Decentralization is 1 way of mastering flexibility demands in postindustrial societies, increasing the need for employees’ autonomous work performance. Company cultures have been applied to integrate employees in organizational goals and visions. The aim of the article is to elucidate how a combination of decentralized autonomy and company culture integration is related to employees’ and organizational stage development. The overriding question concerns conditions hampering or promoting such processes. A competitive bank with this type of organization (emphasizing, e.g., local decision making, profit sharing, and employees’ developmental capability) was investigated in 2004–2010 in a multimethodological cross sectional case study. Reported results have focused on only separate aspects of the case. These results concern (a) a generally positive attitude to the company culture, (b) a frequent prevalence of expert adult developmental stage, and (c) work group interactions that mainly reproduce and reinforce company culture integration. Taken together and interpreted in an abductively further developed theoretical frame, the organizational learning and competitive advantages of the studied case are recognized. However, its stage transformative potential is problematized in terms of lacking alternative perspectives that appear to hamper using a potential space of action and development provided by decentralization.

Keywords: company culture, decentralization, stage development, case study, banking

Postindustrial society involves constantly increasing requirements for organizational flexibility (Allvin, Aronsson, Hagström, Johansson, & Lundberg, 2011; Hagström & Hanson, 2003). This appears to follow macro value changes in postindustrial societies toward postmaterialistic values, giving priority to self actualization goals before security and materialistic goals (Inglehart, 2007). Decentralization has been used to handle such demands by increasing flexible problem-solving among employees, by promoting their autonomous space of action. Company cultures have, in turn, emerged as a strategic tool to promote employees’ integration into common organizational goals, values, and visions, which might be a powerful way of controlling their actions normatively, informally or socio-ideologically (Alvesson & Kärreman, 2004). The evolving complexity of organizations reflects increasing efforts to combine instrumental goal rationality and social integrative aspirations. This is discernible in hierarchical organizational structures successively taking into account more of the human aspects (e.g., in the direction from rigid bureaucracy and scientific engineering to Human Resource Management and socio technical systems), inspired for example by Maslow’s theory of the development of hierarchically ordered needs (Maslow, 1954). Further progress brought to the fore thinking in terms of adaptive and self-organized systems, shared organizational visions as well as focusing its members as proactive and meaning making agents on different organizational levels (e.g., Morgan, 1986; Senge, 1990; Tsoukas & Knudsen, 2003).
The increasing complexity in these terms can be associated with organizational needs of long term goals and visions to maintain sustainability. This ambition has been reflected in overlapping terms such as combining employees’ personal autonomy and organizational integration with dialogic team learning (Senge, 1990), openness for change and long-term orientation and results (Moldaschl, 2002), a broad system-oriented perspective (Docherty, Forslin, & Shani, 2002), and common organizational goals and values combined with openness to the external world and new ideas (Capra, 2003). These kinds of organizational requirements involve at least three main aspects: developmental long-term goals and visions, a highly complex way of organizing people, and the combining of individual and organizational incentives to maintain these perspectives. This brings to the fore issues on what constitutes development of people’s ways of thinking and acting to meet exterior challenges and how this can be organized to obtain common organizational goals. The desirability of such a development can be argued for in terms of instrumental reasons such as increased organizational flexibility as well as humanistic reasons taking into account employees’ development needs.

Stage developmental approaches related to organizational systems have, for example, elaborated on the correspondence between mental complexity and task complexity and the dialectical character of the development process (e.g., Basseches, 1984; Laske, 2008), the coordination of action sequences and interior–exterior spheres of development involved in the process (Fisher, Torbert, & Rooke, 2003; Jaques & Carson, 1994; Torbert, 2004), single and double loop learning (e.g., Torbert, 2004, see also Argyris, 1992/1999), as well as meaning making and problematizing of underlying assumptions taken as truth (Kegan & Lahey, 2001). These approaches represent efforts to promote both individual and organizational development. Issues that await further clarification concern how to promote this by combining employees’ decentralized autonomy with their organizational integration and the mediating role of a company culture.

**Aim and Study Design**

The aim of the article is to elucidate how a combination of decentralized autonomy and company culture integration is related to employees’ and organizational stage development. The overriding question concerns conditions that hampers or promotes such processes. This will be done by taking into account empirical patterns from a cross-sectional multimethodological case study of a bank with this kind of organization in the frame of an evolving theoretical “transformational” approach. The study was carried through in three main research steps between 2004 and 2011. The main part of the results have already been documented separately (for detailed descriptions of methods, results, and theoretical considerations, see Backström, Hagström, & Göransson, 2013; Göransson, Hagström, & Backström, 2011; Hagström, Backström, & Göransson, 2009; and Wilhelmson, Backström, Döös, Göransson, & Hagström, 2006). The three steps of the case study are summarized in Figure 1.

