

Future Communities through the Eyes of a Child

Report to The Smith Family on governance, participant
engagement and operating framework for a social
innovation incubator

Public Version

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Purpose of this Report

This is the public version of a report prepared by the Swinburne University Strategic Foresight Program for The Smith Family recommending detailed governance and operating frameworks and principles for a proposed social innovation incubator. With background research completed, we now shift into implementation mode, applying the frameworks and principles to realisation of a better future for a real community. To achieve this, we must identify people aligned with our aspirations and our way of working. This report is being circulated to business, government and community leaders in order to engage support for establishment of the incubator. Such support could take any of the following three forms:

1. Through a leader's organisation becoming a member of the incubator organisation and hence contributing to governance and the raising of finances.¹
2. Through direct participation in the community-based incubation process itself.
3. Through recommendation of other leaders who we might contact with a view to engaging members and participants.

Should you be interested in supporting this initiative in any of these ways, or in other ways that you might suggest, please contact either:

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¹ In order to make this version of the report as brief as possible, the financial details have been omitted. The full report including financial details is available on request.

Executive Summary

The level of thinking we bring to intractable social problems is currently not enough to solve them. We need to be innovative in the ways we approach these 'wicked' issues. Groups of committed people need to come together to wrestle with complexity, ambiguity and paradox, and come out the other side with prototype innovations and that meet the needs of communities, especially the needs of children in those communities.

The fundamental rationale of a Social Incubator is to create a space where people can come together to address intractable problems from their different perspectives by generating 'new solutions'. The context of the social incubator will be "*Future Communities through the Eyes of a Child*". The design of the Incubator Model is based upon a number of methodologies including community visioning, foresight, Theory U, appreciative inquiry, action inquiry and social innovation.

Swinburne University, in conjunction with The Smith Family (TSF), has developed a social Incubator model, organisational structure and process for use with communities. This is a new and innovative model; we have used cutting edge theoretical developments to support its design, with one point of departure from more conventional approaches being that the personal benefits of joining will be played down in favour of emphasising the personal responsibilities involved.

A central principle that guided our approach to the design of the Incubator Model was the principle of interiority. The term 'interiority' as we use it here refers to those aspects of any given situation that require direct, participatory immersion in the situation to recognise, appreciate and understand. The interiority of Board members, staff, participants and community members is as important to a successful Incubator outcome as the process and engagement that takes place.

There are three parts to this design: 1) the Incubator Model including its theoretical underpinnings; 2) the Incubator Process, the repeatable process of actually undertaking social innovation; and 3) the Incubator Organisation, including governance structures, which support the Incubator Processes when they occur.

Purpose

The purpose of the Incubator is to approach an intractable social problem with a view to generating solutions from the intersection of differing views and expertise. The model is focussed around the following principles:

1. Strong community involvement in the entire Incubator Process, especially a wide range of community representatives. The community should define the intractable problems that they face – with a specific emphasis on the impact of those problems on children.
2. Creative, challenging and innovative thought leadership being brought to bear on the community's intractable problems.
3. Commitment to the process of the Incubator and a willingness to engage in the 'hot house' of innovative solutions development.

4. The generation of 'new solutions' to the problems – with specific emphasis on the solution's enablement of children's growth.
5. A highly structured Incubator Process allowing for unstructured and creative thought coalescence without pre-conceived ideas about outcomes or solutions. A space to 'conceive the unconceivable'.
6. The formation of networked partnerships responsible for implementing the prototype innovations. The resourcing and delivery of the solutions is outside the scope of the Incubator but would need to be addressed in the implementation planning phase of the 'hot house' process.
7. An evaluated social incubator model and process that would be suitable for wider implementation or continued iterations.

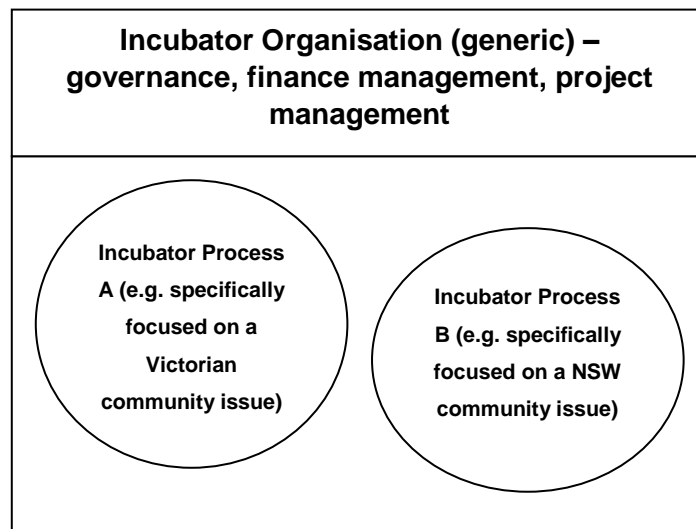


Figure 1: The Social Incubator Model

Theoretical Basis

A central principle guides our approach to the design of the Incubator Model. This can be described as the principle of interiority. The term 'interiority' as we use it here refers to those aspects of any given situation that require direct, participatory immersion in the situation to recognise, appreciate and understand. Interiority can be contrasted with 'exteriority', or those aspects of a situation that are known through observation from a distance. We don't advocate for consideration of interiority in preference to exteriority: rather, we recognise the great value of integrating both of these aspects of reality in the way that we carry out our work. This principle is founded on our understanding that failing to take one or other of these aspects into account would effectively cut out half of the reality within which we exist and work, and so would render the outcomes of that work incomplete and less than optimally effective.

With this in mind, it is our understanding that the success of the Incubator Model will be highly dependent on the interior qualities of the individuals involved, and on the cultural space within which they engage together. This would apply across the organisation, from Board Members to Incubator participants. In fact, harmonisation of interiority within all areas is an important aim in this regard. In practice, such harmonisation would manifest in recognisable ‘behavioural signatures’, such as consistent mutually respectful interaction.

The main challenge that arises here is how to bring about suitable quality of ‘organisational interiority’, given that this cannot simply be mandated by procedures or controlled by structural design. If a vision can be created of what life might be like within a high-performing Incubator Organisation, in terms of the outward behavioural manifestation of high-quality engagement and interaction, then this vision can form the basis for describing the behavioural responsibilities to which organisation members will be expected to commit. By defining behaviour that is likely to entail a certain general quality of interiority, it may be possible to rely on a process of self-selection to arrive at the desired outcome.

A key understanding behind this is that individuals are less likely to self-select for situations in which they will be expected to behave in ways for which they do not have either the self-directed inclination or the interior resources. Even so, this does not automatically exclude someone who may not have previously cultivated the desired capacities, but who is motivated to do so as an aspiration.

The process of self-selection would involve providing potential organisation Members and Incubator participants with a rigorous description of expectations to which they would be required to formally commit. The point of departure from more conventional approaches would be that the personal benefits of joining would be played down in favour of emphasising the personal responsibilities involved.

Otto Scharmer’s Theory U (Scharmer, 2007), which we propose in this report as the basis for the Incubator Process itself, offers a strong and comprehensive set of formal foundations for laying out behavioural expectations to which staff and participants might be required to commit. Scharmer’s work is underpinned by a fundamental orientation towards the recognition, appreciation and integration of interiority in responding to complex social challenges. As such, it provides an established framework for bridging between structures, processes and procedures on the one hand, and the interior qualities of the individuals and collective culture by and within which the structures, processes and procedures are enacted on the other.

Incubator Process

Each Incubator Process will be different in context and therefore outcomes. The process outlined below is intended to guide rather than constrain any specific incubator implementation. A key principle for design of the Incubator Process has been an appreciation that the more open to emergent novelty participants are asked to be, the more scaffolding and structure is needed to support this.

Each Incubator Process has four phases:

1. A participant identification and engagement phase which includes research into locating

the community, relevant experts, and Solution Generation Team (SGT) members.

2. The situation of interest is then identified and documented by the community. Depending on the nature of the situation being focussed upon, this could include some form of self-documentation by the children of the community, perhaps in video format. A three day 'Deep Dive' journey is held in the community, during which the situation is further teased out, and specific issues associated with this situation are identified. Then experts and a SGT are asked to engage with the issues and the community. Materials are generated through conversation and workshop processes, which are developed as part of the Deep Dive process. Success criteria are identified at this point.
3. The Incubator 'hot house' workshop is preceded by the generation of provocations for the hot house participants and dissemination of the self-documentation DVDs (if they have been generated). Each of the Deep Dive participants is asked to develop a report of their experiences in any medium they see fit. The first four days of the 'hot house' are used to reframe the problem, and generate innovative prototype innovations. The fifth day is used to plan the implementation process and develop a budget.
4. The final stage is reporting and communication of the outcome from the hot house. This runs alongside a process of introducing the prototype innovation concept to the community and gaining community agreement for the implementation to proceed.

Participants

Many social innovation processes fail because the “right” people were not on the bus” (Collins, 2006). The high level of thinking required to engage fully with the future and move from a preferred future state to innovation in the present, will mean that research and thought will have to go into the recruitment of team members, content experts and Solution Generation Team participants. Our experience designing and running participatory processes such as this indicates that while diversity of perspectives is extremely important, it is equally important to ensure that the perspectives included are the most appropriate ones, and that particular individuals representing these perspectives are suited to this type of work.

Commitments

The Incubator Process is designed around the general principle that great outcomes can be achieved when people engage in an initiative with an ethic of service for the benefit of the whole, rather than on the basis of narrower self-interest.

The success of an Incubator Process will be dependent on the participants taking ownership of and responsibility for bringing about that success. The designers and facilitators of an Incubator Process do not control the success of the project. Rather, they set the context for potential success. The process itself will not automatically lead to successful outcomes on its own — success will depend on who participates, and more importantly, on *how* these people participate.

For the Incubator to achieve great results, it is therefore important that:

- a) The right people are involved as participants. That is, people engaged as participants have valuable skills and capacities; and these people are prepared to take personal responsibility for the Incubator's success;
- b) The participants are prepared to commit formally to their responsibilities, in such a way that all people involved in the Incubator are aware of their mutual commitments and are prepared to hold each other to account for maintaining those commitments.
- c) The commitments are in fact enacted at the designated time and place. That is, those committed make the initiative their first priority for the course of the Incubator Process, regardless of changes in external circumstances between making the commitment and the running of the Incubator.
- d) The participants agree from the outset to trust each other and the Incubator Process, by engaging together wholeheartedly.

These commitments will be mirrored by the Incubator staff and Board members, to help build a culture which is open, creative and highly innovative.

Incubator Organisation

The Board includes representatives from founding organisations and other members. The constitution allows for the nomination of other types of membership categories. The Board structure is the mechanism whereby the funding bodies are kept informed of the Incubator's progress and outcomes. It has strategic oversight of the Incubator Process and assists in the identification of priority issues to be addressed by the Incubator Process.

The Pilot organisational structure is based around running one Incubator Process at a time. This structure has three employees – an Executive Director, a Project Manager and an Administrative Officer. Additional finance and HR support will be needed from 'in-kind' donations from the member organisations during the Pilot phase. With this structure, up to 3 Incubator Processes could run sequentially per calendar year. When more than one Incubator Process is planned to run concurrently, additional support will be required for the Project Manager.

Incubator Partners

The Smith Family (TSF) is an independent national Australian social enterprise with the mission, together with caring Australians, of unlocking opportunities for disadvantaged families to participate more fully in society. Over the last eight years TSF has undergone a comprehensive organisational transformation moving to a social enterprise program focused on children and education at a high strategic level.

The Strategic Foresight Program at Swinburne University is keen to continue its involvement in Community Sector Research. The Program uses the future to engage organisations in thinking through the intractable issues facing us today. The Incubator model offers an opportunity for intensive research into the process of this engagement and evaluation of the effectiveness of futures thinking in dealing with the difficult social issues of tomorrow.

