

*HUMANITY • FUTURE POSSIBILITIES • ENGAGEMENT
COLLECTIVE INTELLIGENCE • INNOVATION • WHOLENESS*

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STEWARDED SYSTEMS CHANGE

*A CONCEPTUAL ARCHITECTURE
FOR TRANSFORMATIVE DESIGNS*



COLLECTIVE LEADERSHIP STUDIES VOLUME 7



IMPRINT

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Layout: Alina Gruen

Date of Publication: March 2018

Collective Leadership Studies ISSN 2569-1171

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EXECUTIVE SUMMARY



The world is facing numerous sustainability challenges, many of which are articulated and addressed in the United Nations Sustainable Development Goals (SDGs), or the Paris agreement on climate change (COP21). Global sustainability has become the most pressing issue with challenges ahead that are often termed ‘wicked problems’ and need to be understood as operating in complex adaptive systems. Many researchers and practitioners argue that, what they call ‘large systems change’ (LSC) is needed to achieve sustainability and the global goals represented by the SDGs.

But all too often, large systems change is seen as a mere technical implementation challenge. This volume 7 of our Collective Leadership Studies argues that systems change is the intention of billions of activists, change agents, game-changers, and ordinary people. They need to expand their competency to steward transformations collectively. Based on the **Collective Leadership Compass**, this volume proposes a conceptual architecture for transformative change designs in large systems that cuts through the complexity of change initiatives by bringing human beings back to where they belong: into the center of attention of systems change, and into their emotional connection with an aspiration for a sustainable and interdependent world.

Multi-stakeholder initiatives are an increasingly used approach to drive large systems change in action networks that bridge societal sectors or academic disciplines. This volume argues that it is time to look deeper into the human competency dimensions that make collaborative multi-stakeholder approaches

impactful at scale. It suggests that *collaboration literacy* is a pathway to *transformation literacy* – the skill to steward transformative change collectively across the boundaries of institutions, nations, sectors and cultures.

Section 1 highlights the increasing trend of addressing sustainability-related challenges in multi-stakeholder initiatives. It emphasizes that such initiatives can move from collaboration literacy to transformation literacy when actors know how to design transformative processes and systems.

Section 2 suggests that an understanding of the emerging concept of systems aliveness can support the quality of collaboration. It elaborates systemic principles that underpin the human competency dimensions of the **Collective Leadership Compass**.

Section 3 explains how these dimensions can be translated into design principles for collaborative systems change with multiple actors.

Section 4 takes these principles to another level by explaining how they can become a meta-guidance for the design of large systems change. It proposes a conceptual architecture that can be used at different levels of systemic change.

1. MULTI-STAKEHOLDER COLLABORATION FOR LARGE SYSTEMS CHANGE

In the year 2005 in a stuffy room of a small hotel in Salvador de Bahia, Brazil, all the ingredients for collective future-making were there. Each of the 45 participants of a decisive meeting had a valid reason for being there - be it the promotion of the business value of sustainability engagement; exploring the marketing advantages of sustainable coffee or the conviction that sustainable coffee would benefit small coffee farmers; and the intention to present the benefits of an ambitious multi-stakeholder project to their governments. But, there was more to this group than the rational explanation for each stakeholder's participation. Despite all the repeated political fights and contradictory positions, people felt that there was a pattern unfolding through *collective leadership*¹ for the future with respect for each other at its core. Everyone in the room was aware of the responsibility bestowed on him or her. Each could make this one step toward sustainability fail or succeed. One of the participants summarized:

"There was an atmosphere of commitment that made it impossible to misbehave; you would not withhold your position, but would always stay in the collaborative field. You did not want this global learning process fail."

What was the magic? Complex, yet simple, it was the presence of a pattern of human competencies in interaction. Over the years of building the sustainable coffee initiative people had developed the skill to envision and enact *future possibilities* together. What had seemed impossible at the outset - to shift the global coffee market towards sustainability - had gradually come within reach. This had only been possible because actors had grown together beyond the difference of opinion, business rationale, culture, earnings, and world views.

They had learned to interact as people with different positions, yet, with compassion. They had accessed their own *humanity* and were able to see the person behind a viewpoint and the intention behind a position. This became a cornerstone of their ability to overcome almost irreconcilable differences. They had built a process of authentic and reliable *engagement*, the prerequisite for both trust and commitment to tangible outcomes and collective action. They all were prepared to take a risk, to venture into an unknown territory with uncertain outcomes. Across institutions, they were piloting *innovation* by building an industry-wide value chain community. None of the stakeholder groups - neither industry, NGOs, nor coffee-producers - would have found solutions to the sustainability challenges in green-coffee production alone. It was the gradually increasing openness to *collective intelligence* that improved the solutions. The patience to listen even to the most critical stakeholders enabled an approach that would work for small-scale farmers as well as large-scale producers. Over the years of their participation in the coffee initiative the picture of reality widened. Exposure to entirely different perspectives helped actors see the larger story. It was this sense of *wholeness* that made it easier for people to stay in a collaborative field.

11 years later, in October 2016, the initiative, known as the 4C Association with more than **300 members from 21 countries representing 360,000 coffee producers by 2014**, developed into the **Global Coffee Platform**², an inclusive multi-stakeholder institution with the purpose of creating coherence among the sustainability activities of many diverse stakeholders from the public, the private and the civil society sector. The ultimate aim is to achieve a thriving and sustainable global coffee sector that enhances the livelihoods of coffee farming communities around the world, and keeps the natural environment of coffee production areas intact.

¹ For more information on the concept of collective leadership see: Kuenkel, P. (2016). *The Art Of Leading Collectively: How We Can Co-Create A Sustainable, Socially Just Future*. Claremont NH: Chelsea Green ; and Senge, P., Hamilton, H. & Kania, J. (2015). *The Dawn Of System Leadership*. *Stanford Social Innovation Review*, 13, 27-33

² See: <http://www.globalcoffeeplatform.org/about/our-history>

What does the sustainable coffee initiative have in common with the process of setting up an integrated water forum with farmers, NGOs and government in a drought-stricken province in Southern Tunisia, or with the design and implementation of the Finnish Roadmap towards a Circular Economy?

All are examples for collaborative multi-stakeholder approaches to jointly address complex challenges and arrive at large systems change with a multiplicity of actors involved and in a mix between local action and global connection. While the coffee initiative was, when it started in 2002, a pioneer among multi-stakeholder collaborations, greatly backed by the Sustainable Development Goal no. 17 on partnerships, it has now moved to the forefront of how best to implement transformative change. The UN website lists more than 3600 multi-stakeholder partnerships to implement the Global Goals³, and many more initiatives than those registered exist. Similarly, the collective impact movement⁴ has spread to governments, citizens and the private sector, mostly in the US and Australia. Moreover, collaborative innovation labs, which aim at transformative change, become increasingly attractive to governmental institutions and civil society actors in Europe.

