

DIALOGUE #73

THE
MAGAZINE
BY
EFESO
ENGLISH
EDITION

IMAGES OF ORGANIZATION



STABILITY AND CHANGE IN A DYNAMIC WORLD

IMAGES OF ORGANIZATION

STABILITY AND CHANGE IN A DYNAMIC WORLD

Organization is a fundamental prerequisite of human civilization. Homo sapiens became successful because they learned to act in coordinated groups – and to stabilize these groups over time. Without organization, neither society nor the economy would be conceivable. We act within and through organizations.

Especially in times of accelerated change, questions about the structures, functions, and survival mechanisms of organizations become increasingly pressing: What must remain stable to enable effective action? And what must change to ensure that an organization remains agile and adaptable to new conditions?

The title of this issue is inspired by Gareth Morgan's *Images of Organization* – a work that has profoundly shaped organizational and management research and continues to have a strong impact today. DIALOGUE #73 follows Morgan's idea that organizations become visible only through the interplay of different perspectives. The discussions range from the question of whether and how stability can be achieved, to trust, responsibility, decision-making arrangements, and the concept of the zero-based organization, as well as organization in networks and platform logics. They also explore areas of tension, from universities and empires to gray zones in which isolation and loyalty become structural principles, thus illustrating the many different ways in which organizations can be conceived, designed, and experienced.

We wish you an insightful read.



SEBASTIAN DIERS

Managing Director of the DACH-Region
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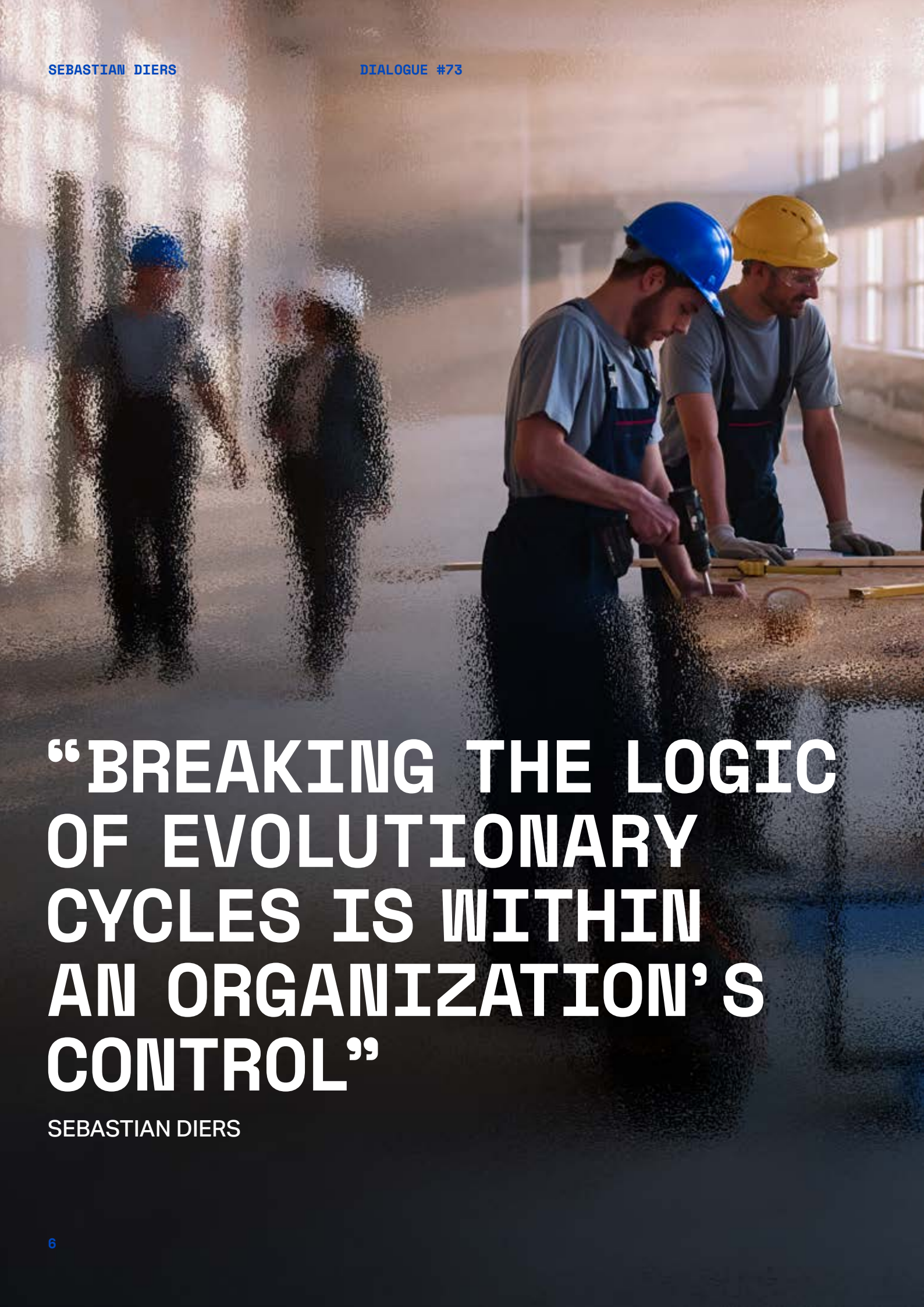
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**“BREAKING THE LOGIC
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AN ORGANIZATION’S
CONTROL”**

SEBASTIAN DIERS

THE CURRENT DYNAMICS ARE A MAJOR STRESS TEST AT THE INDIVIDUAL AND SOCIETAL LEVEL. WHAT DOES THIS MEAN FOR ORGANIZATIONS AS THE INTERMEDIATE LAYER?

Our institutions and organizations are, of course, under significant pressure. To remain future-ready, they must become highly agile while also being sufficiently resilient. This requires structures and processes that are both clearly defined and flexible enough to move in sync with the markets. The foundation for this is a strong organizational culture, deeply embedded, productive, motivating, and providing a sense of security. Both dimensions are essential and must be balanced. If structures and processes dominate too strongly and the organization is not understood as a living system, problems arise. But the same is true if the mindset is overly driven by comfort and the balancing of interests. Both aspects must be managed carefully in order to develop organizations capable of withstanding the unprecedented stress test our world is currently facing.

WHEN LIVING ORGANISMS AGE, THEY LOSE STRENGTH, APPETITE, AND WILLINGNESS TO CHANGE. YET COMPANIES ARE EXPECTED TO REMAIN FOREVER YOUNG. HOW CAN THIS “FOUNTAIN OF YOUTH” BE FOUND?

Finding this fountain of youth is within an organization's control – the logic of evolutionary cycles can be broken. By consciously and proactively managing maturity development, and by identifying the right fields of action and timing, organizations can move along these cycles – or even jump to a new curve altogether. Being able to do this is incredibly important. It is the core responsibility of management to ensure that the organization remains dynamic and ambitious, and to create incentives that drive activation and dynamism.

HOW SHOULD SUCH AN EVOLUTIONARY PROCESS BE APPROACHED?

It requires self-reflection, a clear vision, and a committed, motivated team. At the same time, organizations must push their boundaries outward – overcoming structural and cultural silos to truly think and manage the organization end-to-end. This enables the development of an effective strategy process – short-cycle, comprehensive, and fast-acting; interactive, with continuous feedback loops into the organization, and a clear focus on strategic drivers. As long as organizations remain trapped in silos, it is impossible to keep pace with external dynamics.

THE REASONS WHY THESE SILOS EMERGE IN ALMOST ALL ORGANIZATIONS SOONER OR LATER ARE NOT ARBITRARY – THEY HAVE A STRONG EVOLUTIONARY FOUNDATION.

People need recognition for what they do. And this recognition is naturally more direct and tangible when we can physically grasp what we create and change, and when it comes from those we work with closely. From an evolutionary perspective, we feel safest in units that we can directly control and influence.

However, highly fragmented structures are not suited to creating impact in the market. This is why organizations need to evolve toward a level of maturity where organizational successes are experienced by individuals as personal achievements. Only then can resilience, agility, and execution strength emerge. Of course, this development must be approached carefully. Many companies hold on to the past for too long and then push people out of their comfort zones too abruptly, without adequately developing them. This leads to overload, anxiety, and frustration.

EVOLUTIONARILY SUCCESSFUL SPECIES ARE GOOD AT DISCOVERING NEW ECOLOGICAL NICHES AND ADAPTING TO THEM. DO ORGANIZATIONS NEED THESE CAPABILITIES AS WELL?

In an organizational context, I would rather speak of "solution spaces" that must be actively explored and entered in order to deliberately shape their own evolution and take action when a downward trend becomes apparent. That is why it is so important to engage early with new technologies, global trends, and emerging business models.

AGAINST THIS BACKDROP, HOW ARE THE ROLE AND RESPONSIBILITIES OF CONSULTING CHANGING? IS IDENTIFYING INDIVIDUAL SOLUTION SPACES WHAT CONSULTING MUST DELIVER TODAY?

Absolutely. In the future, it will be about helping companies at every stage of maturity to successfully move along, and between - evolutionary curves. I see two key aspects here. First, to meet organizations where they are, consultants must be able to develop structures, processes, leadership systems, technologies, operating models and business mo-

dels in an integrated way across a broad spectrum. Second, this implies a closer, more intensive, but also more complex relationship with clients. As a consultant, I must maintain a certain level of distance while at the same time going deep enough into the organization to build trust and bring people along on the journey. At the beginning, I act as a co-initiator of the process rather than standing on the sidelines – but this role must gradually evolve over time.

WHAT DOES THIS DEVELOPMENT MEAN FOR EFESO, AND HOW ARE YOU RESPONDING TO IT?

In recent years, particularly in the German-speaking region, we have initiated an intensive transformation process, achieving strong growth both organically and inorganically. This transformation is driven by the observation that operational excellence is the key factor determining the future viability of companies in the manufacturing industry. Execution strength, efficiency, resilience, and agility are created in operational areas that must be connected and designed end-to-end, from maturity development to restructuring.

We have aligned our organization accordingly, bringing together capabilities in products, processes, supply chain management, digitalization, and team development. These capabilities are embedded in a strong and growing ecosystem, enabling us to provide deep expertise even in highly specialized areas. In this sense, we are undergoing the same evolutionary process we have been discussing. We are continuously developing our structures, culture, and capabilities, and actively working to unlock new solution spaces for ourselves.

WHAT DO THESE CHANGES MEAN FOR THE LIFE AND CAREER PATHS OF YOUNGER GENERATIONS? WHAT KIND OF FUTURE CAN THEY EXPECT IN LIGHT OF A RAPIDLY CHANGING WORLD AND THE IMMENSE POTENTIAL OF AI?

It is our responsibility toward the future to create the necessary space, and not to be guided solely by efficiency considerations. After all, where will future leaders come from if they are not given the opportunity to start somewhere and learn the fundamentals? We will continue to develop young talent in the future – however, the development paths will be different. I believe this will be one of the major challenges, but also one of the great opportunities of the years ahead.



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“INSTITUTIONS ARE THE CUMULATION OF TRUST”

DR. HANNO SAUER

MANY PEOPLE TODAY FEEL THAT THEY ARE EXPERIENCING A DEEP TRUST CRISIS AFFECTING EVERY AREA OF SOCIETY. IS THIS PERCEPTION EXAGGERATED?