1. Introduction

"The significant problems we have cannot be solved at the same level of thinking with which we created them."
Albert Einstein

This well-known quote attributed to Einstein stands at the core of the Incubator concept and what it has been designed to achieve. The most intractable social problems facing some of our disadvantaged communities have not been solved with the thinking that has been brought to bear in the present day. The level of thinking we bring to intractable social problems is currently not enough to solve them. We need to be innovative in the ways we approach these 'wicked' issues. Groups of committed people need to come together to wrestle with complexity, ambiguity and paradox, and come out the other side with prototype innovations that meet the needs of communities, especially the needs of children in those communities.

The future offers us an opportunity to imagine a time and place in which these issues have been resolved and to work backwards in designing innovations to bring this preferred state about. The use of compelling images of preferred futures helps to open up space for creative thinking and drive the generation of innovative solutions. The role of the future is empowering and gives hope to those who are struggling with their present situations. This social incubator model and the incorporated processes are cutting edge and 'new' in the way they leverage the future to develop new ways of approaching the intractable issues confronting communities today.

This project comprises two stages, the first referred to hereafter as Phase Zero, and the second stage incorporating Phases One to Four. Phase Zero, now completed, involved the initial design of the Incubator Organisation and Process as described in this report.

There are two parts to the Phase Zero design, known as the Social Incubator Model and shown in Figure 1: the first part is the Incubator Organisation, including governance structures, which support the Incubator processes when they occur; and the second, is the Incubator Process itself, the repeatable process of actually undertaking social innovation. It is envisaged that establishment of the Incubator organisational structure will occur once only, with one or more Incubator Processes then in planning or actually running under this structure at any time.

The context for the social incubator will be "*Future Communities through the Eyes of a Child*". The design of the Social Incubator Model is based upon a number of methodologies including community visioning, foresight, Theory U, appreciative inquiry, action inquiry and social innovation.

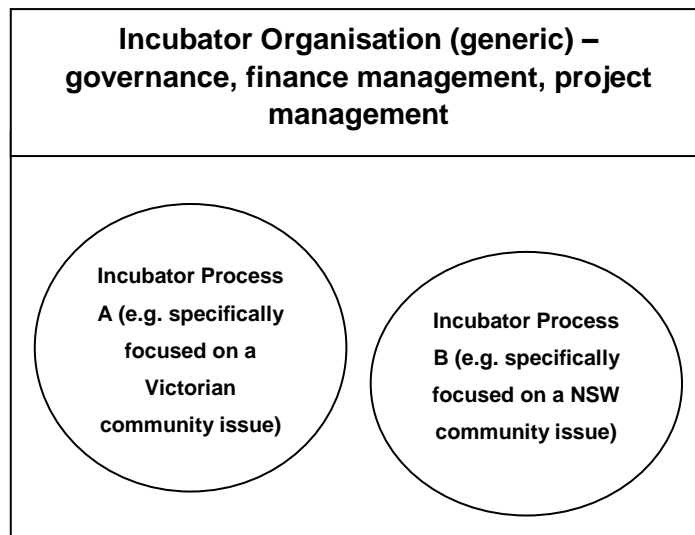


Figure 1: The Social Incubator Model

2. Purpose of the Incubator

The Smith Family (TSF) is an independent national Australian social enterprise with the mission, together with caring Australians, of unlocking opportunities for disadvantaged families to participate more fully in society. Over the last eight years TSF has undergone a comprehensive organisational transformation moving to a social enterprise program focused on children and education at a high strategic level. TSF's interest in developing a social Incubator reflects a strong strategic rationale for a cross-sector 'incubator model' focused on building 'child and youth friendly' communities.

The Strategic Foresight Program at Swinburne University is keen to continue its involvement in Community Sector Research. The Foresight Program uses the future to engage organisations in thinking through the intractable issues facing us today. The Incubator Model offers an opportunity for intensive research into the process of this engagement and evaluation of the effectiveness of futures thinking in dealing with the difficult social issues of tomorrow.

The fundamental rationale, whatever the focus, of a social incubator is to create a space where people can come together to address intractable problems from their different perspectives by generating 'new solutions'.

The purpose of the Incubator is to approach an intractable social problem with a view to generating solutions from the intersection of differing views and expertise. The model is focussed around the following principles:

1. Strong community involvement in the entire Incubator Process, especially a wide range of community representatives. The community should define the intractable problems that they face – with a specific emphasis of the impact of those problems on children.

2. Creative, challenging and innovative thought leadership being brought to bear on the community's intractable problems.
3. Commitment to the process of the Incubator and a willingness to engage in the 'hot house' of innovative solutions development.
4. The generation of 'new solutions' to the problems – with the specific emphasis on the solution's enablement of children's growth.
5. A highly structured Incubator Process allowing for unstructured and creative thought coalescence with no pre-conceived ideas about outcomes or solutions. A space to 'conceive the unconceivable'.
6. The formation of networked partnerships with the responsibility of implementing the prototype innovations. The resourcing and delivery of the solutions is outside the scope of the Incubator but would need to be addressed in the implementation planning phase of the 'hot house' process.
7. An evaluated Social Incubator Model and process that would be suitable for wider implementation or continued iterations.

3. Theoretical Basis of Incubator Operations and Process

3.1 Interiority

A central principle guides our approach to the design of the Social Incubator Model. This can be described as the *principle of interiority*. The principle of interiority is foundational for the practice of all of us who work with the Strategic Foresight Program at Swinburne. A brief introduction to the principle and what it means more generally for the way that we work may be helpful at this stage in orienting the recommendations that arise from the Incubator development project.

The term ‘interiority’ as we use it here refers to those aspects of any given situation that require direct, participatory immersion in the situation to recognise, appreciate and understand. Interiority can be contrasted with ‘exteriority’, or those aspects of a situation that are known through observation from a distance. The inclusion of interiority in the way that we work is a response to the dominance of positivism, behaviourism and functionalism in the social sciences.

We don’t advocate for consideration of interiority in preference to exteriority: rather, we recognise the great value of integrating both of these aspects of reality in the way that we carry out our work. In fact, the principle is founded on our understanding that failing to take one or other of these aspects into account would effectively cut out half of the reality within which we exist and work, and so would render the outcomes of that work incomplete and less than optimally effective.

The importance of recognising interiority can be illustrated with a simple example. The image below may be familiar (see Figure 2).



Figure 2: A figure to figure

This particular version appears in *The Evolving Self* by Robert Kegan, Harvard Graduate School of Education Professor of Adult Learning and Professional Development (Kegan, 1982). The image is of note in relation to our discussion here in that the meaning that arises

for you or me as subjects encountering it is dependent on our own interior 'meaning-making structure'. Depending on these structures, the image can be interpreted as a drawing of an old woman or of a young woman (in some instances neither view is obvious; it is also possible to see both simultaneously). That is, in order to understand what is happening when someone encounters the image, we need to know about that individual's direct experience as a subject.

It is not enough to have a mathematical description of the image (such as the code from the JPEG image used to reproduce it here), or prior knowledge based on our own observation. The meaning that arises on engaging with the image is intrinsic to the act of engagement, and everything that the person engaging brings to that act. Regardless of what one person thinks the meaning of the image is, it would not make sense to define someone else's different interpretation as an error, as it is internally consistent and meaningful for that person.

The practical implications of this for the current project may appear obscure at this point, but they are very significant, as we will attempt to explain. Consider an analogy between the structure of the image above, as defined by the binary code in the JPEG file, and the structure of an organisation as defined by formal documents such as an organisational structure diagram, position descriptions, constitution and operating procedures. As we have seen from the example, if we are interested in the quality of the lived experience of engaging with the image, and the outcome of that engagement in terms of the meaning that arises for the person encountering it, then we need more than an objective description of the image. We need to engage with the interiority of the person.

Likewise with the development of an organisation, if we are interested in the quality of the outcomes from that organisation's operation, and the meaningfulness of the work that is carried out within it for its stakeholders, then we need to engage with the interior dimension of those stakeholders as well as with the exterior manifestation of the organisation in terms of systems, policies and infrastructure.

While it is true that organisational structure can influence (and even determine) behaviour, the nature of this influence or determination is dependent on the interiority of the individuals involved and their shared cultures, something that is often overlooked in organisational change processes. An organisational structure that works effectively in a particular context may not produce adequate results in a very similar context, if the interiority of the individuals who enact the structure is significantly different.

Conversely, an organisation with a less than optimal structure can produce high-performance outcomes if the interior qualities of the organisation's members are appropriately attuned. Many efforts aimed at developing high-performing organisations focus on new policies, procedures and structures, while the prevailing interior qualities remain in place. The results are usually less than are hoped for.

With this in mind, it is our understanding that the success of the Social Incubator Model will be highly dependent on the interior qualities of the individuals involved, and on the cultural space within which they engage together. This would apply across the organisation, from Board Members to Incubator participants. In fact, harmonisation of interiority within all areas

is an important aim in this regard. In practice, such harmonisation would manifest in recognisable 'behavioural signatures', such as consistent, mutually respectful interaction.

The main challenge that arises here is how to bring about a suitable quality of 'organisational interiority', given that this cannot simply be mandated by procedures or controlled by structural design. At least two pathways offer possibilities. On the one hand, it is possible to select desired interior attributes and then screen for these amongst potential organisation members. This might involve a less formal process based on dialogue interviews conducted by people suitably qualified or experienced to assess an individual's interiority, or it might involve formal testing using rigorous tools.

In either case, it links back to the 'structural design' problem, in that someone must first know just what to screen for. This was the general direction that our thinking had been heading in at the time of writing the original proposal document for this project.

On the other hand, if a vision can be created of what life might be like within a high-performing Incubator Organisation, in terms of the outward behavioural manifestation of high-quality engagement and interaction, then this vision can form the basis for describing the behavioural responsibilities to which organisation members will be expected to commit. By defining behaviour that is likely to entail a certain general quality of interiority, it may be possible to rely on a process of self-selection to arrive at the desired outcome.

A key understanding behind this is that individuals are less likely to self-select for situations in which they will be expected to behave in ways for which they do not have either the self-directed inclination, or the interior resources. Even so, this does not automatically exclude someone who may not have previously cultivated the desired attributes, but who is motivated to do so as an aspiration.

The process of self-selection would involve providing potential organisation members and Incubator participants with a rigorous description of expectations to which they would be required to formally commit. This would be based on the understanding that those who are not personally inclined to see the value of such expectations would be less likely to want to join such an initiative, and those who elected to join in any case would have been made very clearly aware of what they were embarking upon. Of course, engagement would also be on the basis of conventional recruitment processes, and these would have to first indicate that a candidate appeared suitable.

The point of departure from more conventional approaches would be that the personal benefits of joining would be played down in favour of emphasising the personal responsibilities involved. One particular expectation that we have discussed in relation to this will serve as a good example of what we have in mind. It seems that an expectation that staff and participants support the principle of servant leadership, as defined by Robert Greenleaf (Greenleaf, 2002) would be strongly consistent with the aims of the Incubator. This would entail a willingness to take responsibility for leading on the basis of perceived service opportunity wherever it arises, rather than on the basis of formal role alone, and a willingness to assist others to take leadership initiative on the basis of the needs and opportunities that they perceive.

Otto Scharmer's Theory U (Scharmer, 2007), which we propose as the basis for the Incubator Process itself, offers a strong and comprehensive set of formal foundations for laying out behavioural expectations to which staff and participants might be required to commit. Scharmer's work is underpinned by a fundamental orientation towards the recognition, appreciation and integration of interiority in responding to complex social challenges.

As such, it provides an established framework for bridging between structures, processes and procedures on the one hand, and the interior qualities of the individuals and collective culture by and within which the structures, processes and procedures are enacted on the other.