The case study can be regarded as an empirical investigation of a contemporary phenomenon “within its real-life context” (Yin, 1989, p. 23) with a research design “that entails the detailed and intensive analysis of a single case” (Bryman, 2004, p. 538). The open character of the aim stated reflects the multifaceted character of the phenomenon focused on. The company had been competitive for decades, which was considered as, not at least, a consequence of its way of combining these aspects. However, the development influence of this combination was not easily discernible in the previously documented results within the bank case study findings referred to above. This is not at least due to their lack of longitudinal data and their focus on different aspects of the complex phenomenon focused on. Our way to approach such stage development hampering and promoting conditions is therefore to trace them indirectly and as a wholeness on the base of the following indications:

- **Theoretically derived development indications** are based on our further developed theoretical frame of reference that provide a more comprehensive understanding of the development process than did our previous case study reports.
- **Contextually derived development indications** are based on the specific way to com-
bine decentralized autonomy and company culture integration in the case studied.

- **Empirically derived development indications** are based on the cumulative picture generated by previous documented findings in the case study summarized in some main empirical patterns.

This design has thus the character of a secondary analysis taking into account empirical and contextual conditions as interlinked and being interpreted in a more comprehensive theoretical frame than previously. The empirically derived development indications concern employees’ autonomy measured in terms of their developmental stages and their integration in terms of their levels of consensus in the company culture and its reproduction by group interactions. The theoretically derived development indications concern, for example, the dialectical interplay between differentiation and integration in the stage development process toward stage wise increasing autonomy. This aspect constitutes a part of our broader transform-actional understanding of stage development process in terms of, not at least, conditions that hamper or promote it. Such conditions are, in turn, also traced by contextually derived indications that, as outlined above, concern the characteristic features of the company culture studied.

The three types of indications will be further elaborated below, described one by one which constitute the base for some main conclusions taking them all into account. This, in turn, constitutes a basis for more comprehensive interpretations and considerations of the development conditions and dynamic involved in the studied phenomenon as a whole in the discussion section. Our design reflects combined inductive and deductive aspirations. The complexity of the studied phenomenon justified an open inductive way to comprehend the issues related to our aim. At the same time this openness is restricted deductively by theoretical considerations. The theoretical approach, described below, has thus evolved in an abductive way in the sense of combining aggregated empirical findings and theoretical considerations during and beyond the research process.

**Theoretical Indications: A Departure in a Transform-Actional Approach**

The sources of inspiration behind our transform-actional approach are mainly adult develop-
opment theory (e.g., Kegan, 1982; Basseches, 1984), action regulation theory (Volpert, 1989; Frese & Zapf, 1994), transformative learning theory (Mezirow, 2000, 2003), and complexity theory (Backström, 2004; Backström, van Eijnatten, & Kira, 2002).

The transform part of our approach is inspired by individual, constructivist development stage theory. Decentralization can be assumed to promote everyday learning and individual development at work, but the conceptions of development differ. Human developmental theories, taken as a whole, provide a multifaceted view of traditions (see, e.g., Berk, 2010; Robinson, 2013). Development processes concern changes, although all changes may not necessarily be conceived as development. The latter require some kind of systematic character and direction of the change process, for example in terms of stage transitions and transformations between them (Hagström, 2003). Our focus on general features in such developmental terms involves hard theory and strong development criteria (e.g., Baltes & Nesselroade, 1979; Kohlberg & Armon, 1984). These state development processes as proceeding in fixed irreversible and hierarchically ordered sequences.

Such particularly high generality claims can be attributed to the development of logical operations (e.g., Piaget, 1978, further developed in axiomatic-mathematical terms in the model of hierarchical complexity; Commons & Richards, 1984; Commons, 2008) and social coordinations (inspired by e.g., Piaget’s theory and further developed in the subject-object theory; Kegan, 1982, 1994). We consider these two aspects as both separated and interlinked in the development process, which among adult people mainly covers three general stages and the transitions between them. The process is consequently assumed to proceed toward increasingly complex ways of logical reasoning (cause-effect coordinations) as well as increasingly complex ways of relating to others (self-other coordinations; Hagström & Stålné, 2015). Conceived as dualities (see, e.g., Sánches-Runde & Pettigrew, 2003; Sun, 2002;) each of these two coordinations can be understood as two inseparable parts of wholenesses from which one part cannot be grasped without the other, involved in a more or less dynamic balance and dialectical movement (Hagström & Stålné, 2015).