But do all these initiatives achieve their aspirations? Do they exhibit the collaboration literacy described in the coffee initiative?

In a sequence of interviews with globally active change agents⁵, 80% responded to the question of 'what made the multi-stakeholder collaboration process successful or fail': the personality and ability of certain actors. Hence, while impact is measured in technical facts and figures, the factors for collaborative success are attributed to personality traits. Sustainability issues are technical, yet the agents of transformation are human.



Source: Collective Leadership Institute

³ United Nations, Sustainable Development Goals:

<http://www.un.org/sustainabledevelopment/>

⁴ The initial article was: Kania, J. & Kramer, M. (2011). Collective impact. *Stanford Social Innovation Review*, 9(1): 36-41

⁵ See: Kuenkel, P. (2015). Navigating change in complex multi-actor settings: A practice approach to better collaboration. *The Journal of Corporate Citizenship*, 58, 119-137.

1.1 FROM COLLABORATION LITERACY TO TRANSFORMATION LITERACY

This volume argues that it is time to look deeper into the human competency dimensions that make collaborative multi-stakeholder approaches impactful. It is time to bring human beings back to where they belong: into the center of attention as transformation agents towards a sustainable interdependent world. *Collaboration literacy* is a pathway to *transformation literacy* – the skill to steward transformative change collectively across the boundaries of institutions, nations, sectors and cultures. A skill that – given the current distance to the far ahead goal of a world that works for 100% of humanity and the planet – is not a ‘nice to have’ option, but a must. The urgency for humankind’s ability to consciously change behavior so as to stay within the ‘safe operating space’ of the planetary boundaries⁶ suggests that designing and implementing transformative change is a skill requiring widespread distribution. It needs to become the day-to-day management approach of governments, development agencies, corporations and civil society activists.

What *transformation* means in the context of sustainability is the subject of an ongoing debate among academics and practitioners. It refers to a fundamental change involving deeply innovative approaches towards thinking, acting, power structures and relationships in the (global) society⁷. Sustainability transformations are a new way of how humankind responsibly operates with each other and the planet. This requires a paradigm shift in how individuals find their leadership roles in the spirit of collaborative co-creation and contribution to sustainable futures.

However, the current discourse on global sustainability challenges pays little attention to how actors can collectively steward transformation. Yet, at the core of this ability is an increased capacity for multi-stakeholder collaboration.

There has been an enormous advancement of knowledge promoting collaboration literacy in the last years. This article builds on these contributions by adding a complementary perspective that stems from extensive experience in complex multi-stakeholder initiatives as well as thorough deep dives into both system theory and global discourses on sustainability transformation. It suggests a conceptual architecture for large systems change that invigorates human competencies for collaboration and transformative change. It extends to integrated strategies for process and systems designs that enhance transformation literacy. The term design refers to the conceptualization of new forms of interaction inspired by an imagined sustainable future.

As actors are busy combining the interests of multiple institutions and aligning representatives behind change agendas, all too often, the connection between the individual actor and the large system gets obscured. But small patterns of transformation aggregate to large systems change. This view connects the self to the large systems that require transformation, suggesting that noticing the ‘patterns that connect’ are key to stewarding transformation in large systems.

⁶ See: Rockström, J., W. Steffen, K. Noone, Å., Persson, F. S., Chapin, III, Lambin, E. & Foley, J. (2009). Planetary boundaries: Exploring the safe operating space for humanity. *Ecology and Society* 14(2): 32.

⁷ See: Waddell, S., Waddock, S., Cornell, S., Dentoni, D., McLachlan, M. & Meszoely, G., (2015). Large systems change: An emerging field of transformation and transitions. *The Journal of Corporate Citizenship*, 58, 5–30.

What is meant by sustainability transformation?

Descriptions of sustainability range from the balance of people, planet and profit to the achievement of the 17 Sustainable Development goals; and from managing more than 10 billion people within planetary boundaries to planetary thriving or to a mutually supportive harmony of people and planet. Transformation to sustainability is the pathway to co-creating a world that works for 100% of humanity and the planet. It needs to take place at all levels of the (global) society and requires a fundamental change in the way we operate with each other and the planet. Transformation has a range of meanings, but the term broadly captures the following characteristics:

- Deeply **innovative approach** towards thinking, acting, power structures and relationships.
- Both **radical and incremental change** in the global operating system.
- An evolution of structures and systems into **better functionality** benefitting *all* of humanity and the planet.
- A **co-creative process** of mutual learning towards increasing vitality of an integrated planetary life.
- A re-arrangement of existing structures and processes so that **novelty** for how humankind responsibly operates with each other and the planet can emerge.

The ultimate goal is not only to stop climate change and maintain a safe operating space for humankind and the planet, but also invigorate the human competencies to co-create multiple forms of responsible citizenship in the era of the Anthropocene⁸ - the evolutionary period, in which the behavior of human beings determines the future of the planet.



Source: Collective Leadership Institute

⁸ See: Crutzen, P. J. (2002). Geology of mankind: the Anthropocene. Nature, 415 (6867), 23-23.

1.2 OVERCOMING DYSFUNCTIONAL PATTERNS OF INTERACTION

In a Tunisian province with high unemployment rates, continuous threats of terrorist attacks and an irrigation dependent agriculture the climate change related water challenges not only affect the livelihood of farmers, but also the water supply to the provincial capital.⁹ Different actors address water scarcity differently in an overall in-cohesive way. The local government in the provincial capital Kairouan tries to ensure – with compromised success – that there are no illegal wells. Some farmers have taken the liberty to steal water from a pipeline, a crime that is partly sanctioned by the police, partly ignored. There is no solution in sight, but hope has emerged that the deadlock between farmers and local government could be loosened toward a jointly created path for more future-oriented management of water resources.

Over the course of 1-½ years and with the help of a neutral multi-stakeholder backbone organization the dysfunctional systems patterns have been cracked. Farmers suggest how to jointly address the water scarcity, thematic working groups deal with specific issues; a local water charter is in development highlighting the collective responsibility for integrated water resource management. Fig. 1 shows a transformative process design that included all relevant stakeholders from farmer level to public authorities.

