

# SEEING THE CHANGE IN THE ORGANIZATION THROUGH A LATENT LENS

**Kohei NISHIKAWA**  
Konan University  
(Japan)

## **ABSTRACT**

This paper focuses on the change process of three family-own companies to understand how they transform in the process. Those are quite small, the size of which ranges from five to thirty employees to survive in the niche market. They recovered from on the brink of bankruptcy or out from a stagnated situation. Three CEOs tell us it was a struggle through which they tried to get back their meaningful work and spiritual lives. After finishing their transformation, without having remarkable financial performance, the case tells us the crucible change process itself is a joy of the internal reflection through their in-depth change from the heart and that is all about.

**Keywords:** Organization Development, Leadership Development, Small-Medium Sized Enterprises, Consulting, Spirituality

## **1 - INTRODUCTION: TURNAROUND MANAGEMENT**

Since the early 21 century, as socio-economic disasters have repeatedly happened, we have accumulated knowledge of the organizational change in the field of social science, such as management, organizational behavior, organization development, among others. One of the research streams is the Turnaround Management Association (TMA), which started in 1987 and which grew as an international association necessary to needs (Bibeault, 2017). The interaction academics with professional consultants have been practical to solve the problems, while members in the association have been taking certificate courses (e.g., Association of Turnaround Certificated Program) to become a turnaround manager or Chief Restructuring Officer (Bibeault, 2017).

However, some restrictions for turnaround management are getting to emerge from research and practices. One of the critical limitations is to focus too much on a reductionistic analysis of the change. That is, most findings come from the correlation between quantitative indicators related to monetary dimensions and contingency factors of the organizations, such as the organizational design, a variety of stakeholders, and the CEO's roles as the turnaround leader. (Trahms, et. Al., 2013). Contrary to the myth in business media, most academic research is fundamental that the researcher investigates the entire organizational change process in medium-sized companies for over ten-year. Based on a thorough review

of the robust research, Schweizer & Nienhaus (2017) suggest a general framework understand the organizational turnaround. That is, the turnaround management means the configuration where contextual factors, the process of two different stages, and a targeted function for the change efforts all interact with one another to yield the specific outcomes and achieve the recovery.

Forceful change management faces antagonistic backlash from their attempts. That is the reason why we believe many organizational changes fail, according to Harvard Business Review and McKinsey, and among others. It must be time when academic research should be treated as good knowledge to follow (Hughes, 2011). Unfortunately, the literature review tells us most findings from academic research reside in local legal and accounting systems; as a result, few research outcomes can apply to different situations as universal knowledge. However, consultants in legal, accounting and taxation flourish as a certified turnaround manager (Bibeault, 2017; Schweizer, & Nienhaus, 2017). They can learn a general framework of the turnaround management in educational institutions like TMA, and then, go back to their business to apply it to the client situations.

Because there are overwhelming legal restrictions about the confidential contract with the clients, a handful of data for both academics and consultants can be brought up to the discussions. Published papers on academic periodicals lure similar research into the adjacent fields one after another. As the proven facts, almost all the researchers cannot help following the research outcomes, despite the small piece of truth. It is no secret that each country has different business laws linked with turnaround management. In some cases, it works as an entry barrier for the researcher and consultants to know turnaround management. In regulated situations, eventually, megabanks and legal offices can rein over the turnaround business as legalized interim managers (Bibeault, 2017).

After all, turnaround management research is a piece of science and turnaround managers, who are certified by law and regulations, perform as it is. It is not a business for the clients on their own, but it is the business for the academics and consultants like educators and crusaders. Aside from that, it may be right. Business media scoop up a piece of the facts and pitch it for us as if a new revelation, but it is not the universal ones to believe in as well as a panacea for the clients to buy-in. Instead, it is an option for us to choose. Evident as the research appears, an important question still is left unscathed. That is, "Who is the owner of the change?"

## **2 - THE CAPACITY OF CHANGE AND POSITIVE ORGANIZATIONAL SCHOLARSHIP**

Even if the researcher was standing at either the resource-based or competitive-positioning view, a crucial point to managing organization would be only to execute the rational decision to win the negotiation over the resource allocation. However, it does not mean to heighten the quality of organizational actions and people's lives in it. What managers expected in business was to win

the zero-sum game; briefly, business is an agent to win the game. On the contrary, through the 80s and early 90s, Cameron, Quinn, and others found a series of fresh perspectives and built up the new research fundamentals. Some of them are the following: management of declining organizations (Cameron, Sutton, & Whetten, 1988); paradox nature of leadership and management (Quinn, & Cameron, 1988); organizational effectiveness (Quinn, & Rohrbaugh, 1983); and competing values framework and organizational culture (Cameron, & Quinn, 2011). It seems to be a long winding journey, but the core ideas stay in unwavering beliefs of the abundant human potential.

