

## **Social Systems As If People Mattered**

### **Response to the Kühl Critique of Theory U**

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#### **Keywords**

Theory U, blind spot, systems thinking, action research, social systems theory

#### **Abstract**

In his critique of Theory U, Kühl suggests that this approach resembles a management fashion based on four specific characteristics and claims, namely: 1) The simultaneous transformation of nearly everything, 2) The suspension of the differences between science, economics, politics, and religion, 3) Resolving conflicts of interest according to a community ideology, and 4) Reliance on purposive-rational thinking. The first part of this response to Kühl's critique argues that these four claims are unfounded or misguided and outlines why that is the case. The second part explores the questions not raised by Kühl. Finally, the third part of this response explores the blind spots of the framework that underlies Kühl's critique (Luhmann-inspired autopoietic social systems theory) and ways in which Theory U actually addresses these. Reflecting on the origins of Luhmann's approach in the early work of Humberto Maturana and Francisco Varela (1987), the question is asked what an alternative approach to social systems theory might look like if it were instead grounded in the more evolved and later work of both Maturana and Varela – which in fact turns out to be the case for Theory U.

## **Social Systems As If People Mattered**

### **Response to the Kühl Critique of Theory U**

I would like to start with two notes of appreciation: To Stefan Kühl, who continues to voice his critique of Theory U (Kühl 2015; 2016a; 2016b; 2019), and to the editors of the *Journal of Change Management* for giving me the opportunity to respond. I appreciate Kühl's critique, which has opened up a rather interesting conversation that I hope others will join.

My response is in three parts:

--to the questions raised by Kühl

--to questions not raised by Kühl

--to the blind spots of the social systems theory that underlies Kühl's critique

#### **I. Questions raised**

Kühl suggests that Theory U can be seen as just another "management fashion". The four blind spots that are typical features of management fads are, according to Kühl:

- (1) The simultaneous transformation of nearly everything
- (2) The suspension of the differences between science, economics, politics, and religion
- (3) Resolving conflicts of interest according to a community ideology
- (4) Reliance on purposive-rational thinking

## **Simultaneous transformation of nearly everything**

The first criticism concerns the basic framing of Theory U, which is that we live in a moment of crisis and profound societal disruption. “The reaction to this crisis” argues Kühl, “is the proclamation that great transformations are necessary.”<sup>1</sup>

Kühl states: “Here we find a pattern of argumentation that is typical for management fashions. Initially, their point of departure [is] the changes that must take place in an organization, but they assert that along with them society as a whole will change for the better. There is talk of the micro-, meso-, macro-, and mundo-level of social systems that Theory U can access and change (Scharmer, 2009b, p. 232).”

Kühl suggests that, from a sociological perspective, Theory U “misses the mark” because the central insight of systems theory is that “social systems operate in entirely different ways at different levels.” Theory U runs counter to social differentiation, he says, “because it primarily serves to clarify the position of individual people within teams or groups. Theory U is vague in its attempts to describe how organizational or even social change can be accomplished.”

I would make four points in response.

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<sup>1</sup> All quotes from Kühl, unless designated otherwise, refer to Kühl (2019).

First, I believe that the framing of the current moment and calling for “the simultaneous transformation of nearly everything” is apt, simply because the moment we live in does call for societal change on that massive scale. Therefore, I fail to see how this core framing of Theory U, namely, that we live in a moment of disruption—which quite accurately describes our current condition—signals a blind spot.

Second, Kühl’s argument that Theory U starts with change in organizations, and then asserts that society as a whole would change for the better as a result is not correct. The framework of Theory U addresses all four systems levels (micro, meso, macro, mundo) simultaneously, and the method of Theory U offers a variety of tools for effecting change on all four levels.