3.2 Theory U

At the heart of Theory U lies an enhanced appreciation of the knowledge dimensions involved in responding to complex social challenges. This starts by recognising two conventional dimensions that are widely recognised, and then moving beyond these to introduce a third dimension that receives far less attention.

Otto Scharmer employs an analogy to illustrate this, by likening the three dimensions to three different ways that we can look at the work of an artist. He introduces these perspectives as follows:

- We can focus on the *thing* that results from the creative process; say, a painting.
- We can focus on the *process* of painting.
- Or we can observe the artist as she stands in front of a *blank canvas*.

(Scharmer, 2007, p. 6)

The first more conventional dimension is explicit knowledge: knowledge about things. Drawing on Scharmer's analogy of an artist creating a painting on a canvas, explicit knowledge relates to the finished painting itself, for example a detailed description of the end product. Transferring the analogy to the Incubator, explicit knowledge relates to detailed documentation of the initiatives that will be carried out, the products of the Incubator Process.

This might include knowledge about how to carry out particular, standard tasks such as creating a piece of infrastructure or designing a system. But which infrastructure and systems are required? And what innovations will be required with respect to standard infrastructure and systems? What network of arrangements between people and resources will generate ideas to be implemented?

This leads to the second of the more conventional dimensions, tacit embodied knowledge: knowledge about enacting things. In relation to the artist-and-painting analogy, tacit embodied knowledge relates to the process of painting, for example a description of the craft by which the artist brings the artwork to life on the canvas, and gives it physical embodiment. What techniques and skills are used to create a painting, and how are these skills developed? Again transferring this to the Incubator, tacit embodied knowledge relates to the

processes by which the Incubator's focal challenge is identified and defined, by which participants are engaged, and through which the participants work to generate innovative responses to the focal challenge with the community.

The conventional approach for engaging with complex social challenges is to bring together particular people and resources in some network of configurations, and to engage in a process aimed at generating constructive responses to the challenge at hand. All of this involves tacit embodied knowledge of some form. But this usually commences with the social challenge as given in terms of its immediate manifestation in the here-and-now, and with the repertoire of responses as similarly given on the basis of established skills and expertise. The process problem is to apply these established skills and expertise, albeit in novel configurations, to the social challenge as it appears right now to the 'naked eye'.

The point of departure in Theory U is to recognise a third knowledge dimension, that of self-transcending knowledge: knowledge about origins for enacting things, or 'not-yet-embodied' knowledge. The shift to inclusion of self-transcending knowledge recognises that for most of us, most of the time, we have a fundamental blind spot with regard to both seeing the origins of our complex social challenges, and accessing the ground of origination from which our responses arise.

To return to the painting analogy, self-transcending knowledge relates to the source from which the painting emerges through the artist. It involves the sources of inspiration that orient and motivate intention, and it involves the contexts distant in space and time that shape the background to this particular creation at this place and time.

Theory U is a social technology, an integrated set of arrangements that can facilitate enactment of particular states of being amongst groups of people, in which this 'field of origination' is accessed in relatively stable and repeatable ways. The aim of accessing or entering this field of origination or creativity is to see situations differently and more comprehensively and then respond to the newly-appreciated situation in ways aligned with the future as it is emerging, rather than on the basis of past expectations and habits.

The emphasis with any intervention based on Theory U is to move beyond a more instrumental input-output model in which participants deliver standard solutions based on pre-existing knowledge and expertise. With Theory U, the aim is not only to change the circumstances of the complex social challenge itself: it is the participants also who will be transformed. Participants must be open to being changed, not just challenged. This is because successful outcomes will of necessity involve a new appreciation of the situation—its social origins in particular—and the generation of genuinely innovative responses that are meaningful only in the context of the future that is emerging, rather than the historical past or taken-for-granted present.

At its most powerful, the type of insight that arises with this openness to being changed is of the nature; "Oh look – we are part of the problem: our ways of thinking about how to organise ourselves give rise to forms of organisation that we then see as something that imposes itself on us as some external thing". (Scharmer, 2007, pp. 54-5).

3.3 The U Process

The basis for Theory U, and the U Process for intervening in complex social challenges is a distinction between two qualitatively different types of cognition. The first, Scharmer calls downloading, characterised by reacting to challenges with established habits: the way things appear is regarded as simply given from outside – things are simply as they appear on the surface. The second is characterised by a shift in the inner place from which knowing and subsequent action arise. This second quality of cognition can be characterised by a three-step process:

- Co-sensing: deep observation
- Co-presencing: inner connection with what is naturally emerging
- Co-realising: swift, focused action

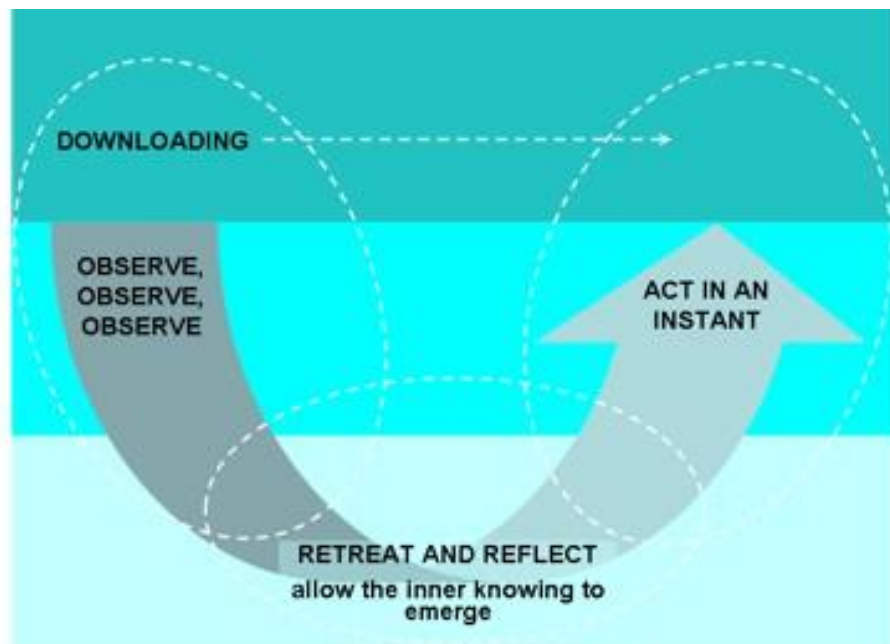


Figure 3: Three movements of the U²

It is this three-step process that forms the basis of Scharmer's U Process. The two types of cognition are depicted in Figure 3 above.

There are two levels at which Theory U facilitates the shift from downloading to this deeper way of knowing. At one level, it provides a language and a set of concepts for exploring complex social challenges together into which the deeper way of knowing is built. By engaging with this language, the deeper knowing can be more readily brought to light. The

² Scharmer, 2007, p. 33, figure 2.3

language and concepts can facilitate greater awareness of the processes of social reality creation (Scharmer, 2007, p. 18).

At another level, Theory U provides a detailed set of 24 principles and practices to guide practical enactment of the U Process in relation to a particular challenge. Both as a language and as a set of principles and practices, the underlying structure of Theory U is a set of five movements, an expansion of the basic three-movement structure introduced above. The five movements are:

- Co-initiating
- Co-sensing
- Co-presencing
- Co-creating
- Co-evolving

These are shown in Figure 4 below, along with expanded descriptions of each. Twenty-one of the 24 detailed principles and practices are grouped under the five movements, with 3 additional root principles.³

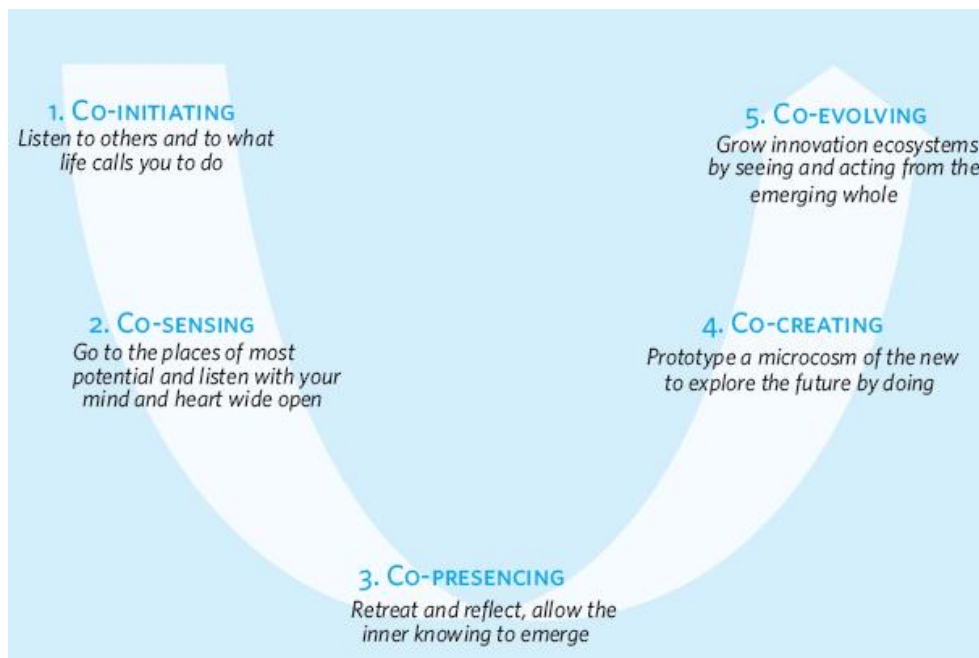


Figure 4: The five movements of the U Process⁴

³ For reference, the full set of principles and practices is presented briefly in Appendix 1.

⁴ Scharmer, 2007, p. 378, figure 21.1

4. Incubator Process

The Incubator Organisation as described in Sections 7-10, can support one or more Incubator Processes running concurrently or sequentially. The organisational structure allows for the replication of the Incubator Process and for the evaluations from individual processes to be fed back into the Social Incubator Model to influence how it operates as a whole.

Each Incubator Process has four phases:

1. A participant identification and engagement phase which includes research into locating the community, relevant experts, and Solution Generation Team (SGT) members.
2. The situation of interest is then identified and documented by the community. Depending on the nature of the situation being focussed upon, this could include some form of self-documentation by the children of the community, perhaps in video format. A three day 'Deep Dive' journey is held in the community, during which the situation is further teased out, and specific issues associated with this situation are identified. Then experts and a SGT are asked to engage with the issues and the community. Materials are generated through conversation and workshop processes, which are developed as part of the Deep Dive process. Success criteria are identified at this point.
3. The Incubator 'hot house' workshop is preceded by the generation of provocations for the hot house participants and dissemination of the self-documentation DVDs (if they have been generated). Each of the Deep Dive participants is asked to develop a report of their experiences in any medium they see fit. The first four days of the 'hot house' are used to reframe the problem, and generate innovative prototype innovations. The fifth day is used to plan the implementation process and develop a budget.
4. The final stage is reporting and communication of the outcome from the hot house. This runs alongside a process of introducing the prototype innovation concept to the community and gaining community agreement for the implementation to proceed.

Each Incubator Process will be different in context and therefore outcomes. The process outlined below is intended to guide rather than constrain any specific incubator implementation. A key principle for design of the Incubator Process has been an appreciation that the more open to emergent novelty participants are asked to be, the more scaffolding and structure is needed to support this.

A representation of the Incubator Process is shown in Figure 5 below.