Through their fundamental research incorporated into a challenging research stream, they set out to establish Positive Organizational Scholarship (POS) as a subfield of organization science (Cameron, Spreitzer, 2011). During the preliminary meeting, a variety of activities, including academic, community development, and even the spiritual responses to the school shooting, got involved diverse people who were interested in the field of management, organization, and change process came together at the first conference of the POS at the University of Michigan in 2003 (Cameron, & Dutton, 2003). It was the time that they coined the “POS” label and stood up for virtue at work and in life. Unfamiliar as the label of the field seems, next to POS is positive psychology, as the name describes.

POS covers the following four domains (Cameron, Spreitzer, 2011). First, positivity is a unique perspective to re-interpret challenges and obstacles as a strength-build experience rather than problems. That is, the perspective pays attention to life-giving, and the generative process resided in adversaries and difficulties. Second, the domain focuses on positively deviant outcomes in honorable and virtuous ways, with compare to average performance. In general, deviants imply negativity, which is the problems to be solved and get back to neutral. Whereas, the positive deviant means people desire to fulfill virtuously high purpose if possible. That is, the efforts from negative deviant stops at the neutral position as problems finished. The third positive is an affirmative bias toward resourcefulness, which means an amplifying effect to expand the cognitive resources and capacity through stimulating exposure to positivity. Forth, eudemonic assumption, based on Aristotle, is a converging point of POS. That is eudemonic means studying excellence and goodness as well as inquiring for its own sake. Besides, it is associated with high moral and the best of the human condition as universal virtues.

POS functions as an umbrella of interdisciplinary researches and practices in consulting fields. Management of organizational change is one of which consultants help the clients change and feed their data back to the scholars for further research. Based on the literature review, Quinn & Cameron (2019) suggest five dimensions to understand the roles of change agents from the POS lens, with comparing to traditional change agents. The aspects that they describe are the following. First, the change target has shifted from changing others to changing oneself. The second, change focus has moved from comfort-centered to purpose-centered. The third, change expectations have differed from externally directed to internally directed. The fourth, change relationships have evolved from

self-focused to other-focused; the fifth, change learning has transformed from internally closed to externally open.

On top of the adaptation to the external environmental change, leaders can create different meanings and values in personal and organizational lives. Positive psychology led by Seligman, Csikszentmihalyi, and others takes a position close to the positivistic one (Froh, 2004). On the other hand, POS can be seen in a view close to humanistic psychology (Taylor, 2001; Waterman, 2013) and humanistic management (Pirson, 2017). As the humanistic stream has conceived for decades, POS also has a biased focus, which is called a heliotropic effect, on the psychological inclination for excellence in all human beings. It is a belief of the true nature of humans as if existentialism believes consciousness as human traits. Furthermore, Quinn, Cameron, (2019) suggest that the leaders who get through the "Deep" personal change can only influence others in and around the organization. In some cases, amplifying effects (Caza, Barker, & Cameron, 2004), in which influencers stimulate one another to elevate the level of the positivity, occur in the change process.

Meanwhile, next to OD and POS in the US is the Socio-Economic Approach to Management (SEAM). After invented in France, 1973, it has steadily evolved as a body of the Socio-Economic Institute of Firms and Organizations Research (Cappelletti, Voyant, Savall, & Noguera, 2018). Research for Brioche Pasquier Group exemplifies how this approach dances with organizational dysfunction (Worley, Zardet, Bonnet, & Saval, 2015). Based on SEAM's ideas, dysfunctional organizations mean functionally optimized organizations to keep on dysfunctional. Seemingly rational but truly wasteful actions deplete positive human energy and increase organizational inertia and resistance to change as the "Hidden Cost." Consultants in SEAM run the reflective dialogue to understand very root cause through such indicators as absenteeism, turnover, and productivity gap. It helps them listen to their heart deeply and practice new behavior. In that sense, this approach also considers humans as the potential to grow based on the same beliefs that POS has.

Although many hypotheses and tools in the field of turnaround management accumulated, they see the external environment unavoidable to obey at the mercy of the invisible hand. Besides, the financial difficulty caused by environmental change is a situation where something exogenous produced not totally; consequently, it should not accept it as the root causes made on their own. When a financial difficulty is getting to recede, turnaround managers will end because the problem has gone, whether it may luck or not. In M&A, when the parent company can erase all debt in the merged company, which means the deficit in the merged company is offset by the equivalent share from the parent company, turnaround management finishes technically. It seems a matter of the definition of turnaround management, but such a situation can be an acceptable option for the consultants. Though cultural root causes in the organization are left behind the scene, it would say the change is over. If so, people in the client organization cannot stand. That is the reason why we apply the idea of the leaders as a change agent from POS lens to look at the case analysis instead of strategic turnaround management.

