# Governance, Power and Ego Development:

# Toward the Democratic Organization

## Aïda A. Warah

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My thinking on governance, leadership and power was spurred by my observation of a striking discrepancy between proposed and practiced leadership models in the majority of the organizations with which I worked over the past fifteen years. In many cases, people (managers and non-managers) declared a commitment to horizontal organizational structures, participative leadership, and empowerment. In practice, leadership continued to be concentrated "at the top", organizational structures and related organizational dimensions (e.g., communication) remained hierarchical, and empowerment of people was minimal. This observation led me to a simple question: What is missing? My purpose in this paper is to bring out a way of knowing and doing that could enable individuals and organizations to embody the spirit of the new leadership models that many organizations promote in their official communications. I will argue that bridging the gap between professed and practiced leadership models will help organizations move closer to empowerment and democracy. There are different empowerment models that link empowerment to various organizational dimensions such as leadership, delegation and well being (Glor, 2001). In this paper, my focus is on leadership. It has been proposed that empowerment enables people to lead healthier, more fulfilled and more creative lives. Organizationally, it is believed to generate innovation.

I will first introduce the topic of leadership and governance and then present an overview of ways of using power within three leadership models. Next, I will present a quick overview of macro socio-political dimensions in the Western world that have been setting the stage for the emergence of the democratic organization. Finally, I will move to the personal domain, and propose a way of bridging the gap between professed and practiced leadership models in organizations. Essentially, my position is that the missing ingredient and the needed action must take place first within the psychological sphere, specifically in the way we define the ego, and not within the general field of policy development.

### Governance and Leadership: Definitions and Assumptions

As a mode of social co-ordination, governance refers to a pattern of relationships that emerges from the interactions of various players in a community or an organization The Innovation Journal, 7 (3), Winter 2002. 2 (Paquet, 1998). Governance and leadership models suggest structures of power relationships between the different sub-systems of a system or an organization. Implicitly, all leadership models propose ways in which power within an organization should be used by various individuals and groups. A key construct in this article is power use. My position is that there has been an evolution in power use, mostly during the last century, from coercive (power over others) to synergistic (power with others). This evolution, albeit very slow, indicates, and at least gives hope, that further significant progress is possible in the way organizations are led. I should clarify now my basic assumption about leadership models: Leadership models, and by implication power use, are grounded within philosophical positions on the status of otherness (in French l'altérité) relatively to

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[1] Any views expressed in this paper are personal.

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self.[2] To a tyrant, for instance, otherness does not have legitimate existence, only the self does. An inspiring leader, on the other hand, can be a conduit for others' selves, with a context wide open for otherness to be expressed.

### *Power Use Dynamics in Leadership Models: A Quick Overview*

Leadership phenomena are studied from different perspectives one of which is power use or influencing dynamics. Many experts (e.g., Kanungo, 1998) conceive leadership as exercising influence over others in order to achieve organizational or group goals. Early leadership and management models focused on the unidirectional nature of power relationships. The leader or manager influenced employees to comply with organizational rules and achieved organizational goals by exercising full control over resources within the command and control management model. For the leader, the uniqueness of employees as persons (their different-ness from himself) is reduced through established standardization and control mechanisms that permeated all aspects of organizational dynamics (e.g., hierarchical communication, monitoring processes)

The command and control model greatly shaped the thinking of much of the twentieth century theoretical perspectives on management. Toward the latter part of the Century, however, new leadership models highlighted the transactional nature of leadership processes. According to Hollander (1986), leaders demonstrate their competence and loyalty to a group in exchange for the employees' compliance to organizational goals. The followers' uniqueness as persons is recognized as important force in the transaction but it is still subordinate to the leader's power and the relationship is highly transactional.

According to a third leadership model, the transformational leadership (Bass, 1997, McClelland, 1975), leadership goes beyond the reward-punishment exchange relationship characteristics of the command and control and transactional models. The relationship in transformational leadership generates new commitments not previously conceived by some prescriptive role exchange formula. The transformational leader uses his influence to build with others and to help them be their best. By the same token, followers, linked by commitment rather than compliance, go beyond what is expected of them and breakthrough results are achieved (Bass, 1997).