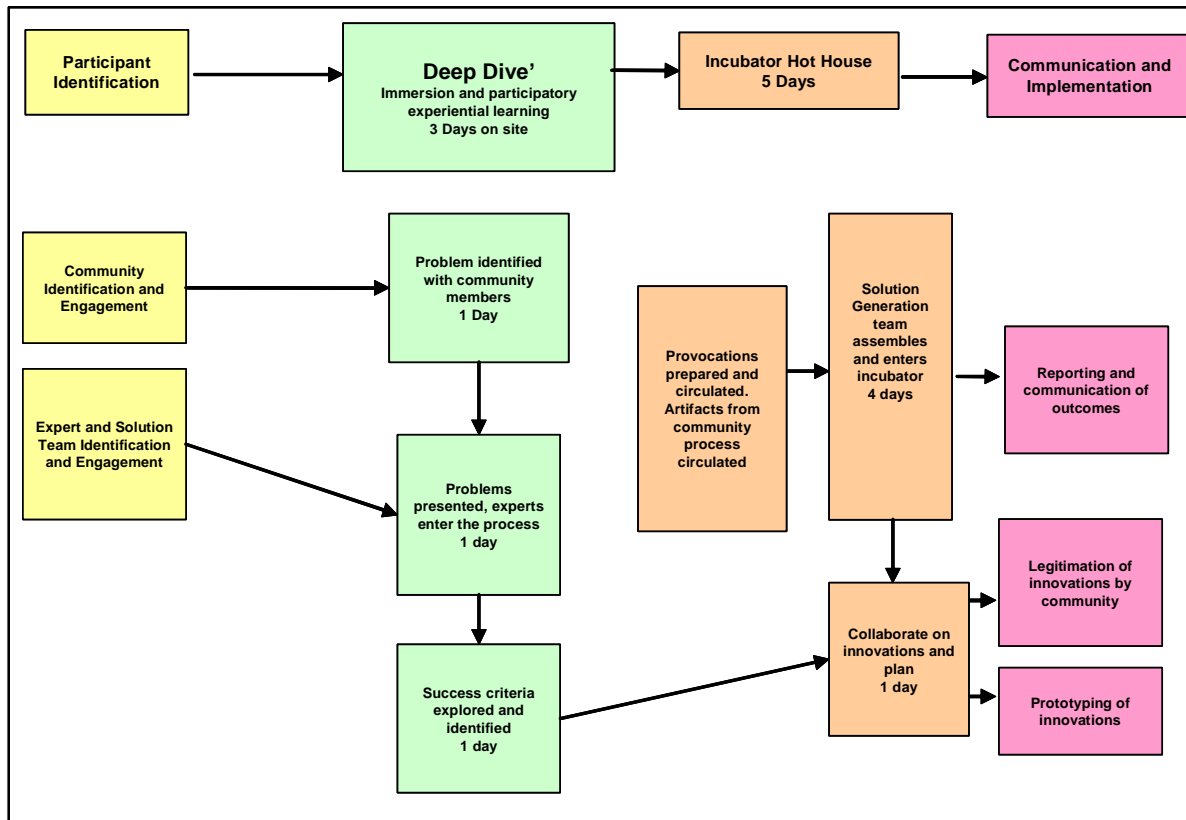


Figure 5: Process Outline

4.1 Linking Theory U with the Incubator Process

'The U-Process: A social technology for addressing highly complex challenges' by Hassan and Kahane (2005, pp. 6-10), describes the phases and processes of projects employing the U Process in terms of four of the five movements introduced in Section 3.3, substituting the term Convening for Co-initiating and combining Co-creating and Co-evolving into a single movement, Co-realizing. This serves to illustrate an important point: while the basic principles underlying any U Process intervention will be very similar, their practical implementation will differ.

So for instance, in a case study described in Hassan and Kahane's article the core of the Co-presencing phase is described as a 'wilderness solo' in which participants literally embark on extended solo expeditions into natural wilderness areas (pp. 7-8). We envisage that the principles underlying this would be implemented in the Incubator Process via a very different approach, and that this could be done in a way that did not compromise the integrity of the U Process.

The purpose of the Incubator is to approach an intractable social problem with a view to generating solutions from the intersection of differing views and expertise. We envisage that the U Process is consistent with delivering this purpose, and that it will fit with and enhance the Incubator Process outline shown in Figure 5. We also see the U Process as consistent with the Incubator Design Principles originally described in the project proposal document and

reproduced in Table 1 below. A detailed description of the relationships between the U Process, the Process Outline (Figure 5) and the Incubator Design Principles (Table 1) follows below. These relationships are also mapped out in Table 2.

1. Strong community involvement in the entire Incubator Process, especially a wide range of community representatives. The community should define the intractable problems that they face – with a specific emphasis of the impact of those problems on children.
2. Creative, challenging and innovative thought leadership being brought to bear on the community’s intractable problems.
3. Commitment to the process of the Incubator by the participants and a willingness to engage in the ‘hot house’ of innovative solutions development.
4. The generation of ‘new solutions’ to the problems – with the specific emphasis on the solution’s enablement of children’s growth.
5. A highly structured Incubator Process allowing for unstructured and creative thought coalescence with no pre-conceived ideas about outcomes or solutions. A space to ‘conceive the unconceivable’.
6. The formation of networked partnerships with the responsibility of implementing the solutions. The resourcing and delivery of the solutions is outside the scope of the Incubator but would need to be addressed in the implementation planning phase of the ‘hot house’ process.
7. An evaluated social incubator model and process that would be suitable for wider implementation or continued iterations.

Table 1: Incubator Principles

Firstly, there is deep congruence between Principle 5 and Theory U. The rigour of Theory U provides a well established way of providing the degree and type of structure that this principle entails.

The first movement of the U Process, Co-initiating, links closely with Principles 1 and 2, and with the Participant Identification phase in the Incubator Process flow chart. Co-initiating involves connecting with a diverse constellation of participants with experience relevant to the focal challenge. This is consistent with the multi-sectoral intentions for the incubator.

In regard to the Incubator participants, the process description identifies at least four general groups, namely:

- Community members with a lived view of the situation, based on experience with *the* particular context.
- Expert view, based on technical experience with *many* similar contexts.
- Solution generators as *counter*-context system-disturbers. People with experience responding to complex challenges in different domains, and hence bringing alternative thinking to the current context.
- Process guides/facilitators: people who will shape the *participant group’s* engagement context.

Theory U and U Process features and elements	Corresponding Incubator design principles	Corresponding elements from <u>Figure 5</u>
Theory U, considered as a rigorous and complete approach to social system intervention aimed at the creation of innovative, immediately actionable responses.	5. A highly structured Incubator Process allowing for unstructured and creative thought coalescence with no pre-conceived ideas about outcomes or solutions. A space to 'conceive the unconceivable'.	N/A
Co-initiating movement	1. Strong community involvement in the entire Incubator Process, especially a wide range of community representatives. The community should define the intractable problems that they face – with a specific emphasis of the impact of those problems on children. 2. Creative, challenging and innovative thought leadership being brought to bear on the community's intractable problems.	Participant Identification Phase
Co-sensing movement	1. ...The community should define the intractable problems that they face.... 2. ...challenging and innovative thought leadership...	Problem Identification Phase Presentation Phase
Co-presencing movement	4. The generation of 'new solutions' to the problems... 5. ...'conceive the unconceivable'.	Incubator Hot House Phase
Co-creating	4. The generation of 'new solutions' to the problems...	Incubator Hot House Phase
Co-evolving	6. The formation of networked partnerships with the responsibility of implementing the solutions.	Implementation Phase Evaluation Phase

Table 2: Mapping between Theory U, the U Process and the Incubator design principles

The Co-sensing movement is consistent with the intent stated in Principle 1 of having the community define its intractable problems, and with the introduction of challenging thought

leadership in accordance with Principle 2. Co-sensing integrates well with the Problem Identification and Presentation phase in the process flow chart.

The Co-presencing movement meshes closely with the intention to create a space to 'conceive the inconceivable' in Principle 5, and with the intention to generate 'new solutions' in Principle 4. This corresponds closely with the Incubator Hot House phase in the process flow chart.

Co-creating corresponds well with design Principle 4, the generation of 'new solutions'. Co-evolving fits with the formation of networked partnerships for implementation. Both offer value in relation to the Incubator Hot House phase in the process flow chart, and with the later Implementation and Evaluation phases.

We also consider that the U Process is strongly congruent with the principles not specifically discussed above, namely Principle 3, relating to the requirement for committed engagement in the co-generation of solutions and Principle 7, relating to a model suitable for wider roll out.

In regard to the co-sensing movement, there is an important principle – Principle 5⁵: take deep-dive journeys to the places of most potential – that plays an important role in the U Process. Learning journeys involve participants in travelling into the field to deepen their appreciation of the system with which they are working. The term 'field' used here implies engaging directly with the challenge context, in a way that is not mediated by distance, technology or the perspectives of others.

What this might entail in the context of the Incubator Model would require further consideration, depending on the particular focus of each Incubator Process, but it would involve having the participant team leave the Incubator's physical home space for some part of the process. It might involve, for instance, a visit to the community with which participants are working, or perhaps to a different community that had dealt with challenges that have relevance for the project. It might involve a visit to a completely different situation, for the purpose of disrupting established thinking. In any case, it would be an immersive experience, based on direct encounter with new people, places, situations and ideas.

4.2 Incubator Process Timelines

Table 1 outlines the Incubator Process and the expected time that each stage in the process would take. It is envisaged that from conception to completion, each Incubator Process will take up to 5 months. This includes time to document the community's issues, if this is required, and an evaluation of the process. Implementation time for any specific innovation prototype would be in addition to this.

⁵ See Appendix 1: U Process Principles and Practices. Note that this is distinct from Principle 5 in Table 1.

Time required ⁶	Activity	Outcomes	Resources
Two months	<ul style="list-style-type: none"> ▪ Community identified and an engagement process begun. ▪ Research into the process of identifying and engaging content experts and SGT members. ▪ Content Experts are identified and approached ▪ SGT identified and approached ▪ Communication strategy begins – web site set up, letterhead etc 	Structures and participants have been put into place for the processes	<ul style="list-style-type: none"> ▪ TSF Community Development support to identify the client community. ▪ First meetings with the community, TSF representatives and the Incubator Project Team. ▪ Identification of funding ▪ Research time and resources placed into developing methods and criteria to identify the ‘right’ people for the Incubator. ▪ Web development expertise, hosting, blog set up
One month (context dependent)	Self documentation of the problems faced by the community – without deciding which problem to tackle, the community documents what their lives are like and the issues that they face.	Multimedia presentation of the community and its issues by members of that community – especially capturing the community through the eyes of children. Community engagement with the process – they are being involved in creating the outcomes of the process.	<ul style="list-style-type: none"> ▪ Access to a school willing to assist the Incubator. ▪ Digital cameras, multimedia production expertise. ▪ Possibility of using a film student? ▪ Give the community access to the blog space
3 days	Deep Dive Experience - 3 day problem identification workshop with wide community participation on site.	The problem is identified, explored and defined.	<ul style="list-style-type: none"> ▪ Event management ▪ Flights and accommodation for out of state experts ▪ Reimbursement of

⁶ Each of these process phases would be run consecutively, with a break of four weeks between the Deep Dive community experience and the solution generation workshop.

