there is a view held by many that the Constitution contains some enduring truth and that it is as applicable today as it was back then and that this truth should be held in awe in much the same manner (but on a lesser scale) as the truths of the great religions are held in awe and reverence.

250. This is analogous to the call in the new age of depth psychology that individuals who want to journey to wholeness need to dialogue with the Other—meaning the unconscious. It is not contended that the unconscious has any direct role in the hierarchy of conscious cognitive authority, but that better conscious decisions will result from the richer perspective gained from the infusion of the other perspectives repressed in the unconscious. Giving voice to the other perspectives in the unconscious would also minimise the dangers of an uprising of the otherwise unheard voices and thus avoid cognitive anarchy.

251. 'A presidency temporarily empowered by intense mass popular support acting in behalf of a generally accepted and simplified purpose can, with great difficulty, bribe, cajole, and coerce a real measure of joint action. The long-drawn out battle for conversion and the debacle of orderly reconversion underline the difficulty of attaining, and the transitory nature of, popularly based emergency power. Only in crises are the powers of the Executive nearly adequate to impose a common plan of action on the executive branch, let alone the economy...

The balance of power between executive and legislature is constantly subject to the shifts of public and group support. The latent tendency of the American Congress is to follow the age-old parliamentary precedents and try to reduce the President to the role of constitutional monarch. Against this threat and to secure his own initiative, the President's resources are primarily demagogic, with the weaknesses and strengths that dependence on mass popular appeal implies' (Long, 1986: 48; 55).

But the complexities of modern government necessitate that the President takes the lead as though he/she has a popular mandate, although the eventual legislation might be totally different to that submitted if the President is in a weak or unpopular position. Since the president's constitutional powers over the legislature are so unimpressive, how has the president come to be considered the chief legislator? It is much because of the initiative for legislation, which once rested with the legislature, has now shifted to the executive. Congress expects the president to submit a legislative package. As one irate member of the House told an official in the Eisenhower administration, "Don't expect us to start from scratch on what you people want. That's not the way we do things here. You draft the bills and we work them over." Furthermore, the legislature has tended to delegate power to the president subject to a "legislative veto."... the roles of initiator and reactor have been almost entirely reversed' (Nachmias and Rosenbloom, 1980: 77–78).
252. ‘The Public Administration neither comprises nor heads any branch of government but is subordinate to all three of them. Like Congress, president, and courts, the Public Administration makes its distinctive contribution in a manner consistent with its peculiar place, which is one of subordination’ (Rohr, 1990a: 80).

The assertions that the public administration is equivalent to a fourth or fifth arm of Government is admirable in striving for differentiation but they lack adequate discrimination between the relative hierarchical positioning. For instance, 'the initial constitutional problem that has been raised concerning bureaucratic power is its tendency to tip the balance between coordinate branches of government. It was noted that the administrative branch adds a fourth dimension to the constitutional system of separation of powers, a dimension which is not controlled within its framework' (Woll, 1963: 25). This is an observation seemingly based on the interpretation of a few highlighted instances and reflects more the age of managerialism rather than any real shifts in the constitutional fundamentals.

Long (as quoted in Kaufman, 1990: 489) also shows such a lack of discrimination: ‘The theory of our constitution needs to recognize and understand the working and potential of our great fourth branch of government [the bureaucracy], taking a rightful place beside President, Congress, and Courts.’ The underlying theory of the Constitution does recognise the role of the bureaucracy but as subordinate to, not equal to the other three great powers.

The identification of five branches of government (Merry, 1980 and before him W. F. Willoughby as referred to by Waldo, 1984a: 109) recognises that the degree of differentiation needs to go further but does not really address the natural hierarchy that is imbedded in the constitutional theory. Waldo (1984a: 111) debunks somewhat both this notion and the concept of the politics–administration dichotomy. Based on the Theory of Mind used in this thesis, there is a differentiation of three at the primary level and then nine at the secondary level with each primary power differentiated into three further powers, and so on.

The height of managerialism as it applied to US governance is captured in the assertion of Woll (1963: 3–4): ‘the increasing power of the bureaucracy has reduced in many instances the influence of the main executive bodies of societies. Bureaucracy cannot be dismissed as simply part of the “executive branch” of government controlled by the President or the Cabinet. In the United States the growth of a vast administrative branch has introduced an important new political force into the governmental system, a force which might well become dominant if it is not controlled.’

These assertions about the importance of a fourth arm neglect the understanding that if it is considered to have gone too far, an agency can be nobbled (or just disbanded) either by determined personnel action or legislative action to change the administrative arrangements. In the end, agencies cannot control their own enabling legislation or leadership selection.

253. The position of the Public Administrator is subservient to the ministers or secretaries of state which are also subservient to the three primary powers: ‘Chief Justice Marshall, writing for the Supreme Court, distinguished between the two types of duties for the Secretary: ministerial and discretionary. One duty (as a public ministerial officer of the United States) extended to the United States or to its citizens. Here Congress, operating through statutes, could direct the secretary to carry out certain activities. The second duty (as an executive official and adviser) was to the president alone. A secretary of state, performing as an officer of the United States, was bound to obey the laws: “He acts, in this respect, as has been very properly stated at the bar, under the authority of law, and not by the instructions of the President. It is a ministerial act which the law enjoins on a particular officer for a particular purpose”’ (Fisher, 1987: 137).

In fact the position of the Public Administrator is even more subservient: ‘Political appointments in the departments are made with an eye for controlling the career bureaucracy. A senior adviser in Lyndon Johnson’s administration remarked that the separation of power between the Congress and the president was not as great “as between a president and those people like subcabinet and bureau officials who become locked into their own special subsystems of self-interested policy concerns.” Presidents enter office with deep suspicions about the loyalty and motivations of civil servants’ (Fisher, 1987: 146).

Moreover, ‘Regulatory commissions are subject to the control of Congress, the president, and the courts. They have been described as “stepchildren whose custody is contested by both Congress and the executive, but without very much affection from either one.” The
struggle for influence has been largely defensive, "with each elected branch seeking to prevent the other from exercising active control, but with neither consistently wanting to do so itself" (Fisher, 1987: 166).

In creating the three branches of government, the Constitution did not give one branch exclusive control over the bureaucracy. It vested substantial controlling powers in Congress, which can create, reorganize, and terminate administrative agencies and regulate their conduct through its power of appropriation. The Senate must give its consent to major administrative appointments. But the Constitution also vested the executive power, the commander-in-chief power, and other authority and duties in the President. Thus in effect the Constitution made the two political branches competitors for exerting dominion over the executive branch. But the judiciary was not left out. Constitutional amendments, particularly the Bill of Rights, require that the national bureaucracy observe civil liberties, subject to the monitoring eye of the courts' (quoted from Louis Koenig's Toward a Democracy: A Brief Introduction to American Government in Merry, 1980: 209).

Although it is difficult to find this sentiment of the subservience of The Public Administration clearly in the Blacksburg Manifesto itself (Wamsley et al, 1990), one of the authors is clear elsewhere in To Run a Constitution, Rohr performs a detailed objective analysis of the constitutional legitimacy of the administrative state as a prelude to a normative theory of public administration in a constitutional context. Rohr sees the agencies of government as subordinate to the three branches of government but simultaneously able to balance the various interests expressed there. Public administrators, key actors in this pluralistic balancing act, are to uphold the Constitution—to use "their discretionary power in order to maintain the constitutional balance of powers in support of individual rights" (Denhardt, 1990: 57).

This quote also contains observational support for two other key conclusions about public administration in governance that are brought out later in this thesis; firstly, the public administration is a custodian of the Government's memory of its past interpretations of the public interest as contained in the Constitution or their enabling legislation, general law and past government policy. Secondly, because of the second-order position of The Public Administration, it is necessarily (cognitively) pluralistic in its manifestation (in much the same way as middle management in any widely distributed private sector corporation can almost seem to be made up of separate autonomous units). According to the JEWAL Synthesis philosophy of mind, only the first-order (or highest level of abstraction #C) authorities really exhibit anything like unitary command.

What then is meant by: 'As John Rohr has shown us, the word administration most likely did not appear in the Constitution because the Founding Fathers assumed it to be so fundamental it needed no more mention than did oxygen' (Wamsley and Wolf, 1996: 12). It certainly did not mean that it was a fundamental assumption that administration was equivalent to the three primary powers that were mentioned. Rather, it was because the Constitution outlined the primary-order powers that embraced the principle of the trinitarian hierarchy of powers and chose not to go into detail about the more numerous second-order powers, which though exhibiting a certain autonomy in carrying out their responsibility were clearly subservient and malleable.

There is, nevertheless, a history of temptation to put The Public Administration as equivalent to the primary three powers as noted by Kaufman (1990: 489): 'That some of the literature of public administration tacitly harboured such an assumption—that is, an assumption that bureaucrats are and ought to be constitutionally coordinate with elected officials—was pointed out nearly four decades ago by Dwight Waldo.' Kaufman (1990: 491–493) goes on to observe that this struggle about the role and standing of public administration vis-à-vis the elected Government persists. 'If this struggle [between public servants and elected officials] materializes as I have postulated, the outcome is uncertain... But one thing is certain. If this outline of the future resembles even vaguely the course of events, the cleavages in the public administration community, dimly perceived in 1956, should soon appear sharply and unmistakably... The actual division will not be a neat, clean split. Some members of the professional public administration community will remain committed to executive leadership doctrines, while many political scientists will subscribe to the campaign for increased bureaucratic independence.'

Some have had it both ways: 'It is difficult to grasp the concept that the bureaucracy is not subordinate to one or more of the three initial branches of American government. But the fact
is the three primary branches have necessarily supported the creation of semiautonomous bureaucracy as an instrument to enable our government to meet the challenges it has faced' (Woll, 1963: 174). But this is clearly consciously delegated power that can be retrieved or strangled by reducing the allocation of resources as testified to by the fact that: 'With the exception of the initial executive departments, administrative agencies were created long after the Constitution was written' (Fisher, 1987: 176).

254. However, it is often considered that popular mandates for the Executive are hard to come by. 'An idealized picture of the British parliamentary system as a Platonic form to be realized or approximated has exerted a baneful fascination on the field. The majority party with a mandate at the polls and a firmly seated leadership in the Cabinet seems to solve adequately the problem of the supply of power necessary to permit administration to concentrate on the fulfilment of accepted objectives. It is commonplace that the American party system provides neither a mandate for a platform nor a mandate for leadership' (Long, 1986: 44–45).

This assessment may not hold so much for the more modern Presidencies such as Reagan who came to office with a clear mandate for smaller government, which he preceded to implement quite successfully.

255. 'The waxing and waning of the presidency is much discussed, but one salient aspect of the relative strength or weakness of the federal executive—the relationship of the president and the administrative establishment of government—is seldom considered and analysed. That relationship was critical in the ascent of the presidency to dominance in the U.S. political system. Further, and more recently, a remarkable shift in that relationship has created a new “problem” of the presidency and has again significantly altered the political landscape.

The basic position of the refounding of the public administration is that the genius of American politics can succeed only with responsive and effective administration within the context of democratic governance. Historically, that very formula was pursued and largely achieved from the late 19th century through the 1960s when the presidency and the public administration found common cause together. The recent weakening, if not breaking, of the bond between the two institutions in the latter part of the 20th century has had profound implications for the governance process in the United States. Even more recently, the rapid evolutionary pace of both political development and managerial doctrine raises new issues and questions about the nature of the relationship between presidential politics and public administration' (Lane, 1996: 225–226).

With maturity and increasingly complexity comes the consensual agreement to differentiate governance powers further. In the Constitution there was the differentiation of the three primary powers. More recently, the secondary powers in the form of The Public Administration are being differentiated. Lane (1996) is also actually reporting the phenomenon of the passage from the managerialist age to the politicist age, but though he rules the passing of the glory days of managerialism for the public administration, there is no real comprehension of why the new order of politicism and depreciation of public administration has arisen, although there is a later acknowledgement of a ‘politicalized presidency’ which is termed the ‘postmodern presidency’ (Lane, 1996: 234ff).

256. Sometimes commentators are blinded by the size of the agencies and the power of particular personalities in public administration, such as Woll (1963: 26): 'for the administrative arm of government is deeply involved in the formulation of public policy and is not in many instances controlled in any meaningful way by the elected organs of government.' The main point is the political institutions could control them if they wanted to, as Woll (1963: 51) himself goes on to assert: 'First, with respect to the organization of bureaucracy, Congress retains primary power. It may create and destroy agencies, and it determines where they are to be located, in the executive branch and outside it. ... Congress has the power of appropriation, and in this way too it is able to exercise a great deal of control over the administrative arm... Congress has the power to define exactly what the agency may or may not do, that is, its general jurisdiction.'

257. 'The public administrator should not see him- or herself "as an agent acting on behalf of others, yet doing so in a vigorous and thoughtful manner", but rather should see him- or herself as an agent through which others are allowed to act. The difference may seem
subtle, but it is critical. Public administrators, if they are to be the agents of governmental change, must cast themselves not in the role of governmental parents who act "on behalf of others," or as "stewards" who act for others, but as "instruments" through which the public acts for itself. This view of administrators as instruments is reminiscent of that suggested by Stivers, in which active citizens and administrators interact through dialogue to develop public policies' (Little, 1996: 347-348).

This concept of being an instrument is here conceived in the political sense, which does seem inappropriate, but it does not have to be that way. What is meant is that it is time for governance thinking to be differentiated further to recognize the autonomous legitimacy of the power for The Public Administration to act within government. As an autonomous power centre, albeit quite secondary and lower, The Public Administration is required to participate in the government's dialogue and interpret the decisions and actions that it should take in keeping with the purpose of the whole. The metaphor of the mind is probably still better.

'This traditional doctrine of administration is integrated, hierarchical, legalistic, and it requires obedience to political direction. In this system of administrative responsiveness, the bureaucracy is a monolithic tool that is predictable, reliable and obedient. It operates in a vertical hierarchy with authority and decisions coming down from the top through delegation and with responsibility moving up the hierarchy from the lower to higher official' (Thompson's views interpreted by Lane, 1996: 228–229).

Although Lane (1996) scoffs at this interpretation of public administration, it is largely realistic except that neither is it "integrated" nor "monolithic" but it is a tool and it should exhibit the other characteristics mentioned—in an appropriate way, of course. For instance, the following view of Finer (1966) is a bit narrow, because even though it is based on the understanding of subservience it neglects the inherent autonomy in diversity of The Public Administration.

'Are the servants of the public to decide their own course, or is their course of action to be decided by a body outside themselves? My answer is that the servants of the public are not to decide their own course; they are to be responsible to the elected representatives of the public, and these are to determine the course of action of the public servants to the most minute degree that is technically feasible. Both of these propositions are important: the main proposition of responsibility, as well as the limitation and auxiliary institutions implied in the phrase "that is technically feasible."... I again insist upon subservience, for I still am of the belief with Rousseau that the people can be unwise but cannot be wrong' (Finer, 1966: 249; 255).

Finer's (1966) principal question here is answered in the course of this section of the thesis in terms of the JEWAL theory of governance.

258. 'When merged with the CEO concept of executive direction, this traditional doctrine is a powerful normative theory that satisfies the need for establishing political control over the bureaucratic administrative establishment. Overhead democracy is linked tightly to a dichotomy of politics and administration, together providing a powerful argument for responsiveness. As Pfiffner notes (quoted in Lane, 1996: 229): "Without this chain of legitimacy, the democratic linkage between the electorate and the government would become unacceptably attenuated." Overhead democracy is also a simplistic myth—a fact that was clear to Redford and many subsequent analysts, but a fact that does not diminish its significance as a component of political and administrative values.'

259. 'Finally, there have been some formal treatments of the separation of powers. Prominently in view here is Henry J. Merry's Five-Branch Government: The Full Measure of Constitutional Checks and Balances. In Merry's opinion, the present reality of powers and procedures in the national government is best grasped by viewing the executive-administrative complex not as one branch (as the argument of the President's Committee had it) or as divided between executive and administrative parts (as Willoughby argued), but as consisting of three parts: a presidential part, centred in the Executive Office; the rank and file of "continuing" civil servants; and in between these a force or layer of changing political appointees' (Waldo, 1984a: xliii).

260. 'Although presidential advisers are traditionally immune from congressional questioning, greater congressional oversight is invited when presidential staff, including the national
security adviser, assume operational responsibilities and compete with the duties of departmental and agency officials. Recent national security advisers, including Henry Kissinger and Zbigniew Brzezinski, have been especially prominent in competing with the secretary of state, producing what Senator Frank Church, Democrat of Idaho, called a "mini-state Department" (Fisher, 1987: 152).

261. The menotype #B approach is about the analysis of cause and effect in an objective, logical way so that logical process can be devised to get from a group of inputs to the desired output and outcome. This is essentially what Wilson (1969/1887: 29; 31) was advocating. The object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundations laid deep in stable principle... Most important to be observed is the truth already so much and so fortunately insisted upon by our civil-service reformers; namely, that administration lies outside the proper sphere of politics... Public administration is detailed and systematic execution of public law... The broad plans of governmental action are not administrative; the detailed execution of such plans is administrative.'

'In the early development of modern public administration and the modern presidency, management as a public sector value system merged with the values of neutral competence and executive direction. This merger found its expression in the doctrine of scientific management' (Lane, 1996: 227). This was the pure menotype #B period.

'The agencies engaged in public administration have an ambiguous status. They are certainly not "a fourth branch of government," as some have proposed. They are part of the executive branch, but they depend on Congress for their existence and for their functions, appropriations, staff, and procedures. And they are subject to judicial nay-saying when they stray beyond constitutional and statutory limits, as those limits are perceived by the courts. They are parts of a whole, but the whole is not just the executive branch but the government itself and, if you will permit, the State. That is to say, the best of them derive much of their tradition from the premises of democracy, the higher authority of major institutions of the State, and the obligation to pursue the public interest. They socialize their staff members according to such State-based premises, which by definition are other-regarding rather than self-regarding' (Fesler, 1990: 88–89).

262. 'For instance, the high point mentioned here coincided with the growing tide of the managerial revolution as identified by Burnham (1941): By the late 1930s, public administration reached its high point in political influence and academic orthodoxy with the report of the President's Committee on Administrative Management (1937) and Luther Gulick and Lyndal Urwick's (1937) Papers on the Science of Administration. These approaches, based on rationalism and efficiency, developed principles of administration and complemented the other branches of classical theory as they were midway between Max Weber's macro, societal level analysis of bureaucracy and Frederick W. Taylor's micro, particularistic focus on work tasks' (Rabin and Bowman, 1984: 4).

The scientific approach in public administrative practice was still going strong up to Robert McNamara's days and his calculating, methodological approach to the conduct of the Vietnam War. This menotype #B spirit was particularly encapsulated in Herbert Simon's (1947) concept of limited rationality which characterised the pattern of bureaucratic socialised performance in terms of individuals' physical dexterity and skills (sub-menotype #A), their hard intellectual knowledge relevant to the decision at hand (sub-menotype #B), and their values and conception of purpose which influence them (sub-menotype #C) (Simon, 1947: 40–41). The Public Administration as a second-order power has very limited rationality with the most crucial determinant of its behaviour—namely, its values and purpose (menotype #C)—essentially being defined by others higher up in the governance hierarchy.

263. 'On the other hand, there is a widespread conviction that what governments do is inefficient and often corrupt. A common stereotype of the bureaucrat is an over-bearing, lazy, tax-eater. Stemming from the laisser-faire doctrine and the frontier tradition, this attitude is one that must constantly be taken into account by public administrators working with public problems. It poses problems not generally shared by private administrators' (Simon, Thompson and Smithburg, 1991: 11).

'Yet as the election of Ronald Reagan illustrates, the anti-public-administration bias is alive and well. When campaigning for the presidency, Reagan successfully revived and mobilized
the nation's resentment against cloying public bureaucracy by promising to remove government from the backs of people. Once in office, President Reagan has systematically attempted to make it difficult for the professional public administrators to influence national policy' (Stever, 1988: 5).

'Most treatments of bureaucracy are highly critical, to put it mildly. Attacks are made from several disciplinary camps, using weaponry fashioned from numerous concepts, theories, and paradigms... Bureaucracy's reputation in the halls of academe, then, is quite bad—at least in the minds of many. It is castigated by economists, sociologists, psychologists, political scientists, and many of our own scholars in public administration and public policy. Bureaucrats are portrayed as poor performers as well as budget maximizers; ants and megalops as well as empire builders; and merciless oppressors of their own kind as well as their clients... Another relatively new theme is the damage being sustained by American bureaucracy from attacks on the public service. Many authors are pointing out how attacking bureaucracy and demeaning public servants tends to drive good people out of government and make it more difficult to attract the best of young talent' (Goodsell, 1994: 13; 19; 22).

This poor view and disparagement of public administration is despite the fact of 'the relatively good performance of American bureaucracy... That success is normal in American public administration is substantiated, moreover; by quantifiable evidence obtained from measures of bureaucratic performance having nothing to do with citizen perceptions, such as on-time measures, error rates, external observation of transactions, and productivity data' (Goodsell, 1994: 166).

If the poor perception of public administrators is not based on factual evidence or substance, then it must be cognitively generated or a product of the way people think, as explained in this thesis. It is because of this fact that it can be termed 'the great falsehood about American government' (Goodsell, 1994: 165f) and can be used as a weapon in the fight between political parties at the higher level of power (who should have been mature enough to have a more conscious appreciation of the good performance of The Public Administration), as identified by Wamsley (1996: 397): 'This means it became contested ground in partisan warfare—the object of control by all, trusted by none.'

Moreover, the nature of the denigration has changed over time with the shift from entrepreneurialism to managerialism to politicism: 'The old defamation was characterised by ad hominem attacks, near comical misjudgments about the motives of public bureaucrats, and a zealous condemnation of socialism. The intellectual center for opposition to America's growing public bureaucracy was ironically the London School of Economics, where men like Ludwig von Mises and Frederick Hayek equated public administration with totalitarianism... More complex than the old defamation, the new defamation can best be understood as a series of arguments resting on four pillar-like perspectives: 1) the superiority of a free market, 2) neoconservative organization theory, 3) concern over centralization of the federal system, 4) scepticism about policy implementation and administration... Considered collectively, the above four tenets of the new defamation have had a decisive impact on expectations for public administration in the post-Progressive era. They have supplanted the Progressive optimism about the possibilities for the civil service. Whereas the Progressives sought to legitimate the judgment of the civil servant, the new defamation undermines the basis for this judgment. By bringing the civil servant down to the level of various particularized interests, the new defamation condemns the civil servant to bargaining. More specifically, it makes bargaining the sine qua non of public administration' (Stever, 1988: 137–141).

The concept of bargaining is very political and interest based (menotype #C) which depreciates the worth of objectivity and logic rationality (menotype #B).

264. This aspect of US society has been evident for a long time. Tocqueville's observations to that effect were quoted earlier in the thesis. Weber (1948: 110) also observed this disposition of the American people to devalue the political sphere: 'That as a "professional" politician the boss is socially despised does not worry him... Scarcefifteen years ago, when American workers were asked why they allowed themselves to be governed by politicians whom they admitted they despised, the answer was: "We prefer having people in office whom we can spit upon, rather than a case of officials who spit upon us, as is the case with you." This was the old point of American "democracy."
'Goodnow proceeds to consider each in more detail. "The function of politics" has to do primarily with the expression of the state will, secondarily with the execution of that will... "In other words, practical political necessity makes impossible the consideration of the function of politics apart from that of administration. Politics must have a certain control over administration..." As regards the executive function, there can be no question: it must "of necessity be subordinated to the functions of politics"" (Waldo, 1984a: 107).

It will be pointed out later in the thesis that what Goodnow and Waldo omit to focus on here is the aspect of the creation or formation of the state will, or new policy program, which is then expressed formally by the legislature.

"Bureaucracy" is of course a principal bête noire in popular and academic culture' (Goodsell, 1990b: 107).

"The message society gives to public servants is ambivalent. On the one hand, public service is the highest aspiration a citizen can have; on the other hand, bureaucracy (read The Public Administration) is the problem, not the solution" (Lynn and Wildavsky, 1990: xix).

'The facts are not at issue. What is at issue is the legitimating myths of our system... One of the axioms of modern Western-style democracies is that the authority of officials springs from the will of the people expressed through the elections. Every appointed officer holds office and acquires legitimate authority ultimately by action of elected officials; that is true even of members of the Supreme Court' (Kauffman, 1990: 488–489).

'The second reason for our difficulty with theory lies in the distinctive American political context—its lack of a positive conception of the state, its constitutional design of separate institutions that must share power if governance is to occur, and the apparent need of contemporary politicians to use public administration as a scapegoat for systemic problems that they either cannot understand or refuse to confront responsibly... Politicians, citizens, and public administrators themselves have found it necessary or expedient to declare that administration is distinct from and subordinate to politics and involves "mere management" or execution of policies developed in other institutions of government with greater perceived legitimacy' (Wamsley, 1996: 354).

It is not that they have greater legitimacy, as all are legitimate parts of the whole, but rather the politicians have a societally acknowledged position of greater or primary power as captured by: 'On the one hand, American culture has manifested an entrenched bias against government bureaucracy or public administration. On the other hand, it has embraced goals that entail the use of large-scale, nation-wide (even worldwide) public bureaucracies: e.g., a technical military, a man on the moon, a nationwide transportation system, regulation of interstate commerce, and control of organized crime. Put differently, the nation has stubbornly clung to the primitive vision of a country characterized by unlimited opportunity and independent action while at the same time demanding government programs that entail large-scale coordination, control, and regulation' (Stever, 1988: 4).

'The last two decades have not been kind to the public service... all have combined to cast a deepening shadow on the administrative state. Once widely regarded, if not with favor, at least with tolerance, it now occupies the status of necessary evil—generally excepting provisions for the common defense—has been placed on a strict reducing diet. And although many public servants may be truly heroes to their clients, as a group, bureaucrats have fallen on hard times' (Stivers, 1990: 248).

This was essentially the subject of the renowned Friedrich–Finer debate (1966): 'In short, these various drawbacks of political control can be remedied. They can be highly improved, and it is therefore unnecessary to proceed along the line definitely approved by Professor Friedrich of more administrative policy making. As a democrat, I should incline to the belief that the remedying of these drawbacks is precisely our task for the future. The legitimate conclusion from the analysis of the relationship between Parliament and administration is not that the administration should be given its head, but on the contrary that legislative bodies should be improved. Conceding the growing power of officials we may discover the remedy in the improvement of the quality of political parties and elections, if our minds are ready to explore' (Finer, 1966: 256).
The first-order unconscious mind would be the Supreme Court, which is said not to make policy but only adjudicate over it, which is similar to the theoretical role of The Public Administration in only administering policy and not setting it. However, in reality, as has been acknowledged over the years by those inside and outside the courts, they are continuously developing policy within their specific decisions and ensuring its adherence by the well-recognised principle of precedence.

This symmetry between the "collective shadow-like" roles of both the Court (first-order) and The Public Administration (second-order) has also been observed by others, such as Waldo (1990: 76–77): 'A not so obvious but very relevant point is that it is proper to think of the judicial organs and apparatus as constitutionally and functionally specialized instruments of public administration. The task or role of the public administrator is to interpret and apply the law. The task or role of the judicial organ is to interpret and apply the law. There are of course modal differences, and at the extremes—say an undercover police officer and a justice of the Supreme Court—differences that are great indeed. But not just logic supports the view that courts are administrative organs. Plainly, courts historically have been organs of governmental administration, often important to and sometimes central to the governmental process. Plainly, they are now organs of administration and increasingly, centres of administrative activity.'