The leader in transformational leadership is neither someone who shapes reality all alone and who dictates it to others, as in the command and control thinking, nor someone whose reality barely touches that of others as in the transactional models, but someone who co-creates new, broader realities with others. The leader changes others and is changed by them. Of the three leadership models, transformational leadership seems to be the most conducive to real empowerment and real optimization of everyone's potential. In a time when improved productivity is expected to come with personal fulfillment as well as ecological considerations, this type of leadership is very promising.

### *"Otherness" in Current Popular Literature on Leadership*

Many current popular leadership writers have focused on the importance of considering and building on otherness in leadership. Block (1993), for example, perceives the leader as a steward who serves and enables others within horizontal organizational structures. In Covey's work (1989), the leader is genuine, good listener and attentive to others' needs. For Goleman (2002) too, the leader

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[2] It is generally held in philosophy and psychology that the two fundamental categories in identity and relationships formation are self and otherness or non-self. Otherness and different-ness can be used interchangeably.

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is good listener and empathetic, thus attentive. Bennis (1996) states that the extraordinary leader is attentive and open to others, especially to those who suggest different views of the emerging reality. For Parikh (1996), a good leader aims for harmony between economic objectives, ethical principles and ecological concerns, a model embedded in other-oriented philosophy. In their 1996 book, The Leader of the Future, Hesselbein, Goldsmith and Beckhard suggest that the leader of the future will not be only at the head of an organization but at all levels. In the same line of thought, Ulrich (1997) describes future leadership as a shared resource not monopolized by a sole individual. More recently, Drath (2001) from the Centre for Creative Leadership posited leadership as an emergent relational process rather than coming from a single individual or the leader. In all these views, the leader exercises power by respecting and building on the uniqueness of others, rather than by ignoring it or reducing it to a minimum.

## *Power Use: A Quick Historic Overview*

A quick look at the macro socio-political situation of humanity's recent history points to an evolution in power use at that level[3]3. In ancient times, individual and group relationships were shaped to a great extent by the exercise of coercive power. Groups (tribes, kingdoms, clans) regularly invaded each other to establish greater influence and wealth, at times within the same nation or people. In the Roman Empire for instance, army generals regularly toppled each other to seize power and to govern, with some surviving no more than six months. Moreover, most great civilizations, ancient and modern, were built on the use of brute force. Brute force reduces different-ness by marginalizing or eliminating others, to secure dominance. Also, within the same groups, some subgroups dominated another group. In North America, women were not considered persons with the same human rights as men until relatively recently. Men had legal authority/power over women. Also, on the same continent until recently, one race legally enslaved another one.

The 20th century, even though ripped by two world wars, has achieved notable ideological advances in the realm of power use. To curb various forms of coercive (and oppressive) power, many laws and treaties prohibiting it and condemning its use were formulated and enforced. The past century has also brought greater recognition of the rights of previously oppressed minority groups, particularly during the latter fifty years. We saw the emergence of civil rights movements, the affirmation of minority rights and the establishment of international human right conventions.

Instances of human rights violations still occur today even in highly democratic societies. A blatant example is the practices that have been reintroduced following the September 11 events, for the provision of "home security". (I dare to hope though that these reactive practices will only be a passing trend that may delay but not derail the overall movement toward greater affirmation of human dignity.) Also, autocratic regimes and military invasions and occupations continue to exist, and international conventions are violated in many places, but the general trend has been toward a reduction in the use of coercive power in achieving personal and organizational goals. Slavery, military invasions, piracy, and corporal punishment are reprehensible and/or illegal. Autocratic regimes in some countries are being replaced - albeit with much turmoil like in the former Soviet Union - with democratic governance systems. Also, in many organizations, blatant forms of harassment, such as sexual harassment, have been declining.

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[3] My purpose is not to articulate how this evolution is taking place and who/what is driving it, e.g., the socio-economic or ideological forces behind it. I simply assert the existence of an evolution -regardless of whether there is "a true" one out there or not, and propose that we build on whatever we have collectively achieved so far.

I posit that the reduction in the use of coercive power - although very slow - and the sanctions against it, is the first fundamental manifestation of the evolution proposed earlier. I will identify two other key manifestations: temporal delimitation of political power and decentralization of power.