The actional part of our approach concerns both these coordinations as being involved in individual and organizational actions and interactions, the latter level defined essentially as instruments or tools applied by persons “who come together in pursuit of common goals” (Morgan, 1986, p. 341). We focus on the active role of agents on different collective levels in the development process. They are conceived as acting and interacting on increasingly larger and abstract contexts to obtain desirable goals guided by general hard stage structures outlined above. The stage typical structures that mainly influence their thinking, acting, and interacting can be understood as their center of gravity (see, e.g., Laske, 2011).

An organization’s center of gravity can be understood as the stage that influences most of its structure, practices, and processes (Laloux, 2014, p. 40). The progress of organizational complexity is, in terms of this author’s categorization in colors, described in a stage wise order of increasingly complex organizational forms. They progress from, for example, big static hierarchies, such as public school systems and military organizations (amber) toward more flexible, meritocratic organizations such as profit- and growth-oriented multinational companies (orange). The further progression involves more decentralized, culturally socially driven organizations (green) followed by radically decentralized and self-organized organizations (teal; Laloux, 2014).

This leads us to the following assumptions. The stage wise development of logical operations generates an increasing capability of thinking in terms of and performing increasingly abstract goal-directed actions. The stage wise development of social coordinations, in turn, generates an increasing capability of coordinating the self-identity with larger and increasingly abstract social contexts. Thus, goal-directed thinking and acting in increasingly larger self-other contexts are assumed to involve increasingly complex ways of logical reasoning. Furthermore, these coordinations are assumed to involve a third duality, which concern the one between subject and object.

According to Kegan’s SOT (Kegan, 1982, 1994), the subject in stage development concerns the nonreflected frame of reference that intuitively guides actions and interactions. Experiences that are challenging the coherence of
Basic contradictions that promote transforma-
tions shed light on why systems preserve as
well as transform a given form (Morgan, 1986).
Balancing feedback can be associated with
goal-oriented behavior to maintain the basic
stage structure because this structure can be
assumed to constitute the core identity of an
agent, maintaining its continuity. Taken to-
gether, the positive–negative feedback pro-
cesses shed light on why systems preserve as
well as transform a given form (Morgan, 1986).
Basic contradictions that promote transforma-
tions are associated with major crises and ten-
sions which may trigger thesis-antithesis dialectical
movements and transformative leaps. We
understand the role of culture in such processes
in psychological terms such as “those meanings,
conceptions, and interpretative schemas that are
activated, constructed, or brought on line
through participation in normative social insti-
tutions and practice” (Shweder & Sullivan, 1993, p. 5).
The activation of such schemas is related to both the individual and organizational
development stage levels and a company cul-
ture can be regarded as a link between these.
Furthermore, the coordination of the self-other
interests seems to concern the activation of a
basic value conflict reflected in self transcen-
dence (benevolence and universalism) opposing
self enhancement (power and achievement; Schwartz, 1994).
To conclude, our theoretical approach con-
ceives an agent’s space of action as constructed,
deconstructed and reconstructed in the develop-
ment process. It is triggered by conflicts and
challenges that an agent is confronted with both
in the direction inside out and outside in when
striving to obtain desirable goals. As described,
this process also involves phases of differenti-
atation and integration which may trigger trans-
formations toward higher development stages,
which constitute an increasing autonomy in that
sense. The development stage progression en-
ables an increasing space of action, involving
both psycho-social and physical conditions of
relevance in the process. Because we assume
that an agent’s actions in the initiating balanced
phase of every new stage are initially latent
(intuitively coordinated) the agent’s conscious
articulation of the coherence (meaning and
structure) of a stage can be assumed to evolve
toward increasingly reflected, precise, and goal
rational actions–interactions.
Following roughly the reasoning of Laske
(2008) elaborating on the theory of Jaques and
Cason (1994) this process involves four steps of
reasoning and types of goal paths. Those are
initiated by direct, unlinked separated actions
(disjunctive, or-or operations) followed by link-
ing together separated but not coordinated ac-
tions (conjunctive, and-and operations), a line
of sequentially coordinated actions (conditional,
if-then operations) and, finally, linking two or
more different parallel such lines of action (bi-
conditional, if-and-only-if). These increasingly
precise actions in terms of cause-effect coordinations may also involve self-other coordinations which, in turn, involve six sub steps (Lah-Lhey, Souvaine, Kegan, Goodman, & Felix, 1988). Taken together, the process may make inconsistencies or conflicts within a certain stage coherence discernible which may generate the dialectical thesis–antithesis movement described that trigger stage transformations.