The fact is that both the Court and The Public Administration encapsulate the phase #B mindset (in different ways) and therefore hold similar places in the society's collective psyche, except that the Court is principally at the first-order level of governance and The Public Administration at the second-order level.

And this is the basic reason in psychological terms on a collective level why The Public Administration is essentially made the scapegoat for everything that is bad about US government. Such a process of scapegoating is regarded by depth psychologists as a natural step for the personal development of individuals and so it would be for the collective of a society—particularly when there is not an apparent external enemy to use as a scapegoat. So, it is that the lot of The Public Administration has worsened since the final days of the Cold War. What is required now is for society or the government system to become conscious of its propensity to project onto The Public Administration and hopefully show some responsibility in owning the shadow of the governance system. However, such a hope has proved in vain in the past and there is not much reason to doubt it will be any different in the future—principally because it is dealing with the dynamics of the human psyche.

It is also the core of the answer to Goodsell's (1994: 167–168; 170) essential question: 'If American bureaucracy turns out not to be a societal curse after all, but actually a valuable asset of our nation, why then do we tend to regard it so falsely? Why does such a chasm separate the reality of bureaucratic performance and our abstract images of it? How can such a great falsehood live on, year after year and decade after decade, especially when the gap between belief and reality is not just a few degrees of disagreement but a nearly inverse contradiction? ...One might argue that, generically, public bureaucracy does not “fit” American culture; the obverse of this point is that the great falsehood about American government fits it perfectly.'

"By suggesting a theory of Public Administration that combines constitutional subordination and autonomy, I hope to preserve the enduring insight of the venerable dichotomy without succumbing to its naïve view of administration as apolitical. Administration is political; but, like the judiciary, it has its own style of politics and its distinctive functions within the constitutional order" (Rohr, 1990a: 82).

This secondary focus of The Public Administration on politics is not so much about promoting its own political agenda nor about its own personal politics, but rather it is objectively aware of, and engages with, the political nature of others' actions. To do this, it needs to differentiate and accept the politically oriented motivation as different from the logical objective rationality in decision-making.

This notion is embodied in an understanding of the one provision of the Constitution that refers directly to The Public Administration: 'The only provision to call departments executive says that the President "may require the opinion, in writing, of the principal officer in each of
the executive departments, upon any subject relating to the duties of their respective offices." This is sometimes said to give the President administrative power, but it may suggest a general lack of such authority... The constitutional stipulation of an obligation to give an opinion to the President upon request, suggests that the department heads are not simply the President's men and may have general responsibility to Congress' (Merry, 1980: 32).

'Jackson asserted the president's authority to control the executive branch. The president could press his views on a cabinet officer and, if need be, proceed to the extreme of dismissal in order to obtain compliance. Jackson argued: "Upon [the president] has been devolved by the Constitution and the suffrages of the American people the duty of superintending the operation of the executive Departments of the government and seeing that the laws are faithfully executed" (Ceasar, 1994: 106).

'By contrast, developments after 1932 institutionalized the presidency as the focal point of national government leadership, no matter who held the office and whether or not there was a national crisis. By mid-century, the president's "legislative program" was expected to set the main agenda for Congress and the nation each year. Executive agency proposals for legislation, testimonies to Congress, and comments on pending legislation had to be "cleared" through the president's Office of Management and Budget staff. After 1981 their proposed regulations had to be cleared as well. Overarching these particular developments was a growing aura, a seeming awesomeness that surrounded the presidency' (Hedco, 1994: 138).

Sometimes the control is more subtle: 'Presidents have met with the heads of independent commissions to describe administration goals and seek the commission's support. In one such meeting Lyndon Johnson summed up the curious relationship between the president and the commissions with this tantalizing sentence, suggesting that the commissions are agents carrying out presidential duties: "I want to convey my deep sense of reliance upon you and your agencies in discharging the responsibilities which have been thrust upon me."


The degree of intervention and control by the President has changed considerably and today is much more subtle and complex, and some would say much more political or postmodern.

'In public administration, command and obedience were understood as necessary derivatives of overhead democracy and presidential leadership. In today's managerial revolution, the "basic social relation" in the workplace is being radically altered as employees are empowered with the discretion to make production and service delivery decisions. The postmodern economic and organizational paradigm is now "characterized by information processing, flexible specialization, and informed cooperation"... Because the evolved American presidency lacks the resources and capability to manage effectively the nationwide governmental establishment, a new model of leadership is required... President Nixon and his successors have insisted on command and control in terms of obedience to political directives and adherence to political ideology. But neither version of the control doctrine is in harmony with the newest developments in management theory and practice' (Lane, 1996: 244-245; 248).

273. 'In many ways, the bureaucracies have benefited from this rivalry by playing the two elected branches one against the other. If one stands in the way of what they want, they invoke the assistance of the other. In my opinion, they tend to be more responsive to Congress than to the President because Congress can do more to and for them most of the time, and because members of Congress and their staffs maintain steadier contact with the agencies under their jurisdiction' (Kaufman, 1990: 490).

However, many observers have unjustifiably exaggerated the degree of executive/operational control exerted by Congress. In a 1992 report called Beyond Distrust: Building Bridges Between Congress and the Executive, a panel of the National Academy of Public Administration (NAPA) concluded, among other things, that charges of excessive congressional "micromanagement" of the executive branch were largely unfounded. What makes the study interesting is that most members of the panel had experience in both branches of government. Moreover, most went into the process feeling more negative about detailed congressional intervention into executive branch operations than they felt at the end' (Malbin, 1994: 228–229).
274. Wamsley et al (1990: 48–49) capture the same dynamic: 'Much has also been written about making the bureaucrat responsive and responsible. The Public Administrator must indeed act responsibly, and this means being responsive to constitutionally and legally valid orders that are specific... The responsiveness of the Public Administrator to either elected official or clients should not, however, be "seismographic" nor that of a "hired lackey," nor even that of a "faithful servant," for it must be more in order to be responsible in the highest sense of the word... if his or her responsiveness is that of a trustee of that special perspective shaped by the agency's point of view, a public interest perspective and fidelity to the constitutional heritage.'

275. Weber (1948: 82) also noted that the dynamics of governance in the political sphere are distinctly different from those in the economic sphere: 'The direction of capitalist enterprises, despite far-reaching analogies, follows quite different laws than those of political administration.'

The differences also underpin the argument whether the theories of organization which have been developed in relation to private enterprises are equally applicable to the public sector. The "Brookings group" has expressed the most vigorous objection to considering organization per se as a field of inquiry. "Questions of sound organization," write Lewis Meriam and L. F. Schmeckeber, "cannot be successfully divorced from questions pertaining to the fundamental policy of government. The establishment of fundamental policy, moreover, frequently involves an arbitration or reconciliation of the interests or points of view conflicting elements of the body politic. Since organization is undertaken to give effect to policy, questions of policy must be considered together with questions of organization".

A. C. Millsbaugh similarly finds: "An administrative organization established without reference to the form and philosophy of the government in which it operates would be shortsighted and unrealistic. Administrative organization should bear its fair share of the burdens of democratic government... Administration alone is inadequate as a social force; it attains its maximum power only when it lends its strength to the larger structure of government" (Waldo, 1984a: 167).

276. 'Woodrow Wilson of all people, would agree that administration may be modelled after scientific principles of management, but that in reality their operation will always be molded by politics. If there is to be a discipline of public administration, its starting point must be, as Wilson suggested, the values of American government. The crisis in American public administration is ultimately a problem of political theory; a theory of administration is a theory of politics' (Rabin and Bowman, 1984: 8)—or a theory of governance!

277. With the move to the age of politicism, the mid-level management structure of the private sector could now be said to be much more akin to the public sector management. That is, they are both sub-menentype #B in service of sub-menentype #C politically oriented leadership of the executive action in both the private and the public sectors. As such, the middle management institutions in both sectors are being devalued and downplayed—and, moreover, downsized with great enthusiasm. But their principal beliefs at the higher levels are still quite different.

278. Rather, as already noted above, everybody now looks to the President to set the overall policy vision or agenda. There is a greater call for leadership [menentype #A at the higher level]. Moreover, 'The Presidency is in a strong position to provide the "teleological sense of purpose" that is essential to administration. The presidency serves as the primary "highlighter" of major national concerns. Administration will be effective if that role is coupled with presidential attention "to the establishment and maintenance of reliable processes through which [other] issues can be handled"' (Lane, 1996: 251).

279. This is perhaps well exhibited by the experience of the Reagan Presidency: 'Some observers think President Reagan was so successful in imprinting his policy preferences on the bureaucracies that they will bear his stamp for many years to come' (Kaufman, 1990: 486).

'The Reagan administration was noted for its attempt to micromanage the public service by establishing political control over administrative activities and by sharply curtailing the discretion of subordinate public officials. The method of choice was political infiltration of the
administrative establishment. This pattern of political management has left its mark even in
cademic treatises on the presidency’ (Lane, 1996: 246).

‘A particularly egregious effort to control the federal bureaucracy was undertaken by
President Richard Nixon. He assumed from the start of his presidency that all government
agencies were controlled by the Democrats, and thus were attempting at every turn not only
to resist his policies but to subvert his rule. His efforts to control the bureaucracy were so
vehement that they should perhaps be referred to by the word “repress,” rather than restrict’
(Goodsell, 1994: 172).

‘Intervention by presidential aides in agency rule making and adjudication is a subject of
serious concern. These OMB and White House efforts may seem like reasonable initiatives
to “coordinate” the activities of the executive branch and carry out the president’s program’

280. ‘Even when the president has the power to control the decision of a departmental head, such
intervention may be inadvisable and of doubtful propriety. While it is theoretically correct that
departmental heads shall discharge their administrative duties in such manner as the
president may direct, it was conceded by Attorney General Edward Bates that it is “quite
impossible for the president to assume the actual direction of the multifarious business of the

Moreover, “[a]lthough the executive power is vested in the president, “it by no means follows,
that every officer in every branch of that department is under exclusive direction of the
president.” It would be an “alarming doctrine,” said the Court, that Congress could not
impose upon any executive officer any duty it thinks proper, “which is not repugnant to any
rights secured and protected by the constitution; and in such cases, the duty and
responsibility grow out of and are subject to the control of the law, and not to the direction of
the president” (Fisher, 1987: 137).

281. ‘The judiciary is another important participant in the administrative process, reviewing
agency decisions to see that they conform to legislative intent, satisfy standards of
procedural fairness, and meet the test of constitutionality. Courts are routinely criticized for
intervening so deeply in the administrative process that they usurp the policy-making
functions of Congress and the agencies’ (Fisher, 1987: 75).

‘A normative theory of Public Administration that is grounded in constitutional principle must
not collapse into managerial utilitarianism. The courts must be considered serious
competitors for the favourable exercise of administrative discretion. This is because the
overwhelming majority of claims of individual rights begin and end in administrative
agencies. It is not enough for public administrators to obey court orders; they should also
take seriously the judicial values that are revealed in court opinions. They should learn to
think like judges as well as legislators and executives, because they are all three of these. In
a regime of separation of powers, administrators must do the work of statesmen’ (Rohr,
1990a: 83).

It is not really a matter of being statesmen, because that implies some sort of superiority, but
rather the fact of being affected by the principles of all three first-order political institutions is
a consequence of the lower position of Public Administrators in the cognitive hierarchy.
Those bodies even lower in the governance hierarchy are subject to an even greater array of
competing principles, as will be explained later. However, for now, it is sufficient to
appreciate that the spirit of The Public Administration is, and needs to be, very similar to the
spirit of the courts, but subordinate.

282. ‘In a study basically sympathetic to congressional supervision of agencies, Frank Neuman
and Harry Keaton concluded: “One point seems obvious. Congress goes too far if it spends
so much time supervising that not enough time is left to legislating.” This attitude presumes
that supervision and legislation are distinct duties, whereas it is impossible to legislate
intelligently and effectively without close supervision. Only through regular feed back from
administrators can laws be perfected. How much time to allocate for supervision is a
judgment solely for Congress’ (Fisher, 1987: 75–76).

‘In matters of national significance, requiring calm deliberation, adequate information, and
detachment from influence of the people, the Senate was to fill the obvious deficiencies of
the House (see Federalist 63). With respect to the legislative branch, then, democracy was
to function directly only in the shaping of policy where the direct and immediate interests of constituents were involved. In matters of national concern requiring information in depth, and where some continuity of policy was necessary, the Senate was to exercise the leading role... Although the direct influence of the people was to be curbed by the Senate, it should not be forgotten that Madison noted in Federalist 51 that "a dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions" (Woll, 1963: 22).

283. 'Many agencies are creatures of Congress and relatively independent of both presidential and judicial control; in these cases Congress and its particular committees involved feel no compelling need to oppose bureaucratic interests, but rather there is a definite tendency to establish a mutually satisfactory modus vivendi. The fact that Congress has delegated a substantial amount of its power to the bureaucracy by itself reflects both the necessities of modern democracy and the lack of fear or the bureaucracy. Admittedly, there exists a common and generally unchallenged assumption that the typical congressman is highly suspicious of the "bureaucrat" (Woll, 1963: 20), but the congressman is also convinced that they are superior and can rein in The Public Administration if necessary!

284. 'It is clear that the American system of politics does not generate enough power at any focal point of leadership to provide the conditions for an even partially successful divorce of politics from administration. Subordinates cannot depend on the formal chain of command to deliver enough political power to permit them to do their jobs. Accordingly they must supplement the resources available through the hierarchy with those they can muster on their own, or accept the consequences in frustration' (Long, 1966: 44).

285. This resistance is reflected most starkly in the opposition towards politically appointed agency heads. 'Some experts in governmental administration simply proclaim flatly, on the basis of their personal knowledge that bureau chiefs are independent power centers. One bureau chief said, "We don't need the Department. We are perfectly able and willing to take care of ourselves." An expert in administration wrote that "department heads may be said to be faced with a chronic state of mutiny in their bureaus." And Richard E. Neustadt, in his assessment of the presidential office, put it this way: "Like our government structure as a whole, the executive establishment consists of separated institutions sharing powers. The President heads one of these; Cabinet officers, agency administrators, and military commanders head others. Below the departmental level, virtually independent bureau chiefs head many more" (Kaufman, 1981: 3).

286. 'Cronin compellingly documents the increasing tension, conflict, and adversarial relationships that developed between the "presidentialists" in the executive office of the presidency and the "departmentalists" in the agencies and bureaus of the federal government' (Lane, 1996: 232).

'As Theodore Sorenson, President Kennedy's principal domestic aide put it: "Each department has its own clientele and point of view, its own experts and bureaucratic interests, its own relations with the Congress and certain sub-committees, its own statutory authority, objectives, and standards of success. No cabinet member is free to ignore all this without impairing the morale and efficiency of his department, his standing therein, and his relations with the powerful interest groups and Congressmen who consider it partly their own" (Nachmias and Rosenbloom, 1980: 93).

287. This is a process that is not well understood or explained in the literature but rather it is sensed: 'As indicated, I am portraying the public interest as not merely a means of internalising certain values in the minds of participants in policy making, but also as a means of externalising certain values via the public bureaucracy. In short, the public interest is not only a verbal symbol but also an institutional force; public interest discourse becomes, in Flathman's language, public interest politics' (Goodsell, 1990b: 107).

288. The "public interest" is the term used to capture a very abstract concept (very much at the menotype #C level). The simple fact is that the public interest is an ideal. It is for administrators what objectivity is for scholars—something to be strived for, even if imperfectly achieved, something not to be spurned because performance falls short of the goal. If there is not a public interest then we must denounce the idea of ideals. The public
interest is not something you pick up in your hands. It is not something whose height and breadth and weight can be measured. If it is illusory, so are justice, liberty, and integrity. If these and other ideal values cannot be absolutes but must be reconciled when in conflict in concrete cases, it is the public official's responsibility to seek the balance among them that most nearly approaches the public interest so far as he can perceive it' (Fesler, 1990: 91).

289.

Glendon Schubert's article of 1957 apparently put a bit of a damper on the regard for the "public interest," but the comments as reported by Goodsell (1990b: 97–98) can be seen as an observation of a trinity of menetes in the same vein as those just described in terms of the private interest, the common interest, and the public interest, as follows.

'Schubert divided writers on the public interest into three categories.

"Proponents of Administrative Rationalism" are characterized as positivists who believe the public interest is what the legislature says it is. The task of administration then becomes efficient implementation of this will [this is, in effect, the menettype #C view of the public interest as defined by the political process, which is in keeping with the USA's constitutional governance]...

Schubert's second group is the "Advocates of Administrative Platonism." They are depicted as "social engineers" who mystically speak of professionalism, empathy, and conscience, but are in effect exhorting: Be clever, "Be wise!, "Be good!, and even "Be God!" [which is the public entrepreneur pursuing his/her own private interest to make a better world in his/her own image]...

The third category is the "Administrative Realists," who define the public interest in terms of process [which is the true spirit of the public administration in accepting the definition of public interest that comes out of due process and that also has respect for the common interest as a synthesis of the community, political and agency process] (Goodsell, 1990b: 98, with embellishments).

This is in effect a natural grouping of different approaches to the "public interest" that might manifest individually in different circumstances but actually comprise a whole, but differentiated way of interpreting the "public interest." The understanding conveyed by this observation actually legitimizes the concept of the "public interest" rather than as a conception to be ridiculed as suggested by Schubert (in Goodsell, 1990b)—obviously in his apparent ignorance that there are a number of legitimate ways of viewing the "public interest."

290.

It is therefore dysfunctional in the US governance framework for The Public Administration to focus on defining and fulfilling the "public interest" as its primary concern—as was being suggested by the New Public Administrationists who were being exhorted to pursue public interest values independent of the political formulation of the common interest. "The New Public Administrationists, notably departing from the neutrality presumption of the public administration formula, advocated personal commitment on the part of administrators to the goals of social equity; and frequently spoke of the strategy of client-centred administration, that is, of facing "outward" toward the poor and disadvantaged rather than "upward" in the formal authority hierarchy" (Waldo, 1984a: xxxvii).

291.

However, this is not a clear-cut science of relationships as echoed in Friedrich's (1966: 222) observations: 'it should be clear without further argument that there must be some agreement between such a responsible agent and his principal concerning the action in hand or at least the end to be achieved. When one considers the complexity of modern governmental activities, it is at once evident that such agreement can only be partial and incomplete, no matter who is involved. Once the electorate and legislative assemblies are seen, not through the smoke screen of traditional prejudice, but as they are, it is evident that such principals cannot effectively bring about the responsible conduct of public affairs, unless elaborate techniques make explicit what purposes and activities are involved in all the many different phases of public policy. It is at this point that the decisive importance of policy determination becomes important.'

292.

'The Public Administration is also self-consciously derived from, and focused upon, what we shall call an Agency Perspective. By agencies we mean those institutions that have grown up in the executive branches at all levels and that are instruments of action in pursuit of the
public interest. A better understanding of the distinctiveness of The Public Administration must be built upon a greater appreciation of the institutional histories of agencies—their histories in a broad contextual sense—the history of an agency’s political economy.

We feel this is appropriate and necessary because many of these agencies are repositories of, and their staffs are trustees of, specialized knowledge, historical experience, time tested wisdom, and most importantly, some degree of consensus as to the public interest relevant to a particular societal function...

The distinctive Agency Perspective is one that deserves greater legitimacy than it has received from our political culture. The very nature of the role the Agency plays in governance leads it inevitably to develop a distinctive perspective on the public interest. The Public Administration which rests upon the Agency Perspective as a foundation thus has an historic, covenantal, organic, and constitutional legitimacy that needs illumination. Many agencies at all levels of our political system have been with us from our genesis as a nation; some are even suggested in the text of the Constitution’ (Wamsley et al, 1990: 36–39).

The same point is made but expressed somewhat differently by Long (1966: 51): ‘To whom is one loyal—unit, section, branch, division, bureau, department, administration, government, people, world history, or what? Administrative analysis frequently assumes that organizational identification should occur in such a way as to merge primary organizational loyalty in a larger synthesis. The good of the part is to give way to the reasoned good of the whole.’

293. ‘Furthermore, unbridled pluralism has an inescapably centrifugal effect on the structure and fabric of government. Each agency which has effective interest group support from the outside seeks autonomy to operate in its own realm; if left alone the administration responding to this drive would become a congeries of self-sufficient fiefdoms, each going its own way alone. The result would be a form of anarchy. Many administrative reformers who have recognized reality in pluralism have also recognized its limitations and dangers. The principal counteractive force against anarchy was to be the chief executive, himself elective and responsible to the whole people’ (Mosher, 1982: 96).

294. ‘In his essay, Goodsell first reviews the history of the idea, concluding that it has been in a state of virtual eclipse since the publication of Glendon Schubert’s critique of it in his book, The Public Interest. Schubert found in his analysis three major schools of public interest thought: rationalism, idealism, and realism. Rationalism holds that the public interest is defined through a form of reasoned political discourse in the legislative process; idealism sees it as a transcendent moral good discovered by the mind-work of a modern day approximation of Platonic philosopher kings; realists see the public interest as the result of the interplay of power-wielding interest groups in the policy-making process. Schubert’s unqualified conclusion is that none of these schools of thought produces a viable public interest theory and that those interested in effective government should abandon the whole project of philosophising about this hopelessly vacuous idea’ (McSwite, 1996: 202).

The trick is, of course, that the philosophising about the “public interest” should include the effect of all three different perspectives interacting with the structure and dynamics of a trinity of menetypes explaining the variation in the expression of public interest. McSwite’s (1996) conclusion that ‘We agree that within the modernist mind-set the public interest is a hollow concept. But we strongly disagree with the apparently pessimistic assessment of post-modernism and argue that there is just as much potential for renewing the idea of the public interest within current postmodern conditions as there is threat to it’ (McSwite, 1996: 216).

It was considered a hollow concept in the dying days of the modernist era because thinking had already moved on to essentially the realist perspective (menetype #C) and this is the viewpoint that is being picked up as relevant now in the postmodern or postictist age: ‘Most obviously, there would be no capital T Truth as a central reference point. Instead, all the parties to a situation would be seen as holding multiple, partial, and momentary truths. These truths would have to be put together in a tentative pattern through a group process grounded in authentic communication’ (McSwite, 1996: 219).

That is, Queen menetype #B positive rationalism is dead, long live King menetype #C realism!
That the "public interest" is a notion at a particularly high level of abstraction can be appreciated by the following description, which just happens to sound a little like religion and its ability to influence the thinking of all, particularly Marx's criticism of religion as the "opium of the masses."

"In the same volume Stephen Bailey comments on a paradoxical aspect to public interest. While on the one hand public officials utter the phrase with great ease to justify what they wish to do, on the other hand its symbolism requires them to provide a reasoned basis for their aims in the first place. Thus, although the public interest may be "balm for the official conscience" and "one of society's most effective analgesics," to be used for this rationalizing function "public servants must be able to give it a rational content anchored in widely shared value assumptions." As a consequence, Bailey concludes that the public interest is no less than "the central concept of a civilized polity. Its genius lies not in its clarity but in its perverse and persistent moral intrusion upon the internal and external discourse of rules and ruled alike" (Goodsell, 1990b: 100).

This notion of the public interest being composed of the many perspectives of the different participants in the governance hierarchy was also expressed by Wamsley et al (1990: 39–40): "The "public interest" has, of course, long been derided, particularly by social scientists, as a meaningless concept at best, a mask for arrogant despotism at worst... It is therefore a concrete, living, behavioural reality in spite of our problems in defining its specific content... the "public interest" refers to a combination of several habits of mind in making decisions and making policy: attempting to deal with the multiple ramifications of an issue rather than a select few; seeking to incorporate the long-range view into deliberations, to balance a natural tendency toward excessive concern with short-term results; considering competing demands and requirements of affected individuals and groups, not one position; proceeding equipped with more knowledge and information rather than less; and recognizing that to say that the "public interest" is problematic is not to say it is meaningless."

This runs counter to the exhortation of the Blacksburg Manifesto as summarised by Stivers (1996: 268): "It is elements like these that evoke reactions like Cooper's and Kaufman's, which charge the Refounding Project with being antidemocratic; at moments the Manifesto does sound as if it has moved beyond lauding the public administration for making the trains run on time (bad enough, in that politics appears irrelevant) to praising it for having special competence to define the content of the public interest in particular situations (worse, in that administrative expertise expands from technical skill to political judgment)."

Stivers (1996) then goes on to argue that it is not quite so clear-cut and selects quotes from the Manifesto (Wamsley et al, 1990) that suggest a call to Public Administrators to move from a rationalist conception (menotype #B) of the public interest to a more pluralistic realist view (menotype #C). The key question is whether it is appropriate and helpful for The Public Administration to abandon its roots or home ground completely.

This trinity of menotypes is essentially the same as that captured by Cobb and Elder as reported by Goodsell (1990b: 103, with embellishments).

"The public interest is obviously a political symbol. Cobb and Elder classify political symbols in three categories:

(1) Community, or symbols that invoke feelings about the entire polity (eg, democracy, constitution)

[—namely, menotype #C interpretation of the constitution by the highest authority];

(2) Regime, a less general type that specifies accepted rules of governance (such as due process, majority rule)

[—namely, menotype #B Agency Perspective embracing enabling legislation and relevant law];

(3) Situational, a still more specific category that refers to political actors or policy issues (Ronald Reagan, gun control)

[—namely, menotype #A responsiveness to the Government's intent].
Within this typology, the "public interest" would probably be classified in the second category.

However, public interest is classified in all three categories (as testified by other authors quoted in this thesis), and it is this lack of appreciation of the nature of differentiation that has clouded the true nature of the public interest as a very abstract but real concept.

This trinity of menetypes is also reflected in the categorisation in a 1957 article by Frank Sorauf as also reported by Goodsell (1990b: 98–99): ‘He defines several approaches to defining public interest and then concludes that because of the term’s imprecision it is useless for purposes of scientific analysis. Yet, at the conclusion of his piece, Sorauf admits that the notion serves positive functions of intellectual rationality. These functions are four—unifying, legitimating, delegating, and representing.’

From the descriptions that Goodsell goes on to give of these four terms it is suggested that they line up with the trinity as follows:

- "Unifying" concerns the whole by welding majorities because so many can subscribe—it captures the whole of the trinity in the outer circle and in one way is representative of the nation.
- "Legitimating" is something undeniably true that shines through and legitimises policy outcomes in the same way the law does—it captures the menetype #B aspect as encapsulated in definite legislation and articulated policy.
- "Delegating" concerns delegating executive will to act in accordance with the actors' interpretation of the public interest—it captures the menetype #A aspect as being the most concrete expression in action.
- "Representing" concerns the ‘unorganized and unrepresented (or underrepresented) interests in politics... that may be overlooked in the pressure of political combat’ (Goodsell, 1990b: 98–99)—it captures the menetype #C political processing of the public interest.

This is to say that the trinity of menetypes discussed in the main text is founded on a way of differentiating the different perspectives that is in keeping with other analyses of the public interest. Moreover, what is argued is that, in general, the principal focus of the public administrator is on the "legitimating" or "regime" aspects of the "public interest" listed above, and it should be that the least important in determining his/her concept of the "public interest" is the doing of his/her own thing or his/her superior's thing in the "delegating" and "situational" aspects, as described above.