### **3 - THE CASES AND ANALYSIS<sup>i</sup>**

This paper introduces three endeavors for fundamental changes, though these are small companies in the whole Japanese industry. Their stories vary in business and management, respectively. However, to the extent that CEOs in these cases struggle with transforming their organizations, the certain similarity seems to exist. Although they had sufficient skills to do their jobs, they did not have enough experience to manage their organizations. Three companies were relentless to face the need for organizational transformation to survive in a changing business environment. Two of them, which worked in a shrinking market, had to redesign their organizations dynamic as if they were start-ups. Though one seemed to be successful, the environment the company has been working was going to turn into a terribly complex but highly opportunistic environment. Getting ahead is the endeavor of the company. The goal of the case analysis is to craft hypotheses to comprehend the human dynamics in the process of change. It seems overwhelming, but it would be possible if we apply the idea of the leader as a change agent from POS lens to them.

#### **3.1. The case Nakatsuka metal**

This case can read as the following. Young though it seems to the company in a relative sense, new CEO comes to manage a small old family-own manufacturing company. It was supposed to be easy to run it smoothly, but he failed actually. Then, he asked a tax lawyer to support his management. The lawyer failed, as a result of his passionate consulting. After Yukari accepted the contract as an external consulting team, Yukari and Yuki, as a team, sit working with the CEO every day. It looks absurd as if the CEO hired full-time manager-consultants, but it worked. Weird it seems, all employees have gone at last and the company still alive. In the middle of the change process, the team frequently set up the meeting for all employees and asked to reflect on what they did or did not. The employees could see what the team was doing and how adults behave in the worksite. In other words, it seems stressful for the team, but there was no excuse for both sides. Ironically, all employees chose to quit the job; their transformation was not complete yet. No matter what lessons we can get, a simple fact emerged from their efforts. One year after, a letter sent from the CEO tells he is on the journey to true to self in his purpose.

When we step back away and take a glance from cultural aspects, the case implies some difficulties. The business operates downtown Kyoto city, which is a notorious place for the company owners because some companies, which are proud of over some hundred-years history, still work there. It is no secret that there are many complex human networks linked with financial and political benefits. Besides, a large number of people in traditional business sectors need small order-made goods because there is a wide variety of traditional artists in painting, music, and stage drama like a Kabuki. It looks like an ecosystem, which covers from law material refiners, wholesalers, to merchandisers of various goods to the artists. Besides, there is an invisible norm to follow mandatory, and every member must promise to preserve the harmony of the network as if it were the sacred guild.

Because both consultants were born and raised in Kyoto city, they first investigated the client the same as the tax lawyer did. Soon after they realized the business was beyond imagination, they decided to work there as an apprentice to learn the business customs. That is the reason why they always work with the company. Price tag from suppliers was unclear because the network decides the price, and members follow. The volume of the inventory was likely to be excessive because of the speculation of the gold price. In an ideal situation, they buy gold from suppliers in an uptrend in the futures market and sell off it in a downtrend. In most cases, they miss the target and sell excessive inventory to make cash.

The CEO committed to loop out of the traditional market, but it is apparent too naïve to manage the company in the free market. That is the reason why he asked consultants to change the company. With such a situation, the team began by investigating all routine works. Every time, they asked what it is, and "Why you do this in that way." As a result, the routine for the first person turns into questionable actions for the third person, like the eyes of the consulting team (Coghlan, 2019). In the process, unthinkable but very plain facts uncovered. That is, a woman who is age 70s insists on using handwritten bookkeeping and refuse to learn spreadsheet training on pc. Even worse, nobody asked her to quit the job, despite her job slows jobs in the company like a snowball. After all, he did not ask her to quit until the team asked him why she was working here.

However, the team discloses weird routines one after another, such as ambiguous labor rules, myriad ownership of a family-owned company, traditionally unwritten transactions, and arbitrary custom in business decisions. It is natural that all employees, including the CEO, respond to the revealing and may or may not unconsciously play the role of victim and rationalize an emotional defensive routine. They played seriously; however, it must be stupid for the third person. Furthermore, the CEO faced the fact that he did not have the skills to manage the company, and he might well rely on untested experience and the legitimacy of his family blood. During the working time, they always set up the meeting to express their feelings and thoughts for the situation and kept it calm and honesty, based on OD Values (Marshak, 2014). In every meeting, they spent hours listening to the very voice from their heart, despite being filled with reticent. Although there may be alternative options that the team chose, one of the reasons why the team did not take quick resolutions, which tax lawyer did, is that they believed the power of dialogue.

Questions that they asked them were significantly powerful for the employees. That is, "Why do you do? "; Why do you believe it is right to do?"; and "Please tell me the reason why you do think of it?" At first, they kept silent, but in the one by one meeting, each of them expressed the working environment and blamed others. Sooner or later, they changed their attitude because the team asked the same question repeatedly. Although enforced lay-off and nepotistic deal through one-by-one negotiation never happened in the company, all employees disappeared at last. Instead of full-time employees, the team and Yukari's daughter were working there as if they were full-time managers and employees. This case seems to be unrealistic, but it is a true story, and the company is still alive in the same market with 20 employees. In that sense, it would say nothing happened in

the company. However, it tells us the simple assumption about human development. There is no chemical or harmonized fertilizer for humans to accelerate the speed of the growth; the only thing we can do is to cultivate the soil and wait for the growth (Kegan, & Lahey, 2016; Scharmer, 2018).