Trust crises are nothing new. Trust emerges from homogeneity, similarity, and stability of expectations. Around 100,000 years ago, humans lived in tribes of 50–60 individuals. We wore the same jewelry, spoke the same language, danced to the same rhythms, and told, and retold, the same stories. Today's society, with its subgroups and subculture-specific languages, values, and symbols, is far more complex. We can no longer be certain that the expectations we place on others will not be disappointed. That is why trust crises are almost always a byproduct of structural change, and that is exactly what we are experiencing today.

WHY DO WE EXPERIENCE BREACHES OF TRUST AS SO PAINFUL?

Because our dependence on other individuals is so fundamental. Everything we know and have, our entire lives, depends on what we learn from and exchange with others. We choose whom we depend on by extending trust in advance, and we are extremely sensitive when that trust is violated. It is no coincidence that being trustworthy is a core moral value in almost every society. The importance of trust is the

flip side of the fact that we are learning beings, dependent on acquiring knowledge and skills from those who serve as reliable sources of information and competence.

THERE ARE STUDIES SHOWING THAT COUNTRIES WITH HIGH LEVELS OF SOCIETAL TRUST ALSO ACHIEVE STRONG ECONOMIC PERFORMANCE. HOW CAN THIS CORRELATION BE EXPLAINED?

This is often described as social capital, a fundamental level of trust in social interaction. For something like society to function, we must be able to interact with one another. Trust reduces complexity and makes our actions more easily connectable. We effectively narrow down options so that our actions align and interlock. This is how society emerges. It works particularly well in high-trust societies such as Canada, New Zealand, or the Scandinavian countries.

It is interesting that from a more critical perspective, capitalism is often accused of being cold and purely calculative, with people treating each other as commodities. But in reality, the opposite is often true. Of course, there are many factors at play, but overall, the most affluent capitalist societies also tend to be those with the highest levels of social trust. In contrast, in less affluent societies, values such as openness, tolerance, and trust toward people with different backgrounds or appearances are often less pronounced.





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WHICH ELEMENTS OF TRUST ARE PARTICULARLY IMPORTANT IN THIS CONTEXT?

Above all, trust toward strangers. This is what enables an economic system to function. For humans, this type of trust is quite unusual, because it is not something natural. Our psychology is not designed for it. At the same time, we rely on it work-ing, because we live in societies where social trust toward strangers and previously unknown interaction partners functions very well.

TODAY'S TRUST CRISIS ALSO SEEMS TO HAVE A STRONG MORAL COMPONENT.

In fact, we are currently experiencing increasing polarization and a kind of moral overheating, which is unfolding politically and creating new dynamics. In modern societies, large groups are emerging that compete for prestige and recognition primarily through moral positions and a new political vocabulary. People who do not share one's own views are often met with moral skepticism, and their trustworthiness is questioned.

The attempt to reintroduce moral and political categories into areas where they have long been excluded can seriously endanger the functioning of society. Modern society is characterized by functional differentiation, meaning that systems such as politics, business, law, or religion operate according to their own logic. This has clear advantages, for example when science focuses on truth, art on aesthetic

value, and business on profitability. Certain social domains are deliberately shielded from moral categories, which reduces complexity and allows people to focus on their tasks without constantly questioning which side they belong to.

Of course, there are also interdependencies between these systems. For example, we do not want economic activity to destroy our natural foundations, which is why we demand social or environmental responsibility. However, the intrusion of external, especially moral, categories into these systems can overload them and significantly disrupt the smooth flow of actions that is essential for society to function. In such situations, it becomes unclear how to act when system-specific and external categories come into conflict.

AGAINST THIS BACKDROP, HOW CAN ORGANIZATIONS STABILIZE COOPERATION AND TRUST WHILE STILL ENABLING CHANGE?

Institutions and norms are a form of cultural heritage, they are the accumulation of trust, expectations and rules that have stabilized over generations and make cooperation possible. It takes a long time to build institutions and norms, but they can be destroyed very quickly. That is why it is often worthwhile for organizations not to dismantle established rules too hastily, but instead to understand why they exist in the first place. This reflects the conservative perspective that organizations need. At the same time, they must remain adaptable and open to new ideas. Rigidly clinging to the status quo is not a sensible form of conservatism.

“THERE ARE GRAY AREAS WHERE LEGALITY AND ILLEGALITY BLUR”



DR. ARNDT SINN

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EVERYONE HAS AN INTUITIVE SENSE OF WHAT A CRIMINAL ORGANIZATION IS. BUT WHEN CAN WE TRULY SAY THAT A CRIMINAL ORGANIZATION EXISTS?

We can speak of criminal organizations when at least three individuals join on a sustained basis to commit serious offenses. Such an organization must exhibit both structure and continuity that extend beyond a single act. Typically, this is reflected in coordinated, division-of-labor operations, in hierarchical structures, though these are increasingly being replaced by network-based models, and in efforts to influence legitimate markets. In some countries, state institutions are also affected, although in Germany this has so far been demonstrated only in isolated cases.

In addition, all criminal organizations display outward isolation and internal mechanisms designed to stabilize and secure loyalty. While violence can serve as a means of discipline and control, other factors also play a role, including trust, shared economic interests, common background, and cultural codes. Cohesion within such organizations is therefore a complex mix of coercion, mutual benefit, calculation, and emotional attachment.

IS THERE A TYPICAL PROCESS THAT LEADS FROM OCCASIONAL RULE VIOLATIONS TO A TIPPING POINT AT WHICH WE CAN SPEAK OF A CRIMINAL ORGANIZATION?

The transition is often gradual. Initially uncoordinated violations may become more structured over time through repetition or informal agreements. Tipping points arise when stable communication channels, clearly defined roles, and recurring routines develop, increasing both the level of organization and the degree of professionalization. As mutual dependence grows, so does the predictability of future offenses. The real danger of criminal organizations lies not in isolated acts, but in the expectation that such behavior will continue. Similar dynamics can also emerge in legitimate business environments, particularly under economic pressure and in the absence of effective oversight.



ARE THERE FUNDAMENTAL DIFFERENCES BETWEEN CRIMINAL ORGANIZATIONS THAT EMERGE INDEPENDENTLY AND THOSE THAT EVOLVE OUT OF LEGAL STRUCTURES?

This distinction is useful. For example, the 'Ndrangheta is based on kinship ties. It operates within the legal sector and embeds itself in it, yet remains fundamentally illegal in its structure. An example of a criminal organization evolving from legal business activity would be a production facility that operates legally but produces more than officially declared in order to sell the excess output illicitly. This can be highly profitable, especially in heavily regulated markets. This distinction also has implications for investigative practice, particularly when determining whether to focus on family-based structures or on economic networks. In reality, there are often overlaps, especially in areas such as money laundering, where formally legitimate businesses are required.

HOW CLEARLY CAN THE BOUNDARIES BETWEEN CRIMINAL ORGANIZATIONS AND THEIR ENVIRONMENT BE DEFINED?

Money laundering and political connections are good examples of blurred boundaries. These gray areas often arise within family structures, where exchanges take place, individuals hold multiple roles, and protected spaces develop. These are the interfaces where legality and illegality intersect. They can also be described as hybrid structures that are essential to the functioning of these organizations. For investigators, these areas are particularly important, as they can reveal vulnerabilities and points of entry into otherwise closed systems.

YOU MENTIONED EARLIER THAT THE INFLUENCE OF CRIMINAL ORGANIZATIONS ON STATE STRUCTURES IN GERMANY HAS SO FAR NOT BEEN ALARMING. THE PHRASE "SO FAR" IS CONCERNING.

Within the judiciary, this influence remains limited. However, there are signs of infiltration within the police, and relation-

ships between criminal actors and law enforcement officers are an issue that authorities are monitoring closely. In many cases, the driver is not financial gain but rather recognition, shared points of contact, and overlapping values. At the same time, influence and power can become increasingly important for criminal actors, leading them to seek broader societal impact. In some cases, it is sufficient to support political parties or associations to gain indirect influence through political positions. There is ample evidence of such patterns.

IN RECENT YEARS, NEW ORGANIZATIONAL FORMS HAVE EMERGED IN THE BUSINESS WORLD THAT RESEMBLE SOME OF THE STRUCTURES YOU HAVE DESCRIBED. DO TASK FORCES OR INTERNAL START-UPS EXHIBIT SIMILAR DYNAMICS TO EMBEDDED CRIMINAL ORGANIZATIONS?

Even within legitimate organizations, there are isolated units that develop their own rules and search for niches in which they can operate with greater autonomy. These mechanisms can foster innovation. However, they can also lead to a loss of control. In such cases, there is a risk of gradually moving into gray areas and, ultimately, into clearly illegal practices.

HOW CAN THESE DYNAMICS BE CONTAINED?

There must be a balance between autonomy and clear accountability to prevent such tipping points. Organizations need to establish risk management systems early on, identify structural vulnerabilities, implement countermeasures, and introduce regular reporting requirements, particularly in areas involving financial risk. This is also necessary to meet legal oversight obligations. Any unit that operates without control mechanisms is bound to fail. Compliance functions play a central role in this context. Their responsibility is not only to prevent misconduct but also to ensure that violations are identified and addressed. This can be challenging, especially when it involves senior leadership, which must also be subject to compliance standards. For this reason, it is essential to define clear ethical principles and to establish mechanisms that actively reinforce them.

“IT’S ABOUT ACCELERATING ADAPTATION AND ANCHORING CHANGE”



MARCIA DE TROYER

Partner,
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HOW MUCH TRANSFORMATION PRESSURE ARE COMPANIES FACING TODAY?

I don't know a single company where transformation and reorganization are not currently shaping the agenda. Macroeconomic and geopolitical conditions, along with the ongoing debate around artificial intelligence at multiple levels, are putting organizations under significant pressure. As a result, strategies are being reviewed much more frequently, in some cases even within the fiscal year when unexpected events occur. This requires companies to critically reassess their business models and competitive positioning, adjust their strategic guardrails, and adapt their organizational structures. Given the pace at which the environment is changing, management routines must be continuously adapted so that change becomes part of the operating rhythm rather than just a reaction to crises. Our goal is to help clients achieve what we call dynamic stability, the ability to continuously adapt without losing internal coherence.

WHAT ARE THE KEY CHALLENGES IN THIS CONTEXT?

The central question is whether the magnitude of disruption requires a fundamental rethink of purpose, strategy, and core values. In most cases, this core is not entirely up for debate. However, it is increasingly common for multiple

dimensions of the organizational system to require rapid and simultaneous change when internal or external conditions shift. The challenge lies in accelerating an organization's ability to adapt while embedding these changes in a way that makes them truly effective and prevents the system from reverting to its previous state.

HOW CAN THIS BE ACHIEVED?

The first step is to clearly define what needs to change and what must remain stable. Organizations need flexibility and agility in areas such as resource allocation and market focus, while also maintaining a stable backbone, including purpose, governance logic, and decision rights. This also requires focus. In volatile environments, companies often launch too many initiatives in parallel. Organizational energy is a limited resource and must be managed carefully to ensure that change efforts are sustainable.

Another critical factor is synchronization. An organization is a system of interconnected performance environments. Elements such as strategy, operating models, and leadership practices must move at the same pace to avoid friction. Modular and flexible organizational structures with clear responsibilities and well-defined interfaces are best suited to reconfiguring parts of the organization without destabilizing the system as a whole or triggering internal disruption.