Third, in regard to the assertion that “Theory U is vague on how organizational and social change can be accomplished”: this claim ignores (a) the entire set of 24 principles and practices in the concluding chapter of the book *Theory U*, and (b) my subsequent books that apply Theory U in great detail to the transformation of capitalism and society (Scharmer and Kaufer 2013; Scharmer 2018). I would argue that in these and related publications (Scharmer 2017) I have made more specific suggestions on the transformation of capitalism in the last few years than most researchers do in their entire career. More importantly, Theory U methods and tools are used by many thousands of individual change makers, many hundreds of teams and organizations, and more recently also increasingly (yet still small in number) by governments and multilateral institutions such as the UN (on implementing Sustainable Development Goals) or the OECD (on reinventing education) to address pressing systemic challenges with often

quite significant results. For example, I recently learned that the new core curriculum at the Stockholm School of Economics called “Global Challenges” has been significantly inspired and designed by Theory U principles through faculty members who attended my global online u.lab class in 2016.

Fourth, the claim that Theory U runs counter to social differentiation ignores all of Part III of the book *Theory U*, which dedicates one chapter to each level of social systems (micro, meso, macro, mundo). Kühl’s critique does not recognize that Theory U takes a perspective on these issues that is very different from Luhmann-style social systems theory (which Kühl references as his source). Luhmann’s social systems theory removes people as a key variable in the system (Luhmann 1987), while Theory U looks at social systems from a perspective that puts people and their evolving human consciousness at the core. To paraphrase Schumacher (1973): Theory U studies social systems *as if people mattered*.

One might argue that each approach — mine and Luhmann’s — illuminates a specific aspect of social systems, while de-emphasizing another. But that’s not what Kühl is saying. Kühl’s critique claims that one approach is legitimate and scientific, while the other one is “management fashion”. That claim, needless to say, lacks any scientific basis. Theory U offers a different perspective on and approach to social systems theory. It is a perspective that is relevant precisely because it illuminates the blind spot of contemporary social systems theory (as I elaborate on in more detail in part III below).

## **The suspension of the differences between science, economics, politics, and religion**

Kühl's second criticism concerns Theory U's alleged negation of the functional differentiation among the subdomains of society. Theory U, writes Kühl, "is presented as a new science which brings to light the invisible dimension of social processes" and holds that science must be guided by the "will of wisdom (Scharmer, 2009b, p. 14)." In Kühl's view, "the same intellectual model that underpins his management concept, namely, a society that merges business, politics, religion, and science, will save the world. That may be an appealing dream, but it bears little relationship to developments in modern society."

A few points of clarification. It is true that a lot of the practical engagements I describe as an action researcher concern complex multi-stakeholder processes — that is, engagements with multiple stakeholders across institutional and sectoral boundaries. The reason for this is twofold. One, as an action researcher I systematically make mention of my practical experiences in helping change-makers succeed in various projects (in the spirit of integrating first-, second-, and third-person knowledge). And two, these initiatives often do bring together key players across institutional and sectoral boundaries. However, to insinuate from these examples that I have not read Weber, Habermas, and Luhmann and therefore actively negate the functional differentiation of modern societies is not only unfounded, but also ignores my subsequent publications (Scharmer and Kaufer 2013; Scharmer 2018), which clearly state the contrary.

That being said, I do believe that just emphasizing functional differentiation is not enough. The major challenges of our time require us not only to differentiate between the various societal subsystems, but also to reintegrate them in the context of specific places, regions, and challenges — not by creating a new super-centralization (as we now witness in China and in Silicon Valley-based Big Data empires), but by creating *containers* that allow for seeing and sensing the whole from the viewpoint of the various relevant subsystems and players. Last but not least, Kühl accidentally misquotes UC Berkeley’s Eleanor Rosch. She did not suggest that science needs to be performed with the “will” of wisdom. She suggested that science needs to be performed with the “mind of wisdom” — that is, with an awareness that mind and world are not separate.