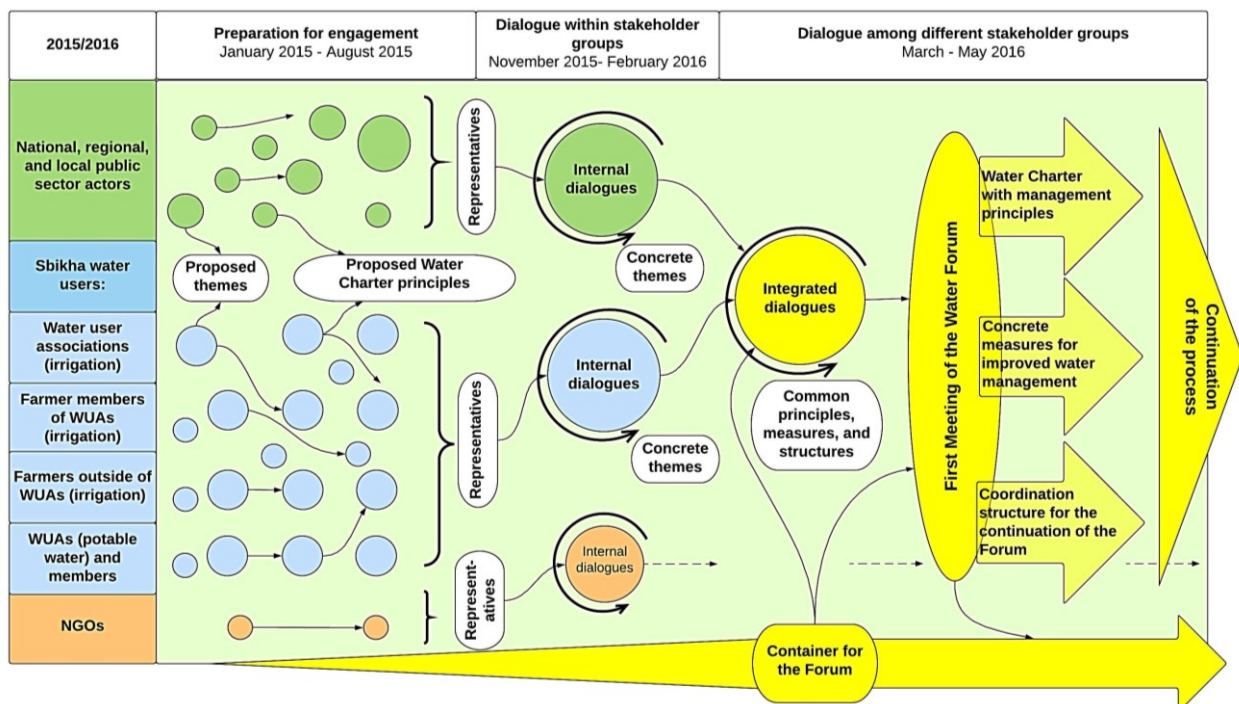


Figure 1: An example for a transformative process design - setting up a water governance forum
Source: Collective Leadership Institute

⁹ See: Kuehn, E. (2017): Collaboration for the SDGs – Establishing the Nebhana Water Forum in Tunisia, Collective Leadership Studies Vol 4, Collective Leadership Institute: Potsdam/Germany, ISSN 2569-1171.

This process was not about mobilizing farmers against the government. It was about gradually, in a step-by-step approach, building trust in both the farmers' and the government's ability to co-create the future collectively. It started small, with getting the local government on board for a change process of a different kind, then inviting small farmers to meetings, conducting cross-group meetings, as well as trust-building with local and national government officials. The process design, iteratively adjusted, carefully integrated a bottom-up and a top-down approach. The result, the launch of a jointly steered water dialogue platform with all major stakeholders involved, evoked tears among many participants: they intensely *felt* what it means to shape the future collectively. Putting a water governance system in place not only re-connected farmers and government officials, it connected the individuals with a sense of contribution to their region and a larger goal - water and the well-being of the local society -, while acknowledging that the pathways to the goal needed to be negotiated.

The dysfunctional pattern in dealing with water scarcity in Tunisia is not an exception. Many socio-political-ecological systems are complex adaptive systems fraught with such dysfunctional patterns stuck in downward spiralling vicious cycles that harm individuals as much as human systems and nature. The

Tunisia example shows that local action feeding into large systems change cannot be controlled or 'planned,' but it can be stewarded. All human, social, and ecological systems are complex by nature, which requires a different type of intervention than is typically present in the results-chains or theories of change of governments, corporations, NGOs or international organizations. Large systems change must be seen as an 'organic' process that involves multiple pathways and practices. It is decidedly nonlinear. There is no 'one right way' to bring about the envisaged change. Given the complexity of the systems, multiple efforts, from multiple sources, at multiple levels, with multiple different approaches will be needed. They merge into coherent patterns of action, when the transformation is carefully designed – and more importantly – co-designed in an iterative way. However, current approaches to transformative system change have deep flaws in their assumptions that change can be managed, planned and monitored. Yet transformations in large systems can only be stewarded by integrating different approaches and staying open to collective learning. Diverse approaches and initiatives need to complement each other. Planned interventions towards sustainability need to move from fragmented institutional actions to multi-stakeholder initiatives and further to various initiatives becoming part of a co-designed transformation system (see fig. 2).