WHAT DOES THE OPTIMAL LEADERSHIP AND MANAGEMENT SETUP LOOK LIKE IN THIS CONTEXT?

One of the biggest bottlenecks in transformation is time lost due to poorly defined decision processes, unclear ownership, and too many approval layers. Organizations can move faster when decision rights are clearly defined, governance is simple and transparent, and visibility is high. In addition, effective management systems are essential. If organizations aim to increase agility and value orientation while still rewarding silo thinking and short-term performance, they will struggle. That is why it is critical to align KPIs and incentive systems accordingly. Leaders should be rewarded not only for short-term, tangible results, but also for successful cross-functional collaboration and sustainable value creation. This is the approach we refer to as "Management System 5.0" in our projects.

Finally, execution matters. Structural changes alone do not deliver results. A strong focus on leadership capability is essential, particularly in middle management, where strategy is translated into day-to-day operations. This requires strong change leadership capabilities, cross-functional collaboration, and decision-making under uncertainty. Without these capabilities, change cannot be effectively sustained.

IT IS HUMAN NATURE TO HOLD ON TO ROUTINES AND STABILITY. WHAT MUST MANAGEMENT DO TO PREVENT FEAR AND EXHAUSTION IN THE FACE OF RAPID AND PROFOUND CHANGE?

People do not resist change itself; they resist uncertainty and inconsistency. The human dimension of transformation must be explicitly considered and addressed to achieve lasting results. It is a core responsibility of management to provide clear change narratives, involve employees early, and create psychological safety. Leaders must empower people, equip them with the right tools, and build trust. Taking employees' perspectives seriously makes organizations faster, more effective, and more credible.





“ORGANIZATIONS CAN BE DESCRIBED AS INTERMEDIARIES”

DR. ROGER HÄUSSLING

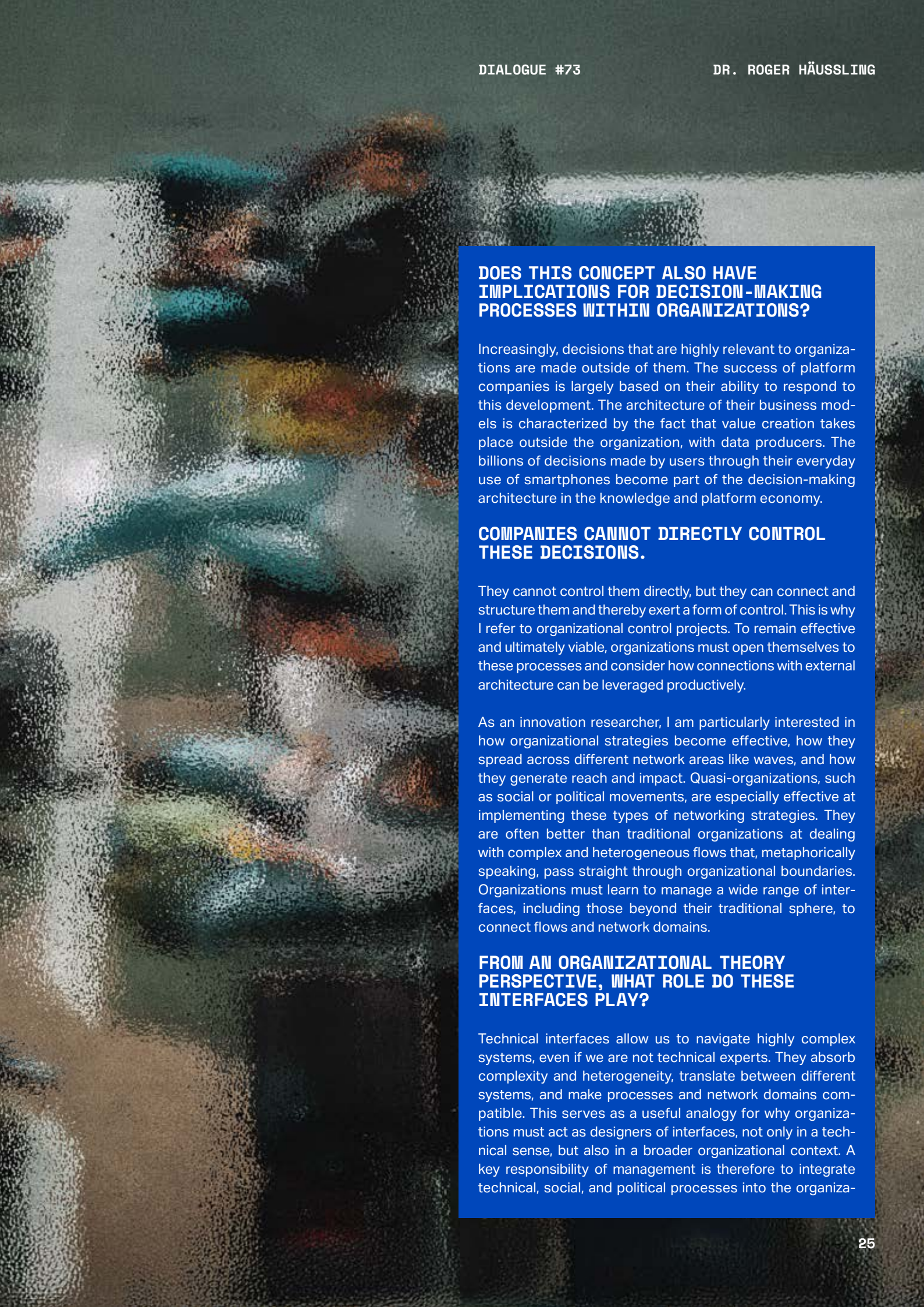
YOU DESCRIBE ORGANIZATIONS AS TRANSITIONAL ENTITIES EMBEDDED IN BROADER CONTEXTS. WHAT DOES IT MEAN TO THINK ABOUT ORGANIZATIONS IN THIS WAY?

Flows of materials, energy, labor, and ideas are driven by or move through organizations. Organizations are constantly changing. This, rather than stability, is their natural state. The real question, therefore, is whether we shape this ongoing change deliberately or allow it to unfold by default. I believe we still have much to learn about how to effectively manage these increasingly interconnected forms of processes.

At the same time, we are witnessing another important development. Different areas of society are becoming more closely intertwined and are directly influencing one another. Clear organizational boundaries that separate us from our environment no longer exist in the way they once did. Philosophers Andy Clarke and David Chalmers introduced the concept of the "extended mind," which challenges the idea that cognition occurs only within our heads. This concept can also be applied to organizations, in the sense of "extended organizations."

Relational thinking operates with what can be described as flat ontology. This means we no longer see separate networks, but rather a single, albeit fragmented, global network. It connects not only individuals, organizations, and states, but also infrastructures and natural conditions. Companies exist within and through this network of relationships. From this perspective, organizations can be described as intermediaries that position themselves within these heterogeneous processes and attempt to build business models around them.





DOES THIS CONCEPT ALSO HAVE IMPLICATIONS FOR DECISION-MAKING PROCESSES WITHIN ORGANIZATIONS?

Increasingly, decisions that are highly relevant to organizations are made outside of them. The success of platform companies is largely based on their ability to respond to this development. The architecture of their business models is characterized by the fact that value creation takes place outside the organization, with data producers. The billions of decisions made by users through their everyday use of smartphones become part of the decision-making architecture in the knowledge and platform economy.

COMPANIES CANNOT DIRECTLY CONTROL THESE DECISIONS.

They cannot control them directly, but they can connect and structure them and thereby exert a form of control. This is why I refer to organizational control projects. To remain effective and ultimately viable, organizations must open themselves to these processes and consider how connections with external architecture can be leveraged productively.

As an innovation researcher, I am particularly interested in how organizational strategies become effective, how they spread across different network areas like waves, and how they generate reach and impact. Quasi-organizations, such as social or political movements, are especially effective at implementing these types of networking strategies. They are often better than traditional organizations at dealing with complex and heterogeneous flows that, metaphorically speaking, pass straight through organizational boundaries. Organizations must learn to manage a wide range of interfaces, including those beyond their traditional sphere, to connect flows and network domains.

FROM AN ORGANIZATIONAL THEORY PERSPECTIVE, WHAT ROLE DO THESE INTERFACES PLAY?

Technical interfaces allow us to navigate highly complex systems, even if we are not technical experts. They absorb complexity and heterogeneity, translate between different systems, and make processes and network domains compatible. This serves as a useful analogy for why organizations must act as designers of interfaces, not only in a technical sense, but also in a broader organizational context. A key responsibility of management is therefore to integrate technical, social, and political processes into the organiza-

tion's own architecture. At the same time, there are processes against which the organization must be protected, and which may need to be deliberately decoupled as a last resort. Such decoupling can also be a viable strategy, for example, to enable peaceful coexistence despite competition or opposition.

IN THE TRADITIONAL VIEW OF ORGANIZATIONS, BOUNDARIES PLAY A CENTRAL ROLE. WHAT ROLE DO THEY PLAY IN THINKING ABOUT NETWORKS, REACH, AND DECISION ARCHITECTURE?

Today, the organizational core can be understood more as an attractor within a broader field. Around this core, there are gray areas containing elements that are highly relevant to the organization, in some cases even critical to its survival. The key question is how to exert influence within these gray areas, which cannot be managed through traditional control mechanisms. This inevitably leads to a different understanding of organizations, in which boundaries no longer play a dominant role. This does not apply to all contexts, for example legal, boundaries remain essential.

However, for companies to survive, they must influence the environment within their sphere of impact - environments that resonate with them. This is not about absorption or colonization, but about identifying the right points of interaction and connection, where external actors develop an interest in supporting the organization and evolving together. This is where significant opportunities for shaping and impact can be realized today.



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“WE RESET THE ORGANIZATION TO ZERO, AT LEAST CONCEPTUALLY”

DR. KAI MAGENHEIMER



WHAT IS THE CORE IDEA BEHIND THE “ZERO-BASED” APPROACH?

The Zero-Based Organization, or ZBO, is a disciplined way of thinking centered on questioning everything and treating no aspect of the organization as given. This means putting structures, roles, processes, cultural constructs, and rituals up for reconsideration, which is inherently challenging. First, it requires creating distance from one's own organization. An objective external perspective, ideally supported by benchmarks, is essential. Second, consistent and thorough questioning can be uncomfortable.

At the same time, it is important to recognize that this approach goes far beyond organizational structure alone. ZBO is not about rearranging boxes on an org chart. It is more like an operating system that encompasses governance, rules, processes, standards, accountability, decision-making frameworks, and the organization's value creation. ZBO aims to analytically reset these complex, historically evolved structures and rethink them from the perspective of intended service levels, in other words, the value delivered to customers. Every process and every function serves internal or external customers and must create value for them. Within the ZBO framework, the interplay between processes, organization, and governance is systematically aligned.

WHAT ARE THE MAIN OBSTACLES TO IMPLEMENTING THIS APPROACH?

The biggest challenges are cultural and psychological. It requires a willingness to trust that people will act responsibly within their roles and responsibilities, and to let go of routines, safety nets, and path dependencies. A high-performing organization cannot be everything at once. If additional process layers and control mechanisms are introduced for every scenario or exception, the organization becomes slow and inefficient. Speed and simplicity can only be achieved by consciously accepting certain risks and reducing fear. If the decision-making and governance model remains unchanged, no lasting transformation will occur. This is a significant challenge for both leaders and employees and requires systematic capability building as well as a careful, measured approach.