299. 'The fact is that in the American system of government there is no cohesive majority and hence no possibility that one group will represent the "will of the people," whatever that term may mean. Bureaucratic organization is but a reflection of the pattern of American government' (Woll, 1963: 58).

The attachment of American constitution makers to the separation of powers and to checks and balances has several implications. First, control of programs is not given entirely to any one branch of government. Second, with a divided leadership, there can be no simple hierarchy with well-defined, superior-subordinate roles. For example, the control of bureaucrats is not the sole responsibility of the President; he must share it with the legislature and the judiciary... Third, bureaucrats in charge of particular programs may receive conflicting demands from competing superiors. A House committee, a Senate committee, or the President may issue contrasting directives. Each potential superior may have his spokesman within an agency. Multiple loyalties within a department can upset the department head's control over his own agency at the same time they inhibit clear control by either the President or one house of the Congress' (quoted from Ira Sharkansky and Donald Van Meter, Policy and Politics in American Governments, in Merry, 1980: 218–219).

300. This reliance by The Public Administration on the interpretation of the "public interest" by the political system above it is the principal reason why the nature and esteem of public administration differs between different governance regimes (say as between monarchy, democracy and despotic), as has been long recognised (Montesquieu, 1952). The Public Administration in a capitalist democracy would be regarded with much lower esteem and awe than The Public Administration serving a powerful monarch. However, because the
actual functions carried out by The Public Administration are determined more by the mindset of a bureaucracy operating in the political sphere, there is a temptation to say the business of public administration would be similar in different governance regimes. Without comparative studies in government we cannot rid ourselves of the misconception that administration stands upon an essentially different basis in a democratic state from that on which it stands in a non-democratic state... Monarchies and democracies, radically different as they are in other respects, have in reality much the same business to look to... it is necessary to see that for all governments alike the legitimate ends of administration are the same' (Wilson, 1966/1887: 37).

This is only true in the more prosaic aspects of public administration but not in terms of the substantive aspects; for instance, the attitude to policy development, and the intensity and consequences of The Public Administration's dealings with the Legislative arm, would both be very different between a democracy and a monarchy. Much of the difference comes down to the way The Public Administrator is required to interpret the public interest, which can vary considerably in different governance regimes. For instance, in a monarchy the main focus of The Public Administration would be on the Government's (read Monarch's) desire or intent, which encourages a completely different mindset of service than does the republican focus on the legislature of formal commitment of government. And Wilson (1966/1887: 40–41) goes on to acknowledge as much in his pointing out the different character of administration in imperial Germany, and his observation that 'like principles of civil liberty are everywhere fostering like methods of government.' Otherwise why would he instinctively advocate that 'Our own politics must be the touchstone for all theories. The principles on which to base a science of administration for America must be principles which have democratic policy very much at heart' (Wilson, 1966/1887: 39).

301. This should be taken to mean responsiveness to the substantive aspect of Government intent (and not the daily whims of politicians) as has always been understood: 'Steady, hearty allegiance to the policy of the government they serve will constitute good behaviour. That policy will have no taint of officialism about it. It will not be the creation of permanent officials, but of statesmen whose responsibility to public opinion will be direct and inevitable. Bureaucracy can exist only where the whole service of the state is removed from the common life of the people, its chiefs as well as its rank and file. Its motives, its objects, its policy, its standards, must be bureaucratic' (Wilson, 1966/1887: 35–36).

That is the type of responsiveness to Government intent is wrapped in the justification for the advocates of the politics–administration dichotomy and encapsulates the notion of formal stable policy rather than reacting in the moment to the vagaries of public opinion.

302. This need for The Public Administration to be able to maintain a respectable distance and difference defined by adherence to formally approved Government policy has been intuitively advocated from early times, as concluded by Wilson (1966/1887: 40) 'The question for us is, how shall our series of governments within governments be so administered that it shall always be to the interest of the public officer to serve, not his superior alone but the community also, with the best efforts of his talents and the soberest service of his conscience?' And furthermore, Wilson (1966/1887: 29) was a keen advocate of the politics–administration dichotomy that was meant to deliver administration such a respectable independence from the day-to-day whims of political influence.

303. Wamsley et al (1990: 47) express the same sentiment: 'As a critical first point, we need to remind ourselves that the Public Administrator takes an oath to uphold the Constitution of the United States—not the whims of the powerful... What is important is that the Public Administrator acts in a professional manner in the sense of a concern for the development of competence and standards, an orientation toward service, and a set of values that regards the broadest possible definition of the public interest as a real although problematic trust, and above all, which holds the maintenance of the constitutional order as a fundamental duty.'

304. This is very much in the nature of clarification rather than derivation of the public interest as suggested by some writers: 'Finally, Downs assigns a leadership function to the public official in regard to defining the public interest.... The key to such leadership, according to Downs, is the notion of the public interest: “only because a government official has
developed, however cynically, some concept of the public interest independent of current public opinion will he be able to make such judgments" (Goodsell, 1990b: 101).

The public administrator can therefore interpret the public interest, sometimes extrapolate in consistency with his/her delegated authority and other times suggest a particular development of conception to political authority, but he/she does not lead in the sense that he/she has the real power to determine the public interest in the same way that the legislature or executive can. He/she can only lead in the sense of suggesting ideas that other more powerful decision-makers are willing to pick up on—and this will only happen if the public administrator takes into account the political views of the more powerful others when suggesting a particular formulation of the "public interest."

305. 'It is ironic that in this difficult and often absurd situation, the civil service continues to be a conspicuously vital part of liberal government. If past trends continue, the civil service will become more vital. The tragedy is that without adequate role models the public administrator must struggle on two fronts. On the one hand, there is the exigency of performing day to day tasks that result in the production of vital services for liberal society. On the other hand, the civil servant must act without readily understanding the meaning of this action. As the pressure to act increases, anomic is the likely result unless meaning for this action can also be discovered or created' (Stever, 1988: 98).

306. This is similar to the sentiment expressed by Wamsley et al (1990: 48): 'As a trustee the Public Administrator must strive to look beyond both the political pressures of the day and a degrading self-image of mere instrumentalism. He or she should strive for a role that is "critically conscious": purposive in pursuit of the public interest and in maintaining the democratic governance process but disciplined by the rule of law and constitutional tradition of limited government; and conscious of the need at times to prudently accommodate powerful forces that may represent a temporary retreat from, or pause in, pursuit of the broadest possible definition of the public interest. Progress toward both the agency perspective and the broader public interest may not always be steady or forward.'

Section 6.2 The Public Administration and Government Decision-making

307. In simple terms, 'The policy—administration dichotomy merely reflects the "upstairs—downstairs" phenomenon of hierarchy, the superior—subordinate form of organization dominant since the dawn of civilization... "Policy" and "administration" are the job descriptions of any superior—subordinate relationship' (Thayer, 1984: 264; 267).

'It has long been customary to distinguish between policy-making and policy execution. Frank J. Goodnow, in his well-known work, Politics and Administration, undertook to build an almost absolute distinction upon this functional difference. "There are, then, in all governmental systems two primary or ultimate functions of government, viz. the expression of the will of the state and the execution of that will. There are also in all states separate organs, each of which is mainly busied with the discharge of one of these functions. These functions, are, respectively, Politics and Administration." But while the distinction has a great deal of value as a relative matter of emphasis, it cannot any longer be accepted in this absolute form. Admittedly, this misleading distinction has become a fetish, a stereotype in the minds of theorists and practitioners alike. The result has been a great deal of confusion and argument... Public policy, to put it flatly, is a continuous process, the formation of which is inseparable from its execution. Public policy is being formed as it is being executed, and it is likewise being executed as it is being formed' (Friedrich, 1966: 224—225).

'Classical politics/administration ideation was a way of thinking about public administration that dovetailed neatly into the Progressive movement and benefited from the antipathy that the Progressive reformers directed against political machines and their accompanying corruption. Throwing their energies behind political reform, leading Progressive intellectuals such as Woodrow Wilson and Frank Goodnow sought to show that professional public administration was compatible with Progressive ends. The genius of Wilson and Goodnow was that they effectively attached professional public administration to the Progressive reform movement. In so doing, the implication was that Progressive reform would be incomplete without professional public administration. Paul Van Riper points out that this linkage itself was a genuine feat given the widespread scepticism during the Progressive era about civil service reform and professional public administration' (Stever, 1988: 38—39).
The first is that, either as a description of the facts or a scheme of reform, any simple division of government into politics-and-administration is inadequate... The convention of early self-aware public administration that a distinction could be made between politics and administration, a workable, pragmatic distinction if not a strict and principled one, was increasingly questioned in the 1930s, and was ostensibly abandoned by nearly all by mid-century. Since this distinction had been the foundation, or at least an important part of the foundation, on which scientific-professional claims for public administration had been erected, a problem of the first order was presented... How to relate fact and value, how to separate and to combine the is and the ought, certainly poses problems for us, but certainty is not only our problem. We are bound to keep working at the problem; it is fundamental to our enterprise. This was covertly or implicitly the case always; it is overtly and the case with politics and administration seen not as two realms but as a continuum. It is disheartening to see the problem in its wide scope and intractable nature. But also in a sense a relief: We cannot be charged with a rare stupidity of incompetence... Centrally, what is the problematic here is the nature and roles of politics and administration. In essence, we can neither live with or without the distinction, realistically separate the two nor find an agreed, proper joining. Western history, our Constitutional structure, our political experience, and our institutional development combine to present us with a problem that cannot be solved in any definitive sense... Third, we seem to be on the way to a more adequate philosophy of the powers and functions of government, their nature and interrelation' (Waldo, 1984a: 121; xvii; xlvii; lv).

This thesis can be seen in some sense as being in the spirit of the predicted endeavour.

Waldo's (1984a) theory of their place in history is merely a reflection of their deep (but as yet, incompletely formed) roots in the human way of thinking about governance.

‘The debate over the relation between politics and administration is as old as the academic field of public administration in the United States. Yet it has never been adequately resolved (Levine and Waldo...). An emphasis on the distinction earlier in the century has given way to the overwhelming violence that politics and administration are not separate. Yet vestiges of the distinction remain... The relation of the political to the administrative is thus very complex and dynamic, but we have only begun to analyze it' (Rainey, 1990: 173).

Or ‘the problem of reconciling bureaucracy and democracy—the distinction between administration and politics—that Woodrow Wilson examined nearly 100 years ago, is very much alive. In a word, the reason that the ideas, with their ambiguities and contradictions, in “The Study of Administration” are still discussed is that each of the positions he articulated forms a part of the larger truth about American government’ (Rabin and Bowman, 1984: 7).

‘Scholars of public administration have debunked the politics-administration dichotomy but have never found a suitable replacement for it as a normative foundation. There has been little to fulfill that function but neutral competence—scientific management or administration committed to carrying out the “given” ends by the most efficient means’ (Warmsley et al, 1982: 60–61) or “Whatever directions public administration takes in the period ahead it must, implicitly or explicitly, “go back to Wilson” in one sense. It cannot avoid dealing in some fashion with the problem that he addressed: The respective natures of politics and administration and the relationship between the two’ (Waldo, 1984b: 232).

And the counter view, “Correctness” as applied to [ethical] imperatives has meaning only in terms of subjective human values. “Correctness” as applied to factual propositions means objective, empirical truth... Recognition of this distinction in meanings of “correctness” would lend clarity to the distinction that is commonly made in the literature of political science between “policy questions” and “administrative questions”... Yet, neither in Goodnow’s study nor in any of the innumerable discussions that have followed it have any clear-cut criteria or marks of identification been suggested that would enable one to recognize a “policy question” on sight, or to distinguish it from an “administrative question.” Apparently, it has
been assumed that the distinction is self-evident—so self-evident as hardly to require discussion' (Simon, 1947: 53–54).

There is a core of truth in Simon’s (1947) position that will be taken up later, but the last word is from John Rohr as quoted in Thayer (1984: 283–284): 'the Wilsonian dichotomy has been attacked so incessantly and so effectively that I do not believe it is an exaggeration to say that no serious student of public administration accepts it today... despite the persuasive case academics have made to establish the political character of administration, the old Wilsonian world view still appears to be the prevailing ideology among practicing bureaucrats.'

309.

It is as Einstein has been quoted as saying that “You can’t solve a problem with the same consciousness that created it” (Wheatley, 1992: 3).

In other words, ‘The articulation of an alternative paradigm is, however, a necessary condition before a scientific revolution can occur. Scientific revolutions require a choice among alternative paradigms. If Kuhn’s theory of scientific revolutions is valid, we can anticipate a resolution only if an alternate paradigm is available. If a new paradigm is to succeed, it must offer a formulation that is able to resolve some of the existing anomalies and to provide an explanation that takes account of more extended intellectual horizons. A new paradigm, thus, might also be expected to open new frontiers of research... I shall advance the thesis that the sense of crisis that has pervaded the field of public administration over the last generation has been evoked by the insufficiency of the paradigm inherent in the traditional theory of public administration. Simon’s challenge will be viewed as a challenge to the traditional theory of public administration based on a number of anomalies inherent in that tradition... I agree with Waldo’s conclusion that the resolution of the crisis cannot be attained by a choice between the traditional theory of administration and Simon’s theory of organization’ (Ostrom, 1989: 13–15).

310.

The dichotomy represents the best thinking available in the formative stages of a new discipline. However, in much the same way that Jung’s contemporaneous differentiation of psychological types into two groups of two was good for the time but incomplete (explained later in Chapter 8), the differentiation of the governance process into two separate but complementary parts was good for a time but has not been adequate to handle the development of analysis since then. Basically there is inadequate differentiation and the process should be seen as three parts rather than just two. It is also very telling that the same phase #4 orientation of the co-creative will was the one omitted from Jungian typology and the politics—administration dichotomy—perhaps it was a sign of the times or perhaps it has just been progress in the complexity and degree of differentiation in thinking since that time.

311.

The descriptions of the 3-Rs and the 3-Es is take from Wamsley (1996: 355): ‘The “scientific” quest for the 3-Es (economy, efficiency, effectiveness)—for increased output—is not simply misguided because it puts primary emphasis on the wrong values for public administration in a democracy, where the prior concern should be responsiveness, representativeness, and responsibility. It is wrong because it is dangerously incomplete without normative grounding... The 3-Es are measures of the efficacy of means given agreed-upon or specified ends, but they do not provide a satisfactory measure of the appropriateness of either the means or the ends. Such a measure of appropriateness is important for all government but essential for a democratic constitutional republic. Without it such a government has no raison d’être.’

Here, Wamsley (1996) either mixes the roles of public administration and politics or it is a call for public administrators to shift from the managerial paradigm (menotype #B) to the politicist paradigm (menotype #C). What is missing in Wamsley’s (1996) discussion is the public entrepreneurial perspective which is concerned with creating and defining policy options; namely, vision, creativity and initiative.

312.

Kaufman (1990: 483) then actually goes on to pick up the nature of the shifting focus around the three aspects in much the way described by the dynamics of a trinity of menetypes. ‘Although all three values are always pursued in the ordering of our government, one or another has usually been emphasized more heavily than the others in different periods (and
For instance, "The broad plans of governmental action are not administrative," Wilson writes; "the detailed execution of such plans is administrative" (Dolg, 1984: 177). But there is no differentiation in the dreaming up or formulation of those plans, and their deliberation and approval as formal policy.

This lack of differentiation is also clearly evident in the accepted practice of earlier times that policy should be developed in Congress and the President is there to help the Congress carry out its program. The above-discussed emergence of the modern presidency saw a differentiation between the policy creation function increasingly assumed by the President and the deliberation on policy proposals retained by Congress. 'It is important to recall that in the early part of this century the presidency was given new coordinating chores, not to enhance presidential power but to help Congress get on with its work. For example, Congress had traditionally produced a federal budget by summing up the separate budgets negotiated individually with each executive bureau... It may be difficult to believe today, but the orienting idea in those days was that, by helping the president prepare and execute a unified executive branch budget, a professional budget staff would enhance the power of Congress, not the presidency, to effect its will' (Heclo, 1994: 137).

A big part of the problem has been: 'in a nutshell, "value," "policy," "objective," "goal," and "end" have identical meanings in organizational life. Individuals often equating "values" and "objectives." "Values" are perceived as ideal states of affairs which both individuals and organizations should seek to attain' (Thayer, 1984: 268).

However, there needs to be some differentiation in what is meant or how these ideas are used. For instance, there is the conceiving of the policy or objective, the analysis of it and the decision or commitment to it—each operation capable of being performed in a different institution. "Value" applies to the hard options in the here and now that are used in making choices or commitments to particular things, whereas objectives, goals and ends are ideas or possibilities about the future that have been conjured up for consideration. If they have run the gamut of deliberation and debate and are approved then they become concrete policy that is here and now and encapsulates an expression of the decision-makers' values. The "New Deal" had to be conceived and articulated first by the President and his team, before it could be deliberated on by Congress.

The emergence of a differentiated public entrepreneur type was also assisted by the employment of the business analogy because it almost transferred the entrepreneurial activity from politics to administration, or at least made it a function of both. "There are two tendencies in American public administration (as L. D. White has often observed): that toward the professional, non-political executive (city-manager type) and that toward the non-professional political executive (presidential type). Back of these two tendencies is a welter of varied and conflicting ideas. It seems clear that the generalizations that fit one of these types of executive need not necessarily fit the other. There is patently no fixed relationship between the vote-getting ability and administrative ability, and less between vote-getting and professional training for administration... By the first decade of this century, administration-business had become a creed, a shibboleth, and there was little serious criticism of the notion until the decade of the Great Depression. The business example was accepted in academic political science; and the corporate analogy was used to promote the spread of city-manager charters. The desirability of business-in-government even received repeated sanctions by Presidents... Moreover, the progressive and humanitarian purposes of the reformers and administrative students must not be forgotten. They thought of government as an instrument for achieving community purposes, for securing more security and equality... The contribution of business... was used to depreciate separation and balance of powers. It was used to aggrandize the chief executive. It was used to justify hierarchy, to support the principle of appointment, and to lend weight to the budget argument' (Waldo, 1984a: 35–36; 38–39).

But still the concept of the public entrepreneur was not differentiated out of the politics-administration dichotomy. But it is now seen more a virtue in administration as captured by Dolg (1984: 187): 'Despite the hopes of Woodrow Wilson, then, those who lead the public authority must think of matters political as well as matters administrative. Indeed, especially for those executives whose agencies seek new program initiatives, they might more
accurately be called "policy entrepreneurs" than "managerial experts," if the latter phrase implies a devotion to programming and budgeting, output measurement, and the hardware lore of management science. This entrepreneurial role, which is central to the viability of many public authorities, requires that their top officials...

314. This predisposition for the rational, managerial mindset to repress the entrepreneurial viewpoint is exhibited quite starkly in the following exposition on entrepreneurialism by Stever (1988: 91–93; 97–99):

`In an ideal, fully rational world, entrepreneurialism would not be possible or necessary. However, entrepreneurialism is a behavioral phenomenon that emerges in a less than an ideal world. In principle, legislatures communicate their intentions to civil servants in clearly defined legislative mandates. However, in practice, legislative mandates are often vague and confusing leaving administrative agencies and individual administrators with minimal guidance for the shaping of programmatic objectives... It is ironic that the civil servants should think of embracing their traditional nemesis, the opportunistic entrepreneur. The entrepreneur has been the role model of private sector administration since the country's founding. Furthermore, the entrepreneur has become the symbolic antithesis of public sector administration. Whereas the bureaucrat conservatively clings to the rules and to the civil service tenure for security from the market, the entrepreneur admirably chooses adventure and innovation.

Harlan Cleveland has been one of the leading exponents of this ideal for the civil service. Though Cleveland does not use the word "entrepreneur," the public administrator emerges from his thinking as a modern hero—individually confronting the new complexities and technologies of contemporary life... The effect of Cleveland's conclusion is to throw the contemporary civil servant back onto his own personal judgment as to what is in the public interest. Since there are no collective norms, the civil servant is also responsible for individually developing meaning for his own action. Hence, in entrepreneur-like fashion, the civil servant ventures out into uncharted waters armed with little more than his own individual energy, wit, and judgment...

The entrepreneur is a time-honored figure within American folklore, and this ideal continues to be resuscitated. However, it is unreasonable to expect that by following this ideal the civil servant can be considered as legitimate. This ideal has limited utility for public administration. Even classical liberal theory declined to give the entrepreneur authority over public policy. Under classical theory, the businessman puts aside his acquisitive instincts when joining the civil service. Furthermore, the initiative of the entrepreneur must always be balanced by careful planning and careful implementation in both the public and private sectors.'

315. What is exactly going on has been muddied for a long time because of a lack of adequate differentiation in analysis. At the beginnings of the modern study of administration, Wilson (1966/1887: 16–17) intuitively explained it simply the way it was: 'Administration is the most obvious part of government; it is government in action; it is the executive, the operative, the most visible side of government, and is of course as old as government itself.'

In the analysis of public administration, such decisions in keeping with executive action came to be regarded as public servants making policy, and that was regarded as bad. Moreover, the notion of executive action was so played down that analysts and observers no longer even wanted to consider Public Administration as part of the Executive itself. In fact, Wilson (1966/1887: 25) acknowledges such a tendency from earlier times where there was a suppression of the executive creative power in favour of a focus on politics: 'The English race, consequently, has long and successfully studied the art of curbing executive power to the constant neglect of the art of perfecting executive methods... English and American political history has been a history, not of administrative development, but of legislative oversight—not of progress in governmental organization, but of advance in law-making and political criticism.'

The politics—administration dichotomy certainly did not help to encourage acknowledgement of executive leadership but entrepreneurial leadership certainly happened over the years, particularly at the time of the new deal (and in Reagan's time as noted earlier). In recent times the notion that 'Power has been aptly defined as "participation in making of decisions"'
(Lasswell and Kaplan, as quoted by Woll, 1963: 4), lacks all differentiation in terms of whether the power is entrepreneurial, administrative or political; but more of this later.

316. Waldo (1990: 74) perceptively concluded from his analysis that, ‘Public administration in the United States was brought to self-awareness by political scientists and in political science departments. But a sense of estrangement, both on the part of public administrationists and of their disciplinary colleagues has since developed... The word estrangement is perhaps too mild to characterize the relationship of public administration to other fields of political science. Woodrow Wilson’s lament in 1887 that administration was “put aside as a ‘practical detail’ which clerks could arrange after doctors had agreed on principles” seems not greatly changed in some quarters today. In the perception of most political scientists down to this day, I judge, public administration concerns the lower things of government, details for lesser minds... It is interesting to note that a political scientist, describing his graduate education in the early 1970s, documented the low esteem of public administration.’

This attitude follows the logic of the dynamics of the trinity as surely as night follows day and is analogous to the human attitude to the mechanics of typing once it is learnt—the processes are ingrained and automatic, and are taken as given. Therefore, there does not need any attention to be paid to them unless something goes awry. In fact, any attention to these automatic functions can actually mess up the thinking and execution of the operations. And so it is with public administration or politicians and political scientists—it just happens and does not bear thinking about.

Warmsley et al (1992: 60–61) also came to much the same conclusion in acknowledging that the neglect of public administration somehow related to such a concept of an “automatic state”: ‘American political scientists, who pride themselves on being part of an intellectual tradition reaching back to Plato and Aristotle, have had amazingly little to say about the phenomenon that was the central concern of those political philosophers. Perhaps this is because modern political science came into being just as pluralism became the dominant conception of the American political system. Thus, political science was, to use Lowi’s harsh verb, “corrupted” by pluralism’s intellectual weakness. Political science embraced “the myth of the automatic society granted us by an all-encompassing, ideally self-correcting, providentially automatic political process.” An automatic process may invite description and analysis of politics but it does not encourage the study of how politics is related to governance—at all, there is no need for governance in the automatic society... The political system is on autopilot.’

As will be explained later in this thesis, this flowering of pluralism and seemingly automatic society is a direct result of the enabling power of the Constitution’s creation of conscious governance.

317. That is, the study of Public Administration has a preoccupation on menotype #B activity and so the energy given to any reflection on the entrepreneurial menotype #A activity is repressed. Likewise, the study of Political Science is focused on menotype #C activity and so represses any attention of the menotype #B activity of public administration.

318. The trinitarian order of these studies is evidenced by the conclusions of Hill (1992: 44) where he identifies and describes the secondary supporting preoccupation of public administration and political science as follows. ‘Perhaps public administration’s most important potential affinity with public bureaucracy has to do with the discipline’s basic orientation. Whereas political science often has been society-oriented and has considered the state to be epiphenomenal, public administration usually has been state-centered and has considered the state to be autonomous.’

That is, political science has an eye out for other political systems or potential utopias in respect to its own, while public administration stays focused in a secondary manner on the different manifestations of its own political system without venturing into speculation about creating potential utopias.

From this understanding of the interrelationship of the three fields of study it can be interpolated that the study of public administration is in the spirit of scientific method (i.e. menotype #B orientation) but it is not a science because it cannot reach inviolable truths. It can employ sciences to ascertain the truth of the facts but, being in the political sphere, the truths that it is required to search out are truths of reality and its value, which are decided by
politics, not public administration. On the other hand, political science is more a science but only in the terms that it is actually reaching certitudes or commitments to the belief in a particular reality in the same way that the natural sciences express a commitment to a belief in a particular fact. However, it does not follow the scientific method to reach such certitudes or commitments but rather follows the method of analogy, which is more associated with philosophy than the sciences.

It is contended in this thesis that only a field of study that includes all the three above studies could truly be called scientific—and philosophic at the same time—in that all the aspects could be analysed in the framework of their interrelationship to each other. That is, contrary to what some of the earlier public administration academics would contend, the dynamics of administration differ between the different political regimes and vice versa. Such a new field of study could just be termed “Governance”.

319. It is interesting and telling the way Waldo (1990) finishes off his paper looking at the cleft between politics and public administration (or Political Science and the study of Public Administration), because he actually brings in the missing aspect of entrepreneurial or Utopian will: ‘If one searches for a term to designate a human collectivity in which politics and administration are well integrated, two of the terms considered certainly would be totalitarian and utopian. Patently, we are not currently in risk for totalitarianism or within sight of utopia. But if and as we seek to move toward the latter, we must be aware of the former’ (Waldo, 1990: 82).

Indeed, we must be aware of all aspects because totalitarianism is some potential despot’s idea of utopia, or put simply, his/her vision of a better world.

320. There are some who have come near to suggesting a trichotomy such as the following: “treats the same general issue in a different fashion, suggesting three approaches to public administration theory: the “managerial,” the “political,” and the “legal.” Each approach corresponds to a particular branch of government and each carries a distinctive set of values. Rosenbloom argues that in the modern administrative state, these three sets of values have permeated the administrative agencies of government, placing administrators in the unenviable position of having to balance the various interests represented by the three approaches’ (Denhardt, 1990: 45).

321. ‘First we need to recognize that at the highest level, speaking descriptively and conceptually, there is no dichotomy [this represents the attitude of political science operating at the highest level of abstraction #C]...

at a less abstract level of behaviour and action, there is, and always has been, if not a dichotomy, at least a considerable distinction [this represents the attitude of public administration operating at the menotype #B second level of abstraction—the separation seems less distinct the more public administration employs its secondary supporting aspect of political thinking type #C]...

Finally, at a third level of meaning, we feel we should acknowledge, elucidate, and extend the distinction between politics and administration [this represents the attitude of the menotype #A executive will inherent in the practitioner who decides exactly what could be done in the situation and also in the designs of utopia which seek to replace one encountered reality with another more desirable one]’ (Wamsley et al, 1990: 42–43, with embellishments).