FROM ISOLATED ACTIVITIES TO COLLECTIVELY STEWARDING SUSTAINABILITY TRANSFORMATION

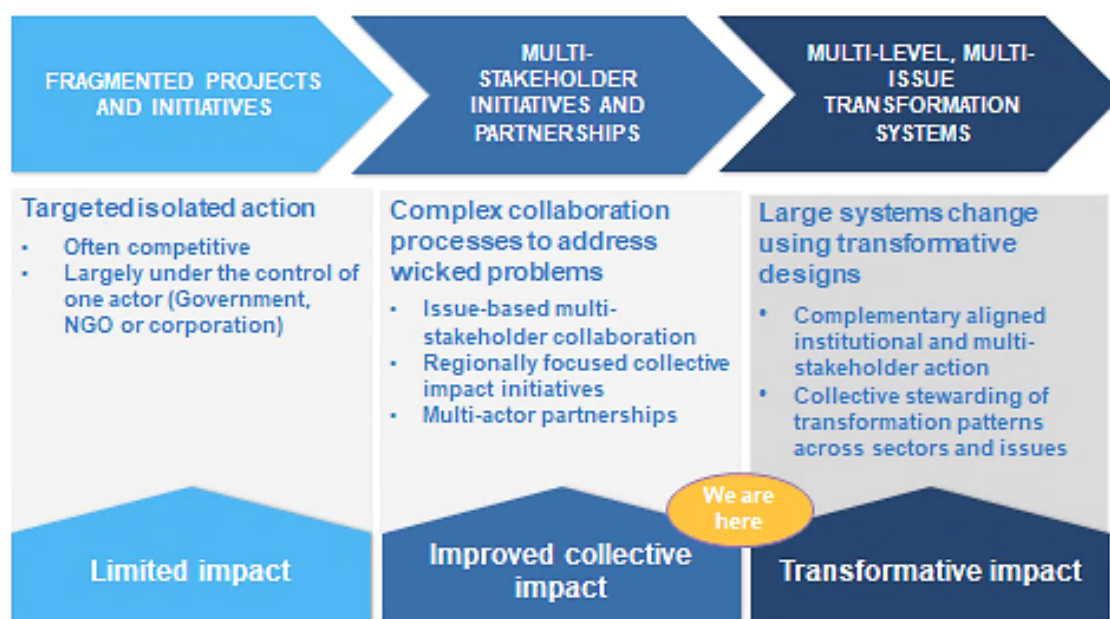


Figure 2: From isolated action to transformative designs

Source: Collective Leadership Institute

2. UNDERSTANDING WHAT BRINGS LIFE TO HUMAN SYSTEMS

Transformation is the work of multiple actors at multiple levels of the global society – with a multiplicity of approaches. Leading transformative change collectively requires cross-sector actors to collectively steward co-evolutionary transformation patterns. *Transformation literacy* can be described as the capacity of decision-makers, change agents and institutional actors to better understand the features and dynamics of societal patterns. It means building change initiatives on human competencies and subsequently co-design transformative change more effectively. This includes the human capacity to collectively identify and shift dysfunctional societal or global patterns of interaction. It improves the quality of collective sense-making and collective co-creation.

Transformation literacy applies integrated approaches: those that not only cater for different perspectives of stakeholders, but also combine different approaches to accelerating transformation - from technical to social to cultural to economic¹⁰. Most importantly, transformation literacy must be built on an inspiring reconnection with the essential features of life's processes that determine our evolutionary development.¹¹ It needs to reach people's hearts and minds – because this is the pathway to dynamic and self-driven change in behaviour. If the agent of transformation is human, then invigorating human competencies is central to the acceleration of change. But the self-similarity of smaller and larger systems often goes unnoticed in the realm of large systems transformation, although it may be exactly that self-similarity that is key to stewarding multiple smaller transformation patterns until they grow into large systems change. The following six life-enhancing

principles¹², the foundation of the *conceptual architecture* derived from living systems theory, are essential for designing transformative change based on human competencies:

Principle 1: Intentional Generativity

The *first principle* rests on the insight that life is purposeful. *Intentional generativity* refers to the urge of life to expand and co-create the future. The related capacity of natural organisms and systems is to renew, replenish, restore themselves and become resilient in order to stay alive. For human interaction systems, this means that invigorating the human capability to collectively shape the future enhances transformation patterns.

Principle 2: Permeable Containment

The *second principle* acknowledges that life thrives on identity. Boundaries of living systems must be sufficiently enclosed to ensure containment and give identity. At the same time, they must not be so closed that it is difficult to obtain new energetic inputs and release old ones. *Permeable containment* builds and maintains identity, and holds generativity in check while still allowing for development. For human interaction systems, this means that engaging the human desire for belonging, identity, meaningful exchange and collaboration enhances transformation patterns.

Principle 3: Emerging Novelty

The *third principle* of *emerging novelty* hints at life's capability to maintain containment but constantly unfold novel pathways and new identities. The creation of novelty is inextricably

¹⁰ See: Schneidewind, Uwe. (2013).

Transformative literacy: Understanding and shaping societal transformations. GAIA - Ecological Perspectives for Science and Society, 22 (2), 82-86.

¹¹ See: Kuenkel, P. (2018). A Pattern Approach to Stewarding Sustainability Transformation – How the 17 SDG Can Become a Starting Point for Systemic Change, Collective Leadership Studies Vol. 5; Collective Leadership Institute: Potsdam/Germany, ISSN 2569-1171.

¹² See also: Kuenkel, P. (2016). The art of leading collectively: How we can co-create a sustainable, socially just future. Claremont NH: Chelsea Green.

linked with life through invention, adaptation, learning, exaptation, or other forms of innovation. For human interaction systems, this means that building change on the human desire to venture into the unknown and create new pathways enhances transformation patterns.

Principle 4: Contextual Interconnectedness

The *fourth principle of contextual interconnectedness* refers to life's vast communication network that engenders constant interaction, reflection, and reaction in endless reciprocal feedback-loops, and benefits from complexity in diversity. It fosters the ability to change and evolve as situationally appropriate, either by growing and becoming more complex, or by declining. Contextual interconnectedness among diverse sub-systems balances the whole and the individual. For human interaction systems, this means that leveraging the human capability to thrive on diversity and act in networks of networks in dialogue enhances transformation patterns.

Principle 5: Mutually Enhancing Wholeness

The *fifth principle of mutually enhancing wholeness* refers to life's inherent urge to create interconnected small and large systems that emerge from wholeness. Systems are nested and arranged complementarily into larger wholes, while providing coherence and orientation. A whole is always more than the sum of its parts. Its quality cannot be fully understood by breaking it down into fragmented parts. For human interaction

systems, this means that tapping into the human capability to sense wholeness and engage with the bigger picture, the larger story, and the greater system enhances individual and systems transformation patterns.

Principle 6: Proprioceptive Consciousness

The *sixth principle of proprioceptive consciousness* refers to the essential role of cognition in the process of life and is the ability of life to become aware of its emergence, evolution and interdependence. For human interaction systems, this means that increasing the human capability for reflection in action and the respect for the integrity of all life enhances transformation patterns.

Collections of patterns in transformation arise when actors engage in multiple actions at different levels of the system, from local to municipal to regional to national and international, using approaches that have a degree of similarity, but are not identical to each other. The key to stewarding transformation patterns is to understand how multiple actors, levels, initiatives, and other pieces become part of a *transformation system* that, without any central coordination, works collaboratively *together* in a desired direction.

3. DESIGN PRINCIPLES FOR COLLABORATIVE SYSTEMS CHANGE

In order to design transformation, two elements are important: transformative process designs and transformative systems designs (see fig. 3). Process designs refer to intervention architectures around solving issues of common concern in multi-stakeholder or collective impact initiatives. Well-designed they ensure ownership and lead to dynamic changes. Systems designs are the choreography of multiple relational, issue-based multi-stakeholder interventions that – together – accelerate transformation. Both are needed for sustainability transformation.