HOW DISRUPTIVE IS SUCH AN APPROACH?

If the target state is clearly defined, there is no need for a radical overhaul. What is required is the time to reduce complexity, align the organization with ZBO principles, and support it through appropriate governance. People and organizations grow into change. Individual circumstances and varying levels of tolerance in approaching fundamental limits play an important role.

The core idea of ZBO is not to actually reach a true “zero base,” but to explore what is fundamentally possible. Even achieving 80 percent of this target state represents a major step forward. To unlock the full potential of transformation, two factors are critical. First, close proximity to operational processes, whether in production, logistics, or development, because this is the only way to build acceptance and trust. Second, strong leadership that provides reassurance that leaders will not be left alone when transformation outcomes need to be refined. This is where top management, as well as advisors, must take responsibility.

WHAT ARE THE TYPICAL DRIVERS FOR ADOPTING THE ZBO APPROACH?

In many cases, cost is the initial driver. However, I would always recommend not focusing on cost alone. The real enemy of productivity and speed is accumulated complexity, and this is where ZBO initiatives should concentrate their efforts. This means prioritizing strategy, service levels, and customer value, and conceptually resetting the organization to a “factory default” state. With a clear target picture, it becomes possible to critically assess whether certain pro-

cesses and structures are truly necessary to achieve the desired outcomes. If they aren't, it makes sense to eliminate this complexity and build a new system around what truly matters.

ISN'T COMPLEXITY SOMETIMES AN ESSENTIAL ELEMENT THAT NEEDS TO BE MANAGED RATHER THAN REDUCED?

Of course, product complexity can be at the core of a business model and therefore central to a company's purpose. The key question is whether the organization's internal complexity is appropriate for the required service level. For example, there is a significant difference between supplying components for the automotive industry and for a nuclear power plant. If both are handled within the same process, it is unlikely to be effective. What is needed are distinct organizational setups and processes tailored to the specific requirements.

There is also no direct correlation between product complexity and process complexity. In most organizations, a large share of processes is repetitive and does not create competitive differentiation, regardless of the product. In these areas, clear standards, defined guardrails, and a high degree of automation are essential to maximize value in terms of speed, efficiency, and quality. The real challenge lies in identifying where flexibility and degrees of freedom are necessary, and where customers are willing to pay for them, and enabling that flexibility precisely where it matters. This makes it possible to significantly reduce process complexity while maintaining the same level of external product complexity.



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“ROME REVOLUTIONIZED THE ORGANIZATIONAL PHILOSOPHY OF THE ANCIENT WORLD”

DR. CHRISTOPH SCHÄFER



WAS THERE A DISCOURSE IN ANTIQUITY ON ORGANIZATIONAL STRUCTURES AND PROCESSES?

There was a strong understanding of organizations, particularly in the sense of political and economic structures. It is interesting to observe how decision-making processes in ancient Greece, particularly in Athens during the 4th and 5th centuries BCE, were organized across different governing bodies. Rome was not fundamentally different in this regard, except that it was not a democracy but rather an aristocratic system. Wealthy financiers formed associations known as *societates publicanorum* to distribute and reduce investment risk. These could extend to entire fleets of merchant ships operated by dozens of partners.

DID THESE DEVELOPMENTS ALSO HAVE A POLITICAL DIMENSION? IN OTHER WORDS, DO FORMAL AND INFORMAL SYSTEMS INTERACT WITHIN THESE STRUCTURES?

Yes, these organizational forms had clear political relevance. Roman politicians were required to invest to strengthen their social standing and build loyalty. This was the foundation of the patron-client system, which played a defining role in Roman society. These relationships were complex and multilayered, often overlapping and sometimes conflicting. Rome had formal, legally binding organizations and mechanisms, such as legally secured cashless financial transfers, supported by a highly sophisticated legal system. At the same time, informal networks created strong interdependencies and obligations that provided a stable basis for political, economic, and social action.

This interplay enabled Roman society to function effectively, supported economic growth, and led to the emergence of organizations that extended beyond local boundaries. Regional trade networks developed, trading posts were established, and large enterprises emerged. These often took the form of partnerships, but there were also major family businesses, such as the Caeciliid, who were heavily involved in the oil trade. While similar structures existed earlier in the ancient world, they were smaller in scale, less complex, and not as refined as those later developed and implemented by the Romans.

DID ROME REPRESENT A MAJOR STEP FORWARD IN ORGANIZATIONAL DEVELOPMENT COMPARED TO THE GREEK WORLD?

It was a significant leap, particularly during the imperial period, when Rome fundamentally transformed the organi-

zational philosophy of antiquity. Before that, Rome had essentially functioned as a city-state similar to Athens. However, this organizational logic reached its limits as Rome expanded and faced the challenge of governing and stabilizing a vast empire. This led to the development of key features that distinguished Rome from Greece, most notably the concept of Roman citizenship, which was not tied to ethnicity. Being Roman became a legal status rather than an ethnic identity. It was understood that an empire could not be governed through the narrow structures of a city-state aristocracy. In the first century, a transregional imperial elite emerged, offering upward mobility to local elites from newly integrated territories. At the same time, the Roman system significantly improved the quality of life for ordinary citizens.

WERE THERE MECHANISMS THAT ALLOWED THE ROMAN EMPIRE TO INTEGRATE AND MAINTAIN A WIDE RANGE OF CULTURES RELATIVELY SMOOTHLY?

The military played a central role. Auxiliary units provided a structured pathway for integration into the Roman system. Service as an auxiliary soldier lasted 25 years, and these soldiers were highly paid professionals, equipped and trained to the same standard as Roman legionaries. They learned Latin and adopted the Roman way of life. Additional integration mechanisms were based on the relatively open approach to foreign religions. The imperial cult served as the official state religion, but it was polytheistic, meaning that personal beliefs beyond it were largely irrelevant. In fact, the concept of *interpretation Romana* allowed local deities to be identified and associated with Roman counterparts. This integrative approach began to break down with the rise of monotheistic religions, which were less compatible with this system.

THE ECONOMY MUST ALSO HAVE PLAYED A CENTRAL ROLE IN ROME'S CAPACITY FOR EXPANSION AND INTEGRATION.

The Roman Empire was the largest economic area of its time, larger than today's European Union, with a unified monetary system and currency. The Romans developed an effective legal and security framework that extended across regions to a degree not seen again until much later in history. Through roles such as the procurator, an indirect representative, they created legal mechanisms that enabled the management of large, geographically dispersed enterprises.

Overall, the Roman world was economically interconnected and globalized to a degree that would not be seen again until the modern era. Hundreds of ships traveled annually between



Rome and India. There were major trading settlements in southern India, as well as commercial presences in northern India and along the Persian Gulf. Rome was connected to the maritime Silk Road, with trade routes extending as far as Sri Lanka and the Bay of Bengal. The system was so complex and sophisticated that it can be analyzed using modern economic theories. For example, when we examine how wine producers in the Aegean lost the British market to producers in Gaul due to high transportation costs, we can observe economic dynamics that are still familiar today.

HOW DID ROME DEAL WITH CHANGE? HOW EFFECTIVELY WAS IT ABLE TO REFLECT ON AND ADAPT TO MAJOR DEVELOPMENTS WITHIN SUCH A COMPLEX SYSTEM?

The Romans had an ambivalent attitude toward change, which clearly distinguishes them from modern societies. Change

and reform were generally approached with skepticism, and tradition was initially seen as inherently valuable. This perspective is reflected in historical sources and in the official discourse of Rome. Augustus, for example, presented his newly established monarchy as *res publica restituta*, a restoration of the Republic, to align with this conservative mindset. Although everyone understood that something fundamentally new was emerging, it was important that it appeared consistent with tradition. At the same time, Rome demonstrated a remarkable ability to create incentive systems that encouraged adaptability. This enabled the empire to respond decisively to new challenges and to recognize emerging risks at an early stage. For example, insurance-like mechanisms were introduced when it became clear that food supply shortages during critical periods posed a serious risk. In addition to its fundamentally conservative orientation, Rome repeatedly demonstrated a high capacity for innovation in practice.



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“ALGORITHMS DON'T MAKE DECISIONS – IT IS WE WHO DECIDE”

DR. SUSANNE HAHN

**POLITICAL ACTORS, SOCIAL MOVEMENTS,
AND EVEN TECHNOLOGICAL MODELS
INCREASINGLY SEEM TO OPERATE
ACCORDING TO RULES WE WOULD NOT
CONSIDER RATIONAL. WHAT DOES THIS
“EROSION OF RATIONALITY” MEAN?**

When we try to explain human behavior, we almost always rely on a standard model that is strongly based on instrumental rationality. This assumption of rationality comes with specific interpretations of how situations are perceived, what goals are pursued, and which means are used to achieve them. However, our behavior cannot be reduced to a simple distinction between rational and irrational. It is also shaped by habits, emotions, spontaneity, and underlying values. We should therefore remain aware that our interpretations are inherently fallible. If we adopt a broader

analytical framework and avoid assuming that others always act rationally or share the same value systems, we begin to see that entirely different interpretations and responses may be appropriate. This, of course, significantly increases complexity and places new demands on our institutions and structures.

CAN YOU GIVE AN EXAMPLE?

Take climate change. We observe that some people cannot be reached or motivated by scientific explanations and policy recommendations because their responses are driven not by rationality, but by emotion. How to respond to this is not an easy question. There is a common assumption that if people do not respond to rational arguments, they should be addressed on an emotional level. However, the issue is not that simple.



If we want to remain credible in political contexts, we must take seriously the principles on which democratic systems are built. If we abandon reasoned argument and shift toward purely emotional appeals, there are valid concerns about whether this aligns with our political system and whether it allows us to responsibly build and sustain trust and mutual understanding.

TRUST AND RESPONSIBILITY ARE ALSO CENTRAL THEMES IN DISCUSSIONS ABOUT ARTIFICIAL INTELLIGENCE. HOW DO YOU SEE THIS CONNECTION?

The use of large language models is growing rapidly. Each time we receive assistance or relief through these systems, our trust in technology increases, even though it can sometimes generate hallucinated or distorted outputs.



More importantly, the AI systems currently in use operate on probabilities. Humans, however, are not particularly good at intuitively understanding probabilistic reasoning. We therefore need to significantly strengthen our ability to work with probabilities and carefully consider where human intervention remains essential and where deep expertise is required. An interesting example can be found in evidence-based medicine. Guidelines often recommend following statistically derived treatment protocols, while at the same time allowing for justified deviations in individual cases.

IN ORGANIZATIONS, HOWEVER, THERE OFTEN SEEMS TO BE LIMITED WILLINGNESS TO QUESTION RULES, EVEN THOUGH THOSE RULES IMPLICITLY INVITE IT.

I believe this reflects a broader phenomenon often described as bureaucratization. At its core is the understandable attempt to translate expert consensus or statistical probability into actionable rules and to reduce the burden on decision-making structures. Such rules are typically strong recommendations, from which one can and should deviate

when the specific situation calls for it. The downside, however, is a tendency to avoid personal accountability, which these structures can reinforce.

Acting against established frameworks requires confidence and a willingness to take risks. It is easier to follow the rules. In fact, there appears to be a declining willingness to deviate from rules and statistical recommendations, to take responsibility, and to make decisions that can be clearly attributed to individuals.