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### **Resolving conflicts of interest in a community ideology**

Kühl’s third criticism concerns the neglect or negation of structural conflicts of interest. Kühl sees in Theory U an “aversion to debate as a form of dialogue” and an approach to conflicts of interest among stakeholders that reduces or even “eliminates” those conflicts completely. It explains, according to Kühl, “why Theory U envisions that the World Bank, the Chinese government, McKinsey Consulting, multinational corporations, and NGOs can go through Theory U together in a global process and overcome their conflicts of interest. Theory U therefore ultimately advocates old collective ideologies that deny the existence of opposing interests between individuals, groups, organizations, or classes.”

Three points of clarification.

First, Theory U does not have an aversion to debate. Rather, it makes a distinction between debate and dialogue as different modes of conversation. Both deal with different points of view, but the quality of interaction is different. In our day and age, and given the research interest of Theory U, which focuses on relational qualities, this is a significant distinction. Any insinuation that this distinction implies an “aversion to debate” is misguided.

Second, although I do refer to the World Bank, McKinsey Consulting, multinational corporations, the Chinese government, and various NGOs in the context of separate projects, at no point have I ever suggested blending all of them together in a single global process to overcome their conflicts of interest. What is true, however, is that Theory U is often used with groups whose multiple stakeholders do have conflicting interests. But rather than “denying” or “eliminating” these conflicts, we at the Presencing Institute approach them in ways that explore and develop new modes of “upgrading the operating system” based on which the respective institutions and players collaborate.

Third, the claim that “Theory U therefore ultimately advocates old collective ideologies that deny the existence of opposing interests between individuals, groups, organizations, or classes” is unsupported. The opposite is the case. Whenever we run projects, programs, and labs, we pay a great deal of attention to diversity and ensuring the inclusion of all the relevant groups and stakeholders, particularly of those that are most marginalized. “Old collective ideologies”?

What does that even mean? Socialism? Fascism? Neoliberal capitalism? None of these would apply to Theory U.

### **Reliance on purposive-rational thinking**

The fourth and maybe the most interesting criticism by Kühl concerns his suggestion that Theory U relies on purposive-rational thinking. Kühl: “Theory U ultimately amounts to an esoteric variant of classical purposive-rational thinking. Even if it emphasizes that the “U” functions as a holistic field and nonlinear process, one still sees how similar Theory U is to ... the Plan-Do-Check-Act cycle, and Kurt Lewin’s Unfreeze-Moving-Refreeze model.”

Kühl argues: “Nevertheless, Theory U is ultimately dominated by the purposive-rational approach of viewing change in terms of a common purpose. The end product is a common goal, except that it is now referred to as forming a ‘common intention’ for which one would like to connect with others; ... Rather than speaking of goals that management is meant to reach, there is now talk that the essence of management is to obtain the highest possible future (Scharmer & Käufer, 2008, p. 4). However, what is leadership supposed to represent other than orienting actions to targets or goals that were envisioned together?”

Finally, the last point in Kühl’s argument is that actual organizations do not behave in a purposive-rational manner. Although this is not always the case, writes Kühl, “Theory U’s overreliance on purposive rationality belies organizational reality in many circumstances. The

recasting of esoteric terminology in Theory U conceals its reliance on purposive rationality. As a rule, political processes are not defined by the esoteric sequences depicted in Theory U. Organizational decision-making processes generally do not conform to the clear phases like the ones set forth in Theory U. Instead, these phases often run parallel to one another, and the processes often emerge organically.”

Okay, I truly appreciate these points. They are interesting and not just based on unsubstantiated claims. I have two responses: one in agreement and one in disagreement.

Where I agree with Kühl, is on the whole notion of bringing the views and experiences of people — that is, leaders, managers, change-makers, and citizens — back at core of social systems theory. Even though Kühl did not use those exact words, that is my take on where I agree with his argument. And this is in fact what I am trying to do. Even though I am fully aware that this runs counter to the core assumptions of autopoietic social systems theory, I see little reason to apologize for that. It’s the very reason why I left Europe and went to MIT: to immerse myself in the tradition of action research, because I wanted to learn how to be more helpful as a researcher to the practitioners and change-makers in the field, and how to use this perspective as a grounding for rethinking social systems, learning, and leadership.