A year after, Yukari received a parcel with a management textbook from the CEO. An attached letter reads: "I confessed to you that my understanding of the management was shallow...Down the road, I understand the management role will not be rosy. Rather, I regret not having your existence in the company anymore. My wife and I vow to do our best for the company; eventually, it must be all about to thrive in my life. I solely focus on tasks."

### **3.2. The case Nishio glass & mirror corporation**

This case can read as the following. The CEO applied crisis management, and it resulted in the complacency of senior managers with a small surplus. Instead of monetary praise, they received the lecture of management and realized they were not managers who considered human relationship as to be crucial to themselves and employees. So, they noticed the work would be learning to help themselves and the employees grow in maturity, but they and even the CEO did not practice it well yet. Although convening all employees into a well-prepared retreat with confidence, they received the serious backfire abruptly. Chaotic situation prevailed, and some are lingering on. April 2014, the CEO and managers revealed their honest minds with one another by telling their lives in the corporation since 1993. Not all but at least the CEO and some managers were convinced themselves the workplace turned out to be a place where people learned to make them meaningful through their work and life. They started practicing it to become a matured self.

If we focus on human development through difficulties in a monetary situation, though it is no surprise that there are many interpretations of this case, this case may tell us an intriguing theme about how we engage in adulthood. The CEO was supposed to have apparent confidence in his capacity to manage the corporation properly, even if nobody could prove his confidence as to be true. He believed it because he was the only straight descendant of his family and because he learned very much about management through his work experiences at top-ranked Japanese trading company and self-learning in reading books and seminars. Such a psychological rationalization probably piles up in his mind. Nevertheless, he frequently made many mistakes behaviorally and emotionally.

When we shift the focus on the senior managers, we perceive a similar but more dismal situation for them. That is, the CEO named them the senior manager position suddenly, even though they did not have the skills or knowledge set to do that. It was true that they agreed with the promotion at the personal meeting in advance; however, it might be anxious about them to refuse the proposal from the CEO. It must be an order from him. In the same vein, it may be possible to consider the frontline employees as learners from a developmental view. Some of them were promoted, but the rest had to work the same as they had been doing. They felt that such a way was the only path to survive in the difficulties.

At the first retreat for all, it may be natural that they burst out loud to blast the power of the authorities as if it were emotionally unjustified. If it were true, all characters, in this case, moved into a chaotic situation.

The case tells us there are three chaotic situations; that is, it is in the second, third retreat, and annual gathering in April in 2013. In a chaotic situation, they managed to defend their legitimacy from their shelter to retaliate, but it failed because problems of the situation originated in their behavior. Because CEO's objective but nasty feedback pulled managers' intense backlash, he made his situation worse more after all. With accompanying emotional impulse, negatively defensive actions go on down to the disbelief with one another. Senior managers and frontline employees also did the same thing as the CEO did. They insisted on fair compensation for their contributions to the change. However, they received the facts that profit far less than they expected. In the chaotic situation, they notice that it will be necessary to increase the capacity for their jobs and collaborative communication if they want to get more. Ironically, it means they must change their behavior in the first place.

In repetitive chaos situations, they notice that it is essential to give up fighting against others. Because they could not change their situation on their own at all, it is natural they accept a sense of letting go of. Ironically, they wondered the reason why they were at that time. Thakor, & Quinn (2018) state the purpose is not the goals projecting the past images to live in a reactive state, but the commitment to take responsibility for creating the desirable future. The CEO was supposed to have it, but it was externally defined as the CEO. It was not his authentic purpose, either. In the last retreat, he affirmed his authentic identity as worth being in the company. He did not need to pretend to be the CEO as an excellent successor, but he should do things right as much as possible. Senior managers also think there is no place to hide, and they are the last resort to change the situation because they did not believe the OD consultant worked well. It was the moment that they stood up against Mr. Hirao, as a consultant, to take control of designing the next retreat. Regarding Mr. Hirao, he also experienced the same as they did. That is, when the CEO was always grumbling his hesitation to convene the retreat, he spoke out, "Who cares? It is Your Company" and cut off his call. In the chaotic situation, they understand they need not protect themselves, but all they had to do was to be true to selves and walk the talk.

Meanwhile, this case tells us an interesting fact. Generally speaking, most exemplary successes in the change management would be almost identical to achieving extraordinary performance, such as high share price, revenue growth, radical downsizing, and new business with cutting-edge technologies. Therefore, it seems the company has yet to change at all. The same people work for the same business at the same place; however, most of them think their transformational change as worth crafting meaningful in life. Throughout the interview, they appear to be mindful of the dilemma between materialistic benefits and emotional satisfaction.