ARE “EXPLAINABLE AI” CONCEPTS AND REGULATORY INITIATIVES PROMISING APPROACHES TO ADDRESSING THE RISKS ASSOCIATED WITH ALGORITHMIC DECISION-MAKING?

Algorithms do not make decisions - we do. At a certain threshold, which we define, we decide to forgo individual case assessment and rely instead on automated processes. In this way, we benefit from technology, provided that we manage the associated risks and potential biases effectively, or at least remain aware of them. From my perspective,



explainable AI is somewhat of an impossible ideal. I consider it more effective to address these risks through institutional arrangements. For example, this could involve a simple, standardized, and legally protected mechanism that allows individuals to request a human review of an automatically rejected loan application. Such arrangements seem more promising than trying to fully understand why an algorithm produced a specific outcome.

As for regulation, a fundamentally sensible process has been overtaken by the speed of technological development, especially since the release of ChatGPT. Public perception has also shifted dramatically. At present, I do not believe we have robust solutions for dealing with this pace of change. Attempting to lead the regulatory effort while becoming entangled in overly detailed rules is unlikely to be effective. Instead, it may be more practical to keep the regulatory framework flexible. Rather than regulating every detail, we could focus on defining ownership, rights, liability, and responsibility more broadly. Ultimately, this too is about designing effective institutional arrangements.



DR. SUSANNE HAHN

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“SOCIAL AND TECHNOLOGICAL INNOVATIONS ARE INTERDEPENDENT”

DR. JÜRGEN HOWALDT &
DR. MICHAEL KOHLGRÜBER

IN RECENT YEARS, THE FOCUS ON INNOVATION HAS SHIFTED STRONGLY TOWARD TECHNOLOGY. WHY IS THAT?

Jürgen Howaldt: In recent years, there has indeed been a narrowing of the innovation discourse toward technological innovation. However, a company is a socio-technical system in which changes in organization, skills, and management concepts are just as important as technological advances. Meaningful transformation and sustainable development can only be achieved through the interaction of technological and social innovation. This becomes clear, for example, in lean production. It prompted a deeper examination of how critical social practices such as teamwork and employee participation are for a company's competitiveness. Advancing technology and work organization are processes that only function effectively when they are closely interconnected. When successful, they result in socio-technical transformation.



SOCIAL INNOVATIONS FOLLOW A DIFFERENT RHYTHM THAN TECHNOLOGICAL ONES. HOW CAN THIS CO-EVOLUTION BE MANAGED?

JH: Social innovations are highly dependent on underlying conditions. They aim to change social practices, and observable behavior is only the tip of the iceberg. For social practices to change, a wide range of societal, political, cultural, and structural conditions must be in place. For example, if there is a political goal to encourage more people to cycle, appropriate infrastructure such as safe bike lanes must be provided. Similarly, if organizations aim to achieve meaningful change, they must actively involve their employees. Gaining situational acceptance for decisions is not enough.

Michael Kohlgrüber: In my experience, plant managers and operations leaders are well aware that technology, people, and organization must evolve together to create sustainable solutions. If this integrated optimization is not pursued, situations arise where digital solutions are developed for cross-functional, plant-wide optimization but fail in practice because the organization still operates with siloed, department-specific targets. Employees are generally open and curious about new developments. The challenge is often not to create acceptance for change, but to avoid disappointing people's initial openness, for example when implementation takes too long, communication breaks down, or technology does not deliver what was originally promised.

HOW CAN THE CAUSAL RELATIONSHIP BETWEEN TECHNOLOGICAL AND SOCIAL INNOVATION BE DESCRIBED?

JH: In successful approaches, both forms of innovation are intertwined, and both can act as drivers of change. A classic example is Taylorism, where a social innovation in the form of a new approach to work organization created the conditions for a technological innovation, namely the assembly line. In lean production, which we mentioned earlier, the underlying technology remained largely the same compared to Fordist-

Taylorism systems. What changed was the organization of work and the involvement of employees in innovation and improvement processes. Conversely, the introduction of digital technologies and artificial intelligence requires organizational adaptation and workforce development. What matters is a differentiated approach that balances the interaction of all elements within an organization.

MK: Let me add an example from the healthcare sector. Consider blood glucose monitoring devices, which have significantly improved the lives of people with diabetes. This technological innovation would have been unthinkable without a corresponding social innovation. Until the 1980s, physicians largely determined insulin therapy and patient behavior, including diet. The system changed fundamentally when the idea emerged that patients should take more control and responsibility for managing their condition. This shift transformed the relationship between patients and doctors. It was the combination of empowering patients and introducing modern measurement technologies that led to the substantial positive outcomes we see today. This paradigm continues to prove effective with newer technologies, such as AI-supported insulin pumps. These systems are largely based on algorithms that were initially developed by individuals outside traditional institutional structures.

WHAT SHOULD BE CONSIDERED WHEN SOCIAL INNOVATIONS, SUCH AS LEAN PHILOSOPHY OR AGILE APPROACHES, ARE ADOPTED FROM OTHER CULTURAL OR ORGANIZATIONAL CONTEXTS?

JH: One key lesson from lean production is that innovations cannot simply be copied. They must be understood as inspiration, and organizations need to consider how specific principles or technologies can be adapted to their own cultural and structural context. Innovations also have a disruptive element. Therefore, we need criteria to assess their broader impact from a systemic perspective. For organizations, it is essential not to adopt every new idea uncritically, but to carefully consider how to balance stability and innovation.



BUT AREN'T ORGANIZATIONS OFTEN UNDER PRESSURE TO ADOPT CERTAIN INNOVATIONS, PARADIGMS, AND PRACTICES?

MK: There are diffusion-based theories that address exactly this phenomenon, often using phase models. In the early stages, when a new technology emerges, some companies engage with it in a thoughtful and differentiated way. However, once technology spreads rapidly and becomes a trend, institutional pressure increases. To put it bluntly, if I fail as a CEO, I would at least want to have applied the most advanced concepts available. Otherwise, people will say that failure was inevitable without agile methods or AI-based solutions. It is often easier to fail while following trends than to fail by ignoring them.

JH: Organizations need the courage to resist these pressures. They also need filters and mechanisms that allow them to identify which innovations are truly relevant and appropriate for their specific context.

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“WE UNDERESTIMATE OUR ABILITY TO DEAL WITH PROBLEMS”

DR. LEONHARD DOBUSCH

HOW SHOULD WE THINK ABOUT THE RELATIONSHIP BETWEEN CHANGE AND STABILITY IN ORDER TO DEVELOP A REALISTIC UNDERSTANDING OF ORGANIZATIONS?

We tend to view transformation as a disruption of stability. However, I do not believe this perspective accurately reflects the reality of organizations and institutions. Change, not stability, is the normal condition of organizations. Stability is the outcome of continuous effort, something that must be reproduced and reestablished through everyday actions.

This perspective has several implications. On the one hand, organizations do not become stable overnight; they must succeed over many years in order to survive. Even then, stability is never permanent. On the other hand, stability itself depends on change. For example, maintaining stable profits over decades requires continuous innovation and, at times, significant shifts, such as the replacement of production technologies.

This technological change is usually not a problem as long as business models and customer structures remain relatively stable. The challenge arises when the market in which a company has traditionally been successful undergoes fundamental change or begins to shrink, and established business models and value creation networks no longer hold. In such cases, what organizations try to preserve may no longer be viable, and previously successful strategies may become ineffective or even counterproductive.

WHY DO ORGANIZATIONS SO OFTEN HOLD ON TO STRUCTURES AND ASSUMPTIONS THAT ARE NO LONGER VIABLE?

Organizations must reduce complexity to survive. This means they focus on a limited part of their environment while ignoring or excluding other aspects. Without this selectivity, an organization could not function as such. From a systems theory perspective, even major environmental changes are initially perceived as disturbances. Whether these disturbances are recognized as relevant, and how they are processed, depends on the cognitive frameworks, patterns, routines, path dependencies, and success narratives that have developed within the organization over time. The way an organization responds to such disturbances is shaped by the interaction of these internal processes.

WHAT SHOULD AN ORGANIZATION DO WHEN IT PERCEIVES SUCH A DISTURBANCE?

In such situations, organizations should reflect on what must be preserved and where change is both possible and necessary. This runs counter to the natural tendency of organizations, which are designed to shield themselves from parts of their environment and from change. That is why it is essential to establish openness as a core principle, and to critically question existing goals and narratives of stability.

HOW CAN ORGANIZATIONS BREAK OUT OF PATTERNS THAT HAVE SHAPED THEM IN THE FIRST PLACE?

They need space for emergence - environments in which unintended ideas can arise and develop. This requires organizations to let go of certain established forms of knowledge, routines, and structures, in other words, to unlearn or deliberately ignore them. It is no coincidence that organizational "unlearning" has become an important topic in both research and management in recent years. In this context, the concept of the "hiding hand" is particularly interesting. It suggests that we often embark on change processes while underestimating the challenges involved and mistakenly assuming that we are dealing with routine situations. Without this initial underestimation, we might not act at all and would

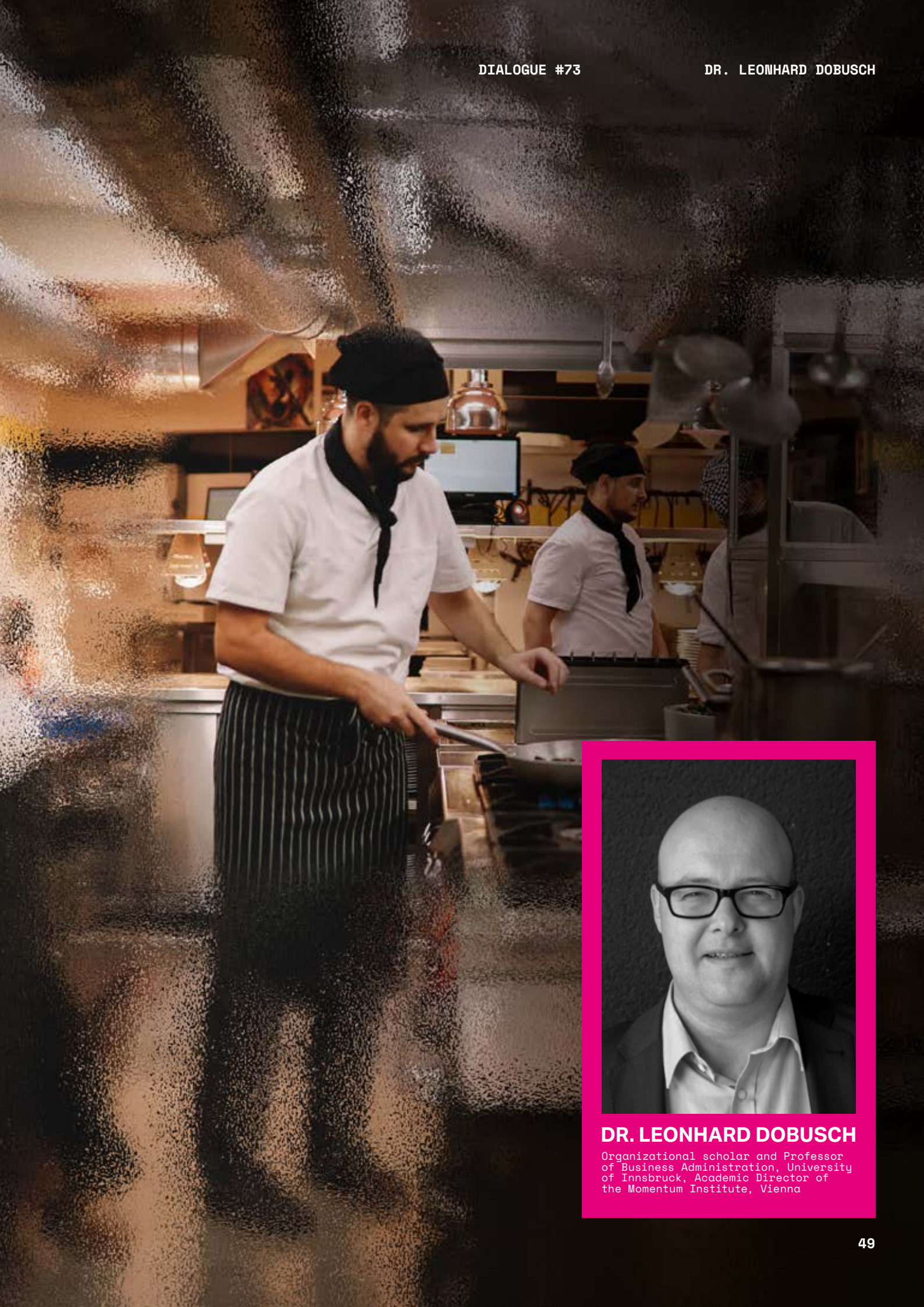
therefore never enter the space where creative and unexpected solutions can emerge. Put differently, we underestimate problems. But we also underestimate our ability to deal with them. We underestimate the new pathways that open up and the alternative directions we can take.