Different forms of high quality process designs have emerged from organizational development approaches and have been further developed into issue-based or geographically focused societal change processes. Historically anchored in concepts like whole-scale change, large group facilitation, presencing processes, dialogic change, design thinking, appreciative inquiry or collective impact strategies (among many others) they embrace values of co-sensing, co-design and co-creation.

While many actors focus more on events as spaces of human interaction that engender collective action for transformation,

more explicit *transformative process designs* are longer-term conceptualizations of multi-level stewarded change, such as e. g. integrated top-down and bottom-up approaches.

These can, as in the case of the Tunisian water governance platform, work parallel for a long time until they merge together as one overall process. Or they can start top-down at the international level, as in the coffee initiative example and at a later stage include bottom-up approaches engaging farmers. In both cases the integration is as important as moving people's empowerment to center stage. *Transformative process designs* encourage a systemic perspective that is essential for leveraging the potential of multi-stakeholder collaboration for sustainability transformation (see fig. 3). If they are successful, they most often follow design principles that support each other in their impact by invigorating respective human competencies and subsequently *collaboration literacy*. Rather than seeing transformative design principles as an agglomeration of separate factors, it is important to apply them in context- and process-specific combinations. Ideally, they need to be translated into the mode of operation of every project and program aspiring to become transformative.

Transformative Process Designs:

- The architecture of sequential change interventions
- Addressing complex issues of common concern in a multi-stakeholder collaboration system.

Results:

- Improved problem solving capacity
- Enhanced resilience and self-organization
- Sense of ownership and invigorated human competencies.

Transformative Systems Designs:

- The choreography of large systems change through multiple collaborative interventions
- Addressing multiple complex issues at the same time with complementary activities

Additional results:

- Meta-collaboration between different initiatives
- Learning system across interventions
- Emergence of transformation systems
- New way of systems operation

Figure 3: Transformative process and systems designs

Source: Collective Leadership Institute

Design Principle 1: Future Possibilities

The *first design principle* connects multiple stakeholders with *future possibilities*. It refers to identifying and co-developing emotionally compelling goals that function as transformative guidance, while not restricting actors too much. The emotional connection to a larger goal is an underestimated driver for changes in behavior. Details such as measurable outcomes need to be flexible and iteratively adapted. They can vary according to actor or stakeholder group as part of broader goal coherence that all actors, as institutions and as individuals, can relate to. In the sustainable coffee initiative no actor, in the beginning, would have envisaged an institutionalized global coffee platform. Anchoring the idea of sustainably produced green coffee in the mainstream coffee market was good enough as a guiding goal.

Design Principle 2: Engagement

The *second design principle* acknowledges the need for the *engagement* of multiple smaller collaboration systems within a broader transformation strategy. If, for geographical or logistical reasons, or because of adverse stakeholder relationships, as in the water governance example in Tunisia, transformative approaches need to work with multiple collaboration systems. Enhancing interdepartmental cooperation within one provincial government can be as important as getting local partnerships established between NGOs and corporations. Both can happen at the same time within an overall issue of common concern. While creating awareness for interconnections within the larger system, the functionality of smaller, yet connected collaboration systems eventually adds up to transformation. In a step-by step fashion, top-down and bottom-up approaches need to be integrated to form a larger issue-based collaboration system. This integration acknowledges priorities and interests of different stakeholders. It allows for unique engagement strategies that are compatible with the realities of the respective stakeholder groups.

Design Principle 3: Innovation

The *third design principle* fosters *innovation*. Transformative process designs spot already existing, empowering change initiatives or hidden competencies that open new pathways to supporting self-organized change. Feasibility studies focus on potentials and opportunities, instead of gap analyses. Subsequent intervention designs nurture existing or emerging development, but refrain from blueprint recipes. Instead, they create spaces for exchange, learning, inspiration and prototyping that lead to innovation and encourage self-steered development. In the Tunisia water governance example, it was the farmers' initiative to develop a provincial water charter.

Design Principle 4: Humanity

The *fourth design principle* helps actors to access their *humanity*, as this is most often what enhances overcoming deadlocks and conflicts. Transformation does not work with superficial harmony. The more profound the change the more conflicts will arise and the more actors tend to fall into the complexity trap: insisting there is only one right way to move forward. Yet, transformation needs not only a multiplicity of strategies and actions, but also a variety of thought, knowledge, expertise, ideas, experience and world views. Respect for difference turns out to be a crucial element in moving from conflict to cooperation. Appreciating the dignity of people as people, acknowledging different world views, advocating authentically and inquiring into differences go a long way to enhance trust – a key ingredient for functional collaboration systems.

Design Principle 5: Collective Intelligence

The *fifth design principle* enhances *collective intelligence*. It ensures the establishment of structures for collective reflection, the only way to prevent actors from falling back into isolated actions and defense of positions. Sustainability transformation requires collective learning systems at scale ensuring structured dialogue. Transformative process designs encourage changes in culture towards structured listening.

This can range from sneaking in pieces of reflection into otherwise protocol-laden meetings to sending actors on learning journeys together. Shifting the communication and interaction patterns between stakeholders is at the heart of large systems transformation and multi-stakeholder collaboration with impact.

Design Principle 6: Wholeness

The *sixth design principle* refers to *wholeness* in the sense of taking care of the embeddedness of the transformation effort. No initiative or program can tackle complex system transformation alone – although many aspire to do so. Every change effort will inevitably be limited to a certain area, issue or geographical focus.

Yet, it is important to locate the change effort within the larger *transformation system*. Transformative process designs include context and situational analyses that screen opportunities for meta-collaboration with complementary other initiatives to enhance effectiveness. Only meta-collaboration between different systemic multi-stakeholder initiatives will lead to transformative impact.

High quality transformative process designs will eventually lead actors to ask: What is the larger system that needs to change so that our multi-stakeholder initiative can be successful?

They touch on the interdependency of complex change. Yet, despite their increasing emergence in many guided and supported multi-stakeholder collaboration approaches, institutional decision-makers that fund or plan envisaged transformative change rarely adopt transformative design principles. Process competency is still met with scepticism, as if it was an add-on that could be cut, when funding is tight. It has not yet become standard procedure for all actors busy with the technical implementation of sustainability transformation. Yet, *transformative process designs* strengthen resilience in social interaction systems; they enhance the collective learning capacity and invigorate human competencies for self-driven change: the only promising avenue to achieving tangible impact.