Contextual Indications: The Company Culture and Its Regulating Activities

The case studied, a merchant bank, has, as well as other banks, been influenced by regulations that have dissolved boundaries between different parts of the financial sector such as between insurance and banking (Shani & Docherty, 2003). In banking the competence requirements and developmental demands on branch employees are increasing because they are increasingly expected to play the role of a professional financial advisor, whereas before they were mainly just tellers and sales people (Shani & Docherty, 2003). The bank studied has been highly competitive and less affected than many other banks by contemporary economic recessions. This can be explained by its more conservative strategy regarding speculative aspects of the market economy. This strategy is a part of a strong company culture which is systematically integrated in a decentralized organization. It can be considered as a universal bank providing its clients with a complete range of banking and financial services.

A sweeping reorganization was carried out at the bank in the early 1970s resulting in the abolishing of central budgeting and resulting in high local scope of action, profit sharing, and explicit incentives for competition (Wallander, 2002). This reorganization was based on a humanistic view of man as proactive and meaning making, inspired by Maslow’s (1954) hierarchical motivation theory. The employees were considered to be motivated and capable of using the increased space for action that was created by the decentralization. The client became the focus rather than the product. The local branch office was given total responsibility for a coordinated service to each individual customer as well as for its economic results (Docherty, 2002). Furthermore, the ambitions were to avoid centralization tendencies, balance employees’ harmonious relations and their self-assertiveness, and maintain employment security.

This led to regulations of activities that were specified by the company to fulfill its competitive goals, and to reproduce and reinforce their company culture. To link employees’ daily work to the goals and plans of the bank, detailed plans (e.g., wage planning, individual and collective planning) have been systematically followed up during the year—a process described as the “Wheel model.” The mixture of responsibility for customers and planning and follow up procedures increased the need for office personnel to acquire higher skills, knowledge and reasonably also broader frames of reference.

Empirical Indications: Summarized Previous Main Results

The main empirical results from the case study employees’ integration with the company culture, their adult developmental stages and their work group interaction are outlined below. They concern,

- Employees’ integration in the company culture, as indicated by their attitudes to and engagement in its norms, values and regulating activities.
- Employees’ autonomy in conceiving their work tasks, as indicated by their adult development stage levels.
- Employees’ way of reproducing the company culture, as indicated by their work group interaction patterns.

These empirical results will be summarized in three subsections below.

Company culture integration: High levels of consensus and limited variation. A cluster analysis (K-mean clustering) of work groups in the national part of the organization was performed in the second research step to discern the variation of cultural integration. The ratings, in terms of cluster mean values, cover eight indices and two variables (for a detailed description, see Hagström et al., 2009). Taken together, they cover central aspects of the company culture and its regulating activities. The rating levels of the culture integration index were used to select three clusters from a 10-cluster solution to illustrate both the high level of integration and the limited variation that were observed. This general measure of company culture integration consists of
items such as “I stand by and engage in the bank culture.” Another index concerns the general attitudes toward the “Wheel model” (Wheel preferences). Other indices concern more specific aspects of the regulatory system (individual planning, collective planning, wage planning) and social dimensions of work (work group climate, local boss preferences). Two single items concern employees’ feelings of security and negative control. The Culture Critical index refers to cultural challenging attitudes. The three clusters were the following ones (see also Backström et al., 2013):

1. “High culture integrated” profile covering 165 work groups, 683 employees in total.
2. “Middle culture integrated” profile, covering 212 work groups, 1,570 employees in total.
3. “Low culture integrated” profile covering 85 work groups, 499 employees in total.

Cluster and bank mean values of the indices and variables described are shown in Figure 2. As can be seen in Figure 2 the mean ratings of the bank employees of culture integration is rather high ($M = 5–6$). This indicates a high general consensus around the basic norms, values and regulations of the company culture. Although the variation found was limited, indications of nonconsensus were found in the smallest cluster, which were of interest, for example when elucidating the group interactions below.

**Employees’ adult developmental levels: A common “expert” way of thinking.** Employees’ development stages were measured by a Swedish modified version of the Washington University Sentence Completion Test (Loevinger, 1998) that was further developed by Cook-Greuter (1999) and Torbert (2004), who adapted it somewhat to work life. The version applied here (Göransson, 2007) is based on these versions as well as on earlier Swedish versions (Gustavsson & Samuelsson, 1975).