DOES THE IDEA OF TAKING DIFFERENT PATHS IMPLY THAT THERE ARE MULTIPLE WAYS THROUGH TRANSFORMATION?

There is always more than one option. One of my favorite quotes by Karl Popper is, "If you believe that a theory is the only possible way to solve a problem, then you have neither understood the theory nor the problem." From this perspective, theories offer different ways of identifying potential paths. They look backward to explain the past while also looking forward to outline possible futures. Strategic management can be understood as an attempt to reconcile past causality with present opportunities for shaping the future. Our past, our knowledge, and our resources both enable and constrain the paths available to us, as do mutual expectations and assumptions. However, we are not predetermined. We retain agency and responsibility. The paths that open up to us depend not only on past dependencies but also on the choices we make.

IF, AS YOU SAY, CHANGE IS THE NORM, HOW CAN AN ORGANIZATION BE DEFINED AT ALL? WHAT MAKES IT A STABLE ENTITY IF EVERYTHING IS IN FLUX?

One approach is to think of organization as "organizationally," focusing on different degrees of being organized. In a highly dynamic and interconnected world, it is useful to look not only at organizations in a narrow sense, but also at organized processes that extend beyond formal boundaries. The management scholar Robert Chia has described this with the concept of "organizational becoming." We can think of organizations as rhizomatic structures, constantly evolving and without a fixed center in the traditional sense. Within such structures, everything can change, but not all at once. Some elements evolve to stabilize others, which in turn triggers further change. This open, recursive, and reflective way of understanding organizations as processes of becoming lies at the heart of modern management.



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“THE UNIVERSITY IS A CONSTANT BALANCING OF TENSIONS”

DR. DOMINIK VAN AAKEN

UNIVERSITIES HAVE ALWAYS BEEN SHAPED BY TENSIONS, CONTRADICTIONS, AND DEBATES. HOW DOES THE ORGANIZATION MANAGE THESE CONFLICTS AND CENTRIFUGAL FORCES?

I would not place too much emphasis on conflict itself. What defines a university is the act of questioning. Universities are engines of rational inquiry. We question everything, including ourselves. Self-reflection and reflexive rationalization are essential to what a university is. Of course, this can lead to conflict. But ultimately, the stronger and more convincing argument prevails. It is far more difficult in a university setting to suppress argument through hierarchy than in most other organizations.

Universities are pluralistic environments, and anything that contradicts pluralism does not belong there. The willingness to engage in discussion, to deal with views one disagrees with, and to accommodate competing logics are precisely what universities are designed for. The system is structured in such a way that no single perspective can permanently dominate others. Instead, different perspectives coexist and engage in ongoing debate on equal footing.

University involves a constant balancing of tensions. This is also reflected in its governance structures, such as the executive leadership and the senate, which depend on one another for key decisions. This makes the university a particularly interesting organizational form, especially from

a strategic perspective. Conventional notions of strategy often emphasize consistency, the idea that everyone should move in the same direction. However, it can be productive to institutionalize tensions, an idea already reflected in the concept of matrix organizations.

YOU ARE CURRENTLY INVOLVED IN FOUNDING A PRIVATE UNIVERSITY, THE UNIVERSITY OF SUSTAINABILITY – CHARLOTTE FRESenius PRIVATE UNIVERSITY. HOW DOES THIS EMERGING ORGANIZATION DEAL WITH THESE TENSIONS?

When, as in our case, a family-owned organization stands behind the institution rather than the state, the situation becomes particularly interesting because two fundamentally different logics intersect. The state operates under budget constraints, but a public university cannot go bankrupt. A rector may be dismissed for financial mismanagement, but the institution itself remains intact. In our case, however, alongside the academic logic, there is also a financial logic. The educational mission is central for the founders, but financial sustainability is a critical boundary condition. The challenge lies in continuously balancing these two dimensions and managing the resulting tensions. This is something professionals in many fields must navigate - for example physicians or auditors, who must balance professional ethics, client or patient satisfaction, legal requirements, and economic considerations.

UNIVERSITIES OFTEN BECOME ARENAS FOR POLITICAL DEBATE AND CONFLICT, EVEN WHEN THEY ARE NOT ACTIVE POLITICAL ACTORS THEMSELVES. AT THE SAME TIME, THE SCOPE AND INTENSITY OF POLITICAL CONFLICT ARE INCREASING IN THE BUSINESS ENVIRONMENT. HOW CAN AND SHOULD COMPANIES RESPOND TO THIS DEVELOPMENT?

In both society and academia, there are growing expectations that companies and other non-state actors should step in where political institutions fall short. In some cases, this is already happening. I remain cautious about this trend. The boundaries of such forms of political engagement are difficult to define, and the involvement of private actors in political processes can quickly lead to outcomes that are not desirable.

At the same time, companies need political awareness and the ability to communicate within political contexts, whether they want to or not. They are increasingly confronted with political demands and expectations from a wide range of stakeholders and operate in environments that are becoming more politicized. It is therefore important for companies to take positions and to reflect on their role within these

contexts. In the past, there have already been early signs of this development, for example in environmental conflicts. Many companies have struggled to respond effectively, whether by engaging in dialogue, exchanging arguments, or developing sustainable strategies for addressing these issues. Ultimately, however, there is no fundamental conflict between companies and their stakeholders. Every business leader understands that long-term success cannot be achieved without taking societal concerns into account. Sustainable profitability cannot be built on short-term, destructive practices.

YOUR UNIVERSITY PLACES SUSTAINABILITY AT THE CENTER OF ITS MISSION, AND IT WILL SHAPE THE FUTURE DIRECTION OF RESEARCH AND TEACHING. HOW VIABLE IS THE VISION OF BUILDING AN ENTIRE UNIVERSITY ON THIS FOUNDATION?

A central question during the founding process was how it is possible that sustainability is such a critical issue, yet so little action is taken. This gap defines our overarching mission, which is to support society in becoming more sustainable. Sustainability, particularly ecological sustainability, is not going away. It will remain a defining challenge for humanity.



Without resorting to alarmist scenarios, it is clear that society must act. Economic systems will no longer be able to operate independently of sustainability criteria. There may be periods in which political frameworks do not actively support sustainable transformation or prioritize other goals. However, this does not change the fact that sustainability will remain a central issue. From this perspective, building a university around this focus is a sound and forward-looking idea. Initially, we are concentrating on programs in business and psychology, with the possibility of expanding into fields such as design or engineering in the future.

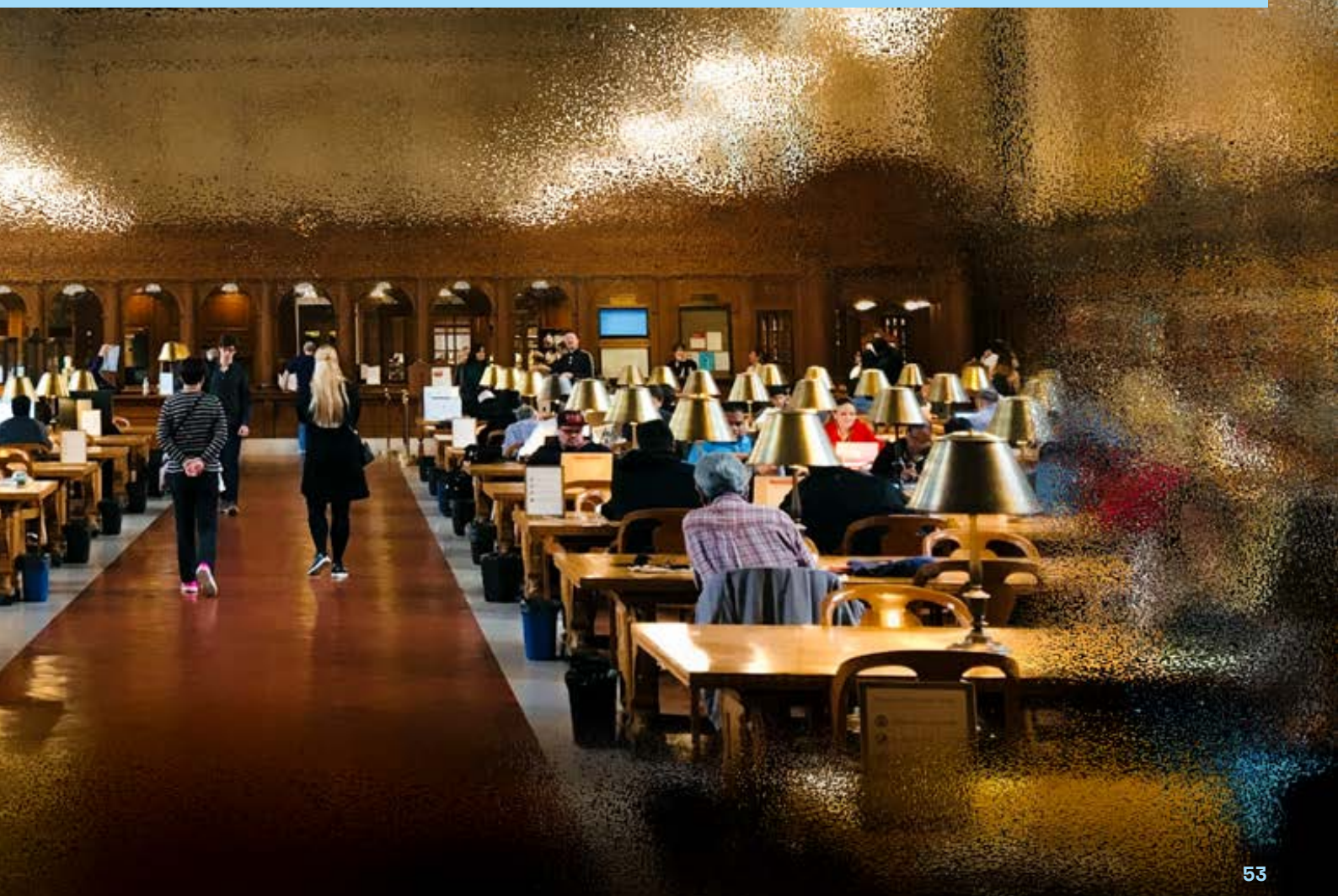
DO YOU PLACE PARTICULAR EMPHASIS ON THE ECOLOGICAL DIMENSION OF SUSTAINABILITY?