In the coffee initiative, actors gradually moved into the role of collective stewards. None of them could individually own the outcomes; instead the majority took on the responsibility

of taking care of a collaborative field that would yield results. The result was encouraging: the global market share of their verified coffee went beyond 25% in 2014. The meta-collaboration with another multi-stakeholder initiative on sustainable coffee further increased the impact.

What many multi-stakeholder collaboration initiatives have inherited from the fragmented silo-approach to project or institutional change implementation is the keeping of territories. Even if actors move from isolated actions to embarking on complex multi-stakeholder initiatives, they tend to work in competition and often remain oblivious to what it would mean to contextually contribute to a larger *transformation system*.

A challenging example is the improvement of the livelihood of farmers in Côte d'Ivoire. The country holds more than 41% of the world's cocoa production, yet the per capita income of cocoa farmers is extremely low. Many of these farmers do not consider cocoa a lucrative business anymore. Aging cocoa trees and climate change related weather patterns aggravate the challenges. The fluctuation of the world market price for cocoa contradicts improvements. Child labor has been in the news as much as deforestation through cocoa production. For many years, both national and international actors have engaged in multi-stakeholder initiatives to alleviate the problems – with limited results. The government set up a national collaboration platform with the aim of strengthening the cocoa and coffee sector. More than 20 initiatives have been started by corporations, with the largest volumes coming from Mars, Mondelez and Nestlé. More than ten explicit multi-stakeholder initiatives aim to strengthen the livelihood of farmers in the country. The adoption rate of voluntary sustainability standards like Rainforest Alliance, Utz Kapeh and Fairtrade (among others) has tremendously increased, but many actors complain that the root problems have not been solved.

The vicious cycles between poverty, dependency and a fragile state mount to a typical intractable challenge that actors address with the best of all intentions, but limited impact. A study conducted hints to the fact that a more holistic approach is needed. Could it be that actors align around goals that are too small, compete with each other in implementation or at least do not see each

other contextually contributing to a larger goal
– a resilient West African country, for which

sustainable cocoa production is a major source
of income?

4. TRANSFORMATION ENABLERS FOR LARGE SYSTEMS CHANGE

A *transformation system* can be seen as the voluntary, yet strategic connection between multi-level, multi-issue and multi-actor transformation initiatives around an aspirational guiding goal. This must, as in the case above, include the livelihood of cocoa farmers but reach higher, e. g. towards a more resilient and stable West-African society.

Transformation systems require deliberately designed local to national, transnational as well as national to international connections. They need to model nature by fostering the connection between small and large-scale change and by creating an emotionally compelling link between individual and transformative goals. Actors who become aware of the transformation system they belong to, begin to foster collaboration, enhance connections, improve learning exchange and leverage networks for impact. This does not mean to administratively coordinate efforts, but it means helping actors see the larger transformation pattern and how they are part of a story much bigger than the individual initiative. It means creating spaces and opportunities for transformative initiatives to get into structured conversations with each other. In that way, they merge into a transformation system.

Transformative systems design therefore looks at how transformation can be achieved by considering the interrelatedness of vastly complex systems. No control, no steering, not even coordination nor administration will work here – although all of it is important in some way.

Transformative systems design requires a voluntarily co-designed choreography of multiple transformation initiatives, supported by the willingness of all actors to truly engage in iterative learning systems that will benefit all. Developing the capability of distributed and cross-institutional actors to collectively steward transformation patterns is key. But despite the

mounting global sustainability challenges, it seems, we are only at the beginning of a learning journey to understand what this would mean.

An example of a systemic transformation effort is the Roadmap to a Circular Economy¹³ in Finland. Far from perfect, this is a multi-faceted strategy that utilizes a number of sustainability drivers. It rests on the government's decision to create laws and regulations that accelerate the transition, while creating new jobs and increasing exports.

The Circular Economy is a normative approach to a new economic practice based on a safeguarding concept modelled around natural cyclical processes. It aims at rendering the concept of waste and loss of material at best entirely obsolete, concerning all production and consumption cycles. The ambitious goal of the Finnish government is to be a global leader of the Circular Economy approach by 2025. The initiative to develop the roadmap was launched in spring 2016, after a year of consultation with over 1000 stakeholders. The five focus areas are: a sustainable food system; more efficient use of forestry-related products; minimal use of raw material and life-span extension of products; fossil-free mobility services and reduction of private cars; as well as collaboration between different societal stakeholders to achieve overall systems change. Naturally, this involves the engagement of many different actors and institutions.

The scale and acceleration of sustainability transformation needed requires looking into the feasibility and impact of different and mutually

¹³ See: SITRA (2016). Leading the cycle Finnish road map to a circular economy 2016–2025. Finland: The Finnish Innovation Fund, Sitra Studie 121. Retrieved from: <https://media.sitra.fi/2017/02/28142644/Selvityksia121.pdf>.

supportive approaches. Transformative system designs utilize the design principles of transformative process designs, but transcend them in order to accelerate impact. They have certain core elements in common, such as multi-stakeholder engagement, attention to multi-layered issues, activity-based networks, system visualization and mapping as well as prototyping. They can be initiated and implemented by different stakeholders in society, but ultimately require the engagement of all societal sectors as well as large numbers of citizens.

What makes the Finish roadmap design particularly interesting is that it displays what transformation systems need: an integrated approach of different strategies to change, bottom-up and top-down transformative designs as well as the connection between seemingly fragmented interventions. The design touches on intervention approaches geared to change collective behavior at scale, such as new narratives, sustainability metrics, dynamic processes and structures, life-supporting innovation, multi-level governance as well as guiding regulations and resource allocations.

Analogous to the transformative design principles mentioned above, these strategies can be grouped into six transformation enablers¹⁴ that connect human competency dimensions to large systems change.

Transformation Enabler 1: Enlivening Narratives

The *first transformation enabler* refers to *enlivening narratives*. While sustainability doomsday scenarios wake up people to think and act, future narratives work best when they are emotionally contagious. They must encourage people to act. A sufficient dose of a 'Yes We Can' mentality is needed for transformative systems designs. Sustainability transformation needs uncounted numbers of emotionally compelling goals to get the many actors engaged that are needed. For the intractable cocoa challenge the questions

¹⁴ See: Kuenkel, P. (2017). Leading transformative change collectively: An inquiry into ways of stewarding co-evolutionary 'patterns of aliveness' for global sustainability transformation. Enschede: University of Twente.

would be: What could be an emotionally compelling narrative that would speak to farmers, the government and the cocoa purchasing companies alike?