Compared to traditional forms of governance, many modern democratic governance systems (e.g., the American system) impose limits on the period of time during which one person can occupy a key leadership position. This temporal delimitation wards off the possible dangers associated with "absolute" or unlimited power. Another advantage of this now-taken-for-granted human innovation in governance is the creation of opportunities for as many individuals as possible to develop and participate in leading an organization. From kings and queens with divine absolute power to temporary rulers who eventually return to being ordinary citizens. This is a great human progress indeed!

A third change signaling evolution in the use of power at the macro socio-political level pertains to the site of power. As the 21st century dawns, successful organizations are increasingly decentralized in managing their affairs (Barlett and Goshal, 1997). Today, many multinational organizations are to a large extent managed locally and not by a central headquarters. Inspired by the same spirit, the political systems in the Anglo-American nations have been promoting horizontal management methods involving several local power centers. Moreover, international trade treaties and other agreements between organizations are going to promote the growth of networks and partnership institutions with flexible boundaries, where the site of power changes according to relatively local variables and not according to a formula predetermined by a central authority (Nohria and Eccles, 1992). As argued by the Centre for Creative Leadership (Drath, 2001), in a world that is globally connected and increasingly complex, "leadership from a leader or a centre is much less workable now than it was in a world where people stuck more or less in like minded groups." (p.7)

These overall socio-political governance dimensions - reduction in coercive power, temporal delimitation of power and the emergence of multiple sources of power - have been setting the stage for the emergence of the democratic organization and with it, transformational leadership. What changes do we need to make to embody the spirit of this type of leadership and move closer to the democratic organization? I propose that what is needed is a profound psychological change, namely a new concept of the ego.

### *The Ego and Personal Development: Key Constructs and Positions*

It is widely accepted in the social sciences, and particularly psychology, that in humans' psychological development, building a sense of identity is a central task. Very early in their lives, humans learn two fundamental things that are at the core of the sense of identity. They learn to locate the sense of who they are within the body, and to associate the ego with agency, i.e., the ability to achieve control over things, internal states and other people. These two basic experiences, the ego as the source of control and as being located within a physical body, continue to be operational throughout our lives and are rarely questioned; they form the foundation of our psycho-social structures and processes.[4]

Early discussions of ego processes from psychological perspectives (for instance by William James, 1890) viewed the ego as rooted in interpersonal interactions and relationships (Leary, 2002).

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[4] Normal or common processes do not necessarily lead to optimal health and well being. These processes, while common, may hinder movement toward higher-level personal development.

The majority of the 20th century empirical research, however, conceived the ego as a discrete and enduring entity or structure that guides decisions and actions. The focus was on dimensions such as self-schema, self-consistency, and self-esteem. The more difficult to measure relational and contextual dimensions of identity, while acknowledged by all and highlighted by researchers operating within systems thinking (Minuchen, Roseman & Baker, 1978), received much less attention during that period of time (Leary, 2002).

During the past decade, theorists and practitioners have refocused attention on the relational aspects of the ego (Leary, 2002). This renewed interest in the relational/systemic dimensions of human experience is most apparent in the philosophical underpinnings of Appreciative Inquiry, an innovative community and organization development methodology. In Appreciative Inquiry, a basically systemic approach, the unit of study or intervention is not the individual in isolation but the whole community together in real time. Further, the purpose of inquiry is not to analyze and fix problems but to develop new possibilities for communities (Srivasta and Cooperrider, 1990). Here, the typical dichotomy between self and non-self that permeated 20th century social scientific research is replaced with a way of thinking that seizes the functioning of the whole, self and non-self, in understanding and addressing human experiences and other phenomena.

Philosophically, the most recent paradigm within which the concept of the ego is being debated by psychologists is one that holds modernist and postmodernist views of identity. The modernist view, which has formed the basis of most of psychology's thinking and practices so far, posits the self as a preconceived, enduring essence to be developed and discovered. Postmodernist views reject this essentialist conception and highlight the socio-cultural and temporary aspects of the self, questioning the very fundamental idea of an autonomous, enduring and intentional agent (Martin and Sugarman, 2000). These authors state that while many scholars no longer subscribe, or at least fully, to the essentialist view, most of psychology and education practices are still imbued with it. Indeed, the view of the self or identity as an enduring, discrete and separate entity from the non-self is still very operational and implicit to our transactions and systems in general. Personal development theorists though do note a change in the way people posit the self or the ego at higher levels of personal growth, as shown in the next paragraph.