The labels of the stages used here come from the Leadership Development Framework (LFD; Torbert, 2004, see also Fisher et al., 2003). This test was performed in a first research step on selections of work groups that varied in geographic location (Göransson, 2007) and in a third research step on groups varying in company culture integration (Göransson, Hagström, & Backström, 2011). These results (see Figure 3) show that a clear majority had reached the expert stage level, whereas lower frequencies were found to have reached a lower diplomat level or the higher achiever level.

Figure 2. Cluster profiles (K-mean clustering) of eight indices and two items measuring integration into the bank’s culture, goal, and planning activities in general (Wheel-model) and conception of work group climate and local boss. Mean values of a graded scale range from 1 (don’t agree at all) to 7 (agree completely). High cultural integrated (165 groups), middle cultural integrated (212 groups), low cultural integrated (85 groups), and bank average (887 groups). See the online article for the color version of this figure.
As can be seen in Figure 3 the expert development position is clearly dominating. The diplomat, expert, and achiever stages can be ranged within a broader domain of conventional development stages covering a clear majority of adult populations (Torbert, 2004). According to our theoretical understanding, the expert stage can be characterized as a position between two stages (e.g., Kegan, 2003; Hagström & Stålne, 2015). The diplomat stage can briefly be characterized in terms of a dependency on and appreciation among people in narrow social contexts (family, peer groups, work groups etc.). The achiever stage is associated with more goal-directed and long-term perspectives, including a greater capability of taking other people’s perspectives into account. We consider the expert position, which correspond rather closely to role demands of the traditional work tasks in a bank, as a balancing transition phase which will be further elaborated in the discussion section.

**Figure 3.** Percentage distributions of developmental levels among employees from work bank work groups that vary in geographical location (first research step, n = 28) and in company culture integration (third research step, n = 105).

<table>
<thead>
<tr>
<th>Developmental level</th>
<th>First research step</th>
<th>Third research step</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% (N)</td>
<td>% (N)</td>
<td>% (N)</td>
</tr>
<tr>
<td>Opportunist</td>
<td>0 (0)</td>
<td>1 (1)</td>
<td>&lt;1 (1)</td>
</tr>
<tr>
<td>Diplomat</td>
<td>28 (8)</td>
<td>9 (9)</td>
<td>13 (17)</td>
</tr>
<tr>
<td>Expert</td>
<td>61 (17)</td>
<td>73 (77)</td>
<td>71 (94)</td>
</tr>
<tr>
<td>Achiever</td>
<td>11 (3)</td>
<td>16 (17)</td>
<td>15 (20)</td>
</tr>
<tr>
<td>Individualist</td>
<td>0 (0)</td>
<td>1 (1)</td>
<td>&lt;1 (1)</td>
</tr>
<tr>
<td>Total</td>
<td>100 (28)</td>
<td>100 (105)</td>
<td>100 (133)</td>
</tr>
</tbody>
</table>

Employees’ work group interaction: communication that reproduces and strengthens the company culture. The high levels of employees’ integration into the company culture (indicated by the cluster profiles shown in Figure 2) in combination with their relatively limited autonomy (indicated by the adult developmental levels) raises questions concerning how the company culture is more or less reproduced or developed by work group communications. We assumed that this could be discerned in the communication about organizational goals and plans in work groups that vary in terms of integration in the company culture. This was studied in six work groups selected from the three clusters, as well as in four work groups varying within themselves, selected from 10 such clusters (in total 10 groups, see Backström, Hagström, & Göransson, 2013). The interaction was studied in terms of density (level of overall interaction) and centrality (the extent to which certain persons are more central than others; UCINET 6; Borgatti, Everett, & Freeman, 2002).

The results show that the group culture and the company culture were similar for all groups in the study, except the lowest integrated group which may have developed a subculture of its own. Furthermore, the four work groups with the highest interaction density were also the groups with the highest level of cultural integration, followed, in the fifth place, by the group mentioned with more culture critical attitudes. These results further support the dominating tendency toward consensus, as mainly strengthened by the communication patterns. However, some variation was also found as shown in Figure 4 below.