322. The concepts of policy formulation and policy implementation are essentially the same two aspects of public administration that were recognised as far back as Wilson (1966/1887: 16): ‘It is the object of administrative study to discover, first, what government can properly and successfully do, and secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or energy.’

Therefore, to Wilson the division of responsibilities between the public and the bureaucracy was one of concern over goals at one level and means at another. This did not mean that the career administrator was denied the right to exercise discretion and judgment, but it did mean that judgment decisions should be confined to selecting the best means to achieve the ends prescribed by the public. The bulk of the education, training, and experience of the “ideal” administrator would be directed toward acquiring technical proficiency rather than a
familiarity with philosophy and value systems... This makes administration impartial. It separates it from politics and substantive policy-making. It keeps it professional, encourages dispatch, minimizes friction, and ensures impartiality and efficiency” (Morrow, 1984: 252)

It is also essentially reflects the differentiation made by Thayer (1984: 264); ‘I make a distinction between “politics” (the theory and practice of winning elections) and “policy” (what winners do while in office). While some point to empirical evidence that “policy making is political,” those in government must argue on normative grounds. Presidents may appear to make policy decisions for partisan advantage, and career administrators may appear to make policy decisions, but neither presidents nor careerists will admit they do what they are not supposed to. The important distinction, then, is between policy (and policymakers) and administration (and administrators).’

323. This trinity has been conceived by some as the “cozy triangles” of a particular Congressional (sub-) committee, an agency, and an interest group (Nachmias and Rosenbloom, 1960: 54) but this is clearly a lower level and more a particular manifestation of the more general trinity being considered here.

324. The Government is focused on the level of assessment and commitment to the shape and quality of society and encapsulates the highest level of abstraction in the policy of the Government. The Public Administration is focused at the level of organization and processes to deliver specified Government policy and programs, or to provide advice on how they could be changed. As such, it is at the lower level #B of abstraction. The general public captures a collection of individuals who are both electors of the Government and clients of Government programs, and as such encapsulates the lowest level of abstraction in the concrete desires of individuals both for a piece of the Government pie and also the type and size of pie that is to be cut up.

That these three aspects comprise a trinity of menetypes can also be appreciated from the nature of the dynamics. For instance, the focus of the Government is on reaching its decisions, secondly on the public in terms both of voting constituency and of the impact of its proposed policies on individuals or groups of individuals. As discussed above, the attitude of the Government is along the lines that its policies and programs will be automatically delivered by the administration seemingly on autopilot. Taking the further example of the general public, their major focus will be on their own welfare as individuals and as members of the society that the system is helping to create. Their secondary focus is on the delivery of the programs, on how the Government is actually geared to provide for them at the moment in its existing programs, which are being delivered by The Public Administration, and they have very little concern for the detail of how the Government goes about deliberating or reaching its decisions to change such programs—their main concern is the impact of those decisions on their programs. The words of the decisions do nothing in themselves but they do act on the public as though speaking to their unconscious in sparking their dreams and wishes (i.e. the public effectively represses the Government and its internal processes into their collective unconscious and it is to their collective unconscious that new policies are marketed as the answers to their hidden desires). But in the end, the Government is usually judged by the public not on how well it reached its decisions, but more on the concrete results delivered to the individuals through The Public Administration.

325. These two (soon to be differentiated into three) processes are complementary and though acting different ways for different results they could be going more or less simultaneously in real time and intermingled in the actions of the individual or group. It operates a bit like the time-sharing dynamic of a computer where a number of quite different operations can seemingly be progressed simultaneously. This is both a characteristic of the dynamics of the trinity of menetypes and observable in practice. ‘Vague and contradictory policies are hard to implement. Implementation is in many ways a slippery subject. Differences among implementation scholars have sometimes been grouped into “top-down” or “bottom-up” approaches, but in reality disagreements have a variety of dimensions. Where implementation starts or ends is not even settled. While implementation is commonly referred to as a stage, boundaries are not clear... Policy continually evolves instead of being initially established and thereafter perhaps reformulated’ (Ingram, 1990: 463–464).
'The President's Committee on Administrative Management estimated in 1937 that at least two-thirds of all public bills passed by Congress emanated directly from the administrative branch. Various observers since that period have indicated that the bulk of public legislation passed by Congress does not originate there, but rather in the particular administrative agency or agencies concerned with the legislation... Planning, which is executive in character, may lead directly to administrative legislation' (Woll, 1963: 8; 11).

This is the development of the "teleological sense of purpose" (Lane, 1996: 251) or vision of the way things could be different, which (as discussed above) is increasingly incumbent on the President to create and include in an integrated and coherent policy agenda.

This entrepreneurial function was often seen as completely missing in The Public Administration of former times. 'The old bureaucracies were not deemed capable of changing their ways, let alone inventing new approaches. The permanent government, as it came to be called, was not admired more by democrats than Republicans, or more by liberals than conservatives' (Kaufman, 1990: 486). Since those times, it has been acknowledged that Public Administrators "make policy" (which is meant to mean they play politics but really only means they make decisions) and some even advocate The Public Administration should be a separate fourth arm of government, politically equivalent to the Executive and Legislative institutions.

It is interesting to note that the entrepreneurial function is also absent from Waldo's (1984b: 231) triad of 'politics, law, and management [which] would provide a framework that could accommodate what are regarded as innovations in the study and practice of public administration, indicated by such terms as management science, policy studies (or analysis), and implementation.'

The concept of "innovations" itself is connected with the entrepreneurial spirit and it is not differentiated in Waldo's (1984b) triad—in fact, the law and management can essentially be regarded as expressions of the same spirit at different levels of abstraction and that is why the courts have developed a huge bureaucracy and why management likes to follow rules, precedents and good order.

In personal philosophy as expounded from earliest times, it is contended that this particular step has to occur first—there is first the seeing of the whole before studying the interrelationships between its parts (as explained in the philosophy of the mind later in the thesis). Or to put it another way, first there needs to be an appreciation of what is to be done before working out how to do it.

'It is a fact of life in the civil service that one must be judicious about the enforcement of government policy, particularly when enforcement infringes on the interests of powerful institutions in the environment. Most agency policy is created and modified by its assessment of the power of these vested interests in the environment. Furthermore, even the most powerful administrative agency does not have the power to create or preserve public policy in the face of environmental opposition' (Stever, 1988: 106–107).

This trichotomy is essentially encapsulated in Kaufman's formulation of the three values underpinning public governance as follows: 'Underlying the prediction was the argument that the design of our government was strongly influenced by the quest for three values in the conduct of the public business: representativeness, politically neutral competence, and executive leadership. Although these three values are always pursued in the ordering of our government, one or another has usually been emphasized more heavily than the others in different periods, with the result that different institutions have been strengthened at different times' (Kaufman, 1990: 483).

Moreover, as noted above, Kaufman's description of the dynamics involved in the experience of these three values could be taken to resemble the dynamics of a trinity of menotypes!

This type of trinitarian relationship would actually satisfy the major criticism that Waldo had against the politics—administration dichotomy which went along the following lines: 'either as a description of the facts or a scheme of reform, any simple division of government into politics—administration is inadequate. As a description of fact it is inadequate because the
governing process is a "seamless web of discretion and action." Concerning "politics-administration," as a scheme of reform it is inadequate because it bears the same defect as the tripartite scheme it was designed to replace: it carries the idea of division of dissimilarity, of antagonism... doubt has arisen about both the possibility and the desirability of making a sharp separation of power or division of function between the deciding and the executing agencies of government' (Waldo, 1984a: 121; 200).

In the trinity all is one and one is all. The other point to make, again, is that it is erroneous to take discretion as synonymous with politics, when it is just the act of making a decision, which may by nature be action in terms of any one of executive (or entrepreneurial), management (little discretion) or politics. Not only Waldo (1984a) lacked this differentiation, it has been a common oversight.

332. ‘The bureaucracy under the American political system has a large share of responsibility for the public promotion of policy and even more in organizing the political basis for its survival and growth. It is generally recognized that the agencies have a special competence in the technical aspects of their fields which of necessity gives them a rightful policy initiative. In addition, they have or develop a shrewd understanding of the politically feasible in the group structure within which they work. Above all, in the eyes of their supporters and their enemies they represent the institutionalized embodiment of policy, an enduring organization actually or potentially capable of mobilizing power behind policy... Agencies and bureaus more or less perform in the business of building, maintaining, and increasing their political support. They lead and in large part are led by the diverse groups whose influence sustains them’ (Long, 1966: 45–46).

333. This is most clearly demonstrated in the way the public administrators feel they need to create a sense of crisis to get political agreement to some new way or some new funding. In the main, it can be seen as essentially primitive, undeveloped entrepreneurial behaviour that is dysfunctional within the governance system. ‘Agency-specific crisis rhetoric is an integral part of budget hearings at all levels of public administration. Congressmen, state legislators, and councilmen have been barraged by this rhetoric for so long that they can make allowances for it and place it in the context of their own vision of the public interest. Crisis rhetoric is seldom sufficient in itself to alter incremental budgeting practices... However, in the past two decades, there are signs that this expected, and now traditional crisis rhetoric has spread beyond the immediate confines of budget hearings. Administrators at all levels of the system are not above using the media to leak information to extend their crisis rhetoric to an initiated public. When this occurs, it is no longer crisis rhetoric directed at an informed legislator but rather it is crisis engineering that attempts to mobilize the fears of the public for agency advantage... One cannot deny that Western democracies are crisis-ridden. However, the intent of crisis engineering is to heighten the sensitivity to these crises while opportunistically portraying the civil service as the possessor of the only possible solution. The self-serving solution distorts the real intent of the entrepreneur behind the rhetoric. Furthermore, given the fragmentation of post-Progressive public administration, there is little guarantee that an increase in power or size will solve the crisis' (Stever, 1988: 94–96).

334. This supports the conclusion/assertion of Wamsley et al (1990: 49) that, in essence, ‘the Public Administrators may have to play the role of balance wheel in the constitutional order, using their statutory powers and professional expertise to favor whichever participant in the constitutional process needs their help at a given time in history to preserve the purposes of the Constitutions itself.‘ Except that, the Public Administrators are only second-order balance wheels and as such, they can only suggest, rather than decide. The first-order balance wheels in the form of the Supreme Court can decide. There is an important difference that is not entirely brought out in the Blacksburg Manifesto (Wamsley et al, 1990).

Or ‘Let me put it simply. Administration is an integral, interactive, and subordinated part of the government, a part of the whole. As such, it cannot be understood apart from government. Understanding government is the task of political science. It follows that the study of public administration is a part of the larger political science enterprise’ (Fesler, 1990: 94).
This conclusion is comparable with the conclusion by Wamsley et al. (1990: 50) that 'The Public Administrator should thus be both an analyst and an educator but not a philosopher-king or mandarin.'

That is, they should not assume the position of deciding for or committing the Government beyond the scope of their existing brief. However, they could be more than analyst and educator in that they can be regarded as eminent intellectuals certainly to be always heard, but not necessarily heeded—because considerations other than knowledge, logic and reason might be more important. Above all, the Public Administrators should be reliable to give a true account of the facts of the situation and be ready to provide a judgment on the options that are likely to work or not—that is, they should be looked to as experts on the cause and effect implicit in policies and policy proposals. That means that the continuing long-term education of Public Administrators is important, as suggested by Wamsley et al. (1990: 50). However, it is not for them to educate the citizens at large unless it is part of a specific government intent—it is probably more important for the Public Administrators to learn from the people than vice versa so it is part of their knowledge base. Rather, their knowledge is to inform their advice in the decision-making process and their actions in implementation, but all dialogue helps.

In a sense it is much like Weber's (1948: 137-138) distinction between science and art: 'Scientific work is chained to the course of progress; Whereas in the realm of art there is no progress in the same sense.' Like art, there does not need to be progress within politics, rather it is the spirit of survival and maintenance of power. Progress is the product of public entrepreneurship ably assisted by the knowledge and expertise of The Public Administration.

'Every scientific “fulfilment” raises new “questions”; it asks to be “surpassed” and outdated. Whoever wishes to serve science has to resign himself to this fact. Scientific works certainly can last as “gratifications” because of their artistic quality, or they may remain important as a means of training. Yet they will be surpassed scientifically—let that be repeated—for it is our common fate and, more, our common goal. We cannot work without hoping that others will advance further than we have... In principle, this progress goes on ad infinitum. And with this we come to inquire into the meaning of science. For, after all, it is not self-evident that something subordinate to such a law is sensible and meaningful in itself. Why does one engage in doing something that in reality never comes, and never can come, to an end?.. Scientific progress is a fraction, the most important fraction, of the process of intellectualisation which we have been undergoing for thousands of years and which nowadays is usually judged in such an extremely negative way' (Weber, 1948: 138-139).

And so it is with the Public Administration's continual pursuit of ever better ways of clarifying and satisfying the public interest. Each policy developed can be and is expected to be, surpassed. It will go on ad infinitum, interrupted only by political catastrophes in terms of a change of governance.

It is in this limited sense only that The Public Administration might perhaps be regarded as a trustee (as suggested by Wamsley et al., 1990: 48) in that it is a trustee of the accumulation of Government commitment to deliver a certain measure of the public interest in respect to this group of individuals. However, The Public Administration must constantly be ready to give back to Government processes that information and knowledge that it has been accumulating. Trustee, however, implies legal title and control over something, and The Public Administration certainly has no control over the decisions and actions of the first-team of political powers but rather, it is that The Public Administration needs to take heed of its deliberation and positions on the "public interest." Perhaps to use the term trustee is misleading as it implies that The Public Administration is a first-order player when it is really but a principal adviser to Government. Rather, the Public Administrator is more like a custodian or keeper of the record, much like the custodian of an art collection who is required to collect the pieces as they become available and keep them in good order, exhibit them for enjoyment of people as appropriate, and take on new pieces of art that are provided by any of the benefactors.

However, the public administrators involvement in politics should not be allowed to overshadow its main task of administering and assisting the Government. The Refounding
Project (Wamsley and Wolf, 1996) is therefore doing The Public Administration a disservice when it seeks to foster the concept that government equates with public administration and entreats the Public Administrator to enter the field of politics—where he/she is encouraged to engage with the citizens like, or in competition with, the politicians in the formulation of policy. For instance, 'In my view, Refounding Public Administration calls for a conceptual scheme and practice in which politics and administration are in contested relationship (and because the relationship is a continuing contest, and politics is contest, politics has the edge). The legitimate desire to provide moral and theoretical support to beleaguered bureaucrats should not be permitted to obscure this need by stressing the merits of system steerage so much that the democratic possibilities of politics are excuded. Politics cannot depend solely on legislative accountability; it also requires a strong form of citizenship in order not to be overwhelmed by the administrative tendency toward self-aggrandizement... Not surprisingly, administrators tend to view active citizens with, at best, mixed feelings. Yet administrative governance, if it is to be governance rather than management, must embrace the otherness, the openness, of the disruptive political impulse, that is, of active citizenship' (Stivers, 1996: 262).

On the contrary, it is argued above that such a move to the political cultivation of a citizen-based constituency would lead to greater rather than lesser aggrandisement.

339. 'Administration begins where the legislature says it shall begin. It begins where the administrator begins, and the legislature decides that. Administration may include the making of rules and policy which looks like legislation or politics. But its essence is that the administrator, elected or appointed (and most usually in the modern states the latter), cannot himself determine the range or object of that policy. He has authority, but it is a conditioned, derived authority. Thus, in the governmental process in general, there are agencies which are concerned with making and executing policy, and there is a descending narrowing latitude of discretion in the making of policy. The latitude is greatest where electorate meets legislative; it then tapers down through a descending line of hierarchy until the discretion left to the messenger and the charwoman and the minor manipulative grades is almost nil' (Finer, 1966: 262).

However, this needs to be kept in perspective in the context of the real power invested in some agencies. Control over vast resources and people means real power in any governance system. 'We all know that bureaucracies possess significant power to determine the content of government policies. We all know that their political resources are substantial—information, constituency support, decision-making authority, access to the communication media, control of the speed and distribution of services, connections with key political officers and staffs, and so on—and that they therefore are already independent participants and bargainers in the process of governing. The facts are not at issue' (Kaufman, 1990: 488).

340. 'On the one hand, the bureaucracies and their allies have a great many impressive resources... They are well organised, politically active, politically sophisticated, and well financed. Public service unions are now a major part of the labor movement... On the other hand, civil servants are not a unified bloc. They are immensely varied collection of occupations, ranging from highly trained professionals and technicians to relatively unskilled labor' (Kaufman, 1990: 491). Moreover, the agencies are on about different agendas with different political power groups. They are a very fragmented lot, an aspect that will be dealt with later.

Or, more basically, the orientation of public administration does not consider whether it should be involved, or whether it should be doing something or not, it is just required to implement the policy in the best way it can. It is the same with Weber's (1948: 144–145) example: 'Consider jurisprudence. It establishes what is valid according to the rules of juristic thought, which is partly bound by logically compelling and partly by conventionally given schemata. Juridical thought holds when certain rules and certain methods of interpretation are recognized as binding. Whether there should be law and whether one should establish just these rules—such questions jurisprudence does not answer. It can only state: If one wishes this result, according to the norms of our legal thought, this legal rule is the appropriate means of attaining it.'
This positive sentiment runs counter to the negative way many others have viewed the practice. 'R. Fulton Cutting reflected the still dominant sentiment in 1900 when he opined, "The real crime committed against society by the spoils system is moral, not economic. It poisons our institutions at the fountainhead, corrupting the electorate and creating a political conscience antagonistic to morals" (Waldo, 1984a: 29).

This thesis is viewing the glass as half-full, whereas it is usually seen as half-empty, with this practice being seen as an indulgent exercise of patronage, or a "spoils system," that is a negative in respect to the quality of government. Expressing it another way: 'What does this spoils system, the turning over of federal offices to the following of the victorious candidate, mean for the party formations of today? It means that quite unprincipled parties oppose one another; they are purely organizations of job hunters drafting their changing platforms according to the chances of vote-grabbing, changing their colors to a degree which, despite all analogies, is not yet to be found elsewhere... In America, the spoils system, supported in this fashion, has been technically possible because American culture with its youth could afford purely dilettante management... This connection, in turn, is the basis for the fact that the system is gradually dying out. America can no longer be governed only by dilettantes... The spoils system will thus gradually recede into the background and the nature of party leadership is then likely to be transformed also—but as yet, we do not know in what way' (Weber, 1948: 108–111). Weber was slightly wrong on this one, principally because he saw the negative aspects as predominant rather than the positive aspects.

Moreover, the practice of the Presidents appointing their own to the top positions in The Public Administration has been a part of the US governance system from the start: 'The nature of the membership of the elite group in the federal service during the early period has been the object of much scholarly attention, and the evidence with regard to it is quite substantial. Perhaps the most reliable source is the statistical comparison made by Sidney H. Aronson of appointments by John Adams, Jefferson, and Jackson of persons to the elite positions... Finally, they indicate that the principle and practice of tenure in office did not apply at the top level, particularly when there was a change in party control of the Presidency. Of 87 elite members appointed by Adams 60 (more than two thirds) were original appointments—i.e. were not hold overs or reappointments from the previous administration. In the case of Jefferson, 73 of 92 elite members (nearly four fifths) were original appointments; for Jackson, 95 of 108 were original appointments—nearly nine tenths. The expectancy of job continuity of elite officeholders was, on the average, no greater than it is for the political executives today. Obviously there is a long precedent for the American practice of wholesale turnover of administrative leadership during political transitions' (Mosher, 1982: 62).

"[P]olicy" and "administration" are not the only analogue of superior–subordinate. Herbert Simon concluded that the distinction between "legislators" and "administrators" echoed his elaborate distinction between "values" and "facts." Value questions are policy questions, but facts are associated with administration" (Thayer, 1984: 267).

It is also similar to the distinction between ethics and administrative theory—a distinction that I am sure is about as convincing as the distinction between policy and administration' (Rohr, 1990b: 97)—or Simon's value and fact.

It is interesting that Wamsley et al (1990: 42) observed in relation to the long-continuing debate on the politics–administration dichotomy, that 'we must acknowledge that public administration theory detoured sharply into an intellectual cul-de-sac when some of us followed Herbert Simon's attempt to establish a fact–value dichotomy'.

It would have been thought that this fact–value dichotomy should actually have enhanced the understanding of the politics–administration dichotomy, particularly in the way it captured the cognitive process of reversion in the policy development process. In particular, the criterion of truth in fact is a prerequisite for sound policy development and the criterion of an agreed value set is the guide to deciding on good policy that warrants one's commitment. Values are synonymous with politics and fact with administration. The mere realisation that Simon (1947) actually reversed the order in naming the fact–value dichotomy should have hinted at the deeper level of its meaning and significance. Rather than talk about politics followed by the administration of the policy, Simon (1947) talked about the establishment of the facts by The Public Administration before the politics made a choice about the value of
the different policy options. That is, it looked more to the process of policy formation rather than to policy implementation. Policy implementation is the primary understanding given to the meaning of administration and because Simon's dichotomy did not make this aspect of governance the principal focus (a focus which was important for The Public Administration), it was regarded in hindsight as a diversion. In summary, there were only two ways of thinking being captured and that fact and value were just expressions of the higher aspirations of administration and politics as they went about deciding what needed to be done. That is, these two dichotomies were synonymous and both captured only the menetypet #B and menetypet #C perspectives, respectively.

Of more significance to the current argument: both dichotomies failed to take into account the public entrepreneurial or menetypet A perspective. Waldo (1984: xviii) was more insightful and reflective: "The rigor and force of Simon's work are impressive, and the question why the enterprise of self-aware public administration did not reconstitute itself on this new basis is an important question. It is also a question difficult to answer. Part of the answer may be found in a judgment that the new formulation is too rigid and mechanical, unrealistic when applied in a governmental context; that it merely substitutes one dichotomy for another ("Simon's fault"). Part of the answer may be in a judgment that public administrationists were unable to understand or unwilling to apply the new formulation; that they were too traditional in outlook and too busy with "chores" to make the necessary effort ("Public administration's fault"). While, to be sure, Administrative Behavior has had an osmotic effect in public administration, it has not led to a reconstruction of the enterprise. For my part, while I judge there is an element of truth in both of the above reasons I believe that the nature of the problem is such that it cannot be solved—acceptably, workably—given our constitutional system, our constitutional history, and our democratic ideology. All we can hope for is piecemeal solutions, temporary agreements."

It can be solved, and this thesis proffers a workable, useful solution but perhaps not a completely satisfactory one as it does not and cannot, elevate the status of The Public Administration within the US constitutional system of governance.

343.

In earlier times, this distinction between facts and values was used to explain the objective stance of a science master by Weber (1978b: 69): 'the question whether, in the academic context, the teachers practical value-judgments (whether based on ethical standards, cultural ideals or some other kind of "world view") ought or ought not to be "acknowledged". This question cannot be discussed in scientific terms, since it is itself entirely dependent on practical value judgments and so irresolvable. Even if we only mention the extremes, two positions have been represented: (a) the view that, while it is quite correct to distinguish between, on the one hand, logically demonstrable or empirically observable facts and, on the other, the value-judgments which are derived from practical standards, ethical standards or world views, nevertheless, in spite of (or perhaps even just because of) this, both categories of problem come within the scope of academic teaching; (b) the view that, even if this distinction could not be carried through with complete logical consistency, nevertheless it is desirable as far as possible to keep all practical value-questions in the background in one's teaching.'

This advice is indeed of relevance to public administrators. View (b) is essentially that proffered in classical public administration theory and as Weber regards it as unacceptable for his science masters, it too is unacceptable and unrealistic for public administrators. The other path, of clarifying when one is proffering a fact or where one is promoting a value, is the more productive way: 'View (a) seems to me to be acceptable (even from the point of view of its possible adherents) if and only if the academic teacher imposes on himself the unconditional obligation of rigorously making clear to his audience, and above all to himself, in each individual case (even at the risk of making his lectures boring), which of his statements on that occasion is an assertion of fact, either logically demonstrable or empirically observable, and which a practical value-judgment. To do this certainly seems to me to be a straightforward requirement of intellectual integrity, once the distinction between the two domains is conceded; in this case it is the absolute minimum that is required' (Weber, 1978b: 70).

Public Administrators are likewise called to be clear about which are facts and which are value-judgments, but, even more, they should be clear about whether the particular value-judgments are those legitimately articulated by the governance process or whether they are
personal value-judgments—and public administrators are encouraged to favour the former over the latter.

It is interesting to note again that there is no mention by Weber (1978b) of the entrepreneurial worldview for much the same reasons as to why there is no mention in public administration theory in respect to the politics—administration dichotomy. He does, however, bring it into his later discussion on rule making: "This ideal "rule" would then include a precept on the matter, which would include the "norm" according to which Crusoe "would have to" behave if he wished to adhere strictly to the ideal of "purposive" action. It may therefore be treated, on the one hand, as an evaluative standard—not, of course, a standard of "moral" evaluation, but of "teleological" evaluation, which purposive "action" presupposes as an "ideal"" (Weber, 1978b: 104).

It is this teleological aspect of policy, or public entrepreneurship, that the Public Administrator also has to be clear about, particularly as to whether it can be objectively taken as legitimately articulated by the governance processes or whether it is a personal vision.

The distinction between value and facts is perhaps much clearer in the private sector organizations which have the full impact of menotype #A economic thinking at the societal level, and are encouraged actually to suppress value in favour of fact: "The market is blind to the intrinsic ends of things and considers things and the individuals themselves, converted into the labor force, as "facts," to wit, as factors of production. In consequence, contemporary disciplines such as economics, which take for granted the market-centered society, have to be value-free, and exclusively concerned with "fact." Implied in these disciplines is the claim that values are simply aspects of human subjectivity. They are, at best, to be considered as exogenous or secondary qualities of things, not as their properties Thus they cannot be the object of cognitive assessment. From the analytic viewpoint cognitive and normative statements then become mutually exclusive. It is of interest to note that such a dichotomization is reflected in the research interests within even the leading departments of social science in universities in this country today" (Ramos, 1981: 36).

Yet they are seen as more of a partnership and hard to separate (just as it is hard to separate politics and administration to some) in the study of public administration. That is why Simon's (1947) fact—value dichotomy might have been looked on as a diversion in the field of public administration but treated as real in the economic sphere, which, of course, was the underpinning mindset of Simon's (1947) analysis: "The identification of rationality as calculability is taken for granted by both Simonists and anti-Simonists... As explained elsewhere in this book, classically, the concept of rationality had always had ethical overtones, and to call man (or a society) rational was to recognize his allegiance to an objective standard of values above any economizing imperatives. But Simon writes as though economizing were the sole criterion of rationality. There is not a single instance in his book in which he explicitly indicates the boundaries within which his concept is valid. Had Simon specified that his view was only valid in the world of pure economic pursuits his position would be more accurate" (Ramos, 1981: 106).

344.