If we look at this case from a financial view, monetary rewards would be the best trigger for boosting up their morale. Besides, the social status may well



be a favorable trigger to do the same things though, in most cases, it amplifies political fight over the few positions. However, if we look at the chaotic situation from a socio-cultural view, the situation reveals an alternative lens to look at. Taku, Tedeschi, & Cann, (2015) indicate an intriguing possibility to understand the way of getting through the psychological chaos caused by physical difficulties. Their research suggests if the research subjects receive enough grief care, there would be a moderately positive relationship between chaos, such as bereaved students caused by the earthquake and tsunami in March 2011, Japan and Post Traumatic Growth (PTG). It may true to avoid rushing into the conclusion, but the research may show a general tendency for Japanese when they are in a chaotic situation.

Here is another research that explains how the Japanese behave in the group setting. Yamagishi, Cook, & Watabe, (1998) and Hayashi, Ostrom, Walker, & Yamagishi, (1999) suggests that there possibly exists a psychological tendency in Japanese society, which means a shared but unproven imagination of reciprocal trust to each other. At the same time, it implies that the Japanese are fragile for negative feedback more than people in the USA. However, two research outcomes tell us if a person receives honest trust from the others in a chaotic situation, the person may construct a strong sense of trust like "I am not alone," and could increase meaningfulness in life. It is no useless that, throughout a chaotic situation, some Japanese can grow emotionally.

### **3.3. The case second selection**

This case may imply differences from the previous two cases because the company did not experience any difficulties in profit. The core business of the company is in the outsourced businesses in the software development for the controlling I/O system and system engineering in the energy and IT system. On June 21, 2007, with full of dreams, he started, but one day in 2011, the most trusted five colleagues quit without saying anything. He thought he was wrong and sought to learn the correct way of management. Immediately, he called two consultants whose names are Mr. Hirose and Mr. Shimada and asked them to have the meeting. That is the beginning of his journey to his true self in his life and work.

It is fair to say Mr. Imura had a keen curiosity in coding programs, but some events in his work and life have changed his cognitive framework. In some cases, his expanded curiosity caused his identity confusion in his work and even life. His first job in the venture company and second job in his own company implies his tendency to strive for something new. It seems to be natural that getting new technical knowledge through scientific curiosity is likely to link with getting practical skills through the work experiences. That is a simple equation of learning and money.

However, this equation went dubious when he noticed that the foundation of his identity was shaking by critical life events. Because his company proves his identity and him to be alive, he was impulsively hungry for getting the correct answer to make him reassure. Unfortunately, the seminars that he sat one after another did not give any clue to attend and follow. Eventually, he learned to

practice something he noticed in those seminars, and Mr. Shimada and Mr. Hirose encouraged him to reflect on his deep mindset.

In the beginning, he followed the suggestion to reflect on himself sincerely and felt a sense of progress through his daily life as if it were new experiments. At the same time, he felt a sort of suspicious thoughts about the reflection and a way of new behavior. He believed his reflective manner would be necessary for his work performance in terms of employee retention ratio and lively work environment. He might think his thoughtful expression was necessary to achieve the toll goals effectively. In the interview, he frequently confessed his frustration to the passive reactions in those days because he longed for his psychological rewards as the symbol of his paid-off. However, the situation did not move, and he began to feel exhausted. Six years have passed since his reflective journey embarked on; his mindset stayed in the same, instead.

Besides, his sincere engagement reflecting on who he is proves that he has an incredible capacity to mature. Throughout the interview, everybody agrees that he is a thoughtful person for others and even himself. His attitudes show his language and talk as to be true. That is the reason why he frustrated himself because he believed in his transformation from an 'egocentric winner' into an 'enthusiastic caregiver' was over in the future. It seems the game is over, and rewards come to him. Just after his colleagues quit, he regretted having been a self-centered mindset and overlooked human-relationship skills and experiences as an agent of his goal. Human relationship is not the game that has the end or agent to take advantage of somebody, but his engagement should last until the end of his day. It is quintessential of the self-development. He knew it, but he did not embody it internally.

It may be a very exaggerative expression of him, but his demeanor tells us that he was haunted by an image of an ideal reflective man like a hostage of ransom. Somebody brings enough money to salvage, then helps him out of his psychologically stuck situation, and finally, he/she release him from the situation. In other words, exchanging the hostage for the ransom means the end of self-reflection and free from reflective routine. Reflective practitioner (Schon, 1984; Schon, 1991) says that Mr. Imura was a hostage of defensive routine; all he had to do was to be very meaningful to know who we are in every moment. That is a reflective routine.

Some months before the ceremony, Mr. Imura was asking employees to set up the preparation team for the event because Mr. Imura expected that such a voluntary action made them unite after all. At first, nobody raised their hands, and silence predominated, unfortunately. Mr. Imura still longed for the voice and action from them; finally, in the meeting for managers, some of them voluntarily proposed to set up the preparation meeting. Avoiding to pile-up the backlog, they focused on their business more than usual. Nevertheless, he did not expect the surge of the grassroots movement in the company, and the intervention might be necessary soon. It was roughly a half year before the event. The team began with breaking down into small teams to achieve a specific target because there were many tasks for them to design the event where to be held, how to proceed, whom

to be invited, and the list went on. One thing he urged for them was a party for all employees and stakeholders, and they understood it. The team arranged a variety of meeting for the event throughout off and even on-business time. The structure of the event was getting clear, but Mr. Imura left all things to them until the day.