Time required ⁶	Activity	Outcomes	Resources
	<p>Day 1 – problem is identified, appreciated and explained by community members. A playful atmosphere is created to aid thinking.</p> <p>Day 2 – Content Experts are engaged in the process and the problem is presented by the community, collaborative practices and Appreciative Inquiry are used to generate understanding</p> <p>Day 3 – Success criteria for the Incubator Process are identified – how will we know we have succeeded? Old myth to new myth – develop a shared sense of what ‘better’ entails. Evaluations done.</p>	<p>Content Experts are asked to engage with the community and contribute their knowledge of how the problem has been dealt with in other places, and their insight into the possible drivers of the problem.</p> <p>It is the experiencing by the Incubator group of the problem as it resides in the community’s setting that builds shared language and understanding.</p>	<p>expert time</p> <ul style="list-style-type: none"> ▪ Facilitation costs ▪ An expert ‘clown’ who can create a playful space for the participants ▪ Workshop space in the community? ▪ Visits to the community
5 days	<p>Provocations are developed and the output from the self documentation activity (video?) is disseminated to the SGT in preparation for the ‘hot house’.</p>	<p>Provocations which aim to re-cast the issues raised in the community workshop will be developed by the best thinkers available. These, with the depiction of the community through the eyes of a child will help to locate the members of the SGT in the context.</p>	<p>Remuneration for thinkers if required, DVD materials</p>
4 weeks	<p>Each participant prepares an experiential report of what they saw, felt and thought about the ‘deep dive’ experience.</p>		<p>Materials for participants to use</p>

Time required ⁶	Activity	Outcomes	Resources
5 days	<p>5 Day Incubator</p> <p>Solutions Generation Space</p> <p>“The ‘Hot House’”</p> <p>Day 1 – The SGT assembles and meets the community and experts from the Community Workshops. Shared meaning is created and a group forms. The problem is presented by the Community Members and the SGT engages with it. The future is explored using innovative experiential process. Dinner together.</p> <p>Day 2 – An individual experiential report of the deep dive is presented. Provocations are discussed and debated. A rich picture of the issue is created.</p>	<p>The problem is presented by the community storytellers, provocations are explored, worldviews, myths and metaphors examined. The problem is recast through a future view and the team collaborates to generate innovations that meet the needs of the community.</p>	<p>15 person solution generation team – may include experts who will require remuneration.</p> <p>Facilitation expertise.</p> <p>‘Hot House’ space, event management, flights, accommodation, site visits to the community, workshop materials.</p>

Time required⁶	Activity	Outcomes	Resources
	<p>Day 3 – From an early start, there is silence for contemplation of the journey thus far. Exploration of the outputs of the deep dive and previous two days are studied to allow worldviews, myths and metaphors underlying the problem to surface. Journaling and meditation exercises play a role here.</p> <p>From the deep appreciation and understanding space the group works to develop a resonant preferred future image.</p>		
	<p>Day 4 – Solutions are generated.</p> <p>Dinner together.</p>		
	<p>Day 5 – Innovation and prototyping plans and budgets are developed. Evaluations done.</p>		
14 days	Reporting and communication of outcomes of the Incubator.		Report writing time Report dissemination
To be determined	Prototype innovations accepted by the community and implementation has begun.		

Time required⁶	Activity	Outcomes	Resources
14 days	Report by Evaluation partner.	An evaluated social innovations incubator model and process which is applicable to many situations and scalable to almost any issue.	Research and writing time

Table 3: Incubator Process Timeline

5. Identification of Participants

Many social innovation processes fail because the “right’ people were not on the bus” (Collins, 2006). The high level of thinking required to engage fully with the future and move from a preferred future state to innovation in the present, will mean that research and thought will have to go into the recruitment of team members, content experts and Solution Generation Team participants. Our experience designing and running participatory processes such as this indicates that while diversity of perspectives is extremely important, it is equally important to ensure that the:

- perspectives included are the most appropriate ones
- particular individuals representing these perspectives are suited to this type of work.

5.1 Perspectives

This relates to the practical issue of group size and its impact on effectiveness. The number of people that can be brought into the process will be smaller than the number of possible perspectives. This applies both to problem definition by the community, and to the teams involved in generating solutions. The perspectives included will necessarily shape both the nature of the problem and the nature of the solutions.

Differentiation of perspectives is also important: perspectives based on gender, ethnicity and religion, sexual orientation, socio-economic status, organisational role and occupational/professional training/expertise are some of the more obvious categories to consider here, but there is also a range of other ways of considering this based on psychological research and theory into the diverse ways that people think.

5.2 Individuals

This recognises that while individual capacities are very important, these cannot be considered outside of the group context. The outcomes of the project will depend on appropriate group behavioural dynamics, and these dynamics will be shaped by the behaviour of each individual participant.

The ‘hot house’ nature of the solution incubation phase is likely to have particularly significant implications in relation to group dynamics. Our recent experience indicates that while promotion of inclusiveness in group process is a worthy value, the pursuit of a ‘caring, sharing group community’ where participants feel that their personal emotional needs are being met should not be given primacy over the achievement of successful outcomes, measured in terms of the success criteria established at the project’s outset.

On first reading, this may seem to fly in the face of the past three or four decades of development in team and group theory. The point, though, is that in this case, the team will exist for the benefit of the project aims, and for no other reason. To put it more directly, the achievement of those aims will be best served by participants with the ability to serve the project with high self-awareness and a minimal desire to meet their own ego-needs through involvement in the project.

The type of people that we would look for here are those who exhibit reasonable levels of what might best be described as 'personal mastery'. In the event that people less able in this regard are engaged as participants, then it will be even more critical that *some* participants be included who are *more* able in this regard. In short, this means that expertise, authority, status or political identity should not be regarded as sufficient grounds for participation in the project.

It is also our experience that establishing procedures for making and keeping commitments relating to participation is an important aspect of participant recruitment. Specific attention should be given to this prior to and during the recruitment process. More detail about this idea is laid out in Section 6.

5.3 Community Identification

We understand that TSF will identify and act as liaison with the particular community in which the project will be based. We propose that the initial phase in the problem definition process involve children in the community documenting their day-to-day experience with video cameras. Given the likely complications that we envisage around having direct contact with children from the community, one way of streamlining this process would be to work with a local school, with teachers as the points of contact. With this approach, we would also be reliant on TSF establishing the link with a school in the community.

A school may also provide an appropriate entry point to engage more widely with adult community members. The appropriate pathway for this engagement will be dependent upon the context of the particular Incubator Process. Early identification of a suitable community will be important. Ideally, engagement between Incubator staff and community members would commence within the first month of the process.

5.4 Expert Identification

The experts involved in the problem appreciation process, and in generation of the provocations subsequent to this, will play a significantly different role to that of the Solution Generation Team. While group dynamic and 'personal mastery' considerations are still important here, the emphasis can shift to content and domain mastery. The aim will be to include people who have appropriately deep experience working with difficult social challenges across a breadth of contexts; this will complement the community participants' context *specific* knowledge contribution.

An important criterion for participation at this stage will be openness to inter-disciplinary interaction. This does not necessarily mean that all participants at this stage will need to be adept at thinking outside of disciplinary boundaries, but acceptance of alternative ways of seeing things by others will be important.

The process for this phase of the work will generally be as follows:

- Establish ideal basis for group; describe group in terms of role profiles.
- Identify potential candidates for roles via consultation amongst Incubator staff and Board, and externally where appropriate.
- Contact candidates to ascertain interest and availability; interview for suitability.

- Review outcomes of interviews, decide on final participant list.
- Formally engage participants, with emphasis on the importance of following through on commitment to participate.

5.5 Solution Generation Team Identification

'Personal mastery' is a more important selection criterion for SGT members. In particular, the short time frame and strong focus on high-quality prototype innovation outcomes will place team members under considerable pressure. A more diverse mix of domain expertise and trans-disciplinary thinking capacity is also likely to be required. People with a practical orientation will also have very important roles to play in this team.

The identification process for this phase will generally be the same as for Expert Identification.

5.6 Research Role and Outcomes

From a Swinburne perspective, it is important to keep in mind through out that this project is an action research exercise. The project has dual aims of creating actionable outcomes that will contribute to improvement of the community partners' lives while simultaneously learning how to do similar work better in the future, and to do work of this nature more widely across a range of community contexts. For this reason, it is critical that the project be structured as a knowledge creation exercise as well as a practical outcome creation process. In general, this means that we will be seeking to understand why particular things do or do not work to achieve their intended outcomes.

In order to do this, we will seek to make as many decisions as possible on a principled or theoretical basis. This does not necessarily mean that the theory will be especially deep or complex – the aim will be to use sufficient theory to know how to repeat what works in different contexts and to improve on things that do not work, without unnecessarily complicating the project process.

Even so, for others engaged in the project with a preference for action over theory, this may at times lead to frustration. We just wish to highlight at this point that it is our understanding that theory and action work best when engaged together (the concept of praxis).

6. Participant Commitments

The success of an Incubator Process will be dependent on the participants taking ownership of and responsibility for bringing about that success. The designers and facilitators of an Incubator Process do not control the success of the project. Rather, they set the context for potential success. The process itself will not automatically lead to successful outcomes on its own — success will depend on who participates, and more importantly, on *how* these people participate.

For the Incubator to achieve great results, it is therefore important that:

- e) The right people are involved as participants. That is, people engaged as participants have valuable skills and abilities; and these people are prepared to take personal responsibility for the Incubator's success as outlined in Sections 6.1 to 6.4;
- f) The participants are prepared to commit formally to their responsibilities, in such a way that all people involved in the Incubator are aware of their mutual commitments and are prepared to hold each other to account for maintaining those commitments.
- g) The commitments are in fact enacted at the designated time and place. That is, those committed make the initiative their first priority for the course of the Incubator Process, regardless of changes in external circumstances between making the commitment and running of the Incubator Process.
- h) The participants agree from the outset to trust each other and the Incubator Process, by engaging together wholeheartedly.

To achieve the quality of engagement described above, it is proposed that, following identification of potential Incubator participants and initial establishment of interest in the project, those who would like to proceed be asked to self-nominate by formally agreeing to a series of binding commitments relating to their involvement. That is, selection for the Incubator participant team would be dependent on this formal agreement, and ongoing participation would then be dependent on maintaining the commitments.

There is a practical challenge with this approach, in that the short and intense nature of the Incubator Process will most likely preclude changes to the participant team while the process is underway. Even so, by using a formal commitment process, all participants will know the conditions of their own and the other participants' engagement. This will provide a benchmark for appropriate behaviour and a means of assessing whether or not participants should remain in the process if behaviour arises that might threaten the success of the Incubator.

In very practical terms, if the Incubator facilitators and participants feel that an individual's behaviour is jeopardising the process, having binding commitments in place will provide a basis on which the group can decide how to respond to this. At the same time, the formal commitment system will provide a means of minimising ambiguity in relation to participants' expectations of the Incubator Process. This will provide a means of ensuring that participants know as far as possible what it is that they are embarking upon.

It is proposed that three categories of commitments be presented to prospective participants, with self-nomination for further involvement in the project dependent on formally agreeing to behave in accordance with each of the commitments under these categories. The categories are:

- General commitments to service
- Commitments to “being in the room”
- Commitments to engaging fully

These are described in detail below.

6.1 General commitments to service

The Incubator Process is designed around the general principle that great outcomes can be achieved when people engage in an initiative with an ethic of service for the benefit of the whole, rather than on the basis of narrower self-interest.

This is an idea that has many historical and contemporary precedents. One example that we regard highly is Robert Greenleaf’s *servant leadership* (Greenleaf, 2002). Servant leadership entails taking personal responsibility for seeking mutually beneficial outcomes for all those involved in and affected by an initiative, regardless of one’s formal role and positional power.

In order to encourage a culture of servant leadership amongst the Incubator participants, it is proposed that participation be made conditional upon support for the following service commitments:

- Commitment to serve the community with whom the Incubator team is working;
- Commitment to serve the other participants in the Incubator team; and
- Commitment to serve the Incubator’s founding vision to deliver practical initiatives targeting the building of child and youth friendly communities through cross-sector collaboration (see BCG Feasibility Study Report, p. x).

Table 4: Service Commitments

6.2 Commitments to “being in the room”

These commitments relate to being physically present—to being at the appropriate place, at the appropriate time. This may seem trivial; however experience with running similar processes in which participants are drawn from a range of different organisations indicates that while people may intend to follow through on their initial interest in a project, this intention does not necessarily translate into concrete behaviour.

The principle guiding this category of commitments is that commitment entails intention *and* action, not just in-principle agreement to support the project. Potential Incubator participants will almost certainly be subject to a wide range of professional and personal demands. New opportunities may present themselves between initially signing on to the Incubator initiative and the actual running of the Incubator Process. Participants’ circumstances may change.