According to several models of personal development (Jung, 1968; Piaget, 1975; Levinson, 1978), the individual progresses from a narrow definition of self (ego-centrism) toward a broader definition that opens up to others and includes them (other-orientation). Hence, in assuming a position, the individual becomes more capable of considering and taking into account others' different realities. From this perspective, the individual's openness to differences increases with personal growth. Furthermore, persons who reach higher levels of personal maturity become more open to and concerned with social and world causes, as shown by Adler (1979). Also, individuals move from cognitive simplicity, (the ability to manipulate small number of variables, either/or thinking) to cognitive complexity (the ability to manipulate greater number of variables, and/and thinking) (Piaget, 1975). In making moral decisions, we move from being driven by fear of punishment to being guided by personal principles (Kohlberg, 1984). In general, we move from being managed to being self-managed. Finally, personal development theoreticians and practitioners of mainstream schools of thought believe that with growth and maturity, as well as with counseling or coaching, we move toward greater integration to various aspects of ourselves, both conscious and subconscious, a process which implies greater openness to one's self and others. (Rogers, 1961)

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Despite these possible changes toward more openness to otherness, research shows that for the great majority of people the ego continues to be experienced and affirmed as a source of control and self-protectiveness situated discretely inside the body. The concept of "the totalitarian ego" is very well known in the field of social psychology. It refers to the self-serving cognitive biases that most people (subconsciously) display in their interactions with the world, in order to preserve the distinctiveness, esteem and separateness of the ego (for a complete review see Tesser, Stapel and Wood, 2002). I propose that these basic learned ways of defining who we are must be unlearned if individuals - leaders and followers - want to move transformational leadership from theory to practice in their organizations.

### *The Ego Revolution for Transformational Leadership*
As mentioned before, despite all the innovation within the leadership literature, leaders today in most organizations are still expected and expect themselves to lead by exercising control over others, power is still seen as stemming from inside the leader and the self is hosted within a body. I propose that to change the way we lead we must change the way we define the ego. The ego must be constructed, taught and popularized (for example through artistic works) as a relational process emerging from conversations with others and not as a static entity defined once and for all. The notion and experience of the ego as a relational process has many implications that our individualistically bent mindset does not readily accept. For one, our reward systems, which are at the centre of competitive organizational dynamics, are steeped in the traditional way of defining the ego (as a separate in-dividual). In this paper is not to propose a complete organizational change model based on this way of thinking experiencing the ego. I will focus on one practical implication: change in power use in the decision-making process.

Leaders operating with a notion of the ego as relational will create power with others, synergistically, and not over others. Those leaders would not feel the need to assert authority - directly or indirectly - to demonstrate their leadership. They know that in the long run, they can create better value results through richer decisions, when others are committed and not coerced or put down, no matter how subtle, smooth or indirect coercion might be. A large study on the role of the power motive in management effectiveness conducted over the past ten years showed very clearly that the source of power is shifting from the individual to the group. The study, which involved eighteen organizations and representing eight industries, showed significant differences between leaders who used their power to motivate, drive and influence, and those who co-created new forms (e.g., a new vision) with others. The latter group, labeled "interactive leaders," derived their power form the group. In the long run, they produced better results and created higher morale in their organizations (Burnham, 2001).

The notion of the ego as a static entity is so engrained in our psyche that I believe it will take a "revolution" to construct the ego as an emergent process and to behave accordingly. If we experience the ego as an emergent process, dialogue becomes the main way of communication and decision-making. In dialogue, the individual stops construing and experiencing him/herself as a distinct entity with impenetrable boundaries. One must also suspend making hierarchical evaluation of the other (either as superior or inferior to oneself). This is not to level differences though; to the contrary, ultimately, this way of interacting optimizes differences in the creation of new forms rather than affirming differences, usually implicitly, and leaving them in their respective places, barely tapped.