The somewhat unclear patterns shown in Figure 4, mainly indicating differing group communication density between the groups that differed in their level of culture integration, cannot be generalized to the bank level on any statistical bases. However, they may be interpreted in terms of their process logic. The comparatively dense high integrated pattern (a) may indicate the prevalence of more company cultural inte-
grating and strengthening communications than does the scattered middle integrated pattern (b) which may reflect more of a routine-based communication among group members not to the same extent engaged in the company culture. However, in both cases rather high company culture integration exists, which can be taken to reproduce the culture rather than challenge it in a transformative manner. The consensus may be constructed by a circular causality between interaction density and cultural integration. Cultural integration increases density because similar understanding makes it easier to talk and communication density in itself might strengthen integration in the culture among the highly integrated employees. Taken together, a similar picture and understanding emerge over time. The rather dense “low integrated pattern” (c) may express a similar circular causality process as among the highly integrated groups. This may indicate that more culture challenging communication takes place. The possible influences of these communication patterns toward homogeneity (such as groupthink) as well as heterogeneity will be further addressed in the discussion section below.

Concluding Considerations

The presentations above of theoretical, contextual, and empirical indications of conditions that hamper or promote development bring to the fore some concluding considerations:

Figure 4. Graphs of three networks illustrating (a) high-, (b) middle-, and (c) low company cultural integrated groups. Each node represents a group member and each line between two nodes that they communicate once a month or more often about the goals and plans of the work group. Circular nodes represent a high integrated members, square nodes represent medium integrated members, and triangular nodes low integrated members, and white nodes represent the local officer.
Our empirical indicative link suggest that the combined effect of employees consensus around the company culture strengthened by group interactions reproduce the culture in the horizontal transition between stages rather than transforming it vertically toward higher stages.

Our theoretical indicative link suggest that the expert position in the development process can be conceived as a horizontal unbalanced transition position that might threaten these agents’ identity base and in this way hamper the progress toward transformative shift in the direction inside out.

Our contextual indicative link also suggests that this further potential progress toward a vertical stage transformation might be hampered by traditional company cultural expectations and demands in the direction outside in associated with a typical work role in a bank.

Other contextual aspects concern the employee security as well as the competitive aspirations of the studied case. These might gain the competitiveness of the company and the well-being of its employees as well as promote their learning but not necessarily their stage development.

These conclusive considerations will be further elaborated in the discussion below.

**Discussion**

Below, the development potential of the combination of decentralized autonomy and company culture integration will be further elaborated in five subsections. First it will be related to learning and competitive advantages of the organizational model studied. After that, development hampering and promoting conditions and potentials will be addressed from three angles. Finally, some theoretical issues will be addressed.

**Learning and Competitive Gains: Company Culture Consensus and Work Group Agents**

As suggested by our indicative links, the empirical results indicate that the strong consensus around the company culture, the expert way of thinking, and the consensus generating work group interactions mainly reproduce the company culture, actively or more stereotypically. This cultural reproduction can be assumed to generate competitive and learning advantages compared with more hierarchical and static ones as better corresponding with postindustrial flexibility demands. Decentralization provides a comparatively more flexible and wider latitude of decision among the front-line operating work groups in their daily interaction with customers, which can be assumed to lead to a comparatively faster, more flexible and differentiated generation of knowledge in the organization as a whole. This knowledge is, in turn, used by these work groups to achieve competitive results by continuously comparing their results with those of the organization as a whole. This common goal orientation is reasonably further strengthened by the general tendency toward high company culture integration among the employees. In process terms, this reproduction of the company culture is, as described, indicated by the circular causality between communication density and cultural integration among work groups. However, the culture-strengthening, positive feedback character of this process seems mainly to concern groups that are highly integrated in this culture.

A general conclusion of this might be that social consensus aspirations (related to company culture integration) and individual achievement aspirations (related to decentralized autonomy) seem to be merged into the incentives of the work group as a basic relatively autonomous agent in the organization. Further, this combined socially integrating and competitive achievement process seems to be mutually strengthened by the fact that the pension fund involves profit sharing (which, because of the competitiveness of the bank, has been generous). This might motivate the employees to take active responsibility in the results of the organization as a whole and remain there during their work career. These characteristics seem to metaphorically express some features of “organization as a family” which will be addressed a little more below. Taken together, these conditions can be assumed to use competitive as well as socially advantaged compared with more static, hierarchical and bureaucratic organizations such as those entitled “amber” organizations by Laloux (2014).
Transformative Development Obstacles: The Expert Position and Groupthink

However, such conditions may as well hamper further transformations toward higher stages and long term sustainability. In our theoretical lens, the expert position, as described, seem to concern a transition phase between our third and fourth stages rather than constituting a stage. We conceive this position as balancing between a narrower third stage small group context and broader potentially fourth stage institutional context without being firmly rooted in either position. Our conception of the third development stage (corresponding roughly with the diplo-

mat stage) conceives this stage in terms of embeddedness in a small group dependency and conformist thinking. The expert position enables a higher extent of separateness from such embeddedness but is still not enabling to navigate more autonomously in a wider institutional fourth stage context (corresponding roughly with the achiever stage).