The commitments to “being in the room” entail that eligibility for participation is conditional upon making the time involved in the Incubator initiative one’s first priority for the duration of the project.

The message here is intended to be very clear: if you would be prepared to renege on your agreement to participate in the Incubator process, then you should not proceed any further with the selection process.

It is proposed that formal acceptance of the following commitments is a condition of self-nomination for participation in the Incubator process:

- Commitment to making the Incubator your first priority for the periods over which activities will be running.
- In self-nominating, a potential participant agrees to be present at the designated location for the designated period, regardless of other opportunities that arise in the intervening period.
- Commitment to arriving on time and remaining present until the scheduled time of completion, for each stage of the Incubator in which you are involved, and on each day of that stage.

Table 5: Commitments to ‘being in the room’

6.3 Commitments to engaging fully

The *commitments to “being in the room”* deal with the relationship between participants’ external circumstances and their contribution to the Incubator initiative; the *commitments to engaging fully* relate to the way that participants behave once they are physically present. In order to understand the significance of these *commitments to engaging fully*, it will be valuable to make the links back to the theoretical basis for the Incubator Process. This is pursued in the next section.

6.4 Theory U, social field theory and the Incubator Process

Theory U is founded on Scharmer’s *social field theory* that describes the sources from which our individual and collective fields of attention and patterns of behaviour emerge (Scharmer, 2007, p. 233). In explaining the significance of such a theory, Scharmer writes:

When people experience a transformational shift, they notice a profound change in the structure, atmosphere, and texture of the social field. But in trying to explain it, they have to fall back on vague language, and even though people can agree on a surface description of *what* happened, they don’t usually know *why*. So we need a new grammar to help us articulate and recognize what’s happening and why (Scharmer, 2007, p. 231).

The social field theory offers a structured way of understanding, describing and enacting individual and group behaviour that is in turn capable of supporting more effective social innovation. Scharmer puts forward 21 propositions relating to his social field theory, the first of which has direct relevance for the Incubator participant commitments:

Social systems are enacted by their members in context. This first proposition captures the state of the art in social systems and social science theory: (a) social systems are enacted by their members and in turn shape their members' actions; (b) all enactment takes place in a context (Scharmer, 2007, p. 233).

In his work with groups, Scharmer has observed that there are four different sources or fields from which individual attention and action and collective attention and conversational interaction can emerge. The different qualities of individual attention and collective attention are shown in Table 4 below.

Field structure of attention	Individual attention	Collective attention
1	<i>Downloading:</i> Perception reenacts past patterns.	<i>Downloading:</i> Talking nice or exchanging polite phrases.
2	<i>Seeing:</i> Perception notices disconfirming data.	<i>Debate:</i> Talking tough or exchanging divergent views.
3	<i>Sensing:</i> Perception begins to happen from the field.	<i>Dialogue:</i> Thinking together from diverse perspectives.
4	<i>Presencing:</i> Perception begins to happen from the creative source.	<i>Presencing:</i> Creating collectively from an authentic presence and source of stillness.

Table 6: Field structures of attention for individuals and groups

(Scharmer, 2007, pp. 239-40)

In describing the significance of these field structures of attention, Scharmer writes:

Every social action and social structure emerges from one of these four field structures of attention (of which the agents usually remain unaware). Although most actors and systems operate from only the first two, others manage to operate from all four spheres of social reality creation as they evolve on their developmental journey (Scharmer, 2007, p. 235).

Expanding significantly on this, he writes:

In downloading, or “talking nice,” a group acts from inside the boundaries of its existing language game. “Same old, same old.” In debate, or “talking tough,” a group begins to deal with and articulate the various diverging views and perspectives on the situation at issue. To do so, the group has to suspend the routines of politeness and enter a tougher and more honest conversation. In dialogue, a group moves beyond the boundary of its members' viewpoints and begins to look at its collectively enacted patterns as part of a bigger picture. The main shift in any kind of dialogue-type conversation is very simple: you move from seeing the system as something outside to seeing yourself as part of the system. The system and each individual begins to see *itself*. In presencing, group members enter—often enabled through a crack or a moment of silence in which the group begins to let go of “the script”—a deeper space of presence and connection with

one another. They then move into a generative flow of co-creating and bring forth something profoundly new. How do you know whether or not you have been in such a place? When you participate in such a conversation, you become a different person. You shift your identity and self in a subtle but profound way. You are more your real [self]; you experience your authentic self (Scharmer, 2007, p. 237).

The relevance of this for the Incubator initiative will hopefully be clear: It is most often the case that when individuals come together in groups to work towards common goals, the social system they create emerges from Field 1 and Field 2, with attendant limits on what the group can hope to achieve. If the group can shift from Fields 1 and 2, to access Fields 3 and 4, then the quality of their work together is likely to be far superior. The point with this is not to avoid Field 1 and Field 2 social emergence, rather it is to encompass this within Field 3 and Field 4 social emergence. Social interaction emerging from Fields 1 and 2 is not bad—but it is severely limited in its potential.

In looking at how groups can more readily shift attention from Field 1 to Field 2 and then to Field 3 and Field 4, Scharmer identifies three inflection points relating to these shifts. He describes these as:

- Opening and suspension (open mind)
- Deep diving and redirection (open heart)
- Letting go and letting come (open will)

(Scharmer, 2007, p. 241)

Expanding on this, Scharmer writes:

[M]oving from Field 1 to Field 2 requires *opening up* to the data of the exterior world and *suspending* ingrained and habitual (and often dysfunctional) patterns of action and thought (open mind).

Moving from Field 2 to Field 3 entails taking a *deep dive* into relevant contexts and *redirecting* one's attention such that perception begins to "happen from the field" (open heart).

Moving from Field 3 to Field 4 requires *letting go* of old identities and intentions and *letting come* new identities and intentions that are more directly connected with one's deepest sources of individual and collective action and energy (open will) (Scharmer, 2007, p. 241).

Navigating these inflection points in order to access the deeper field structures of attention requires overcoming three barriers that Scharmer calls the Voice of Judgement (VOJ), the Voice of Cynicism (VOC) and the Voice of Fear (VOF). In relation to these, he writes:

The reason the journey of the U is the road less traveled has a name: *resistance*. Resistance is the force that keeps our current state distant and separate from our

highest future potential. Resistance comes from within. Resistance has many faces and tends to show up where the weakness is greatest. Resistance can operate with stealth and strike largely unrecognized by its victims.

Anyone who embarks on a journey toward the deeper sources and streams of emergence will face these three powerful forces of resistance to the transformation of thought, heart, and will:

- VOJ (Voice of Judgement): Old and limiting patterns of judgement and thought. Without the capacity to shut down or suspend the VOJ, we will make no progress toward accessing creativity and never reach the deeper levels of the U.
- VOC (Voice of Cynicism): Emotions of disconnection such as cynicism, arrogance, and callousness that prevent us from diving into the fields around us.
- VOF (Voice of Fear): Fear of letting go of the familiar self and world; fear of going forth; fear of surrendering into the space of nothingness.

The capacity to operate from the deeper levels of the U can only be developed to the degree that a system deals with the forces and challenges of resistance. Anybody can have a peak experience. But only those who develop the discipline to face down these forces of resistance will be able to operate reliably from the deeper levels and spheres of social emergence (Scharmer, 2007, pp. 245-6).

Having now revisited Theory U in the context of participant engagement in the Incubator Process, we return now to discussion of the *commitments to engage fully*. The point of discussing the social field theory behind Theory U in such detail is to provide potential participants with a basis for understanding the quality of engagement that will be required if the Incubator process is to be as effective as possible.

The aim will be to achieve open, authentic engagement that shifts from Field 1 to Field 2 and then on to Field 3 and Field 4. This will demand a great deal of participants. Participants will be expected to have a high level of self awareness, and to exercise this capacity on a continuous basis to recognise and dissolve individual and collective resistances.

Participants will need to be prepared to “leave their baggage at the door”. There will be little room for accommodating the outside stresses and distractions of daily life as the group works intensively with the time available to achieve high-quality outcomes: participants will need to dig deep to find their capacity for opening minds, hearts and wills.

We recognise that this approach will not suit everyone. There are likely to be potential participants who regard this as too unconventional, or too personally intrusive. For others, the aims with regard to group interaction may seem too unrealistic – the type of interaction described by Scharmer may be too far from some people’s day-to-day experience of what typically happens when people assemble in groups to work on shared challenges. It may just sound too idealistic, or too distant from the rough-and-tumble pragmatics of group politics based on the negotiation of tightly held interests and positions.

On the other hand, there are likely to be potential participants who are drawn directly to the Theory U approach. It is likely that some people will either be familiar with Theory U itself or with some of the underlying principles. Others may be motivated to support this approach following past experience with the limitations of conventional approaches to social innovation processes. The *commitments to engage fully* provide an opportunity for these people to register their interest in and support for the approach.

We recognise also that people sometimes come along to collective processes with the intention to reserve judgement about the value of their participation: is this something that is worthy of my time, attention and energy? Such an approach will not fit with the Incubator process. Central to the design of the Incubator process is the principle that the participants and facilitators constitute an interrelated system.

The quality of the process and its outcomes is a function of all involved: if participants feel that the process is not meeting their expectations, then all participants are responsible for this. Even where particular participants are judged not to be meeting their own commitments relating to quality of engagement, ownership of this situation should be seen as resting with all participants. Even where a participant judges that the Incubator process and its facilitation is not producing the outcomes that the participant would like, ownership of that shortfall rests with the group as a whole, including those who perceive the shortfall.

Participants should not expect the designated facilitators to be solely accountable for leadership of the group and for the success of the process. In order to meet the *commitments to engaging fully*, participants will need to openly discuss challenges or dysfunction that they see arising in the process, and to actively contribute to addressing such situations.

It is proposed that formal acceptance of the following commitments be a condition of self-nomination for participation in the Incubator process:

- Commitment to actively address your own resistance by:
 - Recognising judgement.
 - Suspending cynicism.
 - Facing fear.
- Commitment to actively explore the nature of authentic and intimate engagement.
- Commitment to actively support enabling behaviour of others in the group.
- Commitment to actively alleviate impeding behaviour of others in the group.

Table 7: Commitments to engage fully

7. Incubator Organisation

7.1 Boston Consulting Group Model

The structure of the Incubator follows work done by Boston Consulting Group (BCG) in 2006. The BCG project recommended that the Incubator Organisation operate as shown in Figure 6.

The Board includes representatives from all funding organisations. Potential funders can access a Board position through their ability to contribute resources and/or in kind support to the Incubator. The Board structure is the mechanism whereby the funding bodies are kept informed of the Incubator's progress and outcomes. It has strategic oversight of the Incubator Process and assists in the identification of priority issues to be addressed by the Incubator Process.