The potential—fact—value trichotomy can be re-expressed as the ends—means—choice trichotomy because each reflects essentially the same trio of mindsets; namely menotypes #A, #B, and #C, respectively. Simon (1947) did pick up on the third aspect of ends, potential or vision in his "means—end" relationship but he failed to marry it together with his "value—fact" dichotomy (as expressed in the observation that the order of "means—end" should be intuitively reversed if it is to line up with the understanding of "fact—value"), although he did recognize they were about different things. The significance of the "means—end" relationship now becomes clearer. It is clear that the "means—end" distinction does not correspond to the distinction between fact and value. What then is the connection between the two sets of terms? Simply this: A means—end chain is a series of anticipations that connect a value with the situations realizing it, and these situations, in turn, with the behaviours that produce them. Any element in this chain may be either "means" or "end" depending on whether its connection with the value end of the chain, or its connection with the behavior end of the chain, is in question... It was found that means and ends do not completely correspond to facts and values, respectively, but that there is some connection between the two sets of terms' (Simon, 1947: 74; 77). He almost connects them together but does not go quite far enough.
With an appreciation of the trinitarian nature of policy formulation there is some advice that is readily available to those in the process and can be gleaned from the advice given by Lonergan (1957) in respect to this process within an individual on his/her cognitive journey to knowing. Namely, the policy initiators (menetypen #A) should be attentive, the policy advisers (menetypen #B) should be critical (or diligent questioners) and the policy decision-makers (menetypen #C) should be reasonable (taking account of everything in its proper perspective). Or, put in another way, the policy initiators are driven by the pursuit of "the good," the policy advisers by a pursuit of "the true", and the policy decision-makers by a pursuit of "the real."

345. It is with this understanding in mind that one should issue a caution about taking the following advice of Wamsley et al (1990: 43) too far: 'The Public Administration's assertion of legitimacy will need to be founded on more direct linkages with the people, in order to win their trust.'

The clients should be treated with respect and concern in program delivery but the only reason for direct linkages to be formed is to solicit empirical data to assist in policy advice and program design. The clients should trust the Public Administrators' integrity and loyalty to the Government's formal intent rather than to trust them personally (through direct contact) to give them what they need!

346. This claim was repeated and discussed in a later article by Wamsley (1996: 352): 'On the first page of Waldo's (1952) article I have underlined in red one of those insights for which he is justly famous. It reads, "If administration is indeed 'the core of modern government,' then a theory of democracy in the twentieth century must embrace administration" (p. 81). This book and this chapter are premised on Waldo's insight inverted and altered a bit: Administration is the "core of modern government," and theorizing about American public administration, its practice and praxis in the 21st century, needs normative grounding in a public philosophy drawn from values of the Constitution, the philosophy of pragmatism, and democratic theory.'

347. Such a menetypen #B mindset thinks in similar logical terms (though not literally the same) to that encapsulated in the administrative principles that were debunked by Simon (1947: 20–36). They are not tied to hard and fast principles as portrayed by Simon (1947) but it is characteristic of the logical, methodical and objective process of their thinking. As Waldo (1984a: xlviii) acknowledged, 'It was clear that the principles did not answer questions: how could they, when different principles gave different answers? But it was clear that these principles gave important clues as to what to look for and some help in judging what was found'—or, in other words, the principles gave some guidance on how to think like an ideal public administrator (menetypen #B).

Something else of their spirit is also captured by Waldo (1984a: 192): 'EFFICIENCY: THE "GOOD" OF PUBLIC ADMINISTRATION. One of the most careful treatments of "efficiency" is by Luther Gulick in his essay on "Science, Values and Public Administration."

"In the science of administration," he announces, "whether public or private, the basic 'good' is efficiency. The fundamental objective of the science of administration is the accomplishment of the work in hand with the least expenditure of man-power and materials. Efficiency is thus axiom number one in the value scale of administration." However: "This brings administration into apparent conflict with certain elements of the value scale of politics, whether we use that term in its scientific or in its popular sense..."

Efficiency is about logical order, objective and true connections between cause and effect and exemplifies the core spirit of menetypen #B thinking.

348. Weber (1947: 330ff) went through the characteristics of the bureaucratic organization in great detail which was neatly summarised by among others Georgiou (1975: 291ff) with the Yates "model" of administrative efficiency as spelled out by Wamsley et al (1992: 62) being an updated version to take account of the politics-administration and Simon's (1947) fact-value dichotomies which had come into currency. But they are not repeated here as most people have a pretty good understanding what comprises bureaucratic behaviour—both good and bad.
Rather than describing The Public Administration as the heart of the government, Waldo (1984b: 229) quotes White as describing it as ‘the heart of the problem of modern government.’

The core here is taken to mean where the essence or seed of the whole resides, and the seed of the US political system is not formed and grown in The Public Administration. Rather The Public Administration is more like the base of an iceberg, which is big and present but essentially unseen—an extension of the visible portion of the iceberg that is fashioned in its likeness and moves with it. Thus The Public Administration is like the unconscious of the political system that is fashioned by the nature and shape of the conscious aspect, or visible portion of the political system that is called the legislative and executive powers of government.

350. ‘The Supreme Court's decision about the content of the rules prevails because of the definition of a rule, given to all of us alike. It is the basis of Alexander Hamilton's statement in the Federalist Paper No. 78 that judges have neither FORCE nor WILL, but merely “judgment”—an argument that Hamilton thought sufficient to support judicial review’ (Easterbrook, 1987: 177).

The legislature enshrines the force of power, the executive executes the will to achieve the good, and the Court expresses the judgment of the truth. In a similar vein, the role of The Public Administration is to judge and express the objective truth at the second order of government policy-making and as such, it too has “neither FORCE nor WILL, but merely judgment”—hopefully wise judgment and counsel.

‘The power of judicial review, then, is not properly understood as an artificial power added to the natural power of the courts for purposes of self-defense. It is “deducible... from the general theory of a limited constitution,” which constitution “attempts to set bounds to the legislative direction.” The right of judicial review is therefore not limited to guarding the judicial power against encroachment, or even to guarding the separation of powers, but rather extends to guarding the Constitution in all of its parts that is the foundation of security for the individual and his rights’ (Wilson, 1994: 82–83).

351. For instance, Wilson looked in two directions. One was toward Europe where, travellers reported and his professors had emphasized, public affairs were administered with a competence that put our slattern democratic administration to shame. But I think Wilson was largely mistaken in his belief that there was a “science” that could be transferred—freed of its autocratic airs or not. European administrative techniques were intimately related to European history, class systems, and educational institutions. Above all they had relationships to different constitutional and legal systems. Of course some things could be, and were, roughly copied. But most of what Wilson saw as “science” he misconstrued’ (Waldo, 1984b: 228).

352. Another example: ‘Perhaps the most concise, simplest, most widely accepted definitions of democracy were those implicit in the Gettysburg address of Abraham Lincoln. Our nation was one “conceived in liberty and dedicated to the proposition that all men are equal.” And our Civil War was to ensure the survival of government “of the people, by the people, for the people.” Clearly the one phrase of the triad which is distinctive for democracy is the second one, “by the people.” The first would apply to government of any stripe and the third to any of paternalistic flavor’ (Mosher, 1982: 4).

That is, the democracy conceived by the menetype #A mindset (in liberty) has only a secondary focus on equality (menetype #B) and therefore it is acceptable that government “by the people” does not have to mean the participative democracy as practiced by the ancient Greeks, but rather representative democracy where all the citizens theoretically have equal opportunity to input and influence the governance process. Moreover, Government action is also important alongside its policy and it is therefore crucial that the spirit of equality (menetype #B) forms the core value of The Public Administration, which is charged with the implementation of the Government's program. Therefore, in this sense, the US governance system firstly supports the individual, entrepreneurial spirit of liberty manifested as capitalism, and only secondly the democratic spirit of equality.
That is, it is seemingly more important for The Public Administration to be objective, efficient and equally respectful than it is for it to be representative of the general public. That it may need to be representative to be able to treat everybody equitably and to formulate the most effective and efficient means to deliver a wide range of Government programs, is only a secondary quality associated more to its secondary supporting political outlook (menotype #C).

'A strictly managerial approach to governance is not sufficient in the American political environment. A credible linkage to democratic politics is necessary. In Herbert Storing's last essay, he identified "the bedrock of principle from which all else derives in American politics" as "popular opinion and scientific management," noting further that the "articulation of these principles and their relation to one another is the whole substance of American politics"... Responsiveness is an essential tenet of democratic governance. The value premise relies on the fundamental assumption that government is the servant, not the master, of the people. The principal problem of governmental administration in a democratic context is assuring the responsiveness of the administrative process to popular control. This is difficult in a government of separation of powers, webs of interlocking relationships, weaknesses of hierarchy, and representation of powerful interest groups. As Norton Long observed years ago: "The unanswered question of American government—who is boss"—constantly plagues administration" (Lane, 1996: 228).

It is the governance system that defines "who is boss," or who has the power to decide for whom and, as discussed above, in the US governance system it is, in the end, the legislature that is pre-eminent, with the President sometimes rising above the pack of primary powers to lead the way.

This represents a critical challenge to the integrity of The Public Administration. There is not enough capacity in this thesis to explore this very important issue but much of the reform agenda over the past decade or so could be viewed as having shifted The Public Administration has shifted from the bureaucratic mindset towards the political mindset. In some cases, it could be shown to have gone too far—which then brings with it a backlash within the agency against the valuable bureaucratic values of equality and objectivity. The group that becomes too responsive to the political masters, becomes a feudal fiefdom where, indeed, justice is for "just us" and friends—and will contribute to the general breakdown in the democratic fabric of equality and fairness. Politicism in the end leads to feudal type tribalism and the so-called communitarianism becomes the survival of the fittest—or the most able or powerful groups. It may just be that is where the whole of US society is headed in line with the earlier conclusions in respect of the corporate sector. If this happens, as seems likely, the hopes of public administration as a vocation will fade to give way to armies of mercenary administrators who gravitate to where the rewards are greatest.

Another manifestation of this secondary mindset of the Public Administrator is the importance of ethics and values (menotype #C thinking) in public administration theory and practice. The absence of literature on public administration ethics is perhaps the best indication of the vitality and intellectual interest in the field... What I found most surprising in the article was the response to the authors' query "on which topics were included in the school's coverage of ethics... The most frequent topic mentioned was discussion of values, including values clarification." This was surprising because in reviewing the academic journals for this report, I noticed values clarification was rarely mentioned' (Rohr, 1990b: 98; 109). It might be that theory was lagging practice in the area of values clarification.

Stever (1988) suggests that the new consensus—which he calls the "new deflation"—is that public administrators have in fact given way to this temptation and essentially become political looking after particular interests to the extent that they eschew the objectively rational mindset of administration. 'Considered collectively, the above four tenets of the new deflation have had a decisive impact on expectations for public administration in the post-Progressive era. They have supplanted the Progressive optimism about the possibilities for the civil service. Whereas the Progressives sought to legitimate the judgment of the civil servant, the new deflation undermines the basis for this judgment. By bringing the civil servant down to the level of various particularized interests, the new deflation condemns the civil servant to bargaining. More specifically, it makes bargaining, he sine qua non of public
administration. As this occurs, it is increasingly difficult for the civil servant to re-establish a set of professional credentials as an advocate for the general public interest... In effect, the new deflation is not only deterministic but anti-Progressive as well. It does not seek to legitimate the judgment of the civil servant, nor does it envision that public administration can become a credible profession, with public service as its central value... the new deflation has already undermined the development of public administration as a profession and offers a critique of what the new deflation has produced, a "marginal state." The marginal state is a product of the new deflation's scepticism about public administration. The marginal state blurs the boundary between legitimate agencies of public administration and the private sector... Second, the structure and values of the marginal state are hostile to the values of a professional, public-oriented civil service... Furthermore, as the marginal state continues to grow, the professional civil servant must adapt to the skill requirements of the margin, not vice versa' (Stever, 1988: 141–142; 146).

358. The reality of politics and the core issue of power at the top echelon of the agencies was also observed by Long (1966: 43): 'The budgeting of power is a basic subject matter of a realistic science of administration. It may be urged that for all but the top hierarchy of the administrative structure the question of power is irrelevant. Legislative authority and administrative orders suffice. Power adequate to the function to be performed flows down the chain of command.'

359. There needs to be passionate devotion to clarifying the objective facts of the situation or policy issue to uncover the true dynamics that can be used to frame policy. In a sense, Public Administrators have to keep on the blinkers, as Weber (1948) suggested for the passionate scientists. 'In our time, the internal situation, in contrast to the organization of science as a vocation, is first of all conditioned by the fact that science has entered a phase of specialization previously unknown and that this will forever remain the case... All work that overlaps neighbouring fields, such as we occasionally undertake and which the sociologists must necessarily undertake again and again, is burdened with the resigned realization that at best one provides the specialist with useful questions upon which he would not so easily hit from his own specialized point of view. One's own work must inevitably remain highly imperfect. Only by strict specialization can the scientific worker become fully conscious, for once and perhaps never again in his lifetime, that he has achieved something that will endure. A really definitive and good accomplishment is today always a specialized accomplishment. And whoever lacks the capacity to put on blinders, so to speak, and to come up with the idea that the fate of his soul depends upon whether or not he makes the correct conjecture at this passage of this manuscript may as well stay away from science. He will never have what one may call the "personal experience" of science' (Weber, 1948: 134–135).

A Public Administrator might feel that his career hangs in the balance over the correct conjecture for a particular policy, but would he/she go so far as to think that the fate of his/her soul hangs in the balance. Perhaps, such is the passion that a Public Administrator should feel about his/her contribution if he/she could go so far as to call it a vocation.

360. It is interesting but not germane to this analysis of the Blacksburg Manifesto (Wamsley et al, 1990) to look at the Osborne and Gaebler (1992) agenda within the context of the governance framework explained in this thesis. Basically, while the public management reforms of the Westminster system in the United Kingdom and Australia encouraged movement of the public administration mindset in the constructive direction of cognitive reversion, the "Reinventing Government" agenda tried to take The Public Administration in the opposite, more destructive direction. Essentially, it was destructive because it tried to take the public administration mindset into its collective shadow, where it really did not have a conscious understanding of how to act or what was required. Moreover, it caused a dysfunction in the governance structure because the Legislatures still remained essentially political and there was therefore no effective connecting point between them.

Their agenda was summed up thus: "What we are describing is nothing less than a shift in the basic model of governance used in America... Suddenly there is less money for government—for "doing" things, delivering services. But there is more demand for governance—for "leading" society, convincing its various interest groups to embrace common goals' (Osborne and Gaebler, 1992: 321; 34—emphasis in original).
Osborne and Gaebler (1992) do not define governance, as such, but convey some notion that it is broad and encompassing. However, like Rhodes (1997), they come down to using it to describe the one mode of governance they consider most desirable. Whereas Rhodes (1997: 46–47) prescribes a predominantly network orientation, Osborne and Gaebler (1992) prescribe a primary market orientation of governance with a secondary orientation towards networks: 'Most of what we have discussed in this book could be summed up under the rubric of market-oriented government... Markets are impersonal. Markets are unforgiving.... To complement the efficiency and effectiveness of market mechanisms, we need the warmth and caring of families and neighborhoods and communities' (Osborne and Gaebler, 1992: 309).

Their 'intention is to bash bureaucracies' (Osborne and Gaebler, 1992: xviii) and they see that 'even the most politicized environment will give way' (Osborne and Gaebler, 1992: 325). That is, they see the need to repress hierarchies and politics (that is, networks) to be replaced by a primary market and secondary network orientations of community governance. Therefore, though they use a mélange of private and public sector management fads, the end product is inherently dysfunctional (as suggested by the terms of the JEWAL Synthesis Theory of Governance and as judged by many other observers of public administration). It would be extremely difficult to achieve such a governance setting, let alone make it successful and sustainable.

Essentially, what Osborne and Gaebler (1992) prescribe is summarised as follows.

- Governments to shift from taxes to earnings, which shifts the value set of how they operate from a network to a market orientation. While it is clear that many public services and assets could be privatised, there needs to be a more holistic analysis as to whether all such transfers are for the overall benefit of society;

- Government leaders to become entrepreneurial capitalists in the commercial market (as opposed to the market place of the electorate). They will do this by using their network skills to broker deals with public assets in the commercial market place. This is quite possible but could lead to a situation of collusion and favours for big business—a system that was frowned on in earlier times; and

- Public services to become more competitive and customer-focused, which essentially makes for a phase #B hierarchy with a secondary phase #A market orientation. This would be inherently unstable, as the hierarchies would, in effect, have two masters—the Government on the one hand and their customers on the other. In the end, if such services have real customers willing to pay, then they should be considered for privatisation (subject to considerations of any consequential inequities).

In choosing to make such a dramatic change in governance, they would be choosing to leave a set of values behind. Although Osborne and Gaebler (1992) make only fleeting reference through their discussion, there are some very important societal values to be sacrificed in a wholesale and indiscriminate shift to a market-oriented approach. These are listed in the Appendices (Osborne and Gaebler, 1992: 347–348) as stability, immunity to favouritism, equity, prevention of discrimination, prevention of exploitation, and promotion of social cohesion. The best Osborne and Gaebler (1992) can offer to counter the loss of these safeguards of equality and inclusiveness (metenype #B) is to suggest the development of a network of family, friends and neighbours—presumably to help pick up the pieces of the casualties from markets.

It would seem they have built and justified such a distorted view of the world largely by redefining the notion of equity. 'Finally, we believe deeply in equity—in equal opportunity for all Americans' (Osborne and Gaebler, 1992: xix). In one short sentence they have transformed the notion of justice, for the less well off, to the market mantra of "equal opportunity to compete". From there, it is easy to focus on the winners and success in the market place—how some well-formulated deals can seem profitable. However, the large number of commercial bankruptcies each year bear testimony that not all market deals are so profitable.

In summary, the inherent contradictions in their overall scheme are no more evident than in their first example when they apply the direct opposite principles as a way to fix up the US health sector (Osborne and Gaebler, 1992: 312–314). They describe a US health system
that is essentially market driven (which was similar to that which their advocated principles would have suggested) and they point out the consequential failures. What they recommended as a remedy was the German system, which exhibits an inherently rule-bound and hierarchy orientation of governance (which essentially is a suggestion to move in the opposite direction to that prescribed in the rest of the book). That is, in this example, they are advocating a sensible evolution of a system in the cognitive reversionary direction, which is the logically opposite direction to their professed thesis of making government more market oriented.

361. For instance, in a monarchy the executive and public administration seem more important than the legislature. 'In Germany, until now, the decisive conditions of political management have been in essence as follows: First, the parliaments have been impotent. The result has been that no man with the qualities of a leader would enter Parliament permanently... To this must be added the tremendous importance of the trained expert officialdom in Germany. This factor determined the impotence of Parliament. Our officialdom was second to none in the world. This importance of the officialdom was accompanied by the fact that the officials claimed not only official positions but also cabinet positions for themselves' (Weber, 1948: 111).

362. 'The constitutional principle of the separation of powers, reported the [President’s] Committee, places “in the President, and the President alone, the whole executive power of the Government of the United States.” However, “the responsibility of the President for ‘the executive Power’ is impaired through the multiplicity and confusion of agencies which render effective action impossible.” Particularly is the principle of separation of powers impaired by the “new and headless ‘fourth branch’ of the Government.” These independent establishments “do violence to the basic theory of the American Constitution that there should be three major branches of the Government and only three” (Waldo, 194a: 114). However, one of the sources of power for The Public Administration to influence from below is corporate memory, but it still has to share this power of precedent knowledge with others: “Curiously, the Presidency seems least attentive to institutional history, in contrast to much of our current scholarship. The neglect is a result, I suspect, of the other branches’ continuity of membership and, therefore, of memory. Memory is an asset of “the permanent government,” which comprises most members of Congress, some long-serving congressional staff aides, many members of congressional staff agencies, judges, civil servants, and military officers. (Beyond the State, there are Washington law firms, interest groups, think tanks, and some individual lobbyists and consultants who also have long memories.) In sharp contrast is the temporary incumbency of the President, the White House staff, and members of the Cabinet and subcabinet’ (Fesler, 1990: 88).

363. The philosophy of mind, which informs the metaphor of the mind, that has been developed in this thesis has its roots in the Neoplatonic constrictions of the world as expressed by Proclus (1663) and Plotinus (1952), but (as explained elsewhere) it has been carried forward and expressed in modern philosophy and psychology. In looking through Proclus’ (1963) Elements of Theology to draw a few of the more pertinent laws, I was reminded of how relevant most of it was and how much this was a holistic interconnected concept of reality and, in particular, of governance of social systems. Nevertheless, the following few quotes may help give a taste of the depth and meaning of the cognitive framework (with comments in bold added to original).

‘PROP. 21. Every order has its beginning in a monad and proceeds to a manifold co-ordinate therewith; and the manifold in any order may be carried back to the single monad.

...From this it is apparent that in the nature of body unity and plurality coexist in such a manner that the one Nature has the many natures dependent from it, and, conversely, these are derived from one Nature, that of the whole...

PROP. 24. All that participates is inferior to the participated, and this latter to the unparticipated.

...The unparticipated [menetype #C], then, precedes the participated [menetype #B], and these the participants [menetype #A]. For to express it shortly, the first is a unity prior to the
many; the participated is within the many, and is one yet not-one; while all that participates is not-one yet one...

PROP. 25. Whatever is complete [i.e. Constitutional primary-level power] proceeds to generate those things which it is capable of producing, imitating in its turn the one originative principle of the universe.

PROP. 26. Every productive cause produces the next and all subsequent principles while itself remaining steadfast.

[Or the Congress and the Executive delegate some of their power to make policy rather than changing their basic nature to make the lower-level policy decisions needed in the administration of their programs.]

PROP. 32. All reversion is accomplished through a likeness of the reverting terms to the goal of reversion.

PROP. 34. Everything whose nature it is to revert reverts upon that from which it derived the procession of its own substance.

[That is, the point of engagement for public administration returning to the Congress should be in terms of its enabling legislation—whether changes are required or new legislation enacted.]

PROP. 35. Every effect remains in its cause, proceeds from it, and reverts upon it.

[That is, part of the power of the legislature to make policy is passed on through the enabling legislation to the public administration, but then it is brought back to the legislature through a review of the performance against the legislated program.]

PROP. 37. In all that is generated by reversion the first terms [menotype #A] are less perfect than the second [menotype #B], and these than the next order [menotype #C]; and the last are the most perfect [the transcendent or the conception of the national Constitution].

[That is, policy developed at the coalface in dealing with clients is the least discriminating or in keeping with the espoused collective values but that formulated by the legislature is the most in tune with the collective public interest.]

PROP. 61. Every power is greater if it be undivided, less if it be divided.

[The first-order political powers such as the Legislature can be brought together as one such as the Government on one level, or each of the Congress, Supreme Court and the Executive on the next level. The second-order powers such as public administration are manifest and divided.]

PROP. 62. Every manifold which is nearer to the One has fewer members than those more remote, but it is greater in power.

[That is, the first-order political governance powers are greater than the second-order powers.]

PROP. 64. Every original monad gives rise to two series, one consisting of substances complete in themselves, and one of irradiations which have their substantiality in something other than themselves.

[This is one of the key propositions determining the hierarchical structure of the trinities in that there is a trinity within a trinity. For instance, there is an internal second-order working trinity of Congress which would include both houses and there is an external first-order trinity of powers, of which the Congress is part with the Executive and the Legislative.]

PROP. 66. Every existent is related to every other either as a whole or as a part or by identity or by difference.

[That is, the whole governance structure is interrelated and interdependent—it is a structure of trinities not trichotomies.]

PROP. 71. All those characters which in the originative causes have higher and more universal rank become in the resultant beings, through the irradiations which proceed from them, a kind of substratum for the gifts of the more specific principles; and which the irradiations of the superior principles thus serve as a basis, the characters which proceed from

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secondary principles are founded upon them: there is thus an order of precedence in participation, and successive rays strike downwards upon the same recipient, the more universal causes affecting it first, and the more specific supplementing those by the bestowal of their own gifts upon the participants.

That is, public agencies created by the principles embodied in the enabling legislation issued by the Congress, should encapsulate those principles in their Agency Perspective and be trusted to act accordingly, including to make measured policy decisions influenced as appropriate by the higher principles.

PROP. 83. All that is capable of self-knowledge is capable of every form of self-reversion.

The US constitutional governance is set up through the separation and balance of powers, to be capable of self-knowledge and is therefore capable of every form of self-reversion—that is, all substantial problems can be solved within the established governance structure by a process of collective self-reflexion.

PROP. 103. All things are in all things, but in each according to its proper nature...

That is, it is a continuous whole and there can be no talk of ideal types, dichotomies or trichotomies, it is all one but the proper nature is focused and has a predominance of some aspect and thus can be differentiated but not parted.

Proclus (1963: 25; 29; 31; 37; 39; 41; 59; 61; 63; 67; 77; 103).

364. The Public Administration is pluralistic but participates with the main players in the dialogue that helps define and articulate the "public interest," and then formulates the policy to achieve it. There is therefore general agreement with the following Manifesto sentiment. The Public Administration should be neither monolithic nor homogeneous. It must assume a rich diversity of perspectives born of differentiation and specialization and ought to welcome constructive criticism from within and without. Differing perspectives ought to be granted a legitimacy, that is, they ought not to be judged as ipso facto self-serving, but as part of the constitutional heritage of robust public dialogue. In this respect the Public Administration is an analogue to the pluralism of the larger political process with all the attendant assets and liabilities plus one: the opportunity and the moral obligation to strive explicitly to achieve the broadest possible public interest, something theories of pluralism trust to an invisible hand. Thus the conflict among the differing perspectives of The Public Administration is a valuable part of the creative tension so essential to a healthy American dialogue' (Wamsley et al, 1990: 46).

365. 'As the Hebrews put it “Every small matter they shall judge” (administration), “but every great matter they shall bring to thee” (policymaker). Wilson distinguishing "statesman" from “technical official,” and “general plans” from “special means,” forthrightly asserted that "public administration" is detailed and systematic execution of public law. The distinction was not in the thought and action of one individual (“will and answering Deed”)... The distinction was in the different functions of two occupations' (Thayer, 1984: 267)—but it was the will of the government expressed in policy and the answering deed of its implementation.

'It should be carefully noted, however, that the very criterion of constitutionalism that subjects administration to the law also states unequivocally that administration is "not necessarily energized and commissioned by the laws in respect to all its acts." Here we find the basis for Wilson's insistence that administration has a life of its own independent of legislative enactments. This is the foundation of Wilson's "high profile" administration discussed below... Actually, "the administrative power is considerably wider and much more inclusive" than executive power. It includes, in addition to "the duty of executing positive law, those duties of provident protection and wise cooperation and assistance which, though nowadays generally explicitly enjoined by enactment, would be—as they have always been—part of the State's normal and essential function, whether enjoined or not." Thus administration has a life of its own, independent of statutory enactment' (Rohr, 1984: 38; 40).

The Public Administration can indeed be regarded as many autonomous units (in the same way as the lesser perspectives of thinking in the human mind), but it needs to be clearly understood they are not auto-poietic in the strict sense as they are in existence only through
an act of legislation (or Executive order), rather than independent of it, and are normally sustained by appropriations from higher authority—that is, they are ultimately subservient in some way, either to a lesser or greater extent. Moreover, such flowering of seemingly autonomous units, or those who can act more with a will of their own, is a natural consequence of the maturation of the US constitutional governance system—in the same way that individuals, with age and maturity, learn to think in different ways independent of their main way of engaging and operating in the world.

An understanding of the US constitutional governance in the terms of the explained hierarchical trinity of menotypes (JEWAL Synthesis philosophy of mind) allows one to transcend the contradiction identified by Waldo (1984b: 223): 'Consider: there is wide agreement that it is impossible for an administrator to be policy neutral; the impossibility is thought to have been empirically demonstrated at length, conclusively. But it is widely believed that there is no constitutional-legal rationale for the policy role of administrators; that (as it is sometimes put) when told by their superiors “Jump!” all the administrator can do is ask “How high?” In short, to be policy neutral is impossible, but to be policy engaged is contrary to the letter and spirit of the governmental system.'