The further transformative development from the expert position might be hampered by traditional bank role expectations and demands to fulfil administrative duties and formal rules and doing things correctly. This seems to correspond to the expert way of thinking and acting. However, these work role expectations in combination with the relatively limited autonomy of this stage position limits its space of action, both from inside out (e.g., motivational incentives) and outside in (e.g., work role demands). More generally, the inside-out capability and motivation of an agent to progress developmentally has been found to increase on higher development stages. Such a progress, being clearly recognizable in our fifth and cor-

responding stage levels (e.g., Kegan, 2003; Sinnott, 2003), is associated with an autonomous motivation and capability to handle and even search for differences and alternative perspectives. The range of stages found in the studied organization represents relatively lower levels of autonomy and internal action regulation. This limits the space of action discerned in a decentralized work setting and the developmental potential this space might provide.

Development Obstacles and Potentials: Harmonious Balance or Dialectical Challenges

Development hampering conditions in the direction outside-in seem to concern the high company culture integration strengthened by work group communication patterns in relation to the autonomously and seemingly relatively isolated functioning work group in the studied organization. High internal work group consensus where members are highly familiar with each other can be associated with groupthink. New information is hampered in favor of dominating mental model that filters information and communications in a certain direction (Goldstein, Hazy, & Lichtenstein, 2010). From a complexity theoretical perspective difference in itself is conceived as generating new information. Applied on organizations, this is mainly generated by rich interaction between initially separated but increasingly overlapping groups and networks that represent different back-

grounds, perspectives and mental models (Goldstein et al., 2010). The seemingly isolated functioning work group in the studied organization did not appear to be frequently involved in such communication patterns. These may reach beyond the image of a consensus driven family type of organization focusing on a social harmony ideal.

The ambition to combine social harmony and achievement competitive incitements to motivate the employees, is articulated in a rubber band metaphor (Wallander, 2002). This illustrates a value dilemma that has to be mastered to maintain social consensus without losing competitive strength. The dilemma, described as ongoing tendencies toward either individual achievement or social harmony that should be managed by pulling the rubber band backward and forward seems to imply an idea of maintaining a desirable ongoing balance as an ideal. Our theoretical reasoning in terms of dualities (self-other, cause-effect, subject-object) expresses an alternative way of thinking. We thus conceive the two contrasting duality elements as necessary and mutual parts of a process, rather than contradictions to be avoided or fought against. This reflects a dialectical change logic related to transformative changes. Openness to new perspectives is assumed to promote the dialectical movement toward thesis and antithesis,
triggering stage transformations which combine either-or positions as unified (both-and) on a higher stage.

Following our transform-actional approach, this process involves substeps of coordinating actions logically (cause-effect) as well as socially (self-other). The opposing social harmony and competitive achievement can, as described, be associated with a basic value conflict involved in the self-other coordination in the transition between our third and fourth stage. This value conflict concerns self-transcendence (serving the interests of others) as opposing self enhancement (serving the interests of the self; Schwarz, 1996). These opposing value positions appear to recur in the next transition, between the fourth and fifth stage although here integrated in a more complex stage structure constituting a broader institutional self-other value dilemma. Here it is manifested in terms of the orange and green organizational paradigms as described by Laloux (2014), although in our conception as stage transition positions rather than constituting stages in themselves. The sociocultural (green) position opposes the profit and growth (orange) position in terms of “its materialistic obsession, the social inequality, the loss of community.” The profit and growth (orange) position opposes the sociocultural (green) position’s “harmony, community, cooperation, and consensus as unrealistic idealism” (Laloux, 2014, p. 30).

We conceive both these value loaded self-other coordination as potentially promoting stage transformations.

The ideologically colored shifts toward a fifth development stage structure (that involve dialectical thinking) seem to, on the organizational agent level, generate features of teal organizations (Laloux, 2014). This refers to a radical self-organized and decentralized system that will be somewhat further addressed below. A transformative potential in our studied organization may be recognizable taking into account the possible influence of the employees who, in our case study, were found to have reached the achiever stage development level (about 15%). This corresponds, as described, roughly with our fourth institutional stage. This relatively more autonomous agent self-system is assumed to be potentially involved in issues of how to combine growth and profit (orange) advances (e.g., management by objectives, project groups, virtual teams, cross-functional initiatives) with sociocultural (green) advances (e.g., a pluralistic world view, equality, relationship values above strict outcomes). However, such thinking did not seem to have influenced the studied mainstream company cultural thinking in any radical direction.