Transformation Enabler 2: Structures and Processes

The *second transformation enabler* refers to *structures and processes* that bring out the best in people and invigorate the human spirit. This might range from 'reinventing organization' to improving good governance mechanisms or fostering local and global networks. The current societal and organizational machine-like command-control structures may have a role, but need to be overcome where they stifle self-organization and multiple forms of organizing human interaction. Transformative systems designs need to preserve structures where necessary and open up dynamic processes where possible. For the intractable cocoa challenge the questions would be: What are structures that really empower farmers? How could cocoa exporting countries learn from each other?

Transformation Enabler 3: Sustainability-oriented Innovation

The *third transformation enabler* refers to *sustainability-oriented innovation*. Building on the emerging innovation movement, transformative systems designs need to tap into the potential of bottom-up innovation to guide human inventiveness towards sustainability. This also means looking at how investments can support life-enhancing social and technological advancements. For the intractable cocoa challenge the questions would be: Which innovations around farmers' practices are happening and what can be learned from other areas or other production patterns in the world?

Transformation Enabler 4: Empowering Metrics

The *fourth transformation enabler* refers to *empowering metrics* that measure the progress towards sustainability. The rule applies: what gets measured gets improved. The focus on facts and figures needs to be science- and evidence-based, but also resonate with people

and emotionally connect with them. Sustainability metrics, most importantly, need to empower actors at multiple levels to shift thinking and behavior. Transformative systems designs consider how metrics function as feedback systems for iterative learning. For the intractable cocoa challenge the questions would be: What are the most adequate measures of progress? Which metrics would bring the levels of transparency into the value chains that would empower farmers?

Transformation Enabler 5: Multi-level and Multi-issue Governance

The *fifth transformation enabler* refers to *multi-level and multi-issue governance*. Accelerating new forms of collective sense-making and collective co-creation processes with multiple stakeholders is key not only to transformative process designs, but also to large systems change. Transformative systems designs work with patterns of governance, and move the concept of governance beyond negotiated compromises toward co-creative collaboration and learning settings. For the intractable cocoa challenge the questions would be: Which learning networks would strengthen bottom-up and top-down transformation processes?

Transformation Enabler 6: Guiding Regulations and Resource Allocations

The *sixth transformation enabler* refers to *guiding regulations and resource allocations*. Without setting rules, transformation to sustainability does not move forward. Guiding regulations are as powerful as deliberate interventions into the way resources are allocated, access is managed, taxes are distributed or investments are focused. But even more important are voluntary frameworks and peer-reviewed standards that guide collective behavior change. Transformative systems designs carefully consider a combination of voluntary and binding agreements. For the intractable cocoa challenge the questions would be: Which interventions towards alleviating deteriorating market volatility is required? In which way do voluntary sustainability standards support or accelerate sustainability in the cocoa sector?

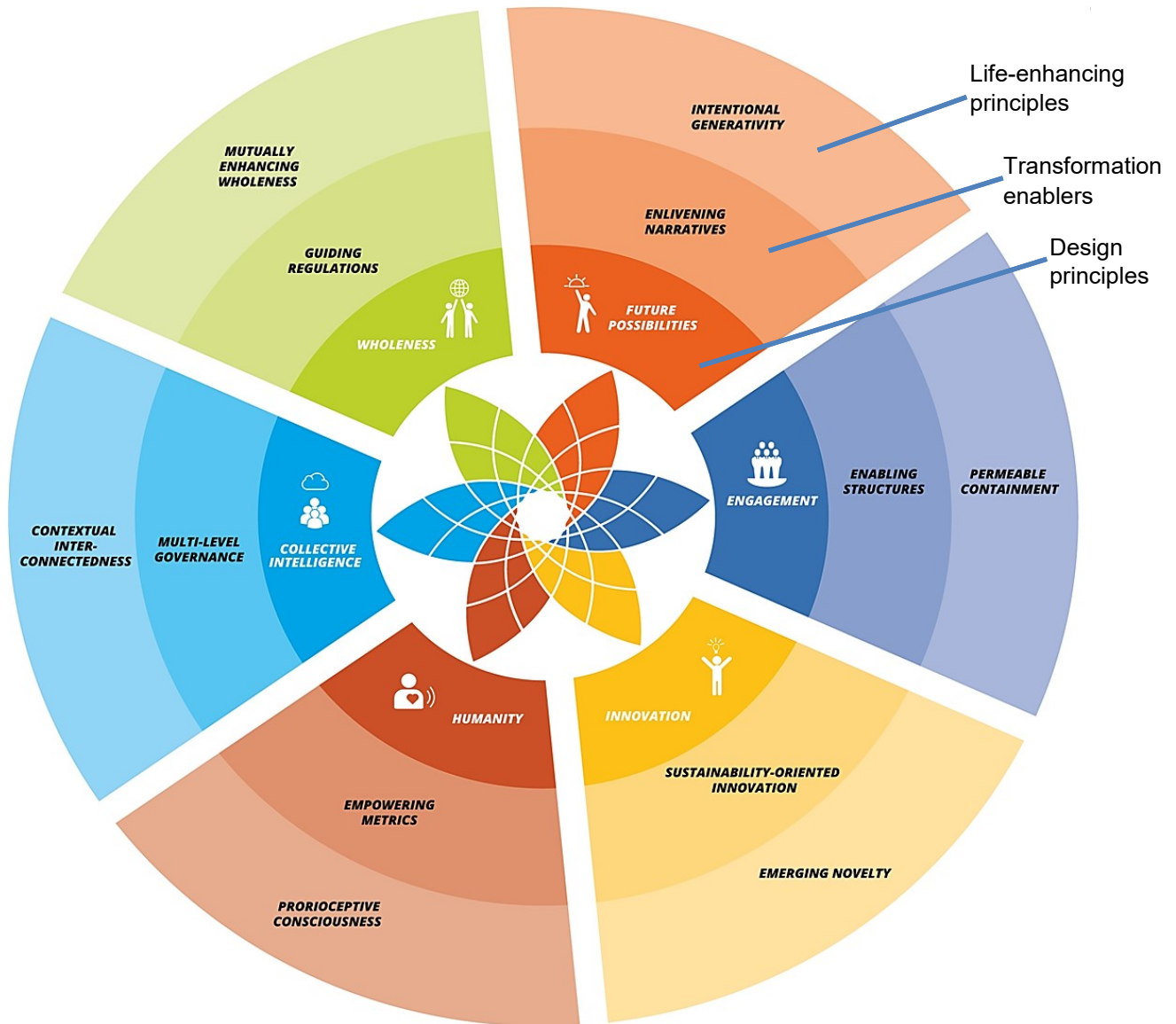


Figure 4: Transformative designs for large systems change: A conceptual architecture connecting human competency dimensions, design principles, transformation enablers and living systems features