Where I disagree with Kühl, is in his claim that this shift amounts to an overreliance on purposive-rational thinking. Three points:

- Kühl equates goals with intention. They are not the same thing. One is a desired outcome in the future (goals). The other is an orientation in the present moment that is grounded in one's whole awareness and being (intention).
- Kühl equates traditional management (getting things done) with the type of leadership that Theory U supports (leading by letting go and letting come). Kühl seems to have missed the main point of the U Theory, which is that you *organize around* something that is *emerging*.  
Therefore, the U Theory applies to management only to the degree that the old purposive-rational model is no longer working and thus is no longer applicable. Only when this is acknowledged do you arrive at a relevant challenge: because the old tools of management are no longer as useful, new and different approaches (like Theory U) should be explored.
- The claim that Theory U is overly reliant on purposive-rational thinking is false and clearly a misunderstanding on Kühl's part. The main reason Theory U is increasingly used in organizations and change movements worldwide is that it offers a powerful set of methods and tools that are NOT limited to purposive-rational thinking. Instead, these tools use methods of embodied knowing, social arts, aesthetic literacy, and mindfulness practices, which I have written about extensively elsewhere (Scharmer 2016; 2018). One example is the 4D Mapping practice that uses Social Presencing Theater to map a system in ways that make the system *sense and see itself*. This mapping protocol requires three voices to be included and thus heard: the voice of nature, the voice of the most marginalized groups, and the voice of the emerging future. As such, this practice does bring in some elements of purposive rationality (through the problem statement by the case giver), in addition to elements of normative rationality (through the voices of nature, of the most marginalized, and of the future), as well as strong elements of

an aesthetic rationality (through utilizing methods of embodied knowing) that function at the core of this practice.

I agree with Kühl that real organizations do not behave in a purposive-rational manner.

Needless to say, I never claimed that they do, contrary to Kühl's insinuations otherwise. I also generally agree with him that real decisions in real organizations "do not conform to the clear phases like the ones set forth in Theory U." But Theory U is not a phase model; it's a field theory. I do talk about movements and stages in the first part of the book, but that's mainly to introduce certain key distinctions. Later in the book, I connect these concepts in the context of an awareness-based social field theory.

Finally, on the issue that current organizations would not embody Theory U: My entire Theory U project has never aimed at mirroring the status quo of organizations. As an action researcher, I am following in the footsteps of the peace researcher Johan Galtung, who suggested that social science should focus on "seeking and breaking" invariances (Galtung 1977), not on cementing them. Accordingly, my aim is not to mirror the status quo (as Kühl seems to assume), but to *transform* it by describing the conditions that allow a system to shift from one state of operating to another.

## **II. Questions not raised**

So much for the questions that Kühl raised. What questions did he not raise, but could have?

Two come to mind.

First, why do some readers, including Kühl, consider *Theory U* to be a “management fashion,” despite the fact that it violates all the golden rules of a best-selling management book? It’s got 500 pages, dozens of tables, and hundreds of footnotes, not to mention very dense prose. How does an “unreadable” book like that end up influencing or changing how we think about leadership and change in organizations today?

In fact, I’ve intentionally done everything I could NOT to make Theory U a management fad. Specifically: (a) I wrote a book that addresses highly sophisticated readers; (b) I offered very few public trainings in these methods and tools during the first decade; and (c) I have focused on helping practitioners to create and advance living examples of these principles and practices.

Second, why does the book and its approach occasionally evoke such an emotional response from certain readers? For example, when Kühl published his first critique, he concluded that “the choice of esoteric terminology in Theory U conceals that it amounts to nothing other than a linguistically obfuscated management fantasy” (Kühl 2016a). What accounts for this emotional charge?

### **III. Blind Spots of Traditional Change Management and Current Social Systems Theory**

Part of the explanation for this emotional charge might be related to an underlying paradigm shift that we see happening in society and that is making its way into university departments. In fact, I see my own work as part of this larger movement and shift. Even though traditional change management and contemporary social systems theory are very different, they do share a few blind spots that are relevant to this conversation.