Most probably, organizations will continue to have formal leadership positions in their structures and some forms of system hierarchy, but informal leadership will be increasingly relied upon in managing organizations and in governance in general. We are already seeing some changes in the way positions of leadership are being fulfilled. In some - very rare - companies, several managers occupy one leadership position. At Semco, the CEO's position changes regularly where four people rotate through the job every year (Morgan, 2001). Also, at GE, two managers share the same leadership position. But, most importantly, some organizations around the world are slowly beginning to practice a decision-making methodology based on the premise that all voices in an organization count. Within this framework all involved parties think and work together to create new solutions. So, the motivation to reinforce individual boundaries and to define the ego as a separate entity is not pursued at all costs.

### *Synergistic Power and the Democratic Organization*

How does a new notion of the ego lead people closer toward democracy? According to a common understanding of democracy, this form of governance is based on the affirmation and protection of individual rights. This interpretation polarizes individual selves, creating big, but fragile, easily wounded, highly defensive egos (egos that have nothing but themselves appear strong but are vulnerable). The ego as a relational process enriches and strengthens the person, by being open to otherness therefore becoming more empowered to continuously create one self. In Mandela: The Authorised Biography (Sampson, 1999) Nelson Mandela is said to quote often the proverb "Umentu Ngumuntu Ngabantu" which he would translate as "A person is a person because of other people". With this notion of personhood, empowered, linked-up selves will create a form of (creative) democracy where people self-generate and self-manage, supported by a rich context of connectedness and possibilities.

Like the role of transformational leaders, the role of individual contributors in the democratic organization encompasses a growing consideration of otherness. This consideration becomes a natural way a being when self and others are not perceived as totally separate or opposites. Both the leader and the individual contributor use their power with others rather than over others, i.e., synergistically. I would like to underline, once again, that I am not envisioning a form of organization where differences or conflicts are to be minimized or ignored. Openness to otherness and co-creation of realities, including one's sense of identity, will require different ways of dealing with differences. I believe that the majority of people will need to learn new skills to relate to one another creatively in this context. The Innovation Journal, 7 (3), Winter 2002. 12

Within democratic, highly connected and interdependent organizations, self-governance can reduce significantly the need to be managed or steered by some authority from a centre through formal control mechanisms. Leadership becomes a context for the creation of possibilities for new connections and conversations rather than enactment of formal control mechanisms. And, traditional ways of achieving control, laws, regulations and policies will become increasingly insufficient for creative management of all the exchange possibilities within and between organizations. A recent study (Jackson, 2000) that investigated the influence of clear corporate codes on managers' ethical conduct found that clear corporate policy had little influence on managers' reported ethical decision making. It was the perceived behavior of managers' colleagues - a community of practice- that influenced attitudes towards decision making of managers. It was not the authority of certain rules and regulations that guided managers' behaviors but the perception of other people's practices, i.e., organizational norms.

### Is This Possible?

Letting go of control invested in the ego is not easy. And, paradoxically, the higher people move up the hierarchy the more entrenched ego boundaries become. As evidenced by clinical observations, turf fights are more pronounced at the top than at lower levels management. Living the ego as emerging process implies being continuously open to change, to new possibilities not imagined possible before. This is a difficult endeavour. In principle, it is difficult for most individuals to transcend their own frame of reference and achieve breakthroughs without the challenge and support of someone coming from a different framework. I believe that one way of accelerating the development of this way of knowing and doing is individual and group coaching, a concept I will develop in a future paper.

### Summary and Conclusions

This article addressed the issue of the gap between professed and practiced governance/leadership models in organizations. Current models call for greater openness to otherness when exercising influence or power than what traditional models allowed. Three macro socio-political changes were construed as supporting this openness: a decrease in the use of coercive power, a temporal delimitation of political power and the decentralization of power. These changes suggest an evolution in collective thinking toward the democratic organization. At the individual level, what is needed to accelerate this progress is a new notion of the ego. The ego must be construed as a relational process that emerges from dialogue and not as a static entity encased within a body. Relational egos are proposed to form stronger foundations from which self-managed communities of co-leaders constantly emerge. Constructing the ego as relational can be anxiety producing because it challenges our usual way of knowing. Real time learning forms are needed to accelerate and support learning new ways of knowing such as group coaching.

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