In practice, there is a clear asymmetry. When sustainability is discussed in political and societal contexts, the ecological dimension is usually the primary focus. Most of the criteria and issues associated with sustainability originate from ecological concerns. These challenges are highly complex and time-sensitive, and active engagement with them is still relatively new for many organizations. This justifies a stronger emphasis on ecological sustainability, even though, from a conceptual standpoint, it makes sense to consider all three pillars of sustainability in a balanced way.



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“ETHICS IS EXPERIENCING A RENAISSANCE”

DR. ANDRÉ T. NEMAT

WITH THE RAPID DEVELOPMENT OF LARGE LANGUAGE MODELS, NON-HUMAN ACTORS WITH COMPARABLE COGNITIVE CAPABILITIES ARE ENTERING THE STAGE FOR THE FIRST TIME. HOW MUCH “OTHERNESS” DOES THIS INTRODUCE INTO OUR ORGANIZATIONS?

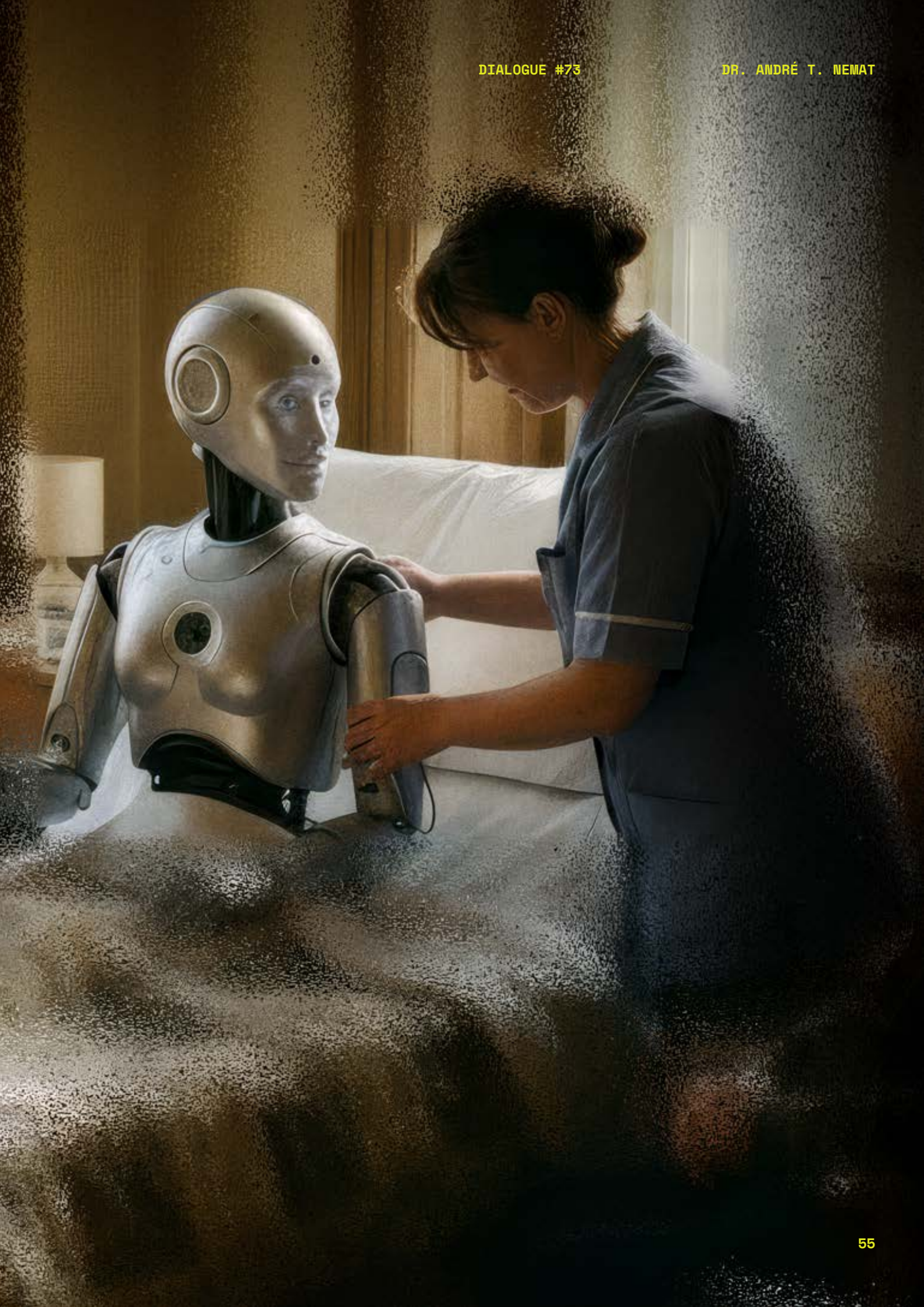
In this context, the concept of the “uncanny valley” is quite relevant. It was coined in the early days of modern robotics by Japanese engineers and developers. This “uncanny valley” emerges when a technology becomes highly human-like but still lacks fundamental qualities of being human. At that point, an initially positive and playful attitude can shift into discomfort, or even aversion. However, I do not observe this effect with generative AI, because we primarily interact with it through language. Instead, we are seeing an experimental and playful engagement with this new technology, which opens the door to what is often referred to as physical AI, the integration of large language models with robotic systems. There are already compelling examples, such as humanoid robots in caregiving contexts.

By combining technology with natural language, we have, metaphorically speaking, “hacked” the human operating system. This has allowed us to bridge the uncanny valley that typically arises from visual similarity to humans. The

linguistic illusion is so effective that it replaces uncertainty with curiosity and a sense of play. At the same time, robots are no longer trying to perfectly imitate human form. Instead, they are often designed with stylized or even deliberately “friendly” features.

ARE THERE EVOLUTIONARY OR CULTURAL -HISTORICAL REFERENCE POINTS THAT CAN HELP US NAVIGATE THIS TRANSFORMATION? IS THE DOMESTICATION OF ANIMALS A USEFUL ANALOGY?

My answer here is more intuitive. Before domestication, there was hunting. Animals were subordinate to humans within the food chain, at least once humans began hunting collectively. However, AI cannot be domesticated in the same way, because it cannot be hunted or subdued. The natural hierarchy no longer applies. In fact, there is a growing concern that one day we might be “domesticated” by a general artificial intelligence. Another key difference is that animals have their own forms of existence and are embedded in social structures that, while not human, are still understandable. They exhibit behaviors such as nesting and raising offspring, which create clear distinctions. We do not anthropomorphize animals to the same extent that we currently anthropomorphize humanoid robots.





For this reason, analogy is of limited use in describing the profound changes brought about by the rise of AI. We may need to rethink organizational questions more fundamentally than we did during earlier phases of digital transformation. This calls for expertise from disciplines rooted in the analog world, such as sociology, philosophy, and organizational psychology.

THE RISE OF LARGE LANGUAGE MODELS HAS TRIGGERED A CONTAINMENT DEBATE OF A SCALE AND COMPLEXITY WE HAVE NOT EVEN SEEN IN DISCUSSIONS AROUND NUCLEAR DETERRENCE. WHAT CHARACTERIZES THIS DEBATE?

As a physician, I find it interesting that the discussion often draws on concepts from virology and evokes similar concerns, such as outbreak, difficulty of containment, exponential spread, identification of affected populations, and containment measures. At the same time, this analogy highlights a fundamental challenge: regulatory frameworks and legal guidelines struggle to keep pace with the rapid development of these technologies. Organizations and individuals, however, need clear frameworks and orientation to make decisions. This is one of the reasons why ethics is experiencing a renaissance. As a field within philosophy, it draws on thousands of years of reflection and can help reduce complex decision-making to fundamental questions.

Ethics also allows us to address social issues such as responsibility and solidarity. This is where the biological analogy reaches its limits. In a pandemic, containment is a shared goal because it concerns our biological survival. People are willing to accept measures such as lockdowns for that reason. In the case of AI, there is no comparable shared interest in containment. On the contrary, we are not all aligned, but rather confronted with competing interests, strategies, and resources. We also lack a defining, collective experience of destruction, a "Hiroshima moment," that shaped the nuclear containment debate.

CAN WE ALREADY OBSERVE ORGANIZATIONS, PROCESSES, OR EVEN PHYSICAL STRUCTURES IN HEALTHCARE ADAPTING TO THESE NEW TECHNOLOGIES?

The healthcare system is characterized by a high degree of heterogeneity, which is also reflected in varying levels of digital maturity. Pharmaceutical companies, insurers,

university hospitals, care facilities, and private practices are all part of the system, yet they differ fundamentally in their organizational structures.

Two developments deserve particular attention. First, we are likely to see significant advances in medical care in the near future through the integration of devices, instruments, and robots with algorithmic intelligence, again referring to the concept of physical AI. Second, the question of how to connect biological systems with AI is becoming increasingly important. The transformative potential of this combination became evident with the development of mRNA vaccines during the COVID-19 pandemic. Before that, clinical trials offered no real shortcuts. The use of AI has changed this dramatically. Machine learning enabled the rapid analysis of viral genomes, the identification of vaccine candidates within vast molecular datasets, and more efficient and precise predictive modeling of study designs. The potential of AI, and the speed of technological progress, will fundamentally transform drug development. The pharmaceutical industry and the healthcare sector will undergo profound changes that extend beyond their organizational structures. And rest assured, patients will soon have access to specialized versions of systems like ChatGPT designed specifically for healthcare applications.



DR. ANDRÉ T. NEMAT

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“THE FUTURE BELONGS TO ORGANIZATIONS THAT ENABLE NETWORKS TO EMERGE”



TIM BARTL

Director Strategic Projects & Brand
Advocate, Vogel Communications Group



BUILDING PARTNERSHIPS AND NETWORKS IS COMPLEX AND REQUIRES PATIENCE. YET YOU ARGUE THAT IT IS CRITICAL FOR THE SURVIVAL OF MOST ORGANIZATIONS. WHY IS THAT?

Pure specialization is no longer sufficient, at least not for large organizations. At the same time, many attempts in recent years to turn specialists into generalists have not been successful, at least not in our industry of publishing and communication services. The issues are too specific and require a clear focus. I am therefore convinced that the future belongs to organizations that are able to enable networks in which a wide range of specialized expertise and knowledge can come together. These organizations bring together people, ideas, energy, markets, and business models. They weave these relationships into a resilient network and create spaces where connections can form and grow.

WHAT CONCRETE EXPERIENCES HAVE YOU HAD AT VOGEL?

Building such an organization is precisely the mission we are pursuing at Vogel Communications Group as we transition from a traditional trade publishing house to a broader communications group. This is a profound transformation process built on trust and a shared sense of purpose, which we deliberately approach as a collective effort. We carry the

core values of our editorial identity – relevance, quality, and responsibility – into new business models. This development follows a vision that our CEO, Matthias Bauer, articulated and initiated in 2017. It describes the deliberate transformation from a traditional publishing house into Vogel Communications Group as a connected communication and solutions platform. This ambition is also supported and further developed by the Vogel Foundation, with Dr. Gunther Schunk serving on its board.