*Blind spot 1: Vertical literacy.* Traditional change management and contemporary social systems theory are by and large illiterate when it comes to vertical development — i.e., development that requires a shift in thinking and an evolution of the self (Kegan 1982, 1994; Scharmer 2019). Yet, actual change-makers in the field have to deal with modern-day challenges that require them to hold the space for constellations of stakeholders to move from one mindset to another — i.e., from a silo to a systems view, or from *ego*-system awareness to *eco*-system awareness.

Theory U addresses this blind spot by offering not only a language and framework for these shifts, but also hands-on methods and tools that help systems (and the people within them) make this shift happen.

*Blind spot 2: Societal transformation.* Both traditional change management tools and contemporary social systems theory have little to say about our current moment of ecological, economic, social, political, digital, and spiritual disruption. What is going on? When you are a leader in times of profound societal disruption, part of your job is to make sense of what is going on around you and to create orientation when many people tend to be confused and

depressed. Both traditional change management and contemporary social systems theory are remarkably weak in shedding eye opening light on the current transformation of capitalism.

*Blind spot 3: Bias for conserving the status quo.* Both change management and Luhmann-inspired autopoietic social systems theory embody a bias to preserve the status quo. But what if we live in a moment where the perpetuation of the status quo would deepen the ecological, the social, and the spiritual divides of our time (i.e., the disconnect between self and nature, self and other, and self and self) and thus put us on a path toward self-destruction? This blind spot concerns how we think about the future: as an extension/modification of the past, or as a field of possibilities that can be radically different from the past.

These points suggest that contemporary (autopoietic) social systems theory and traditional approaches to change management suffer, in spite of their many differences, from some of the same deeper issues:

- The absence of vertical literacy needs to be addressed with new methods and tools that help leaders and change-makers create containers for evolving the self, i.e., for shifting the awareness in a system from ego to eco.
- The lack of a societal transformation framework needs to be addressed with a systems thinking-based approach that helps make sense of the current moment and puts the recent rise of autocrats and of surveillance capitalism (Zuboff 2019) into perspective.
- If leadership essentially is about the capacity of a system to co-shape the future, then we need to move beyond the structural conservatism of contemporary social systems

theories and complement (or replace) these approaches with methods and tools that help change-makers co-sense and co-shape a future that is worthy of their highest commitments.

So why is Theory U being read so widely, despite its complexity and density? Because it addresses these blind spots, and because many change-makers in society believe that addressing them matters to what they are trying to do, and matters to reinventing their various institutions, including the 21<sup>st</sup> century university (Scharmer 2019).

In closing, I want to reiterate my appreciation for Kühl's critique. Kühl refers to the work of Niklas Luhmann twice. As one of the main innovators in the field of social systems theory, Luhmann (1987) took the core concepts of autopoiesis from the biologists and cognitive scientists Humberto Maturana and Francisco Varela (1987) and applied it to social systems. When I spoke to Maturana some years ago, I learned that he was extremely skeptical about applying his concept of autopoiesis to society. "Just imagine for a moment a social system that is, in actual fact, functioning autopoietically," explained Maturana in an interview with Bernhard Pörksen. "This would entail that every single process taking place within this system would necessarily be subservient to the maintenance of the autopoiesis of the whole. Consequently, the individuals ... would vanish. They would have to subordinate themselves to the maintenance of autopoiesis. ... This kind of negation of the individual is among the characteristics of totalitarian systems." (Maturana and Poerksen, 2007, p. 72)

Moreover, interviewing Maturana's co-author, the late Francisco Varela – once during the 1990s and once in 2000 – helped me to develop a significant insight into the vertical development of social systems, i.e., the four layers (and states) of social systems that Theory U differentiates, according to the structure of attention from which participants in such a system operate.