Immunity to Change and Further Organizational Stage Development

The fact that our empirical findings provide few indications of company culture conflicts or challenges that could drive this culture toward higher stages of complexity should not be surprising—promoting this is not an easy task, either on the individual or the organizational level. More generally, development is hampered by the identity maintaining function of a general stage structure. This makes its deconstruction an almost existential issue of losing an identity base without being rooted in a similar alternative base. This has been characterized as an immunity to change that has to be mastered in interventions to trigger organizational development (Kegan & Lahey, 2009). On the organizational level, such resistance toward basic transformative shifts has been thought to be handled by strong convictions and strategies to handle frustrating dilemmas (Kegan & Lahey, 2009; Shani & Docherty, 2003).

It could be argued that the regular and traditional work tasks in a bank do not require transformative development toward more complex ways of thinking and acting, and that those tasks do not attract development-oriented people or make them tempted to leave the organization. However, the decentralized work tasks are at least potentially complex. Employees should be able to apply a broad and long-term perspective to make judgments and credit decisions in rapidly changing complex circumstances. This corresponds with the general tendency in global economy and postindustrial society as a whole toward flexibility and it certainly includes banking. Moreover, the characteristics of higher adult developmental stages do not necessarily imply a limited interest in, or responsibility for, traditional routine work tasks; rather those tasks are not seen as ideal
goals. As stated in the introduction, the organizational requirements to manage long-term societal and global challenges involve at least three main aspects: developmental long-term goals and visions, a highly complex way of organizing people (a broad, system-oriented perspective), and combining individual and organizational incitements to maintain these perspectives.

According to Laloux (2014) a further development toward ‘teal organizations’ involves a radical shift toward functioning as living organisms or living systems. These can briefly be characterized as radical versions of decentralized and self-organized organizations. They are characterized by three major breakthroughs compared with the growth- and profit-oriented (orange) and sociocultural-oriented (green) organizations. These breakthroughs concern self-management (e.g., no hierarchy, boss, job titles), wholeness (e.g., reaching beyond employees’ narrow professional self, involving the whole person), and evolutionary purpose (an overriding purpose of its own; competition is regarded as irrelevant) (Laloux, 2014). Two main necessary conditions for creating such organizations, or transforming an existing one in this direction, are described as requiring top management having integrated “a world view and psychological development consistent with the ‘teal’ development level,” and that the owners of the organization are able and willing to “understand and embrace the Evolutionary Teal world views” (Laloux, 2014, p. 237).

This is not the place to elaborate more in detail on the function and possible further development of such organizations, which seem to be rarely so far. However, Laloux’s elaboration on data from 12 cases, point at big potentials in emancipating employees’ own responsibility and motivation in organizational settings. The work forms described seem to provide tools to continuously solve goal obstacles (involving both logical-operations and social coordination) by flexible work forms integrated in daily work processes. Furthermore, although this was not their main purpose, they have been found to be highly competitive and they certainly seem to be worth further analysis and considerations.

Further Theoretical Issues

More theoretically, some interesting issues concern possible connections with our transform-actional perspective with ways of reasoning within complexity theory and open system theory. The generality claims of our approach appear, for example, to partly overlap the generality claims associated with an open system theory (minimal concept theory of system thinking) suggested by Cabrera (2006). This theory involves four basic elements that are assumed to constitute basic system characteristics (self-other, cause-effect, subject-object anf whole-part). These mutually influencing elements are conceived as a fractal structure, the same conceptual structures occurring across the conceptual scale.

The conception of fractal is also applied in the frame of the model of hierarchical complexity referred to above as abstract logic reasoning and cause-effect coordinations (Commons, 2008). Fractals are here conceived as involved in a dialectical movement in four steps. The last of these refer to a chaotic, nonlinear smashing of thesis and antithesis to a synthesis on a higher stage level claimed as characterizing transitions and transformations in human systems (Ross, 2014). Another complexity theoretical approach, in this case referring to organizational change, involves a conception of attractors as “a set range of accepted values for various organizational practices, processes, behaviors and meaning making that define an organization’s routines, norms and objectives as well as its underlying assumptions and ‘dominant logic’” (Goldstein et al., 2010, p. 58). This understanding of the concept overlap features of company cultures as well as referring, although tentatively, to a structural aspect (dominant logic), which in our perspective indicates a fractal character. As in our theory approach, the involvement of an acting agent is stressed. Taken together these approaches point at further possibilities of elaborating a transform-actional way of reasoning in a wider open system and contextualized direction.

References


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