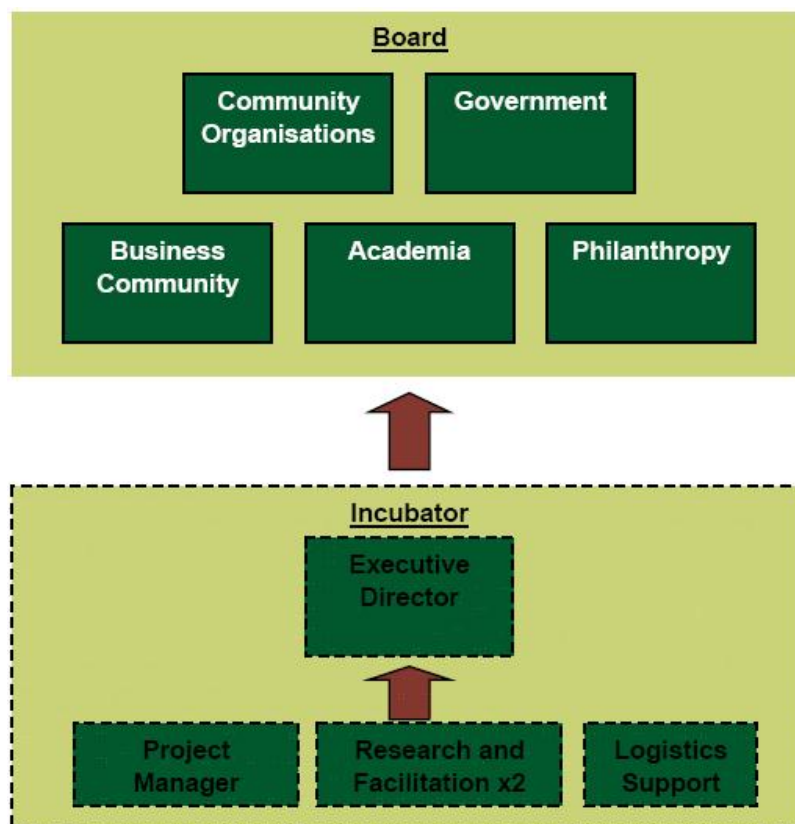


Figure 6: Incubator Organisation

(BCG Stakeholder Workshop)

The Incubator Organisation proposed by BCG consisted of an Executive Director and Project Team. It was recommended that this Project Team include a project manager, two research and facilitation managers, and logistics support. The positions would be filled via short term contract or secondment.

The BCG document mentions an Implementation Manager who would undertake the role of setting up the Incubator. The Synergy Grant, gained by the Strategic Foresight Program in partnership with The Smith Family, has been used to complete this pre-work, known as Phase Zero. Now that this design work has been undertaken it can be used to establish Incubators and will support a number of Incubator Processes.

7.2 Structure of permanent staffing model

The structure proposed here does not differ greatly from the original version suggested by the BCG Report. Two major alterations have been made:

1. The removal of research and facilitation roles
2. The clear identification of Facilitators within each Incubator Process

The research and facilitation roles have been removed in the first iterations of the Incubator Organisation as the Project Manger role is a fulltime permanent position and should be able to undertake research as required. Any additional work can be delivered through partnerships with organisations who wish to establish staff placements in the Incubator. This would be on an as needs basis and would not be a permanent part of the first Incubator. Evaluation of the Incubator Process and outcomes will occur in partnership with an academic institution and, as such, does not need to be reflected in the structure.

The idea of having Facilitators within each Incubator Process, as well as the Project Manager, stems from an appreciation that many of the facilitation skills required for these Incubator Processes will be best learned through experience as a participant. The pool of talent for succession planning for the Project Manager and Facilitator roles may well consist of past Incubator participants, therefore it makes sense for an opportunity to be constructed to utilise a participant in this way. The participant who volunteers to be trained as a Facilitator will work closely with the Project Manager in the first instance, and then would be given opportunities to facilitate other processes, with a view to being able to step up to the next level if an additional Project Manager's role opened up due to the number of Incubator Processes being run.

There are two models presented here; the first is the pilot model that would be needed to begin the first Incubator Process (see Figure 7). The second is a model that reflects the needs of the Incubator from Year 3 onwards (see Figure 8).

The Pilot structure is based around running one Incubator Process at a time. Additional finance and HR support will be needed from 'in-kind' donations from the member organisations during the Pilot phase. With this structure, up to 3 Incubator Processes could run sequentially per calendar year. When more than one Incubator Process is planned to run concurrently, additional support will be required for the Project Manager.

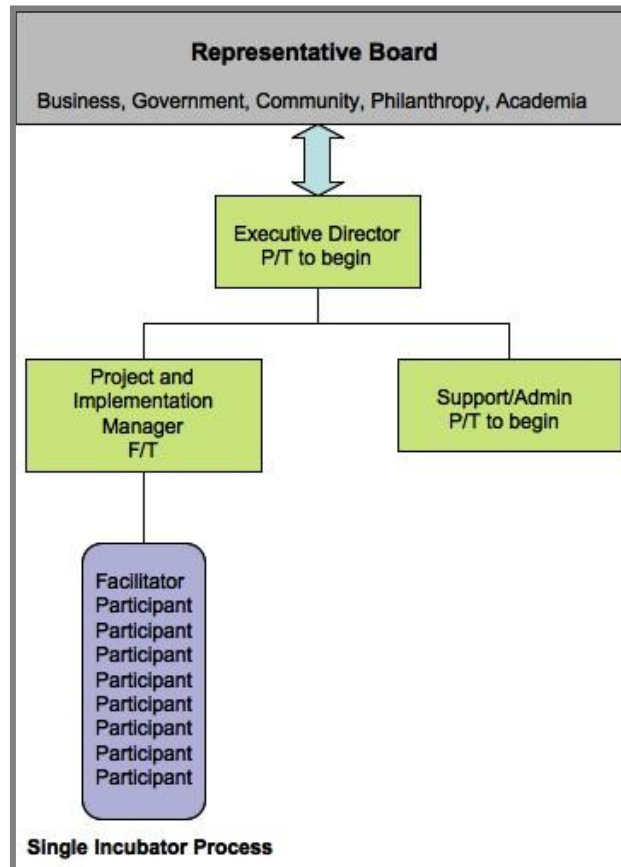


Figure 7: Incubator Pilot Structure Year One

Board

Founding organisations and Member organisations have Board level representation. Additional Board members may be required for governance and committee needs.

Executive Director

The Executive Director is responsible for the day-to-day operations of the Incubator Organisation. This role is a direct conduit to the Board and is the translation mechanism for Board decision-making. This role will be the public face, along with the Chairperson, of the Incubator Organisation. A draft position description for this role can be found in Appendix 4.

This position is envisaged as part time to begin with. It may be that a member organisation can nominate a suitable candidate for the first pilot process. Once Incubator Processes have been run successfully and a Board-level culture bedded in, there should be a recruitment search undertaken to fill the position. This strategy is recommended to ensure the running of the first instance of the Incubator Process contributes directly to establishment of the Incubator staff and Board culture.

Project Manager

This position undertakes planning for the Incubator Process, recruitment and briefing of participants, initial dialogue interviews for the Process, and facilitates the needs of the process once it is underway. The Project Manager will be custodian of, and therefore must understand,

the theory and methodology for the Incubator Process. During the Pilot phase this position will also assist with Implementation. A draft position description for this role can be found in Appendix 4.

Administrative Officer

From the first day of Incubator operation there is a need for support in terms of logistics and the smooth running of the Incubator. This role may be established as part time but is expected to quickly develop into a full time position. A draft position description for this role can be found in Appendix 4.

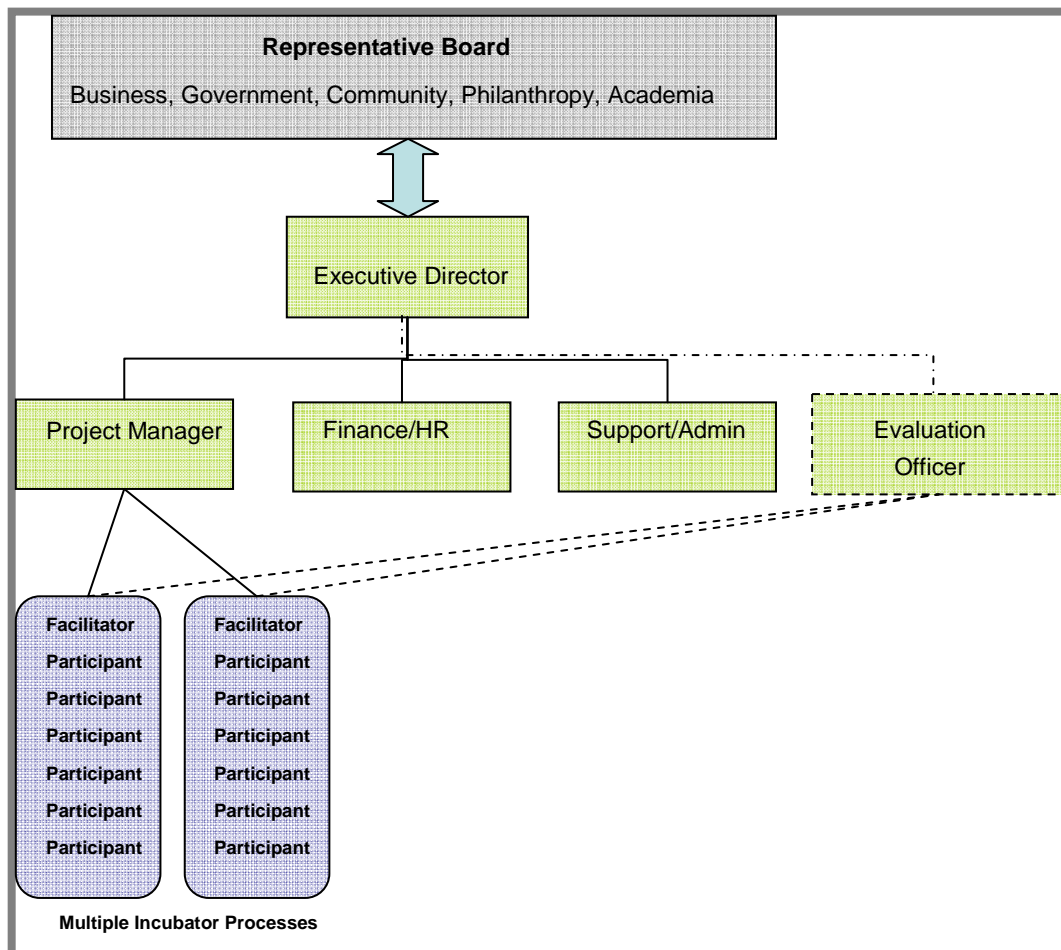


Figure 8: Incubator Organisation Year 3 Onwards

Process Facilitator

It is suggested that each Incubator Process has a nominated Facilitator from within the participant group. The Project Manager will work with the Facilitator to train them on the methodology and facilitation requirements. Participation as a Facilitator in an Incubator Process will be the basis for developing a pool of talent for future Project Managers, enabling Incubator scalability. The Facilitator role could be filled via short-term secondment from member

organisations, with an explicit view to capacity building for both the member organisation and the Incubator.

The model is scalable as multiple sequential and parallel Incubator Processes are rolled out. It is envisaged that there could be multiple Incubators located across the country, the structures of which would reflect the number of Incubator Processes running per year (see Figure 8).

Finance, HR and other support functions

These will be appointed as needed. Financial and governance issues will drive the appointment of people to functional positions of this type. The Executive Director should be responsible for identifying when such functions are required.

Process Participants

These participants will come together for intense periods of work, including a more prolonged implementation period. During their involvement in the Incubator, they will be on secondment but this may be for short periods rather than a longer timeframe. There will be costs associated with this secondment, such as IT support, administration support and logistics. Funding should be sought from the secondee's organisation to offset this if possible.

8. Governance Model

As a structural requirement for implementing an Incubator based on Theory U, it is clear that governance in this setting be based on an ethic of continual organisational development, in which governance becomes a process of anticipation, adaptation and response, rather than the maintenance of static structures.

The framework for the Incubator will be based upon the legal structure of Company limited by Guarantee. “ ‘Company limited by guarantee’ means a company formed on the principle of having the liability of its members limited to the respective amounts that the members undertake to contribute to the property of the company if it is wound up.” (Corporations Act (2001)).

This structure has the effect of protecting the group's members and decision-makers (directors and officers) from being held liable for the group's debts and liabilities. They are also protected from paying for the costs, charges and expenses of winding up. Legal advice and assistance will be required to set up this arrangement.

This legal structure will allow for membership charges to be levied on those interested in joining the Incubator Organisation. The level of these charges will be driven by the financial requirements of the Incubator; also the member's 'in-kind' support offering may be taken into account. It is noted here that 'in-kind' contributions may still require costs to administer on the part of the Incubator Organisation and this will need to be dealt with when negotiating with potential member organisations.