Source: Collective Leadership Institute gGmbH

These transformation enablers are more than drivers or factors. Rather they need to be seen as a pattern of strategic elements, where the different elements support each other. Any of the transformation enablers can become an entry point for stewarding transformative change collectively. But it is their combination that makes a transformative system design impactful and accelerates large systems change. The six enablers provide meta-level conceptual guidance for designing large-scale change for sustainability transformation. How they are enacted is context- and issue-specific. They do not prescribe specific actions, but guide actors to adopt and connect measures and actions that, in the end, lead to more

sustainable patterns of socio-ecological interaction. They strengthen actors to understand the current situation and the opportunities for complementary intervention; guide them to plan relational and reciprocal interventions and encourage them to measure progress within a larger transformation system. Fig. 4 captures the conceptual architecture that can become a meta-guidance for transformative large systems change. This volume should be seen as a contribution and encouragement to take this learning journey further as we need to accelerate transformation.

Table 1 shows the relation of the design principles for collaborative change and large systems change with each other.

Table 1: Meta-guidance for transformative designs

Source: Collective Leadership Institute gGmbH

Purpose based on Aliveness Principles	Design Principles	Transformation Enablers	Guiding Questions
Invigorating the human capability to collectively shape future.	Future Possibilities: Identify and co-develop emotionally compelling goals	Enlivening narratives: Foster stories of possibilities. Create narratives that inspire minds and hearts.	How do we build resonance for transformative change? How do we invigorate the capacity to shape future collectively?
Engaging the human desire for belonging, meaning-making exchange and structured collaboration.	Engagement: Build step-by step small too large collaboration systems in bottom-up and top-down processes	Enabling structures and processes: Build dynamic networks. Co-create structures that enhance self-organization.	How can we bring stakeholders together in a climate of collective action? How can we leverage the potential of networks for dynamic change?
Building on the human desire to venture into the unknown and create new pathways.	Innovation: Nurture existing innovative change initiatives and foster creative new pathways to change.	Sustainability-oriented innovation: Allocate space and support for prototyping technological and social innovations	How do we accelerate the discovery of new pathways? How do we nurture emerging potential and foster pioneering approaches?
Raising the human capability for reflection in action and the respect for the integrity of all life.	Humanity: Foster collective reflection, and appreciate the dignity of people.	Empowering metrics: Create mass feedback systems for iterative learning.	How do we raise awareness for change? How do we develop meaningful and participatory measurements of progress?
Leveraging the human capability to thrive on diversity and act in networks of networks in dialogue.	Collective Intelligence: Establish collective learning systems at scale ensuring structured dialogue.	Multi-level, multi-issue governance: Establish new forms of collective sense-making and collective co-creation with multiple stakeholder	How do we establish structured dialogue and negotiate future pathways? How do we leverage multiple perspectives and expertise?
Tapping into the human capability to engage with a bigger picture, the larger story, and the greater system.	Wholeness: Create contextual impact and harvest opportunities for complementary meta-collaboration.	Guiding regulations and balancing resource allocations: Set both voluntary and binding rules. Reallocate resources to sustainability.	How do we co-develop and agree on behavioral guidance? How do we manage the flow of resources? How do we ensure impact at scale?

5. THE WAY FORWARD



This article suggests that successful sustainability transformation ultimately hinges on a broad range of actors to self-organize around stewarding transformative change. Such change cannot be steered; it can only be coordinated to a limited degree. The transformation enablers of the meta-level conceptual architecture for transformative change are anchored in life-enhancing principles and also reflect the human competency dimensions of the Collective Leadership Compass. Taking the architecture into account when planning systems change helps unleash dynamics of mutually supportive self-organization among many different actors. They learn to pay attention to which patterns of interaction accelerate transformation. Transformative designs, both processes and systems, need such meta-level guidance in order to bridge the experiential gap between the complex non-linear dynamics of life and human interaction processes and the linear mode of planning and management that currently dominates large-scale change initiatives. Efforts towards sustainability

transformation taking place already need to be transformed into connected, mutually supportive laboratories.

In order to translate transformative designs into the day-to-day reality of stewarding change collectively across institutions and even nations, learning exchange between practitioners of transformative process designs and decision-makers for systems designs is needed. This should be substantiated by case studies and assessed as to how transformation can be accelerated by scaling up the experiential knowledge of leading complex change in multi-actor settings. Research should examine how emerging transformation patterns could reciprocally strengthen the practice of multiple actors to collectively steward transformative change in large systems. Understanding transformative designs will also help to see the 17 Sustainable Development Goals as systemic issues and implement those using transformative approaches.

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Dr. Petra Kuenkel is a full member of the International Chapter of the Club of Rome as well as founder and executive director of the social enterprise Collective Leadership Institute. As a leading strategic advisor to pioneering international multi-stakeholder initiatives around sustainability issues she promotes the scaling-up of global transformation to a world that works for 100% of humanity and the planet. Through her global work in systems change for sustainable development she has gained extensive insight into the challenges of change initiatives that include private sector, public sector and civil society. Petra Kuenkel is the author of the ground-breaking book “The Art of Leading Collectively” (Chelsea Green, US). She has a profound background in leadership development for multinational corporations focusing on effective change leadership in complex systems.



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8. THE COLLECTIVE LEADERSHIP INSTITUTE

[The Collective Leadership Institute gGmbH](#) is an internationally operating non-profit organization located in Potsdam (Germany) and Cape Town (South Africa) with focus on educational programs in the area of Collective Leadership and Stakeholder Dialogues.

We offer capacity building for sustainable approaches in stakeholder dialogues, provide process consultancy, research, and build networks and communities. In Europe, Asia, Africa, and Latin America, we work with leaders, project managers, and change agents from the private, public and civil society sector. We support and empower them to create and implement collaborative change initiatives for innovative and sustainable solutions to global, societal and local challenges.

We specialise in large-scale change processes around sustainability with a focus on transformation through high-quality stakeholder engagement and with Collective Leadership as our core methodology.

The Collective Leadership Institute is a cutting-edge organization with deep expertise in bringing emerging paradigm leadership concepts to multi-stakeholder processes and projects to support achieving the Sustainable Development Goals. This work is vitally important to the long-term flourishing of the human family, as well as serving the preservation of life and its beauty on planet earth.



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Collective Leadership Studies ISSN 2569-1171