DOES THIS NETWORK EXTEND BEYOND THE BOUNDARIES OF YOUR OWN ORGANIZATION? WHAT CHALLENGES ARISE IN ENABLING THIS LEVEL OF OPENNESS?

Terms such as “bridges” and “networks” can quickly become empty buzzwords if they are limited to one’s own sphere. In addition, relationships must be built and nurtured before they can be leveraged. For us as a company, and for me personally, it is essential to connect the organization with its broader environment and with our partners, and to make boundaries more permeable. We rely on dialogue, knowledge exchange, and honest feedback from our network partners. When that happens, all parties benefit.

HOW CAN COLLABORATION BETWEEN PARTNERS WORK IN PRACTICE? WHAT NEEDS TO BE CONSIDERED?

Synergistic collaboration, whether between internal units or with external partners, depends on a number of conditions. First, relationships can only be leveraged if they have been cultivated beforehand. This applies at both the individual and organizational levels. Relationships require investment. They cannot be built on purely transactional approaches or short-term thinking. They require patience, confidence, appreciation, and openness. Second, networks depend on trust. The term “trust” is used frequently today, but becoming a trusted partner or advisor is not simply a matter of considering oneself reliable or stating it in a company presentation. Trust is inherently linked to risk. Where there is no risk, trust

is not required. When people collaborate in a truly synergistic way, it becomes necessary to be transparent, to share information and ideas openly. This always involves a degree of risk. However, without this openness, it is not possible to develop truly meaningful, forward-looking solutions, nor to build trust in a credible way.

IN ORGANIZATIONS THAT ARE STRONGLY DEFINED BY NETWORKS, WHAT CREATES ORDER? HOW CAN STRUCTURE AND THE ABILITY TO ACT BE MAINTAINED WITHOUT BEING OVERWHELMED BY DIVERSITY?

A clear vision and a well-defined goal are essential to avoid getting lost in details and to maintain a shared sense of direction. At the same time, it is important not to define this goal too rigidly or treat it as a fixed endpoint. In a dynamic environment, it makes more sense to view goals as interim targets that can evolve as conditions change, or as the organization itself evolves. An organization that is built on connecting ideas and capabilities must be able to embrace diversity. In fact, it depends on the ability to make productive use of different internal and external approaches, perspectives, and strategies, and to align them toward a common objective. There must be clarity and alignment around that objective, otherwise no progress is possible, and centrifugal forces will take over. At the same time, the paths toward that goal should remain open.

Within our organization, subcultures that form around specific capabilities, business models, and customer groups have a legitimate place. These distinct cultural patterns allow us to operate like a fast and agile fleet, rather than a large tanker rigidly following a predetermined course, even if that course leads directly into danger. The challenge lies in avoiding fragmentation into narrow, isolated interests, which would weaken the organization’s overall effectiveness and speed. At the same time, the organization must provide a structure that offers stability while encouraging entrepreneurial thinking, initiative, and openness to continuous development.



“RESPONSIBILITY IS SHIFTING DEEPER INTO THE ORGANIZATION”

BAS KOETSIER



A painter in a red shirt and cap is harvesting grapes in a vineyard. The scene is captured in a painterly style with visible brushstrokes. The painter is standing next to a row of grapevines, carefully picking the fruit. A woven basket filled with dark grapes sits on the ground nearby. The background shows more rows of vines stretching into the distance under a bright, hazy sky.

PROCESS INDUSTRIES ARE HEAVILY SHAPED BY REGULATORY AND STRUCTURAL FRAMEWORKS. HOW CAN AND MUST ORGANIZATIONS EVOLVE IN THIS CONTEXT?

The key challenge for organizations in process industries is to balance stability, reliability, and safety with flexibility and dynamism. In essence, they operate with two models that must coexist. Safety, quality, and integrity are non-negotiable. At the same time, companies must be able to experiment, drive innovation, and navigate an increasingly complex and unpredictable environment. This dual nature has a direct impact on decision-making. Areas such as production lines, safety-critical operations, and large, long-term capital expenditure decisions are unlikely to change fundamentally.

Beyond that, however, rigid routines and traditional five-year plans are no longer sufficient. Instead, strategies should be understood as evolving programs that are more adaptive and selective. To remain competitive in a turbulent environment, organizations must focus on what directly supports their mission. Increasingly competitive markets, along with major trends such as digitalization, decarbonization, and demographic change, require significant investments and organizational capacity that cannot all be deployed at once. Ensuring safety and efficiency at the core of the operating model, while building adaptability, selectivity, and customer proximity, is essential for both productivity and innovation. If these factors can be successfully combined, the process industry in Europe has strong prospects for the future.

HOW CAN THE COEXISTENCE OF THESE TWO OPERATING MODELS BE IMPLEMENTED IN PRACTICE?

Organizational structures in process industries continue to be anchored in key functions such as production, maintenance, safety, environmental protection, and occupational health. These form the foundation, often described as the "license to operate." Within this framework, however, change is possible, particularly in communication and leadership approaches. These are no longer strictly hierarchical or top-down. Instead, responsibility is gradually being delegated deeper into the organization. At the same time, functions are becoming increasingly interconnected, both internally and externally, not least through digital technologies. This applies across the entire value chain, including operations, innovation management, and market access. While this connectivity creates new opportunities, it also increases complexity, which must be actively managed. Decision-making structures need to be fast and, wherever possible, decentralized to respond effectively to these dynamic networks. Organizations must evolve from rigid systems into more adaptive, living systems. In this context, learning agility plays a critical role. Transformation does not happen overnight, but through continuous learning, incremental progress, and rapid feedback loops.

WHAT ROLE DO CULTURAL AND DEMOGRAPHIC FACTORS PLAY IN THIS TRANSFORMATION?

These factors are critical. The workforce is changing, not only due to demographic shifts but also because people no longer stay with one organization for 20 or 30 years, retaining knowledge internally over long periods. It is essential to attract younger talent, provide them with autonomy, and enable them to develop decision-making capabilities quickly. Organizations must ensure that employees are able to continuously learn and acquire new skills, including working with robotics and intelligent systems. Knowledge should no longer reside solely in individuals but must become embedded in systems and processes. This requires a supportive organizational culture. People are more willing to embrace change when they feel confident in their ability to succeed and when they experience commitment

and trust from leadership. Change management must take these factors into account and align with the organization's specific cultural context, which ultimately shapes the transformation.

HOW DO THESE CHANGES AFFECT YOUR OWN WORK AS A CONSULTANT?

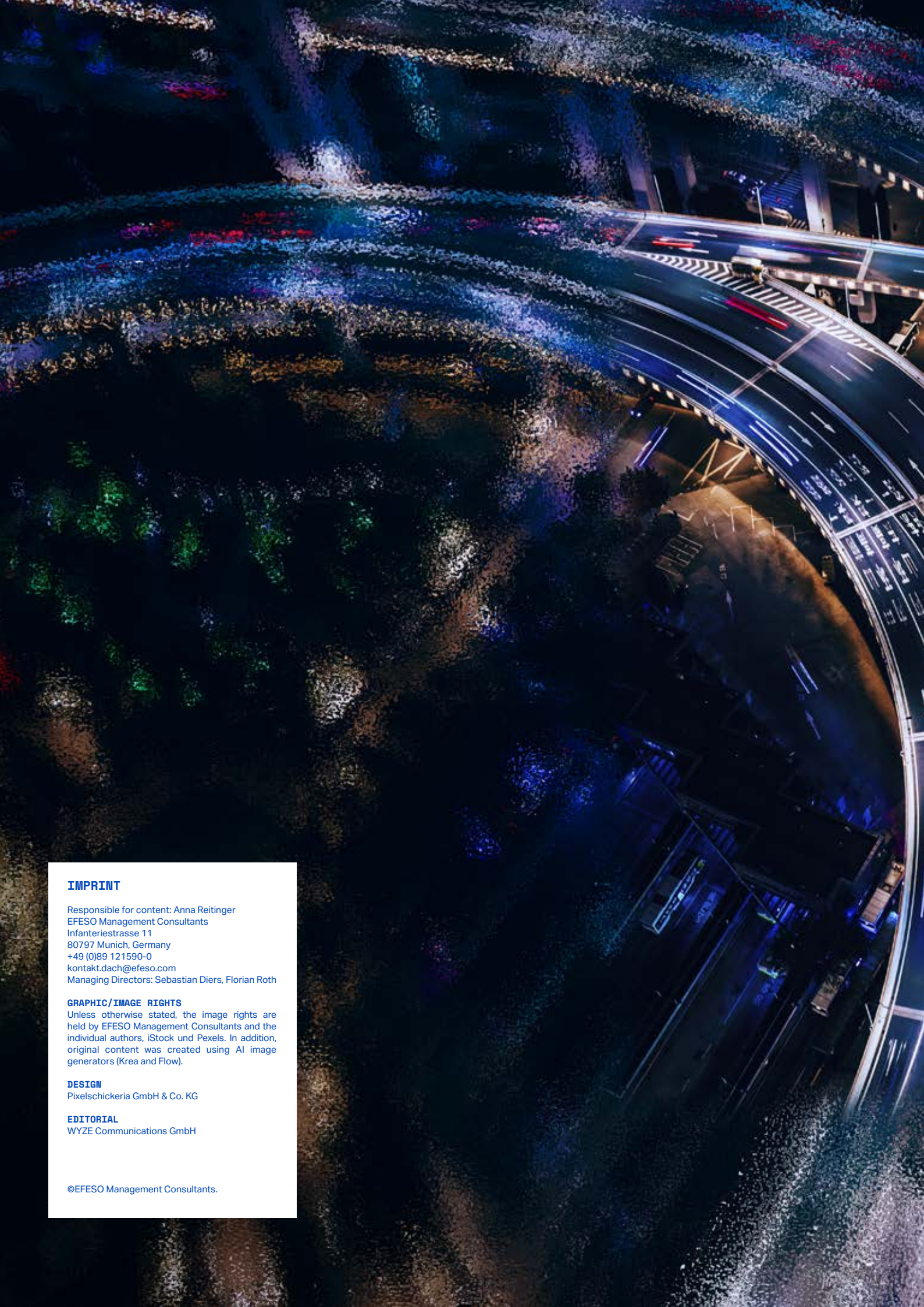
When I joined EFESO 20 years ago, technical expertise and methodological skills were the primary drivers of success in advancing operational excellence. Today, as companies have matured, the key question has become much more direct: how can we create tangible value and implement targeted changes quickly? The specific tools used are secondary. Consultants must combine strong analytical capabilities, data literacy, and confidence in working with AI models with a deep understanding of human behavior and cultural dynamics. This combination is essential to making change sustainable. It is also what defines our team today. I greatly enjoy working with these colleagues and continue to learn a great deal from them.



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DESIGN

Pixelschickeria GmbH & Co. KG

EDITORIAL

WYZE Communications GmbH



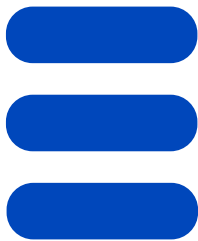
THE LEADING GLOBAL PURE PLAYER IN OPERATIONS STRATEGY AND AS PERFORMANCE IMPROVEMENT

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