For it is as Wilson (1966/1887) has been attributed with arguing: that the study of administration and the study of the proper distribution of constitutional authority are inextricably linked' (Foster, 1984: 286).

From a historical perspective, ‘Institutions in government are centers of power. There are three power centers expressly established in American national government by the Constitution: Congress, the Presidency, and the Supreme Court. But, in the nearly two centuries since the Philadelphia convention, several other power centers have evolved through extraconstitutional or nonconstitutional means. These institutions have developed in good part to meet certain needs that the formal, named institutions could not or would not fulfill... The federal bureaucracy is another power center. Although the Constitution in retrospect, seems to hint at this institution by reference to executive departments, its emergence as a center of power together with its vast size are certainly beyond the scope envisioned by the framers' (quoted from Milton A. Krasner, Stephen G. Chaberski, and D. Kelly Jones, American Government: Structure and Process, in Merry, 1980: 209–210).

As an aside, this thesis argues that the Federal bureaucracy is more a manifold of institutions and that its development was cognitively within the scope envisioned by the framers of the Constitution.

366. This point is echoed by Goodsell (1994: 167): 'While bureaucracies obviously possess political power—they could not do their jobs without it—this power is by no means unrestrained. Indeed, one could argue that, because of the peculiarities of our constitutional separation of powers and hyperpluralistic political system, American bureaucracies tend to be excessively restricted in what they can do. Study after study shows that the bureaucrats are constrained from every direction and subject to innumerable counterchecks. Despite this, they attempt to respond to new directions received from elected officials and stand ready to advocate whatever new cause is elevated by the political process to the governmental agenda. In short, American bureaucracy is of American politics and not above it, exactly as a democracy requires.'

367. An institution is defined as an organization or establishment founded for a specific purpose and the purposes for creating agencies are manifold and varied. The only true connection is through the subservience of all to their creators, as they all basically exist through the courtesy of legislative power. That is, their point of coming together is under a higher more unitary power in the concept of governance, as some academics have offered on previous occasions. Although a system of like organizations can be referred to as an institution, the differences of basic purpose seem more pertinent than the similarities of the embracing subservience of their roles, and so it could only be referred to, at best, as a rather loosely held together institution (with a little ""). However, it is more like a set of institutions (Wamsley et al, 1990: 36)—or institutions within an estate, or class of citizens within the second-order power structure of society. In the feudal days, administration was actually carried out within the "estates" for their own purposes (Weber, 1948: 81), but now it is more that those providing the administration are grouped together in an estate which is of only second-order importance in the societal political power structure, and much lower in terms of the overall society's regard. Moreover, given he need for their psychic health, each of the
agencies should be doing what it can to foster and identify with its particular Agency Perspective, and so it may actually be nugatory to refer to The Public Administration as an institution. And finally, as we head deeper and deeper into the age of politicism, any lingering hopes of The Public Administration as a coherent institution, will surely fade.

In sum, this thesis disagrees with the implication that The Public Administration could be regarded as an integrated institution exhibiting coherence and emergence although in hindsight there seems to be a defusing of this inference from the original Blacksburg Manifesto (Wamsley et al., 1990): 'The original Blacksburg project participants labelled themselves, and were labelled by others, as institutionalists or neo-institutionalists. Some who have interacted with us have clearly misinterpreted what institutionalism means. Several of the original project members grow increasingly restive with that label or would no longer be willing to accept it' (Wamsley and Wolf, 1996: 28).

However, not everybody read it in that way: 'The Blacksburg Manifesto describes public administration as centered on the executive branch but including any portion of any branch to the extent that it is charged with execution of the laws. What they have defined as the Public Administration is, in terms of the brain metaphor, a composite of separate viable systems, not a unified viable system. There is no single viable system that can be identified as either Bureaucracy or the Public Administration' (Little, 1996: 339).

It is contended that the conceptual framework used in this thesis is essentially in terms of a more sophisticated brain metaphor and while we agree there is no unified institution that could be called The Public Administration, there is essentially a unified governance system of which the public administration forms part, albeit a secondary, subordinate part.

368. 'Fragmentation of power remains the primary feature of our governmental institutions... All the original checks and balances laid out in the Constitution remain in force. The unwritten constitution—tradi...
370. Wamsley et al (1990: 46) seem to confuse the relationship between the public administration and the public. 'The Public Administration was, is, and ought to be: a solemn agreement between the Public Administrator and the citizens he or she serves.'

They go on to put this in the context of the Constitution where it belongs but fail to differentiate sufficiently between, on the one hand, the citizens as the nation and the "public interest" embodied in the Constitution and the system of governance, and, on the other hand, the citizens as individual clients to whom the government directs its services. These two notions of citizens are cognitive poles apart and cannot be joined to infer that public administrators should go direct to win the citizen's trust and favour. In this more abstract sense of the collective called citizens, public administrators are obliged by the system of constitutional governance to work through the elected politicians. Public administrators are not called on in the US constitutional governance system to be representatives in any sense (as suggested by Wamsley et al, 1990: 46; nor do they personally need to win the trust of the people, except to the extent that they will deliver the Government's program. It was, is and will always be a subservient part of the Government—a second-order political governance power created by an act of the first-order level of governance power.

371. 'As for the United States, the presence of bureaucracy provides ongoing fuel for Americans' habitual suspicion of government and corresponding commitment to market capitalism. In our business-oriented culture, bureaucracy stands as the antithesis of a self-reliant, free, and entrepreneurial America. Here it is the target of jokes, yes—but also plain disdain. One might argue that, generically, public bureaucracy does not "fit" American culture well; the obverse of this point is that the great falsehood about American government fits it perfectly...

Let me add a postscript addressed not to public administrators or my colleagues in the field but to everyone who experiences public bureaucracy, namely, all of us. As a traditional bête noire in our society, bureaucracy is often thought of as some kind of alien force. It is imagined as a "they" that opposes us and hence is apart from us' (Goodsell, 1994: 169–170; 183)—that is, public administration is regarded as a scapegoat onto which the collective shadow is projected.

372. 'Waldo is pessimistic about the resolution of this identity crisis—this failure to know what we are (subject matter) or how we should proceed (methods). Indeed, he concludes there is no solution to the problem at the level at which it was originally posed... Waldo's proposal for a short-term solution pending a longer-term solution of the identity crisis is as follows: "What I propose is that we try to act as a profession without actually being one and perhaps even without the hope or intention of becoming one in any strict sense." Waldo then goes on to observe, "Frankly, it took some courage to say that, as it is patently open to ridicule." Waldo's advice is indeed open to ridicule. It is the advice of a friend who at a time of overwhelming tragedy counsels that one should concentrate on keeping a stiff upper lip (Ostrom, 1989: 9–10).

What this thesis concludes is that public administrators will have to keep a "stiff upper lip" for the foreseeable future, but they can help raise the consciousness first in themselves, then in the politicians and finally in the public by shifting their thinking to embrace an appropriate holistic governance framework to define the meaning of what they do—a governance framework much as that which is explained in this thesis.

373. Long's (1966: 42–43) summation should also be kept in mind: 'The life blood of administration is power... The budgeting of power is a basic subject matter of a realistic science of administration. It may be argued that for all but the top hierarchy of the administrative structure the question of power is irrelevant. Legislative authority and administrative orders suffice. Power adequate to the function to be performed flows down the chain of command. Neither statute nor executive order, however, confers more than legal authority to act. Whether Congress or President can impart the substance of power as well as the form depends upon the line-up of forces in a particular case... The real mandate contained in an Executive order varies with the political strength of the group demand embodied in it, and in the context of other group demands.'

374. Perhaps the grounds for the perceived competence and usefulness of public administrators (and therefore the basis of the others' confidence in them) can be seen to be based on (A)
technical competence, (B) loyalty to the governance system or key players, and (C) intellectual wisdom. To the degree that these three competencies do actually form a trinity of *menetypes* as intuitively it seems the case, then the public administrators cannot possibly excel in all three aspects together. Their performance will therefore always seem to be lacking to someone at some particular point in time. For instance, if in fact the public administrators do aspire to intellectual leadership, then they would of necessity need to build up their technical competence in support, but they might not value loyalty as much as they might otherwise, particularly loyalty to individual politicians in the government. Rather, they would then be committed to the broader perspective of the "public interest" as advocated by the Blacksburg Manifesto (Wamsley et al, 1990). Further development of thinking within the context of this particular trinity of *menetypes* would offer some better understanding of the way ahead for public administration.

375. For it is as Long (1966: 57) concludes: 'Attempts to solve administrative problems in isolation from the structure of power and purpose in the polity are bound to prove illusory.' Therefore, 'We are now in a position to attempt to summarize or categorize the expertise of the administrator. He must have... the qualities of personality which enable him to "win friends and influence people, "and—particularly—intelligence. He must, in the second place be educated... Third... he must "know something," be a "wise" man. A public administrator "should have a knowledge of the place of the public service in its relationship with basic economic and social forces and some realization of the potentialities of government as a means of meeting human needs"' (Waldo, 1984a: 97). These attributes can be read back into the trinity of competency *menetypes* mentioned in endnote 374, namely, technical competence, loyalty and intellectual wisdom. There is therefore strong support for Wamsley's (1996: 360) concept of a "public philosophy" which I take to be another way of describing the societal governance framework developed in this thesis.

In fact, if the public administrator could assimilate such a robust conception of US constitutional governance then Goodsell's (1990a: 504) hope outlined below might finally eventuate: 'What is needed from public administration, then, in such a society? A readiness to teach ongoing lessons of governance, I submit. I would, moreover, submit that public administration possesses a capacity to instruct society with respect to both the substantive knowledge and normative ideals of governance. In the realm of substance, such teaching will add to our collective understanding of intricate policy interconnectedness among the hard lessons of past governing experience, the long-term implications of present social trends, and the full range of available public policy options. In normative terms, this teacher will remind us of the need to accept duties as well as demand rights; sacrifice immediate self-interest to the extent necessary for a viable public order; concern ourselves with all the effects of proposed policy on others; and defend the interests of future generations, as well as our own.'

376. 'If and to the extent that politics, the realm of values, choice and chance, could be seen as excluded from administration, administration could function "objectively." Such ideas must be seen in the context of the times. The politics–administration dichotomy fitted nicely with a conception of science increasingly "hard" in its exclusion of values, and with general societal movement toward specialization and professionalism. With politics limited to its proper sphere, sifting values and setting goals, the study of administration might aspire to be a science of means, and the practice of administration a profession devoted to putting ends and means together' (Waldo, 1984b: 221).

Waldo (1984b), here, is capturing the core or essence of public administration purified from its secondary support of politics. Given the ends, public administrators logically and orderly analyse the cause and effect relationships at play to determine objectively the means required to bring about the ends demanded.

In this way, 'The answer of positivism to the problem of the basis of decision is that "science," "facts," "measurement" answer questions of "What to do?" It asserts that what is objective can and should "determine," that the imperative of "the facts" should be substituted for chance and will. This common viewpoint of public administration is well illustrated in the following quotation: "The scientific approach is merely the application of common sense procedure to human problems. It involves securing all obtainable facts, associating or
correlating them so as to determine what they mean, and deducing the logical course of procedure therefrom. In other words, solve administrative problems by getting the facts and acting in accordance therewith. The faith that "answers" result from a scientific observation of "the facts" is illustrated on a different plane by the recorded beliefs of those who favored the establishment of the United States Tariff Commission' (Waldo, 1984a: 81).

This exhibits the pure menetyp6 #B dynamics of thinking, and it is obvious to appreciate that this is inadequate for public administrators of today. It definitely needs to be supplemented by a large dose of other perspectives—however, the core means of thinking in an objective scientific deterministic type of way still needs to be retained and built upon. This is clearly illustrated in the frame of mind advocated for public administrators by Wamsley (1996: 364): 'The challenges are daunting, but they are also exciting. They were captured in an aphorism of Martin Landau's that every public policy is an hypothesis, every public program is an experiment under the worst possible conditions. One could extend the aphorism further by adding that the hypothesis (the policy) was developed as a result of a struggle among persons holding different paradigms, ideologies, perspectives, and interests. The winners are determined to prove the hypothesis is correct; the losers equally intent on proving it wrong.'

So what are needed are public administrators as wise, knowing and tolerant practical scientists of human affairs!

377. 'There is a complaint that political science wants to expel public administration and a proposal, in the nature of a preemptive strike, that public administration should secede from political science. Political science departments exclude or disdain public administration, I understand, because it is practical in focus, out of phase with the behavioural, quantitative, and other regnant modes of the mother discipline, and often disconcerting to the balance of a department because it attracts too many students, some of them career motivated, and if it is not central, it is thought to be dispensable' (Fesler, 1980: 93).

'One finds little reference to them in the writings of the great political thinkers, and this perhaps reflects the general lack of concern they felt about administration. In much of this writing, there seems to have been an implicit assumption that administration is the obedient and willing pawn of whoever controls it; the primary issue then is the locus and the effectiveness of such control' (Mosher, 1982: 8).

378. This is asserted clearly by Long (1966: 54), 'a realistic science of administration will teach administrative behaviour appropriate to the existing political system.'

Hill (1992: 44) also echoes these different orientations of the studies of public administration and politics. 'Perhaps public administration's most important potential affinity with public bureaucracy has to do with the discipline's basic orientation. Whereas political science often has been society-oriented and has considered the state to be epiphenomenal, public administration usually has been state-centred and has considered the state to be autonomous.'

Wamsley (1996: 387) offers a deeper understanding: 'As Murray Edelman has said: "Politics is for most of us a passing parade of abstract symbols, yet a parade which our experience teaches us to be a benevolent or malevolent force that can be close to omnipotent. Though they may strive to be 'objective,' students of organizations and public administration cannot escape having their views shaped by the powerful emotions that derive from such deep psychic investments."

379. But it is different because the order is reversionary going from a focus on the economy (menetyp6 #A) to a study of micro-economics or management (menetyp6 #B), and so it is a natural cognitive procession for economists to study management but not vice versa. As a consequence, the study of management has less of a focus on economics, which it takes as a given—this is in contrast to the study of administration, which includes the study of the political dynamics to which it is subservient.

380. 'We therefore have had difficulty understanding that public administration is not a traditional discipline, and that to make it one would risk destroying its worth and relevance, not to mention its excitement and challenge. We have not understood that the theoretical needs of an interdisciplinary field that serves a sociopolitical practice are much different, and the
potential for explanatory theory are much more limited... It is critically important that we recognize our misfounding and misgrounding because we are not a traditional or typical academic discipline of the social science variety... The contrast between our field and a traditional discipline... means that the shape of knowledge development in public administration is more like an inverted pyramid or array of smaller inverted pyramids, the bases of which overlap at the top. An applied interdisciplinary field is different from a discipline in other ways. It has an inescapable symbiotic relationship with practitioners of a profession (or would-be profession) from which it cannot distance itself' (Wamsley, 1996: 354; 363).

As such, all that was said earlier in the thesis about the need for educating private sector managers in a new, experiential, learning about learning, way also applies to the educational needs of the public administrators.

381. This is similar to the thought that Waldo (1984b: 231) had in respect to the legal profession: ‘In this connection I have noted with interest the creation of a Masters Degree in Legal Studies for “non-legal professionals” who need the legal knowledge for effective performance. A complementary masters Degree in Management studies for “legal professionals” would be appropriate, but I do not expect to witness it.' (Keeping in mind that public administration is the second-order cognitive equivalent of the Court.)

A sign of the development in public administration education from the managerialist era to the politicist era is the emergence of phenomenology as a valid academic perspective. Phenomenology equates with the mainstream postmodern viewpoint, and the transition from the *menetypa #B* to the *menetypa #C* mindset is captured by Waldo (1984a: xxxvii): 'I judge that logical positivism has become less fashionable for a number of reasons. These include criticism from within the philosophic movement itself, and the rise of new movements, especially “ordinary language philosophy,” more or less in the same part of the philosophic spectrum. But of greater significance may be the reception of some philosophic impulses from the continent. The most important of these are labelled with the term phenomenology—though one must look beyond this broad, protean term itself for specificity. Though phenomenology, in its various interpretations, now enjoys considerable popularity it hardly has carried all before it. The philosophic field in which the enterprise of social science is now carried on is one of considerable complexity, even confusion; and I make no confident predictions as to future directions.'

This thesis has continually explained how the understanding and theory related to public administration (and society) have continued to move from the managerialist viewpoint to that of politicism.

382. 'But psychic investment is only the basis for the *intensity* of our differing views of organizations and public administration. What is the basis for the *difference*? Why do some of us see these phenomena so negatively and others so positively? The answer lies in our views on nature and of human nature: Serious theorizing about public administration must therefore start with these matters. Consider, if you will, the following notes concerning my views on nature, human nature, and its relevance to organizations, and therefore to public administration' (Wamsley, 1996: 387–388).

Putting all this into an integrated coherent form is what this thesis is about.

383. Though there has been no attempt at a comprehensive substantiation, there is a sense that the hierarchically trinitarian structure of reality outlined in this thesis is basically similar to the conceptual understanding that underpinned Weber's (1930; 1947; 1948; 1949; 1962; 1968; 1978a; 1978b) thinking, as suggested in part by the following appraisal.

‘What particularly disturbed Weber's audience was his argument that modern life consists of a number of orders or spheres—the economic, political, aesthetic, erotic, ethical, scientific among them—each of which is governed by its own immanent, distinctive principles. One had to choose between them, and within, these dissonant spheres, or hold them in tension: they could be reconciled or transcended. Thus the requirements of science—of which dispassionate self-clarity is paramount—are different from those of politics, where engaged partisanship is mandatory. In a world bereft of one overarching purpose, modern life is fractured, a mosaic of paradoxes, dilemmas, unintended consequences' (Baehr, 1992: 142).
That he did not quite get to formulate or articulate an overall conceptual structure that captured the interrelationships can be understood in terms that essentially he followed an empirical or reversionary approach which worked from experience (menetyp #A) to understanding and formulation (menetyp #B) to judgments (menetyp #C) about particular situations. 'Now, we political economists have a pedantic custom, which I should like to follow, of always beginning with the external conditions' (Weber, 1948: 129). He did go on and reflect on his methods and come up with, for instance, the ideal types of legitimate power (Weber, 1962).

Given that Weber (1947; 1962) came out with the concept of ideal types that are essentially taken to stand alone in their pure form but are mixed in real life in an unspecified way, it is not clear that Weber actually came to a conceptual appreciation of the nature of the interrelationships between them—only the fact that they were interrelated in some way.

Weber's (1947; 1962) insightfulness is captured by Georgiou (1975: 297): 'Having placed bureaucracy within this context of ideal types of legitimate authority and their corresponding administrative arrangements, it is clear that Weber's interest did not lie in determining what elements contributed to organizational efficiency. His object in constructing the ideal type was to apprehend the distinctive characteristics of the administrative apparatus of legal rational authority, as compared with those of traditional and charismatic authority.'

The menetypes developed in this thesis are the natural successors to Weber's (1947; 1962) ideal types! Friedrich (1952: 28) actually lambasts the integrity and usefulness of ideal types principally because they are: 'mental constructs which are neither derived by a process of deductive ratiocination from higher concepts, nor built up from empirical data by relevant inference, nor demonstrably developed as working hypotheses from such data. The profound methodological confusion associated with the notion of ideal type seriously affects Weber's (1947; 1962) discussion of "bureaucracy," since bureaucracy is supposed to be one of these nebulous entities.'

While not attempting to defend Weber's (1947; 1962) ideal types against these criticisms, it is worth noting that:

- menetypes are mental constructs but so are all forms of human organization;
- menetypes are phenomenological by nature and are therefore developed principally by analogy to a limited number of ideal but repeatable forms; and
- menetypes are put together in a trinity to present three different perspectives of the whole and the ramifications of their combination as it occurs in reality, thereby avoiding the overly one-sided emphasis that emerged with the use of Weber's ideal types as separate and distinct entities.

Moreover, the analytic and heuristic power of the menetypes is magnified by the associated power of using the dynamics of the mind as the metaphor, but in a much more sophisticated way than that employed by Little (1996: 331-333).

384.

Simon (1947: 16-17) identified 'three kinds of participants... entrepreneurs, employees, and customers. Entrepreneurs are distinguished by the fact that their decisions ultimately control the activities of employees; employees by the fact that they contribute their (undifferentiated) time and efforts to the organization in return for wages; customers by the fact that they contribute money to the organization in return for its products.'

In a less developed way, Simon's (1947) entrepreneurs (taking its meaning from earlier days), stands for the authority stakeholders (menetyp #C), employees equate to the internal stakeholders (menetyp #B) and the customers encapsulate the external stakeholders (menetyp #A). Simon's (1947) essential preoccupation is with the internal stakeholders (consistently with the flourishing managerialist age), with a secondary interest in authority and very little mention of the customers—entirely in keeping with the dynamics of Simon's thinking in terms of the trinity of menetypes.

The spirit of the trinity is also captured in the title of one of the sections by Caiden (1990: 230): 'One Discipline or Three? Economics, Management, Politics.' Economics is concerned with the external stakeholders, management with the internal, and politics with the authority stakeholders!

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The interesting fact is that the iron triangle is normally between the political aspects (sub-menentype #C) of each of the external, internal and authority stakeholders, and as each of these can be thought of in terms of a trinity of menetypes, there is always one participant who holds the upper hand for the moment and skews policy development and delivery accordingly. This phenomenon is well identified by Nachmias and Rosenbloom (1980: 54–57). 'In theory, congressional power over administrative agencies is formidable... Although triangles exist, they are not necessarily equilateral. Often the relationship between congressional committee and agency is turned upside down and the committee ends up doing the bidding of the agency... It has been forcefully argued that agencies become "captured" or heavily influenced by interest groups and so lose their autonomy to non-government bodies... In cases where the participants are in harmony, the interest group may gain a de facto veto over the top political appointments to administrative agencies. This is characteristic of regulatory commissions.'

This is also synonymous to the move from objective scientific rationalism to realism embracing the fragmented and multifaceted nature of reality. It is a move from the capital T Truth to the 'multiple, partial, and momentary truths' (McSwite, 1996: 219)—or capital R Reality! In other words, it is a move from a menetype #B worldview focused on the facts of Truth to menetype #C worldview focused on the values of the Real. Put in another way, the move can be seen as follows: 'It would, in short, mean moving to a process-based communitarian approach to governance, where the connection of people to the community was relationship rather than an ideologically distorted deference to the ideals of Truth and good and to some inadequate actualisations of them that the members of the community were required to believe' (McSwite, 1996: 222). This was clearly evident to Waldo (1984a: ix) when he observes the demise of the term "efficiency."

Or again in using McSwite's (1996: 210ff) terms, much earlier we had the transition from the Man of Vision to the Man of Reason and now it is the turn for the Man of Practicality.

With the move from managerialism to politicism, it is indeed a big cultural change that the Western World is going through as discussed earlier in the thesis and grasped at by Waldo (1990: 81): 'In the essay that gave me the title for this piece, Gaus expressed the opinion that we are in a period of discontinuity and transition comparable to the ones that came with the decline of the city-state and feudalism. In this opinion, of course, he has much—and varied—company. If it is a correct opinion, then dealing with it better than we have in our part of the intellectual-institutional field will surely play a part in finding our way forward. It will not be easy. It requires time and effort, as well as luck and—if Gaus is right— a touch of genius.'

'The Nixon/Carter/Reagan formula for governance was a model characterized as "administrative presidency" by Richard Nathan and as "political administration" by Donald Devine. This model is presidentially centered and adversarial to the permanent bureaucracy, viewing the chief executive not only as dominant but as virtually the only legitimate source of political and administrative authority... A Devine protégé, Michael Sanera, demonstrates the shift from management to politicisation when he states that "success in public-sector management is not dependent on good business management of existing government operations, but rather on managing the President's political philosophy and values..." The administrative institution that had been an important resource and support for strengthening the presidency was cast aside in favor of older and less sophisticated notions of political partisanship and unhesitating responsiveness... The result has been a politicised presidency, as characterized by Terry Moe, that valued political support, strategy, and trade-offs above efficiency and effectiveness. What presidents began to demand was a system that responded to their requirements as political leaders—"responsive competence" rather than neutral competence... At the same time, recent presidents have insisted on a new kind of public service, with the subjugation of the values of merit, competence, and professionalization in order to increase responsiveness to a presidency that now exists in the environment of postmodernity' (Lane, 1996: 233–234; 238).

'The extent of the penetration of political appointees has been amply documented over the past 20 years. The proliferation of layers has accompanied the increasing politicisation of the operating agencies of government. Clearly by the standards of evolving managerial theory, the presidency must change its approach. The focus of presidential activity needs to change
from political management and control to a concept of leadership as it is coming to be understood in the postmodern era' (Lane, 1996: 247).

It seems that the feudal world that Long toyed with is indeed making a substantial return: 'To deny that power is derived exclusively from superiors in the hierarchy is to assert that subordinates stand in a feudal relation in which to a degree they fend for themselves and acquire support peculiarly their own. A structure of interests friendly or hostile, vague and general or compact and well-defined, encloses each significant center of administrative discretion' (Long, 1966: 44).

389. This pressure comes in fits and starts according to the particular pressures of the time. 'From the perspective of the presidency, frustration continued to build over the fact that the administrative establishment was a separate institution within the political system. It was not the president's alone. The presidential reaction to this frustration was, in the context of the separation of powers, a growing suspicion and hostility, followed by specific attempts to manage, control, and subjugate what was perceived to be a threat to presidential rule. Thus, Nixon and his followers became adversaries of the administrative establishment. They abandoned management values in favor of political responsiveness, representing a transition from "technical Management" to "political management"' (Lane, 1996: 232).

390. 'The answer to these critics is a democratic answer in a democratic polity. The times demand that the presidency and the public administration abandon Finer; abandon overhead democracy; abandon the false promises of control, hierarchy, and authoritarianism; let go of dependence on direction from the top. As public administrators build alliances with citizens, legislatures, customers, suppliers, and employees, the public administration becomes more than an instrumental function of enforcing the law or operating according to rule. Rather, it becomes a function of carrying out the will of the people as expressed in a complex mix of election results, law and regulation, customer preference, professionalism, and direct interaction with the citizenry' (Lane, 1996: 254).

That is, public administrators are being called to embrace the role of the politician (menotype #C) and eschew the role of the bureaucrat (menotype #B), which is tantamount to selling their soul for a bit of power in the governance system.

'From a different perspective, however, the texts of the project can be read as, collectively, an encounter with politics and an effort to rethink administration in its light: not to reconcile public administration to a given set of political dynamics... but to 're-found' (re-conceive, re-birth) public administration in a manner that shows how administration can be, not the be-all and end-all of governance, but still legitimately "political." In at least this respect, I shall suggest, refounding public administration is fundamentally different from "reinventing government"' (Stivers, 1996: 261).