Let me give one specific example. Varela claimed that the blind spot in western science is experience: "The problem is not that we don't know enough about the brain or about biology," he said. "The problem is that we don't know enough about experience... We have had a blind spot in the West for that kind of methodical approach. Everybody thinks they know about experience. I claim we don't." (Scharmer 2018, p. 22). He then developed such a method by synthesizing psychological introspection, phenomenology, and meditation practice. The result of this synthesis is what he calls the "core process of becoming aware," which is marked by the three gestures of: *suspension*, *redirection*, and *letting go*.

When I heard him describe these different states of cognition on the level of the individual, I immediately knew that I had seen these shifts many times before: not only on the individual level (where I refer to them as *open mind*, *open heart*, and *open will*), but also during group process facilitation (where I refer to them as debate, dialogue, etc. – see table below). Thus, at the core of the Matrix of Social Evolution, which summarizes the framework of Theory U, you find the epistemological groundwork of Varela along the vertical axis, and the levels of social systems along the horizontal axis.

Insert table 1 around here

My closing reflection and question is this: Since Luhmann took Maturana's and Varela's early work as the point of departure for pioneering what today is known as the *autopoietic turn* in social systems theory, what would a social systems theory grounded in the later work of these two intellectual giants look like? It would certainly put people at the center of the investigation, as Maturana argued in the conversation quoted above, and such an approach would also have to include the *epistemological turn* that Varela advocated for with his groundbreaking work on neurophenomenology and embodied cognition. If you put these two things together, you end up with a framework that in principle looks like the one I put forth with Theory U: an approach that *looks at social systems from the perspective of human agency* and that *inquires into agency from the viewpoint of an evolving human awareness and self*. The other thing you would expect to get is, in the spirit of Varela's turn toward phenomenological *practice*, a whole set of hands-on methods and practices that allow change-makers to bring about change across the entire Matrix of Social Evolution (levels 1-4), rather than getting stuck at levels 1 and 2.

Summing up, Theory U offers a different entry point to understanding social systems: social systems as if people mattered; or: social systems as if human attention mattered. "*I pay attention [this way], therefore it emerges [that way]*" (Scharmer 2016). Theory U is an attention-based view that is grounded in Varela's later work, i.e., in an *epistemological turn* that results in a new path to understand social systems not by *stepping back* to focus on the

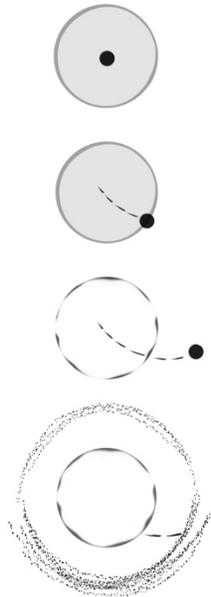
“abstract whole” through methods of disembodied knowing (as the Luhmann approach suggests), but by *stepping forth* to connect with the concrete particulars of a social situation through using methods of embodied knowing to “presence” what Bortoft (1999) calls the “authentic whole.”

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TABLE 1. Matrix of Social Evolution (Source: Scharmer 2018)



ATTENTION/ FIELD	MICRO: ATTENDING	MESO: CONVERSING	MACRO: ORGANIZING	MUNDO: COORDINATING
FIELD 1: HABITUAL	DOWNLOADING HABITUAL	DOWNLOADING TALKING NICE	CENTRALIZED TOP-DOWN	1.0 HIERARCHY
FIELD 2: ECO-SYSTEM	FACTUAL OPEN MINDED	DEBATE TALKING TOUGH	DECENTRALIZED DIVISIONS	2.0 COMPETITION
FIELD 3: EMPATHIC- RELATIONAL	EMPATHIC OPEN HEARTED	DIALOGUE INQUIRY	NETWORKED STAKEHOLDERS	3.0 STAKEHOLDER DIALOGUES
FIELD 4: GENERATIVE ECO- SYSTEMS	GENERATIVE OPEN PRESENCE	COLLECTIVE CREATIVITY FLOW	ECO-SYSTEM CO-CREATING	4.0 ABC AWARENESS-BASED COLLECTIVE ACTION