On the day, they ran the entire events smoothly. It seemed to be a birthday party for Imura and the company that he found. He was overwhelmed with a surprise every moment. He was wrong and blinded to the fact that employees were not passive and the people who had full potential. Only if leaders gave them trust, would their mind for excellence switch on. It was the event of the tenth anniversary that was a substitute for the trigger of his breakthrough. As employees were busy working in the crammed schedule, Mr. Imura did not care about the event well. In the situation, voluntary preparation teams managed to arrange space, people, and timetable on the day, and they made him cry and set him free from the psychologically stuck situation. He understood he is not alone and should be a person who is eager to become a matured person. There is no reason to be a disguised reflective leader, but he should practice the reflection on his talking and behaving.

It was not clear, but it was somewhere in the middle of his transformation. He started thinking of his successor and relationship between the company and his life. As he started the company at his age 45, it seems a little bit late for IT venture companies in general. He supposed his retirement age would be at his age 70, and his step down from the CEO would be age 65. He thought the time that he had was only ten years until his step down. That was the reason why he declared a formal strategic plan to all employees. It reads one of the best employees should be promoted to the next CEO without considering nepotistic relationship; the company set the clear and desired vision as IPO to achieve. It seems the goal is quite an extraordinary one for them, but he considers them to be the people who are less aware of their potential capacity. It is the task that he might do is to cultivate the working environment for them to nurture one another and create a learning culture to develop on their own through their jobs.

#### **4 - DISCUSSIONS AND CONCLUSIONS**

This paper has focused on the change process of three family-own companies. Three cases tell it was a struggling process through which they transformed their identities from the psychological bottom to the outlet toward new identities and spiritual lives. Even if stories in the cases seemed cheap movies with pedantic fin, the fact that we must see exists beneath the stories. Through the change process, the companies are still operating in almost all the same shape. Allegedly, the income gap between the top and bottom in the same companies is relatively small in Japan, and it is common in three cases. Moreover, two of the three companies are still struggling with surviving in the market, and the rest uses open-book management. However, three CEOs say they are replenished with a joy of life, and some of the employees agree, too. Thus, it tells us leaders, who get through their agonizing self-transformation process, can be possible to have a

sense of spiritual development and to influence others. Naturally, a question comes up why they do so.

One of the intrigued discussions for the question would be the way of seeing the self-development in the most influencing person in the organization. There are quite a number of the definition of the leadership, but if we see it from a social relationship, the alternative may be better than the word of leadership (Clarke, 2018). It is not positional ideas, but the ideas of the relational impact. It must be appealing arguments but beyond the theme of the paper. Thus, the discussions proceed in the process of self-development, standing at the relational leadership research.

It is not an innovative idea, but it may be rather an outdated idea. However, if we can conceive the change process, a sequence of four phases would be the following; having, losing, meaning-making, and coming to a having phase again. Based on the discussions by Fromm, having mode consists of three subcategories. That is, first is a material possession, second is an intellectual possession like information and knowledge, and the third is a conscious possession like habits and obsessive mindset (Fromm, 2013).

If we apply the same categories into the self-development process, losing occurs in material properties and mental properties like anecdotal knowledge, and then in a cognitive framework. If the process continues to go to having mode again, what happens in the processes would be to negotiate with benefitting something from others. It may be additional material rewards like money, social rewards, and a new framework for meaning-making. In other words, the process starts having mode, turns into losing mode, and comes back to having mode again. Besides, in general, we are not satisfied with coming back to the same level of having, and we are always desperate to grab everything that we can legitimately take from others. Kahneman (2011) shows an interesting psychological equation between 1 losing and 1.5 regain after losing. If we lose something in the competition, we are keen to get back in the next competition 1.5 times as much as the previous losses. So, the battlefield goes bloody red.

If we apply the self-developmental phase to which Fromm calls being, the discussions would be the following. Fromm (2013) says the word "Being" means making ourselves empty, nothing, or poor. It suggests that people's behavior in "Being" mode is not passive but active, not selfish, but sacrificing for others. Therefore, our actions through the "Being" mode educates us on the value of practicing through "Being" in any situation as it is an opportunity to get meaning of life. If we apply the idea of "Being" to the self-developmental phase, distinctive phases from scratch to an end will disappear, and phase means just "Being." If we look at the past to make meaning, the action itself means we are in having mode because good memories mean having something from the past, and bad ones mean losing something from the past. In the same vein, we cannot see in the future from "Being." Certainly, we cannot stay in "Being" all the time as long as we are in the market mechanism, whereby modern society has domesticated since the era of the industrial revolution.