For an individual it is a transformation of consciousness to move his/her thinking from the menotype #B objectively rational mindset to the menotype #C political reality perspective, and it is indeed described as a "rebirth," or "being born again." So Slivers (1990; 1996) is really talking about leaving the old behind. However, it is accepted in the depth psychology understanding of personality typologies that the individual never really moves from his/her original ingrained consciousness—once a menotype #B thinker, always a menotype #B thinker, but there are many shades to any particular colour! What happens through the transformation of consciousness is that the individual assimilates the thinking of the other perspective and so his/her consciousness is expanded and he/she begins thinking at a higher level of abstraction. It could be argued that it is so for the collective and that the public administrators as a collective will never move away from the menotype #B bureaucratic mindset (in which their institutions were born in the Constitution and have grown up with), but that such initiatives as the Refounding Project (Wamsley and Wolf, 1996) will help expand their minds so that they are able to operate much better in what is now a politicist, postmodern world.

391. "But the Refounding Project and "reinventing government" depart from the Finer perspective in quite different directions, even though they are charged with the same crime, if crime it be. "Reinventing government" is content to waive the issue of accountability almost entirely, in favor of results, thereby vitiating the political impulse in the tension between politics and administration. Thus, for all its talk of creativity and inventiveness and its public-spirited rhetoric, "reinventing government" serves the interests of administrative stability, professional
control, and budget cutting. Political values are seen as hindrances to entrepreneurialism. "Reinventing government" aims, in fact, to get it right: to meet goals, to attain maximum cost-effectiveness, to satisfy the customer' (Stivers, 1996: 275).

It can be appreciated, therefore, that "reinventing government" encourages a move from the managerial (menetype #B) to the entrepreneurial (menetype #A) mindset and as such is inherently dysfunctional. In contrast the Refounding Project (Wamsley and Wolf, 1996) encourages a move from the managerial (menetype #B) to the political (menetype #C) mindset and is therefore inherently evolutionary and constructive for public administration—

**but the question is whether it is appropriate and constructive for the US governance system as a whole to lose its only objective, rational perspective just to serve the power interests of public administrators?**

392. 'Indeed, its identity as a modernist institution has instilled in public administrators a deeply and sincerely felt responsibility for regulation of the democratic project and an almost religious devotion to the task of maintaining a secure equilibrium of the status quo as "safe" haven for democracy. To act responsibly, according to modernist principles, however, administrators must also be willing to endure the distrust and enmity of citizens whose resentment of bureaucracy is legendary. A modernist identity assigns administrators the dubious and often unrewarding task of regulating society for "its own good."... Whatever is happening in postmodernism, it is clearly not a time for public administrators to watch as bystanders, casually adjusting their work routines to whatever comes along. We are being presented with the historic opportunity to participate in epochal change. We cannot simply use our antiquated sense of social responsibility as a shield against this potential. Remaining on the sidelines as the social critic and watchdog regulator affects the ability of both public administration and the society it serves to change meaningfully in accordance with these times. Indeed, to continue to see ourselves as mere observers, rather than participants, makes the emerging American and global culture seem unnecessarily threatening to the very existence of public administration' (Dennard, 1996: 295).

This sums up the dilemma but Dennard (1996) is a bit too quick to denigrate the value of the objectively rational bureaucratic perspective in this new postmodern world and indeed, there may be some value in doing as Waldo was quoted above (from Ostrom, 1989: 9-10) as saying—just keep a "stiff upper lip" and work on becoming more knowing and developing the wise counsel.

393. 'The object of administrative study is to rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundations laid deep in stable principle' (Wilson, 1966/1987: 29). The stable principle is the eternal truths that are sought and formulated through the scientific method and the logically objective approach of public administration.

394. There is still some truth and applicability in the words of Finer (1966: 275): 'Contemporary devices to secure closer cooperation of officials with public legislatures are properly auxiliaries to and not substitutes for political control of public officials through exertion of the sovereign authority of the public. Thus, political responsibility is the major concern of those who work for healthy relationships between the officials and the public, and moral responsibility, although a valuable conception and institutional form, is minor and subsidiary.'

395. In simple terms this is similar challenge to the education identified for the private sector management; namely, learning how humans think and learn so that they can learn how to help others to learn and raise the levels of abstract thinking in government. The metaphor of the mind used in this thesis would be particularly powerful and useful in this regard (and is more sophisticated than that used by Little, 1986: 330ff).

396. It could be argued that the injection of this concept of citizen involvement has turned a normative theory of public administration into a normative theory of politics. This shift would have been encouraged and abetted by the suggestion to change the terms of the dialogue to treat "public administration" and "government" as one and the same thing. Such inadequate differentiation leads to inadequate theories. Moreover, it could actually be argued that normative theories about norms or standards are political in spirit (i.e. about values and whether the standards are good or bad, relevant or not etc., which are inherently menetype
#C assessments), and as such are not consistent with the core managerialist spirit of public administration. On the other hand, introducing a little bit of the political perspective into public administration is a good thing, unless it is taken too far. There is value in the concept that: 'Critical to the successful creation of this dialogue is “agential leadership,” a form of administrative leadership that is primarily oriented toward creating and guiding policy dialogue. These agential leaders are different from traditional administrative leaders because they are normatively grounded, which is to say, guided and even controlled by values that are generally shared because they reflect a common interest. The presence of the value framework and its embodiment in the agential leader forms the context for policy dialogue that—it is promised—will render that dialogue nonideological' (McSwite, 1996: 204).

This is an appropriate development if the value framework is adopted objectively from the formal governance process and so is legitimately part of the Agency Perspective, but it is not so appropriate if it goes too far as did the “New Public Administration” and define its own value set that encapsulated its own perspective of what the “public interest” should be. That is, the value framework should be developed as a secondary support to the public administrators' objective thinking and not as a primary guide that they would wish to defend in a political way. This reiterates the earlier criticism that the Blacksburg Manifesto (Wamsley et al, 1990) could be read as a call to politicise public administration—or at least that some of the concepts employed allow the Manifesto to be used that way as has occurred with Stivers' (1990; 1996) idea of citizen participation. That is the wrong path to take is illustrated by taking it to its logical conclusion when the first-order political institutions flex their more powerful political muscles and turn these now more political agencies into mere extensions of their political offices (in much the same manner as the localised administrations in the feudal times).

397. 'Since I have said that the ideas of active citizenship appear to be at odds with our traditions and current arrangements, a brief sketch of this concept is in order. The notion originates in Aristotle's idea that the citizen is a member of the state. Although the characteristics of membership vary with the nature of the state, the mark of this form of citizenship is "participation in giving judgment and in holding office." The citizen takes his [sic] turn ruling and being ruled. Distinctive to the act of ruling is phronesis, or the exercise of practical wisdom, an essential ingredient of citizen virtue. Thus, the polity that enables citizens to practice phronesis for the good of all is the best form of government' (Stivers, 1990: 249–250).

In actuality, democratic capitalism achieves the harnessing of this practical wisdom in a different way.

398. 'Sheldon Wolin has suggested that the loss of an operative political community took place as long ago as the shift from the civic intimacy of the Greek city-state to the abstract symbols of authority upon which the Roman Empire depended to bind its citizens together, symbols that would evoke the state's power despite its members' physical dispersion' (Stivers, 1990: 255).

This captures the shift from the civic intimacy of belonging and being loyal to a group (menetyp #B) to the political or authority sphere (menetyp #C) of activity. It is always hard to go back to previous psychological states and so societal thinking moved on to ever higher levels of abstraction, broken only by the major catastrophic breakdowns through the ages.

399. The shift from the economic to the social sphere is also advocated by Ramos (1981: 135–136) in his concept of the multicentric society and a focus on the citizen: 'Therefore, the post-industrial society envisioned by the para-economic paradigm can only come into being as a result of confrontive endeavours on the part of actors whose personal project is to resist the intrinsic trends of the market-centered society... The multi-centric society is a deliberate undertaking. It implies design and implementation of a new kind of state empowered to formulate and enforce allocative policies supportive not only of market-centered pursuits, but of social settings suited for personal actualisation, convivial relationships, and community activities of citizens as well. Such a society also requires the initiatives of citizens, who are stepping out of the market-centered society at their own responsibility and risk...

One fundamental topic of the new science of organizations is what I call the law of requisite adequacy... Specifically, the law of requisite adequacy states that a variety of social systems is an essential qualification of any society which is responsive to its members' basic needs of

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actualization, and that each of these social systems prescribes design requisites of their own.

400. That it might be coming out of the repressed collective psyche or "no-go" cognitive area of public administration is reflected in Wilson's view of active citizenship as reported by Cooper (1984: 301): 'Citizens are those who elect others to engage in the business of governing in the public interest, and otherwise are assured of protection from undue interference in their lives by either the state or their fellow citizens. Wilson stood in this tradition. Deeply concerned for social order and efficient administration in the face of corrupt municipal machines, he was inclined to buffer the governing process from popular interests and emotions through the election of representative political actors. He did not want the people to be "meddlesome" by becoming directly involved in government and, of course, similar preferences for a limited role of the citizenry and a reliance on representation have been articulated at length by scholars such as Schumpeter, Berelson, and Lipset, to name only a few examples.'

401. "Thus passivity overtake us, and according to Walzer, "if the citizen is a passive figure, there is no political community." However, as he rightly asserts, there is a political community; some citizens are actively engaged in influencing public policy. It is just that most citizens live like aliens within it, and finding themselves alienated from the political process, they easily take refuge in pluralism. Citizenship is one role among many roles for the pluralists; the inability to make citizenship a significant one leads to a fragmented commitment to a number of others. By turning to our private interests we feel less frustrated with the failure of our public role" (Cooper, 1984: 302).

More pertinent, perhaps, is that (as explained above), the predominant US societal value of individual freedom and endearment in the economic sphere encourages the pursuit of the private interests at the expense of citizenship. In particular relation to Stivers' proposal for public administrators to foster and lead active citizenship, it is not appropriate that there be a separate 'political community' [in Cooper's (1984) terms] being formed around public administrators.

402. 'The agency perspective thus acts as a "city" within which to practice active citizenship, as administrative discretion grounded in the accountability that develops out of face-to-face interaction and dialogue, and situated by agency memory and contextual insight, expands the public space to include those the Founders left out so long ago' (Stivers, 1990: 264).

This starts off well and grounds the public administrators' mindset in the Agency Perspective (properly developed) when engaging in the dialogue with citizens. Furthermore, "active citizenship" is all very fine while it holds essentially to "active listening" but is dysfunctional from a whole of governance system perspective when it takes upon itself a political objective such as 'to include those the Founders left out so long ago.' This is tantamount to cultivating their own constituency rather than assisting the Government to identify and develop an appropriate articulation of the "public interest."

403. "Bureaucrats treat the individual as an impersonal object within the context of rules, such as those defining eligibility for benefits or banned behavior. The official does not consider the "whole person" but limits attention to that narrow and abstract slice of the client which is of programmatic relevance. Hence bureaucratic behavior toward clients is characterized by remoteness and manipulation. The client is neither respected citizen nor valued customer, but "territorial underdog" to be controlled and restricted. In extreme cases, Heiner Flohr writes, bureaucracy could even be harmful to your health' (Goodsell, 1994: 18).

This is obviously bringing out the downside of the bureaucratic approach but, as explained in this thesis, every approach has a downside, every cognitive stance that encompasses choice and action has a shadow. For instance, an alternative to the above-described bureaucratic approach is for the public administrators to regard the "whole person" and decide whether he/she is worthy of assistance or condemnation. It is readily apparent that any decision could be justified and made on such criteria as how he/she looked or behaved, who he/she mixed with, who he/she voted for, whether he/she thinks the right things, and the list could go on. In short, the public administrator would be asked to make strictly political decisions—who should get what and when—or judicial decisions—who is worthy of condemnation and when. Feudal anarchy would likely rule the day! The impracticality of
taking this notion of treating the 'whole person' to its logical conclusion is demonstrated by
the following 'Don Quixote-like' image of public administrators riding off on their own to fix up
all the social problems of the world.

'This necessarily assumes that administrators must be able to make judgments within their
systems of constraints about what action best maintains these relationships and which
therefore maintains the ability of the nation to evolve, change, and realize its most
aspirational dreams of a democratic society. The conditions that call for administrative action
and expertise—poverty, drug abuse, crime, unemployment—are also very real. But so are
the citizens caught up in these realities, and real also are the processes of development and
social evolution they carry with them. If public administration continues to see citizens only
as problems to solve or unsavoury realities to endure, they cannot connect to those human
relationships that have the capacity to heal these despairing realities. They can only regulate
them. Democracy and the responsible citizenship it engenders simply cannot be realized
through undemocratic relationships. Insisting that they can create a "real" world where no
one really wants to be, but to which we are bound for the lack of imagination and courage'

First, it is not for the public administration to make judgments on the nation's aspirational
dreams, it is for the elected politicians. The particular social ills mentioned require political
solutions rather than administrative solutions (as acknowledged in the quote), and there is a
whole first-order trinity of powers to deliberate on the appropriate responses to them and it is
the role of the public administration to be like Sanchez and carry the weapons and follow his
leader into whatever action is deemed necessary. And, like Sanchez, the public
administrator will need to endure the scorn and derision for carrying out some of those
actions, but also like Sanchez to those who stand back and look at the whole story, he/she is
required to carry the mantle of intellectual superiority or leadership. This is particularly so for
those social problems that are most manifest in the social sphere (menotype #B), so that by
their sympathetic "democratic/equality" way of thinking (bureaucrat as menotype #B), the
public administrators are particularly well placed and equipped cognitively to analyse and
advise on potential solutions to such social problems.

Or the same point is made by Maranto (1993: 18): 'The politics–administration dichotomy
was meant to preserve political direction while enhancing government integrity and
expertise. Yet an important part of the crusade, particularly on the local level where most of
the public sector existed, was a direct attack on parties. "Once admit that it is proper to turn
out an efficient Republican clerk in order to replace him with an efficient Democratic clerk, or
vice versa," wrote Theodore Roosevelt in 1890, "and the inevitable next step is to consider
solely Republicanism or Democracy, and not efficiency, in making the appointment."
Reformer and academic Andrew White charged that cities were being governed under the
"evil theory" that the city was a "political body." Instead the city should be considered a
corporation where "party political names and duties" were "utterly out of place."

404.

That they could clearly be a political force is recognised by Barth (1996: 182–183): 'a very
different kind of citizen involvement occurs when the citizens' goal is to not only listen and
comment, but to obtain the power to influence decisions... These groups obviously are not a
part of the government establishment—they are there to change the structure of power in the
political process itself... The message to the citizens affiliated with SCI was clear: As public
administrators we will work with you because we fear you, but we will not give the public
appearance that we are in partnership with you, or see that you get any credit for forcing the
bureaucracy to respond... To re-establish constructive relationships, public administrators
must see such citizens as partners, where the issue is not "power over" but "power-with"—
working together to solve problems.'

This is the kind of effective power that Slivers (1998) and the Refounding Project (Wamsley
and Wolf, 1996) want to claim for the glory of the public administration, and the partnership
with citizens seems to be to the exclusion of elected politicians. "The administrative state
needs active citizens because it needs a viable democratic politics if it is to remain a state
rather than to continue to harden into a mere management mechanism" (Slivers, 1996: 263).

405.

Somewhat like the spirit of citizen involvement given by Friedrich (1986: 238): 'the great
pressure of legislative work has made it increasingly difficult for parliamentarians to attend to
such matters. Moreover, a citizen, no matter how competent or well informed, would be
handicapped if his views were patently different from those of the representatives, whether
for political or technical reasons. It is evident that in these and similar situations the citizen has become more and more accustomed to turn directly to the administrator. Some forethought administrators, like M. L. Wilson, Undersecretary of Agriculture, have made persistent efforts to secure such citizen-participation. Actually, referenda have been held to ascertain what would be the reaction of large groups of affected citizens to a proposed policy. On December 10 1938, the United States Department of Agriculture held a referendum to determine AAA crop control. Other consultations have been held on a more limited scale on potatoes, milk, and the like.'

The methods used now might be more modern but the same objective spirit should be retained.

406. Such as advocated also by the New Public Administration movement: 'This approach remains academically strong. The "New PA" movement of the 1970s identified underprivileged citizens having no "representatives" in bureaucracy, then set out to combine them with "new administrators" as a new group in the pluralist struggles. The operation and theoretical problems of this pluralist doctrine lay somewhat dormant for years, but they have emerged with a vengeance. I cite only two' (Thayer, 1984: 271).

Section 6.3 Public Administration as a Vocation

407. However, they do claim a 'distinctiveness and worth' to the role of public administrator and express it in terms of 'competence directed to the maintenance of: the Agency Perspective, the broadest possible understanding of public interest, and the constitutional governance process' (Wamsley et al, 1990: 43). This sounds more like the means rather than the rationale of why it is worthy, and this is particularly so for the Agency Perspective; it begs the question of why the Agency Perspective is worthwhile? The three aspects seem similar to the considerations that public administrators should have in mind when coming to an understanding of the public interest. Moreover, the constitutional governance process is certainly seen as worthy, but what has been called into question (and devalued) has been the importance of public administration to that process.

408. In a way, the Blacksburg Manifesto (Wamsley et al, 1990) can be regarded as a re-run of the Friedrich-Finer (1966) debate with the Refounding Project (Wamsley and Wolf, 1996) plumping with Friedrich (1966) for public administrators to move to the political, as acknowledged by Stivers (1996: 275–276): 'Without public-spirited bureaucrats, accountability to the people is doomed. In following Friedrich's lead, however, the Refounding Project inherits and perpetuates the downside of this perspective, which is its propensity to romanticize the commitment of public administrators to a public interest that they are held responsible for defining in practice. Thus, as I have argued in this chapter, by stressing the public administrator's special capacity to define the public interest, the Refounding Project has given administrative prerogative too free a rein, and thereby made itself vulnerable to the same criticisms as have been lodged against "reinventing government" though the political dynamics of the two are worlds apart... What our perspective needs (I still want to argue) is active citizens, in order to attain an understanding of accountability that neither relies on hierarchical administrative management paradigm, canonizes administrative judgment, nor translates accountability into "customer satisfaction." By giving up the hope of getting it right, the Refounding Project has taken an entirely new path, one that opens onto democratic vistas for public administration. With active citizens, we could move further in that direction.'

Presumably, with the backing of an adequate citizen constituency, the public administrators would have sufficient legitimacy to press their own conception of the "public interest." They would no longer need, then, to "romanticise" their commitment to a public interest, but rather they would have earned a political commitment and responsibility to their conception of the public interest.

409. They are quite clear that they should appropriate the successes of American government to press their claims: Most lamentably, The Public Administration has been too timid in pressing its rightful claims to legitimacy of which the Agency Perspective is the basic foundation, and too hesitant about building the sense of trust among citizens that would justify such claims... This means, in essence, that the Public Administration may have to
play the role of balance wheel in the constitutional order, using their statutory powers and professional expertise to favor whichever participant in the constitutional process needs their help at a given time in history to preserve the purposes of the Constitutions itself (Wamsley et al, 1990: 38; 49).

This casts the picture of the powerful protector of the Constitution in the political power battles of the less competent but Constitutionally more powerfully endowed participants!

410. This is a little like the lawyer becoming a crook in order to beat them at their own game and to try to persuade them to stop their pilfering ways.

411. Wamsley et al (1990: 44) do get particularly close when they refer to the public administration as 'a cooling, containing, and directing foil to the capitalist market-place,' which gives a hint of the feminine-like shadow of governance in the US society, if directing is taken to mean directing on behalf and at the request of Government—which comprises the political institutions.

To round out this concept of the worth of public administration as touted by the Blacksburg Manifesto (Wamsley et al, 1990), it can be brought together by an assessment of Wamsley's (1990a: 20, with embellishments) summary that 'the Manifesto and its extended ideas are a Minnowbrook I with institutional grounding.' That is to say we hold important the same values as those often attributed to the so-called New Public Administration of the Minnowbrook Perspective (Marini, 1971):

- a commitment to greater social equity [which is a menetypenumber B value of democracy];
- a concern for wider participation [which is a menetypenumber C value of political representation];
- a desire to move values and norms to a central position in theory and practice (which is a move from the menetypenumber B objective, rational to the menetypenumber C political value assessment);
- a concern for the relationship between knowledge and action [which is a deeper menetypenumber B understanding of the cause and effect of policy];
- a critical outlook towards the shortcomings of pluralism and those of logical positivism and empiricism [which is a recognition that the menetypenumber B scientific analysis is only part of the story and needs to be supplemented by other perspectives].

That is, Minnowbrook I (Marini, 1971) and the Blacksburg Manifesto (Wamsley et al, 1990) are both urging a substantial shift from the menetypenumber B head of the scientific, objective analytic approach of public administrators to the menetypenumber C gut approach of politics. This is fine if it just builds up the secondary cognitive powers of the public administrators, but it would have a negative impact on governance if there was a complete transformation of attitude from the menetypenumber B perspective to the menetypenumber C perspective.

412. As Weber (1948: 146) attested: 'I am ready to prove from the works of our historians that whenever the man of science introduces his personal value judgment, a full understanding of the facts ceases.'

The same has been held in respect of public administrators but it is certainly not what is being argued in the Blacksburg Manifesto (Wamsley et al, 1990).

413. Although throughout his works Weber discusses social phenomena in terms of such "value spheres of the world" he does not set out a cohesive conceptual framework of these spheres anywhere in his works. He goes on here to refer to the elder Mill, whose philosophy I will not praise otherwise, was on this point right when he said: If one proceeds from pure experience, one arrives at polytheism. This is shallow in formulation and sounds paradoxical, and yet there is truth in it' (Weber, 1948: 147). The value spheres with each of their higher aspirations are essentially the system of hierarchical trinities as presented in the philosophy of mind contained in this thesis. Another thesis might show how it is in fact consistent with the conceptual framework used intuitively by Weber (and Hegel for that matter).

414. Weber (1948: 152) goes on to say something very pertinent to the Blacksburg Manifesto (Wamsley et al, 1980): 'And I believe he will be the more able to accomplish this, the more
conscientiously he avoids the desire personally to impose upon or suggest to his audience his own stand.'

415. That the ethic of responsibility defines the vocation of a politician is the subject of Weber's (1948: 77-128) *Politics as a Vocation*. This is explained in terms of the ethos of politics as being a "cause." What calling can politics fulfill quite independently of its goals within the total ethical economy of human conduct—which is, so to speak, the ethical locus where politics is at home? Here, to be sure, ultimate Weltanschauungen clash, world views among which in the end one has to make a choice' (Weber, 1948: 117). It is in having made the choice that one holds oneself responsible for making that choice, and to live true to politics as a vocation is to be true to the ethic of responsibility. The politician needs to respond to the accumulation of power in the political system with a sense of responsibility and doggedness to use the power appropriately and in such a way that it is conserved and not spent quickly (Weber, 1948: 115).

"Well, first of all the career of politics grants a feeling of power... The "strength" of a political "personality" means, in the first place, the possession of these qualities of passion, responsibility, and proportion. Therefore, daily and hourly, the politician inwardly has to overcome a quite trivial and all-too-human enemy; a quite vulgar vanity, the deadly enemy of all matter-of-fact devotion to a cause, and of all distance, in this case, of distance towards one's self... For ultimately there are only two kinds of deadly sins in the field of politics: lack of objectivity and—often but not always identical with it—irresponsibility. Vanity, the need personally to stand in the foreground as clearly as possible, strongly tempts the politician to commit one of both these sins... The ethic of ultimate ends apparently must go to pieces on the problem of justification of means by ends. ... If one makes any concessions at all to the principle that the end justifies the means, it is not possible to bring an ethic of ultimate ends and an ethic of responsibility under one roof or to decree ethically which end should justify the means... Whoever wants to engage in politics at all, and especially in politics as a vocation, has to realize these ethical paradoxes. He must know that he is responsible for what may become of himself under the impact of these paradoxes... If, however, one chases after the ultimate good in a war of beliefs, following a pure ethic of absolute ends, then the goals may be damaged and discredited for generations, because responsibility for consequences is lacking, and two diabolical forces which enter the play remain unknown to the actor... However, it is immensely moving when a mature man—no matter whether old or young in years—is aware of a responsibility for the consequences of his conduct and really feels such responsibility with heart and soul. He then acts by following an ethic of responsibility and somewhere he reaches the point where he says: "here I stand; I can do no other." That is something genuinely human and moving. And every one of us who is not spiritually dead must realize the possibility of finding himself at some time in that position. In so far as this is true, an ethic of ultimate ends and an ethic of responsibility are not absolute contrasts but rather supplements, which only in unison constitute a genuine man—a man who can have the "calling for politics" (Weber, 1948: 115; 116; 122; 125; 127).

In this sense the public administrator supplements the responsibility of the politician by continually promoting objectivity in the decision-making and clarifying the means that are necessary to achieve the ends that are desired.

416. Again, it is similar to the trinity identified by Kaufman (1960: 483): 'Underlying the prediction was the argument that the design of our government was strongly influenced by the quest for three values in the conduct of the public business: representativeness [menotype #C politics], politically neutral competence [menotype #B administration], and executive leadership [menotype #A entrepreneur].'

And as observed earlier, the dynamics and interaction of these three values in the governance system can be explained in terms of a very similar trinity of menotypes.

That such a balanced provision of perspectives is seen to be contributing to sound decision-making is encapsulated in the acknowledged value of the separation of powers: 'As a whole, separation of powers creates "responsible" government in a sense now familiar but new with Madison and Hamilton (*Federalist* 63, 70) of responsible for rather than responsive to. Government with separation of powers is derived from the people but also separated from the people, responsible for the people because it is at a distance from them. There, government can serve the people without being servile, and the people can hold it to account without preventing it from governing. In sum, whereas separation of powers in the American
constitution was above all an achievement of political science as understood and improved by the Framers, today's political science is yet ready to abandon it in favor of some more seemingly progressive proposal... But it is not easy to take account of the immutable truths of politics without relying on the fashion and fancies of political science' (Mansfield, 1994: 13-15).

417. Wamsley et al (1990) do have some reference of the importance and value of the ethic of clarity to public administration, though there is understandably (given the context and purpose) more emphasis given to clarifying 'the realities of administrative practices' so that citizens can understand them, and ultimately acknowledge the legitimacy of administrative authority' (Wamsley et al, 1990: 39). Be that as it may, the actions and purposes of Government do need clarification for the public to promote good governance further, rather than the fortunes or power of public administration per se. Wamsley et al (1980: 34; 37; 41; 44; 50; 47) do make reference to the need for "self-conscious administration," enacting 'some kind of consensus over specific aspects of public policy,' the need for 'informed efforts essential to the search for the public interest,' 'efforts to bring to bear knowledge, reason, and moral judgment on both our problems,' 'administrators must be able to give reasons for what they do,' and that 'what is important is that the Public Administrator acts in a professional manner in the sense of a concern for the development of competence and standards, an orientation towards service, and a set of values that regards the broadest possible definition of the public interest as a real although problematic trust, and, above all, which holds the maintenance of the constitutional order as a fundamental duty.'

This thesis would argue that it is not the duty of public administrators to maintain constitutional order because that implies power and decision-making authority they do not have. They can help and they do that principally by clarifying what is involved and pointing out where particular initiatives might undermine constitutional order, but it is ultimately for others to decide what is to be done. Wamsley et al (1990: 50) perhaps come closest when they observe that 'The Public Administrator should thus be both an analyst and an educator but not a philosopher-king or mandarin.'

418. 'Just as the field of policy analysis institutionalizes the search for policy logic, the field of planning institutionalises the consideration of the long view ahead. Similarly, the field of program evaluation institutionalizes the view back while the field of management information systems does so for the current situation. Without the public administration, government would indeed proceed blindly and unconcernedly; with it, it can act knowledgeably, responsibly, and in the public interest' (Goodsell, 1990b: 110).