It is recommended that the Incubator Organisation apply for Deductible Gift Recipient (DGR) Status from the Australian Tax Office, as this will have a positive impact on possible funding sources, especially from the philanthropic sector i.e. Corporate Foundations. Legal and financial advice will be required to set this up.

There will need to be due regard given to the 'sell-in' process for the recruitment of Member organisations. The Incubator Process, as proposed, is open ended and outcomes are necessarily difficult to define before the process begins. Potential member organisations, and their Board representatives, will need to be comfortable with levels of ambiguity and have the ability to manage risk in such an environment.

8.1 Board Role

The Board's role is to be explicitly responsible for the stewardship and future wellbeing of the Incubator. The Board should exercise leadership, enterprise, integrity and judgement in directing the Incubator to provide for its continuing and lasting prosperity. It should apply and endeavour to achieve the highest possible standards of corporate governance. The Board should always act in the best interests of the Incubator, and in a manner based on transparency, accountability and responsibility.

The Board will be expected to be strategic, looking to the future plans of the Incubator and not focussing on the day-to-day operations. A core role for the Board will be to identify opportunities for the Incubator to work with communities. The Board will be responsible for setting up a

partnership with an academic institution to undertake evaluations of the Incubator Processes and their outcomes, and work with this partner to feed the evaluations back into the Incubator Organisation. The Board members will be expected to model the behaviours expected within the Incubator Organisation and the Incubator Processes.

8.2 Venture Capital

There is a role for the Board in securing venture capital for implementations of prototype innovations coming out of the Incubator Processes. This will be a core function once the Pilot Incubator Process has run. Linkages between the Board and potential funders will be of particular importance to the widespread implementation of the prototype innovations developed within the Incubator Process. Board members should be selected with this role in mind.

8.3 Constitution

A design principle for the Board and governance structure, as per the BCG Report, is that the expertise and input from a variety of organisations is preferred. The BCG report outlined a Board structure that comprised members from various organisations representing the philanthropic, academic, corporate, government and community sectors.

One potential weakness of this model is that member organisations may find themselves in conflict between the outcomes of a particular Incubator Process and the aims of their parent organisation. There may also be conflict between the aims of member organisations themselves.

The Constitution (Memorandum and Articles) of a company has the effect of a contract under seal between:

- the company and each member;
- the company and each eligible officer;
- a member and each other member.

A draft Constitution is attached as Appendix 2. It is expected that TSF will garner legal advice on the document and that the founding Board will make whatever changes are deemed appropriate for the successful operation of the Incubator Organisation.

The main points in the Constitution are as follows:

1. There is a class of members known as Founding Members; these are the contributing institutions on the first Board of the Company who have contributed more than a certain dollar amount (with the actual amount to be determined during the Incubator establishment phase).
2. There is the ability to nominate Founding Members as those institutions that have agreed to make sizeable contributions over a period of at least three years. This will allow for partnerships and continued rejuvenation of the funding stream over time.

3. There is the ability to list other classes of membership in the regulations, which will give the Board flexibility to secure funding streams.
4. The Board membership is drawn from Founding Members and other Member Organisations.
5. Board terms are two years.
6. Board meetings must occur at least four times per year.
7. The Board is required to undergo training and induction in the theoretical basis of the Incubator Process.
8. The Board appoints the Executive Director.
9. Membership charges are levied as decided by the contributing institution and the Company.
10. There are two types of voting for members – voting by hands and a poll. Each member of the Company has one vote when voting by hand. If a poll is called, each Member has a vote for each multiple of \$10,000 in membership charges contributed during the financial year.

8.5 Board behaviour guidelines

As with the staff recruitment and participant guidelines it is recommended that behavioural guidelines be adopted for potential Board members. Briefly, there should be a number of artefacts produced to describe the Incubator Process and principles that could be phrased to appeal to those with the requisite qualities useful for this organisation. This rigorous description of expectations to which Board members would be required to formally commit will support a process of self-selection for service at all levels of the organisation.

This approach is founded on the understanding that those who are not personally inclined to see the value of such expectations would be less likely to want to join such an initiative, and those who elect to join in any case would have been made clearly aware of what they were embarking upon. Of course, engagement would also be on the basis of conventional recruitment processes, and these would have to first indicate that a candidate appeared suitable. The point of departure from more conventional approaches would be that the personal benefits of joining would be played down in favour of emphasising the personal responsibilities involved.

In this section, we discuss the particular conduct requirements that arise for the Incubator Organisation's Board as a result of the approach that we recommend for the Incubator Process itself. The conduct requirements discussed here are in addition to those that will be included as a matter of course in the Incubator's constitution and accompanying charter.

The principles of Theory U have as much relevance for governance of the Incubator Organisation as for conduct of the Incubator Process itself. While Board processes need not necessarily involve explicit practices based on Theory U, as is recommended for the Incubator Process, the principles of Theory U, particularly those described in Section 6 'Commitments to

engage fully', have significant implications for the way that the Board carries out its work. In fact, much of the data for Scharmer's original research was gathered from the members of governance Boards, and the four field structures of attention are deeply relevant to the conduct of individual and collective actions at Board level.

The main distinction between Theory U as it applies to the Incubator Process and as it applies to governance relates to the context of attention and action, rather than the quality of attention and action. For the Incubator Process, the focus is on the particular social challenge that is being explored in accordance with the broader strategic purpose overseen by the Board. Creating a similar quality of engagement based on opening to Field 3 and Field 4 (see Table 5) will bring the same benefits to governance as to the Incubator projects. In particular, looking at governance through the lens of Theory U entails an ethic of continual organisational development, in which governance becomes a process of anticipation, adaptation and response, rather than the maintenance of static structures.

Bringing the principles of Theory U into the governance process would be consistent with the intent of the theory in another important respect. This is that Theory U is not simply a more powerful tool for the achievement of utilitarian purposes, as was discussed in the introductory section on interiority. It is inherently transformative, in that its effective application requires that those applying it be transformed in the process. It would seem inauthentic for this to be the case at the operational level while the vehicle within which the operations are carried out is organised on a different set of principles. In a sense, by choosing to go down the path of Theory U at the operational level, the effectiveness of this choice will be dependent on the consequences of the choice "propagating upwards".

Given that adoption of Theory U entails particular cultural characteristics as much as particular practices, it is hard to see how the intent of Theory U could be authentically realised at the operational level unless these cultural characteristics were reflected throughout the organisation. In light of this, adoption of Theory U entails a kind of cultural recursion, whereby the attitudes and norms that flow from acceptance of its principles are repeated at each level from the micro (individual) to the meso (group) to the macro (whole organisation). In fact, this approach is explicit in Scharmer's detailed development of Theory U, in which he deals not only with individual thinking ("Individual Actions") and collective languaging ("Conversational Actions") but also with 'structuring, that is, enacting different geometries of power' (Scharmer, 2007, p. 301).

The way that each field structure of attention relates to different organisational structures and their correlating geometries of power is shown in Table 8.

The characteristics of an organisation operating from Field 3 (Networked: Relational / matrixed) are strongly consistent with the intent of the Incubator Organisation and with the role of the Board of governance. A particularly important role of the Board will be the facilitation of networked interrelationships with both funding organisations and with the communities that stand to benefit from the Incubator Process. Also important here is the cross-sector membership-based structure that is part of the founding vision for the Incubator Organisation (see BCG Feasibility Study Report, p. x).

Field structure of attention	Field description	Geometry of power
1	Centralization: Machine bureaucracy	Source of power: Hierarchy Complying with central rules→center-driven Logic: economies of scale (production)
2	Decentralization: Divisions	Source of power: Market success Meeting market demand→periphery-driven Logic: economies of scope (customer)
3	Networked: Relational / matrixed	Source of power: Networked relationships Mobilize networks→relational-driven Logic: economies of innovation (product innovation)
4	Ecosystems of innovation	Source of power: field of emerging possibilities Shape innovation ecosystems→emerging field driven Logic: economies of presencing (system innovation)

Table 8: Field structures of attention at the macro (organisational) level

(Scharmer, 2007, p. 303, Figure 18.1)

Beyond this function though, it is apparent that if the Incubator initiative is to bring about genuine innovation in community development, it will be necessary to cede power from the organisation itself and the particular individuals who fill the directors' positions at any time to what Scharmer describes as the "field of emerging possibilities". To achieve this, governance thinking and action would need to move towards Field 4: Ecosystems of innovation, whereby effective leadership entails a process of opening up to the future that is trying to emerge.

One practical entailment of this is the very important need to maintain the autonomy of the Incubator Process and the participant team. That is, the Board should have an explicit outward and forward focus, without directly intervening in the Incubator Process itself during the course of any particular project. A very important behavioural principle here is that individual member organisations and where relevant, their representatives on the Incubator Board of governance, must respect the Incubator Process. That is, support for the Incubator must be at the level of strategic purpose, rather than at the level of the particular practical initiatives generated to deliver that strategic purpose at the community level. In practical terms, this means that no member organisation or Board member should be able to influence the nature of the Incubator Process outcomes. For instance, if a particular proposal generated by the Incubator Process was seen as creating a conflict of interest for a member organisation, it is important that such conflict should not result in interference with the implementation of the proposal.

On the basis of the above discussion relating to the relevance of Theory U to governance of the Incubator Organisation as well as the Incubator Process itself, it is appropriate to employ the participant commitments (in Section 6) in the engagement of Board members. These commitments are included in the Board charter. This provides for strong cultural integration throughout the Incubator Organisation.

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Appendix 1: U Process Principles and Practices

Co-initiating: Listen to Others and to What Life Calls You to Do

1. Attend: Listen to what life calls you to do.
2. Connect: Listen to and dialogue with interesting players in the field.
3. Co-initiate a diverse core group that inspires a common intention.

Co-sensing: Go to the Places of Most Potential and Listen with Your Mind and Heart Wide Open

4. Form a highly committed prototyping core team and clarify essential questions.
5. Take deep-dive journeys to the places of most potential.
6. Observe, observe, observe: Suspend your Voice of Judgement (VOJ) and connect with your sense of wonder.
7. Practice deep listening and dialogue: connect to others with your mind, heart, and will wide open.
8. Create collective sensing organs that allow the system to see itself.

Co-presencing: Retreat and Reflect, Allow the Inner Knowing to Emerge

9. Letting go: Let go of your old self and “stuff” that must die.
10. Letting come: Connect and surrender to the future that wants to emerge through you.
11. Intentional silence: Pick a practice that helps you to connect with your source.
12. Follow your journey: Do what you love, love what you do.
13. Circles of Presence: Create circles in which you hold one another in the highest future intention.

Co-creating: Prototype a Small Microcosm of the New in Order to Explore the Future by Doing

14. The Power of Intention: Connect to the future that stays in need of you—crystallize your vision and intent.
15. Form core groups: Five people can change the world.
16. Prototype strategic microcosms as a landing strip for the emerging future.

17. Integrate head, heart, and hand: Seek it with your hands; don't think about it, feel it.
18. Iterate, iterate, iterate: create, adapt, and always be in dialogue with the universe.

Co-evolving: Grow Innovation Ecosystems by Seeing and acting from the Emerging Whole

19. Co-evolve innovation ecosystems that allow people to see and act from the emerging whole.
20. Create innovation infrastructures by shaping safe places and rhythms for peer coaching (supported through social technology).
21. Social Presencing Theatre: Evolve collective awareness through Field 4 media productions [this will obviously require further expansion to be meaningful].

Root Principles: The Three Groundings of the Social Field

22. Intentional grounding: always serve as an instrument for the whole.
23. Relational grounding: connect and dialogue with the global social field.
24. Authentic grounding: connect to your highest self as a vehicle for the future to emerge.