Because of the metaphysical notion, it must be no use that we replace the idea of “Having” with “Being”; however, the cases tell us the only place to be fit in. That is, all CEOs, Mr. Yuichi in Nakatsuka Metal, Mr. Tomoyuki in Nihso Glass, and Mirror and Mr. Imura in Second Selection, fell into the psychologically deep hole. Then after, they stayed there for a while to struggle with making meaning; eventually, they transformed into a more matured person than ever. If we apply the idea to the psychological bottom, the task that we should research may well be how to switch our direction from having mode to being mode. As the cases teach us, switching action anything but easy, contrary to our prediction.

There are many similar ideas, such as Pregnant Void (Kofman, Senge, 1993), Deep Change (Quinn, 1996), and Presensing (Scharmer, 2018), among others, in the papers and books published by academics. Furthermore, a swift movement in the practice of meditation and mindfulness has kept on flooding in business media and themes in secular seminars along with positive psychology movement in the early 90s. Not all do stuff in the movement tells us about “Being” mode, but it probably implies there may be unconscious hunger for becoming “Being” mode. It may fair to say that we, as human beings, construct the state of freedom to keep us from indulging in hedonic pleasure too much. That is the only way to become a sustainable society for the next generation.

## REFERENCES

- Bibeault, D. (2017). Turnaround 8 Strategies. *Turnaround Management and Bankruptcy: A Research Companion*, 69, 147.
- Bright, D. S., Cameron, K. S., & Caza, A. (2006). The amplifying and buffering effects of virtuousness in downsized organizations. *Journal of Business Ethics*, 64(3), 249-269.
- Caza, A., Barker, B. A., & Cameron, K. S. (2004). Ethics and ethos: The buffering and amplifying effects of ethical behavior and virtuousness. *Journal of Business Ethics*, 52(2), 169-178.
- Cameron, K. S., & Spreitzer, G. M. (Eds.). (2011). *The Oxford handbook of positive organizational scholarship*. Oxford University Press.
- Cameron, K. S., & Quinn, R. E. (2011). *Diagnosing and changing organizational culture: Based on the competing values framework*. John Wiley & Sons.
- Cameron, K., & Dutton, J. (Eds.). (2003). *Positive organizational scholarship: Foundations of a new discipline*. Berrett-Koehler Publishers.
- Cameron, K. S., Freeman, S. J., & Mishra, A. K. (1991). Best practices in white-collar downsizing: Managing contradictions. *Academy of management perspectives*, 5(3), 57-73.
- Cameron, K. S., Sutton, R. I., & Whetten, D. A. (1988). *Readings in organizational decline: Frameworks, research, and prescriptions*. Ballinger Publishing Company.
- Cameron, K. S., & Whetten, D. A. (1981). Perceptions of organizational effectiveness over organizational life cycles. *Administrative Science Quarterly*, 525-544.
- Cappelletti, L., Voyant, O., Savall, H., & Noguera, F. (2018). 40 Years of Socio-Economic Approach of Management (SEAM): What We Know and Where We Go? *Academy of Management Proceedings*, 2018(1), 11756.

- Carucci, R. (2016). Organizations Can't Change If Leaders Can't Change with Them. *Harvard Business Review*, October, 24.
- Carucci, R. (2016). „A 10-Year Study Reveals What Great Executives Know and Do “. *Harvard Business Review*.
- Clarke, N. (2018). *Relational leadership: Theory, practice and development*. Routledge.
- Coghlan, D. (2019). *Doing action research in your own organization*. SAGE Publications Limited.
- Froh, J. J. (2004). The history of positive psychology: Truth be told. *NYS psychologist*, 16(3), 18-20.
- Fromm, E. (2013). *To have or to be?*. New York : Open Road Integrated Media.
- Hayashi, N., Ostrom, E., Walker, J., & Yamagishi, T. (1999). Reciprocity, trust, and the sense of control: A cross-societal study. *Rationality and society*, 11(1), 27-46.
- Hughes, M. (2011). Do 70 per cent of all organizational change initiatives really fail?. *Journal of Change Management*, 11(4), 451-464.
- Kahneman, D. (2011). *Thinking, fast and slow*. Macmillan.
- Kegan, R., & Lahey, L. L. (2016). *An everyone culture: Becoming a deliberately developmental organization*. Harvard Business Review Press.
- Schweizer, L., & Nienhaus, A. (2017). Corporate distress and turnaround: integrating the literature and directing future research. *Business Research*, 10(1), 3-47.
- Kofman, F., & Senge, P. M. (1993). Communities of commitment: The heart of learning organizations. *Organizational dynamics*, 22(2), 5-23.
- Taylor, E. (2001). Positive psychology and humanistic psychology: A reply to Seligman. *Journal of Humanistic Psychology*, 41(1), 13-29.
- Trahms, C. A., Ndofor, H. A., & Sirmon, D. G. (2013). Organizational decline and turnaround: A review and agenda for future research. *Journal of Management*, 39(5), 1277-1307.
- Marshak, R. J. (2014). Organization development as an evolving field of practice. *The NTL handbook of organization development and change: Principles, practices, and perspectives*, 3-24.
- McKinsey and Company (2006) *Organizing for successful change management: a McKinsey global survey*, *The McKinsey Quarterly*, July, pp. 1–8.
- Neal, J. (2018). Overview of workplace spirituality research. In *The Palgrave Handbook of Workplace Spirituality and Fulfillment* (Vol. 1-2, pp. 3-57). Springer International Publishing.
- Nishikawa, K. (2020). The Case Nishio Glass and Mirror: Looking in the Mirror to Craft Meaningful Work, In Ajoy K. Dey, Hanna L. (eds.), *Ethics and Responsibility in Human Resources, Leadership and Start-up Business*, New Delhi: India, Bloomsbury, 161-170.
- Nishikawa, K. (2019). The Reality That We Take on: A Humanistic Change in IT Venture Company. *South Asian Journal of Business and Management Cases*, 8(1), 70-79.
- Nishikawa, K. (2017). Who constructs the path we take? a case study of Nakatsuka metal and foil company. *South Asian Journal of Business and Management Cases*, 6(1), 26-35.