Each of these fields of administrative activity is about the striving for clarity so that the government is not acting 'blindly and unconcernedly.' Moreover, these fields of administrative endeavour can together be grouped into a trinity of menetypes according to whether they are clarifying the present (menetype #C), the past (menetype #B), or the future (menetype #A). From the knowledge of their dynamics as different perspectives of a trinity, management can then consider wisely how best to integrate them into the agency's endeavour. For instance, those agencies more focused on responding to current political crises would put most energies into effective and timely information systems and not worry too much about the orderly analysis of the events of yesterday. They are also likely to put energy as a secondary focus into contingency planning to have options ready in case they are needed to respond to today's political crisis.

419. The importance of the way public administrators exercise their discretion in decision-making has been well recognised. 'I argued that the way a bureaucrat uses discretion is the central ethical problem for the career civil servant. This is because through administrative discretion a career civil servant participates in governing a democratic society without being directly accountable to the electorate. As far as I can recall, no reviewer questioned that point... I am prepared to assert that a consensus has settled around the proposition that the responsible use of administrative discretion is the central ethical problem for the career civil service' (Rohr, 1990b: 119).

It has been pointed out in this thesis that it is really only a secondary ethical problem for the career civil service. The central ethical problem is around the striving for clarity and objectivity.
420. Which is essentially a more mundane version of the metaphor used by Wamsley and Wolf (1996: 23; 34): 'Finding and maintaining some kind of coherence while accommodating, and indeed being urged to foster emergence sounds to many like some sort of cruelty joke designed for public administration by Sisyphus... For those unfamiliar with Sisyphus, he was condemned by the gods to roll a huge rock up a hill—only to watch it roll down again—for eternity. One of my puckish colleagues has proposed that he be made the "patron saint" of public administration.' (Which is a very insightful and meaningful suggestion!)

421. 'Developing public administration as a polity profession has proven to be an elusive goal... Doubts about the applicability of existing professional models began to surface during the 1930s and continue to surface. It became apparent that serious dysfunctions occur when the traditional and the technical models are applied to public administration. The first major dysfunction observed was that public administration embraced too many disciplines and thus was too amorphous to unify by the standards of the traditional and technical models' (Stever, 1998: 35–36).

As observed above, public administration is more like an interdisciplinary field (Wamsley, 1996: 354; 363) and is essentially manifold and pluralistic.

422. This highlights why it might actually be misleading to explain the notion of vocation as being "in the service of a "cause"" (Wamsley et al, 1990: 49), because the obvious, immediate "cause" can keep changing as the Government redefines the "public interest." Perhaps the "cause" could be thought of as the personal pursuit of clarity, but it is certainly not a "cause" to be defined in political terms by the public administrators themselves—such as was allegedly attempted by the New Public Administration. Rather those people with a true vocation to public administration heed an inner and outer call to the unrestricted desire to clarify.

423. There are people of all types employed in the public service in much the same mix as in the general population: 'Our misleading stereotypes of bureaucracy extend to human beings who staff them. Roughly 20 million Americans work for government. We all recognize that this huge slice of the population does not consist solely of lazy bums, incompetents, or the psychologically malformed. These Americans are very similar to the population as a whole in many respects, although racial minorities are found among them in greater numbers and in higher positions than in private employment. With respect to political opinions, the bureaucrats seem to tip slightly towards the liberal side but they are hardly radicals. Nor are they inherently arrogant, rulebound, or conservative in their conduct toward clients, or for that matter alienated, fearful, or psychologically warped from working in a hierarchy' (Goodsell, 1994: 167).

Even more confidently could one accept that there is a good mix of different cognitive profiles amongst the many public administrators.

424. The Enneagram (Riso, 1987; Palmer, 1991) is a personal character typology, which has a wide following and is explained in many books and workshops. It is explained in this thesis as three centres (heart, head and gut) which form a trinity of menetypes (menetypes #A, #B, and #C, respectively) and then each centre is explained in terms of a second-order level of trinities of menetypes. This forms nine spaces each with a different pattern of thinking and behaviour that are linked together in keeping with the spirit of hierarchically ordered trinities of menetypes. This is further explained later in the thesis.

425. It is to be noted here that the vocation to public administration is a calling to the highest levels of the intellect, which is lower than the spiritual sphere of the mind. The call is therefore not anywhere near as strong or pervasive of the person as the religious call. For instance, Weber (1930) described the mighty changes wrought by the protestant ethic, which operated at the spiritual level but infused the intellects of generations with a similar spirit that translated at that lower level to the work ethic. The public administration ethic only operates at the level of the intellect and then is not even the whole intellect—as there are the ethics of responsibility and intent, which are operating in different directions. The calling to public administration is then more a second-order and lower-level vocation relative to the calling to the religious vocation and therefore not as inspirational. The public administration vocation might inspire the individual to become an "agency person" (similar to the "company man"
described earlier in relation to the private corporation), but would not necessarily move that person to choose a particular lifestyle or marriage partner, as happens with the religious calling. Moreover, it is not a calling that would inspire the public administrator to change the world or even his/her country, only to make it clearer for more objective decisions to be made by others. It almost hardly warrants being called a vocation but more an obsession just to make things more objective and clear.

426. There are echoes of Finer (1966) in this acknowledgement that the calling of the public administrator is a calling to an organization, a system or a society—not to an individual person per se, but rather to the position in the agency, system or society that he/she represents. 'But just as surely there is no responsibility unless there is an obligation to someone else; no one is interested in a question of responsibility as a relationship between a man and a science, but as it involves a problem of duty—and the problem of duty is an interpersonal, not a personal, matter. Responsibility in the sense of an interpersonal, externally sanctioned duty is, then, the dominant consideration for public administration' (Finer, 1966: 269).

427. 'Surely another key component of process must be discourse—not debate nor argument, but discourse—grounded in a shared problem, concern, or goal and made meaningful through its clarity, authenticity, and absence of manipulation' (Wamsley and Wolf, 1996: 32).

It is contended that debate and argument are also valid forms of discourse, particularly in the political field and way of doing things of today. Some might say that if there are no differences and debate there is little opportunity for creativity or transcending the problem to find an inclusive solution. The challenge is to orchestrate and direct that discourse to reach effective clarification and to be of effective assistance to the decision-making process.

428. 'In other words, as long as public administrators see and define their work in terms of separate and distinct organizations, attempts to overlay coordination and integration strategies will be superficial and ineffective. He suggests that public administrators must begin to think in terms of a "transorganizational management" perspective that places emphasis on the development and operation of interactive and collective systems... the point is that simply imposing a transorganization structure over a hierarchical culture will likely be ineffective' (Barth, 1996: 189; 191).

The only "transorganizational structure" that can effectively be incorporated to inspire the public administrator is a proper understanding of the US governance system itself, and much has already been said about that.

429. This is contrasted to the career paths of those tagged most likely in the private corporations who are given positions where they can test their entrepreneurial mettle and their ability to deliver.

430. Of some relevance might be the conclusions of Stever (1988) about the potential for public administrators to add value to the public dialogue—principally, this thesis would suggest that this would be through the promotion of clarity of thinking and the facts, rather than through promotion of specific answers or ways ahead.

'Public administration can become a public-oriented profession in the post-Progressive era provided its theory and its practice acknowledge the crucial role that the civil servant can play in enhancing public culture. The legitimacy of the civil servant depends upon how intelligently the profession understands its limits and its strengths in contributing to public culture. A legitimate, public-oriented profession should have confidence that the services and goods that it delivers have a positive effect upon the public good' (Stever, 1988: 178).

That is, they need to have a well-developed understanding of the governance system's articulation of the "public interest."

Ch. 7 Governance in Other Spheres

431. This material is essentially based on the author's analyses done in the earlier part of the PhD study at a time when the proposed theory of governance was still being thought through and
developed (Cutting, 2000; Cutting and Kouzmin, 1997a; 1997b; 1998; 1999c). The observations in respect of the Church were developed in the final stages of writing the thesis and are therefore informed by the full governance theory, whereas those in respect of the University came essentially from an earlier less developed perspective.

432. 'In the spiritual sphere the concept of the hierarchy attained in time the character of a religious doctrine. The mystical writings bearing the name of Pseudo-Dionysius the Areopagite, which probably date from the fifth century, describe the complete scalar organization of the Kingdom of Heaven, consisting of nine heavenly orders, arranged in triads. Of this heavenly hierarchy, the ecclesiastical hierarchy is the earthly reflex. Here again is the ninefold distinction, divided into triads. Of these triads, the one that directly concerns church organization is the second, which identifies the three orders of bishops, or hierarchs, priests, and ministers, or deacons. Significant is the fact that this triad illustrates the coordinate, the scalar, and the functional principles that are universal in organized forms. The writings of the Areopagite deeply influenced subsequent ages, and the threefold order of the hierarchy was confirmed as Catholic doctrine in the sixteenth century by the Council of Trent' (Mooney, 1947: 104).

It is alleged by scholars (Armstrong, 1952) that this trinitarian thinking of Dionysius (and Aquinas) was strongly dependent upon the triadic hierarchies of Plotinus (1952) and Proclus (1963) outlined in this thesis.

433. 'A network is often thought of as a flat organizational form in contrast to the vertically organized hierarchical forms... It conjures up the idea of informal relationships between essentially equal social agents and agencies. The collegiate organization is a classic example of a network. These kinds of organizational units are often cooperatively run' (Thompson, Frances, Levacic and Mitchell, 1991: 14).

Ch. 8 The JEWAL Synthesis Philosophy of Mind

434. JEWAL Synthesis is an author-coined acronym, which stands for a synthesis of the spirit of the ideas of Carl Jung, the Enneagram, Max Weber, Saint Thomas Aquinas/Hannah Arendt, and Bernard Lonergan. It reflects the foundation sources of ideas that stimulated the author to develop the philosophy of mind. However, the developed conceptual framework was later found to correspond precisely with the philosophy espoused by the late Neoplatonists, Plotinus (1952) and Proclus (1963), in particular.

435. Dodds (1963) and others (e.g. Lloyd, 1982) have expostulated on the details of the hierarchies as set out by Plotinus (1952), Proclus (1963) and Pseudo-Dionysius (1987), but they essentially focus on expositions from a metaphysical perspective.

436. This approach through reversion of the activities of the intellect, is similar to the approach adopted by Augustine (1952) as explained by O'Daly (1987: 2): "Augustine can only think of the Trinity by contemplating it in the mirror of the self"... that Augustine elaborates the most characteristic feature of his philosophy of mind. For, although he shares with philosophers in the Stoic and Platonic traditions the assumptions that reality is ordered and that divine being and the human mind have particular places in that order, it is distinctive of Augustine's thought that he approaches psychological questions through an elucidation of man's perceptive and cognitive activities, independently of any ontological implications which the latter may have.'

437. An alternative explanation of the degrees of abstraction of knowledge is given by Brennan (1941: 36): 'The reference here is to the different levels of abstraction on which the human intellect operates in its analysis of reality. The principle involved is the degree of remotion from matter... Aquinas makes two important distinctions: first between sensible and intelligible matter; second, between individual and common matter... In the first degree of knowledge, intellect abstracts from individual sensible matter and considers only common sensible matter. Here we tear off the identification marks that distinguish singular objects
among themselves... What intellect seeks to know on this level is the universe of sensible being...

In the second degree of knowledge, intellect abstracts from both sensible matter and individual intelligible matter, considering only common intelligible matter... Matter is no longer viewed as a principle of sensible movement and change, but simply as a basis of extension or dimensional properties.

In the third degree of knowledge, intellect abstracts from sensible and intelligible matter altogether. What is left for its consideration is nothing more or less than the substance or being of the thing under analysis. Now we are ushered into the illimitable domain of metaphysics, whose object not only can be thought of without matter, but also can exist without matter. For, by this highest act of abstraction, intellect is exalted above the confines of space and time and isolated from all physical and mathematical context.¹

438. Professor Baldwin says in his *Mental Development in the Child and the Race* (pp. 310–311), as quoted in Stewart (1909: 180—emphasis in original): ‘The objects of the external world are very complex mental constructions. They are for the most part made by association... the motor contribution to each presented object is just beginning to be recognized in cases of disease called by a general term of apraxia, i.e. loss of the sense of use, function, utility, of objects. A knife is no longer recognized by these patients as a knife, because the patient does not know how to use it, or what its purpose is. The complex system of elements is still there to the eye, all together: the knife is a thing that looks, feels, & c., so and so. This is accomplished by the simple contiguous association of these elements, which has hardened into nervous habit. But the central link by which the object is made complete, by which, that is, these different elements were originally reproduced together, by being imitated together in a simple act, this has fallen away. So the apperception, the synthesis which made the whole complex content a thing for recognition and use, this is gone.’

439. The explanation of the three degrees of the phase #C of rationality as conation (judgments of the will), judgment (of reasoned judgments) and assessment (feeling judgments) seems to line up with that proffered by Hamilton (1859) as observed and refuted by Brennan (1941: 165): ‘The word “conation”... was first given prominence by Sir William Hamilton in his well-known trichotomy of cognition, feeling and conation. The division is repeated in almost every non-Aristotelian textbook of psychology that has appeared since Hamilton’s time. It is wrong on two scores: first, because it is redundant; second because it is unbalanced. The redundancy arises from a violation of the principle of the minimum, since feelings and conations are both appetitive phenomena. The lack of balance arises from the fact that, even on the assumption that feeling here means sensitive appetite, there should be a corresponding dichotomy of cognition into sensitive cognition and rational cognition.’

Brennan (1941) is wrong on both counts in his refutation of Hamilton (1859) mainly because he does not appreciate what is meant by feeling or judgments of value—he regards feeling as a ‘low intensity’ passion and experienced at the level of the senses. As explained in the text, feelings are intellectual judgments about reality made on the level of rationality and not about appetites, whereas conation is about rational appetites. In any event, the sensitive appetites that can be linked to emotions or passions can actually be regarded as a separate power as it manifests on quite another level of abstraction than the rational.

440. ‘Hence it is evident that as intellect is to reason, so is the will to the power of choice. But it has been shown above that it belongs to the same power both to understand and to the reason, even as it belongs to the same power to be at rest and be in movement. Therefore it belongs to the same power to will and to choose, and on this account the will and the free choice are not two powers, but one’ (Aquinas, 1952: 440).

441. Immediately following the preceding quote in the text, Lonergan (1957: 613) goes on to differentiate: ‘Judgment is an act of rational consciousness, but decision is an act of rational self-consciousness. The rationality of judgment emerges in the unfolding of the detached and disinterested desire to know in the process towards knowledge of the universe of being. But the rationality of decision emerges in the demand of the rationally conscious subject for consistency between his knowing and his deciding and doing.’

Essentially Lonergan (1957) is asserting that the rational act of the will or the decision to do, only comes after the rational judgment of the true, ostensibly what all the relevant questions
have been asked to assent to the true facts about the nature and interrelationship of the parts. This may be the way that Lonergan (1957) prefers to think but it would mean that like many other people operating out of the Enneagram (Riso, 1987; Palmer, 1991) head centre, they prefer to keep thinking and defer any decision to act until they think they know enough about it. The problem is that if they are into too much compulsion, they never act because they never know enough. Most others do not need the comfort of knowing the factual truth about the cause and effect logic of the way it works before they make a decision to do something. Some in fact consciously eschew the whys and wherefores and as long as they think it will work they make a decision and act. It is the intention of the broader discussion in the text to bring this reality out more clearly.

442. Still again another way: 'The will and the intellect mutually include one another, for the intellect understands the will, and the will willed the intellect to understand. So, then, among things directed to the object of the will, are comprised also those that belong to the intellect, and conversely. And so in the order of things desirable, good stands as the universal, and the true as the particular; but in the order of intelligible things the converse is the case. From the fact, then, that the true is a kind of good, it follows that good is prior in the order of things desirable, but not that it is prior absolutely' (Aquinas, 1952: 97; which is Summa Theologica, I, Q. 16, a. 4).

'The good and the truth which are the objects of the will and the intellect differ logically, but one is contained in the other, as we have said above; for the true is a certain good, and the good is a certain true. Therefore what pertains to the will falls under the intellect, and what pertains to the intellect can fall under the will' (Aquinas, 1952: 468; which is Summa Theologica, I, Q. 87, a. 4).

443. It would seem that "the real" and "the true" are associated with Aquinas' basic two principles in the operation of every corporeal substance: 'that which acts, and this is the substance itself; and that by which it acts, and this is the first form of the substance. Moreover, the first form of substance, as the principle by which it acts ultimately, is distinguished from the powers of a substance, as the principle by which it acts proximately"(Brennan, 1941: 61).

444. It should be noted that because these two references are separated by a number of pages, the order of correspondence between the two types does not line up—it is really that intrinsic refers to reversion.

445. A broad explanation of how this process of acting out a belief might be traced through the different phases of knowing is as follows (with reference to Figure 38). From the beliefs that are asstted to in phase #C of rationality, there is a procession of knowing to the phase #B of intelligibility, which informs the phase #A of experience which then organizes the instructions to the body. In the case of judgments of fact, knowing probably moves from sub-phase #B of phase #C (of rationality) to sub-phase #B of phase #B (of intelligibility) to sub-phase #B of phase #A (of experience), then onto sub-phase #A of phase #A which is in contact with the will at sub-phase #A of phase #C and the body functional will at lower levels of cognition (in accordance with the rules of the trinity outlined earlier in the paper).

446. An alternate explanation to the triadic unity or trinity is from Kant (1952: 475): 'it has been thought somewhat suspicious that my divisions in pure philosophy should almost always come out threefold. But it is due to the nature of the case. If a division is to be a priori it must be either analytic, according to the law of contradiction—and then there is always twofold (quodlibet ens est aut A aut non A)—or else it is synthetic. If it is to be derived in the latter case from a priori concepts (not, as in mathematics, from the a priori intuition corresponding to the concept), then to meet the requirements of synthetic unity in general, namely (1) a condition, (2) a conditioned, (3) the concept arising from the union of the conditioned with its condition, the division must of necessity be trichotomous.'

447. O'Daly (1987) identifies Augustine as seeing man being composed of body, soul which includes "mind" (mens), and spirit. This spirit can be equated to Aquinas' (1952; 1963) notion of the transcendent and is explained by O'Daly (1987: 59) as 'Spirit, on the other hand, is the "particular understanding" and "innost intellect" of the soul (conf 4.20). Augustine observes that man is thus constituted of three elements, exterior, inner and inmost.' This expresses the trinity at Figure 38 very well.
448. The action of these lower emotional levels is usually manifest in an unconscious but patterned way within the individual's psyche. It could be argued that the character typologies explain a lot about the individual's motivation and behaviour in terms of the manifestation of these patterned groups of emotions. The repressed unconscious emotions normally play out in a more or less intense way as neurotic compulsions (Horney, 1949; 1951; 1991) and are captured in terms of the patterned sets of the Enneagram typology (Riso, 1987; Palmer, 1991). One way to growth is through the self-recognition of when one's particular set of compulsions is actually in play and being experienced. It would be argued that these deeper-layered emotion sets can also be understood in the trinitarian hierarchies with the cross fertilisation and interaction in keeping with the laws of movement within the trinitarian hierarchy. That is, a particular phase of thinking is more directly influenced by the emotions associated with the same phase but at a lower level of the individual's psyche.

449. 'We must, therefore, say that in man there exists the image of God, both as regards the Divine Nature and as regards the Trinity of Persons; for also in God himself there is one Nature in Three Persons... as Augustine says, there is a great difference between the trinity within ourselves and the Divine Trinity. Therefore, as he there says: "We see, rather than believe, the trinity which is in ourselves; but we believe rather than see that God is Trinity... not to imply that the image of God came through the distinction of sex, but that the image of God is common to both sexes, since it is in the mind, wherein there is no distinction of sexes" (Aquinas, 1952, 495–496; Summa Theologica, i, Q. 93, a. 5).

450. Most commonly, Jungian typology (Jung, 1971; von Franz and Hillman, 1971; Myers, 1980) has been discussed in terms of four main functions; namely, two rational (thinking and feeling) and two irrational (sensate and intuitive). It is these four that are expanded into nine spaces in the Enneagram (Riso, 1987; Palmer, 1991).

If one adds the Jungian coinage of differentiated extravert and introvert, which are on the first level A of experience, Jung actually proposed a typology of eight (2^3), which is an incomplete expression of the fuller Enneagram typology of 27 (3^3) sub-spaces, which includes the three sub-spaces of each of the nine Enneagram spaces (Palmer, 1991: 49).

451. To date in the history of the development of the Enneagram (Riso, 1987; Palmer, 1991), most of the explanation of how it works has focused on motivation and the influence of the emotions on the individual's behaviour. That is, it focuses more on highlighting the obsessive unconscious patterns of our character, rather than on the conscious cognitive dynamics. The philosophy of mind explained in this thesis is therefore complementary to all the existing explanations of the Enneagram and will help to illuminate further the practiced thinking, feeling and willing patterns of each of the spaces.

452. There are many scholars (Armstrong, 1940; 1952; Blumenthal and Markus, 1981; Blumenthal and Lloyd, 1982; O'Meara, 1982) who have traced the influence of Neoplatonist (Plotinus, 1952; Proclus, 1983) philosophy on Pseudo-Dionysius (1987), Aquinas (1952) and the Western scholastic philosophic tradition. There are also scholars (Knowles, 1958; Morewedge, 1992) who have traced the central influence of the Neoplatonists on the development of Islamic philosophy to the point of asserting that Islamic philosophy is essentially Neoplatonic.

That is, both Eastern and Western philosophy have the same Neoplatonic roots and both have retained much of this core thinking through their subsequent developments. To establish in a scholarly way that the substantive structural similarity between the two philosophies is, indeed, captured in the JEWAL Synthesis Framework, would take yet another thesis to establish. It took continual vigilance by the supervisor of this thesis to prevent the author from dwelling too long on this aspect, but there was sufficient attention to catch a sense of the reality of their deep coincidence of truth.
Ch. 9   The JEWAL Synthesis Theory of Governance

453. The *Shorter Oxford Dictionary* defines “governance” as: “The action or manner of governing: the fact that (a person etc) governs; control; The state of being governed. The office, function or power of governing; governing person or body. Method of management or system of regulations. Mode of living, behaviour, demeanour; wise self-command.”

454. From Hayek (1991: 298–299): ‘Since the name “catallactics” has long ago been suggested for the science which deals with the market order and has more recently been revived, it would seem appropriate to adopt a corresponding term for the market order itself. The term “catallactics” was derived from the Greek verb *katakkattein* (or *kaatakkasein*) which meant, significantly, not only “to exchange” but also “to admit into the community” and “to change from enemy into friend”. From it the adjective “catallactic” has been derived to serve in the place of “economic” to describe the kind of phenomena with which the science of catallactics deals. The ancient Greeks knew neither this term nor had a corresponding noun; if they had formed one it would probably have been *katallaxia*. From this we can form an English term *catallaxy* which we shall use to describe the order brought about by the mutual adjustment of many individual economies in a market. A catallaxy is, thus, the special kind of spontaneous order produced by the market through people acting within the rules of the law of property, tort and contract.’

It can be seen that in applying it just to the economic market, Hayek (1991) has hijacked the term for a more narrow use than was originally intended by the wider meaning accorded to it by the Greeks. In particular, in Hayek’s (1991) own quoting of the original Greek meaning of the word “catallactic”, the meaning “to exchange” could be taken to refer predominantly to markets, “to admit into the community” could be taken to refer to hierarchies (or clubs) and “to change from enemy into friend” could be taken to refer to networks. Thus the term “catallactic” is more appropriately used for the science of governance, as defined in this paper.

455. The use of the shorthand *Mt #A* to stand for *menotype #A* has been used in this section to test out the usefulness and psychological impact of using such a notation of symbols to help differentiate between the many phases, first within a trinity and then across successive levels in the hierarchy.

456. ‘A subject–object dichotomy is acknowledged in most Western philosophical traditions, but emphasized especially in Continental philosophy, beginning with Kant, and carrying through idealist thought in Fichte, Schelling, Hegel, and Schopenhauer. It is also prominent in intentionalist philosophy, in the empirical psychology of Brentano, the object theory of Meinong, Ernst Malley (1879–1944), and Twardowski, and the transcendental phenomenology of Husserl. Subject–object dichotomy is denied by certain mysticsmics, renounced as the philosophical fiction of duality, of which Cartesian mind–body dualism is a particular instance, and criticized by mystics as a confusion that prevents mind from recognizing its essential oneness with this world, thereby contributing to unnecessary intellectual and moral dilemmas’ (Audi, 1999: 886).

To argue that this subject–object dichotomy is better regarded as an object–subject–media trinity of *menotypes* would take a scholarly effort as substantial (or perhaps more so) as that undertaken to reinterpret the politics–administration dichotomy. Consequently, this is a task for another time.

457. For some related thoughts of Aquinas on individual, group and society, see Note 25 above.

458. Even Montesquieu (1952: 61) acknowledges this basic cognitive reality when he observes that ‘the life of governments is like that of man’. This is essentially a combination of the notions that society and the organizations within it are so because humans have thought it to be so and act accordingly, and the psychic reality from depth psychology that the inner and outer are one (Jung, 1960).
As Aquinas (1952: 301) is quoted above as concluding: 'From this it is evident that many things, in so far as they are distinct, cannot be understood at the same time; but in so far as they are joined under one intelligible aspect, they can be understood together.'

The notion of a priori encapsulates this notion that certain (fundamental) knowledge is already resident in the unconscious of the human psyche and available for involuntary use or to be made conscious through some catalytic cognitive action.

'A PRIORI is a term applied to statements to reflect the status of our knowledge of their truth (or falsehood). It means literally "from what comes before", where the answer to "before what?" is understood to be "experience." Loosely, one may speak of knowing some truth "a priori" where it is possible to infer the truth without having to experience the state of affairs in virtue of which it is true, but in strict philosophical usage, an a priori truth must be knowable independently of all experience' (Gregory, 1987: 36).

This concept of a priori could be interpreted as knowledge revealed to us which then either cannot be, or does not need to be, substantiated through experience. Then there is another class of ideas that occur seemingly serendipitously to the mind (independent of a substantiating experience) but then can later be substantiated by an appropriate experience and associated logic. The question would then be "where did this idea first come from before the experience?"—and the answer would be "from the unconscious," which perhaps called upon an awareness of a previous experience, but not necessarily.

Another more recognisable phenomenon in keeping with this notion of knowledge springing from the unconscious, is the ramifications of "falling in love." In this case, there is a projection of an unconscious contra-sexual image onto the partner and then one knows all sorts of things about the other—most of which do not stand up to the test of experience and prove to be false knowledge. Nevertheless, during the experience, the knowing seems real and the individual is moved to act upon that knowledge. To test its validity, the individual would have to move consciously into other mindsets (through questions and dialogue) to ascertain the veracity of their "romantic knowledge."

To summarise, both the a priori knowledge and the "romantic knowledge" could loosely be called beliefs, because there is a "yes" said at the menetyp #C level of assessment and the individual is committed to the belief that his/her particular knowledge is so. As a consequence, the individual's understandings and actions are influenced and driven accordingly.

As Montesquieu (1952: 84) was wont to say in applying his three forms of government, 'I should be glad to inquire into the distribution of the three powers, in all the moderate governments we are acquainted with, in order to calculate the degrees of liberty which each may enjoy. But we must not always exhaust a subject, so as to leave no work at all for the reader. My business is not to make people read, but to make them think.'
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