Nishikawa, K. (2014). Who Leads Change Processes?: From the Case Study of Japan Railways Kyusyu. *South Asian Journal of Business and Management Cases*, 3(1), 53-64.

Scharmer, O. (2018). *The essentials of theory U: Core principles and applications*. Berrett-Koehler Publishers.

Pirson, M. (2017). *Humanistic management: Protecting dignity and promoting well-being*. Cambridge University Press.

Quinn, R. E., & Cameron, K. S. (2019). Positive Organizational Scholarship and Agents of Change', *Research in Organizational Change and Development (Research in Organizational Change and Development, Volume 27)*.

Quinn, R. W., & Quinn, R. E. (2016). Change management and leadership development have to mesh. *Harvard Business Review*, 1(7), 2-4.

Quinn, R. E., & Rohrbaugh, J. (1983). A spatial model of effectiveness criteria: Towards a competing values approach to organizational analysis. *Management science*, 29(3), 363-377.

Quinn, R. E., & Cameron, K. S. (1988). *Paradox and transformation: Toward a theory of change in organization and management*. Ballinger Publishing, Co/Harper & Row Publishers.

Quinn, R. E. (1996). *Deep change: Discovering the leader within*. John Wiley & Sons.

Scharmer, O. (2018). *The essentials of theory U: Core principles and applications*. Berrett-Koehler Publishers.

Schön, D. A. (1984). *The reflective practitioner: How professionals think in action (Vol. 5126)*. Basic books.

Schön, D. A. (Ed.). (1991). *The reflective turn: Case studies in and on educational practice*. New York: Teachers College Press.

Schwartz, B., & Sharpe, K. (2010). *Practical wisdom: The right way to do the right thing*. New York: Riverhead Books.

Steger, M. E, Dik, B. J., & Duffy, R. D. (2012, August). Measuring Meaningful Work: The Work and Meaning Inventory (WAMI). *Journal of Career Assessment*.20(3), 322-337.

Taku, K., Tedeschi, R. G., & Cann, A. (2015). Relationships of posttraumatic growth and stress responses in bereaved young adults. *Journal of Loss and Trauma*, 20(1), 56-71.

Thakor, A. V., & Quinn, R. E. (2018). *Creating a purpose-driven organization*. Harvard Business.

Van de Ven, A. H., & Poole, M. S. (1995). Explaining development and change in organizations. *Academy of management review*, 20(3), 510-540.

Waterman, A. S. (2013). The humanistic psychology–positive psychology divide: Contrasts in philosophical foundations. *American Psychologist*, 68(3), 124.

Worley, C. G., Zardet, V., Bonnet, M., & Savall, A. (2015). *Becoming agile: How the SEAM approach to management builds adaptability*. John Wiley & Sons.

Yamagishi, T., Cook, K. S., & Watabe, M. (1998). Uncertainty, trust, and commitment formation in the United States and Japan. *American Journal of Sociology*, 104(1), AJSv104p165-194.

Yamagishi, A., & Imori, S. (2014). Adolescence to adulthood longitudinal study of 17 years: Relationship between internal working models and attitude to one's occupation. *monduzzi editore*, 245.

---

<sup>i</sup> All discussions in this paper rely on three cases published already with short comments (Nishikawa, 2017, 2019, 2020). However, those attached to the papers may well be limited due to the space available for the authors. This time the author reviews all comments and rewrites almost all the parts of the discussions and conclusion. The methodologies that we use is an unstructured interview to collect data as diverse as possible. The format of it varies in terms of duration and the way of actions. Sometimes the interviewer puts a small task to know what they are thinking. To make sure of the data from the interview, the interviewer set unstructured interviews with the consultants of the companies. The author, as an interviewer, keep in touch with the companies and consultants to follow what is going on.