



# Book The Fourth Wave

## Business in the 21st Century

Herman Bryant Maynard and Susan E. Mehrtens  
Berrett-Koehler, 1996

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### Recommendation

What will the future hold for business? *The Fourth Wave* attempts to answer this question by looking far out to the horizon of knowable things. Expanding on Toffler's *Third Wave*, *The Fourth Wave* analyzes trends that will shape the nature of business in the 21st century. At the forefront of this trend analysis is the consideration of global consciousness, ecology, environmental integrity and economics. The book is written from an academic perspective, so it is not an easy read, but the authors must have sensed this shortcoming, because they use charts to effectively summarize the information presented in the chapters. *BooksInShort* recommends this book to anyone who wants a fresh perspective on the role business might play in the future, and perhaps should play today. Executives, change leaders and students will find this book useful and thought provoking.

### Take-Aways

- The Fourth Wave of change anticipates the next business era.
- Business will act as the leading force in the Fourth Wave.
- Environmental concern is a touchstone of the Fourth Wave.
- Community is the organizational basis of the Fourth Wave.
- Growth in global consciousness is a trend that accelerates acceptance of the Fourth Wave.
- Appropriate technologies are those technologies that take into consideration community values.
- Ecology and economics will merge in the Fourth Wave.
- All politics will have an environmental aspect in the Fourth Wave.
- There are seven trends associated with the Fourth Wave.
- Fourth-Wave companies will tend to the well of being of their communities.

### Summary

# The Emerging Fourth Wave

The challenges facing the world today require a shift in mindset from focusing on crises to anticipating the future. Business is in the best position to lead this shift. Two assumptions underlie this conclusion. First, business is the most powerful institution of our society and the major force affecting world conditions. Second, corporations will survive in the future only if they undergo a major shift to address individual and societal needs. There are seven trends that hallmark the change facing businesses in the future. They are:

1. Shift in consciousness - Increasing numbers of people believe that personal consciousness is primary.
2. Disenchantment with scientism - The growing dislike of the scientific reduction of all reality and experience to mathematical descriptions.
3. Creation of inner sources of authority and power - The expanding use of unconscious knowing to process experience that cannot be explained or measured.
4. Re-spiritualization of society - More people are deriving meaning and purpose from inner sources.
5. Decline of materialism - The shift of personal and corporate values from competition to cooperation.
6. Political and economic democratization - Oppressed peoples are demanding democratization.
7. Move beyond nationality - The world is evolving into a civilization without nationality. Bioregionalism refers to regional world groupings being formed on the basis of ecological unified areas.

## Change Theory

These seven trends form a basis for envisioning the future. They are, in effect, the hallmarks of the Fourth Wave of change, a concept that owes much to the intellectual contributions that Alvin Toffler made to change theory. According to Toffler, the First Wave of change was the agricultural revolution, when communities organized around the domestication of crops. The Second Wave of change, which coincided with the industrial revolution, is rooted in materialism and the supremacy of man; it is ongoing throughout the world. The Third Wave of change is a force in industrialized nations and is reflected in the calls for balance and sustainability in those societies. The Fourth Wave of change is still off in the distance. This emerging wave is based upon integration of all dimensions of life into a unified whole. It recognizes the identity of all living systems including the earth itself.

## Worldviews

Each active wave of change has a distinctive worldview. The worldview of the Second Wave is, "We are separate and we must compete." The worldview of the Third Wave is, "We are connected and must cooperate." The worldview of the Fourth Wave will be, "We are one and choose to co-create."

“In the future, the close integration of corporate work and family life will be crucial to the success of the corporation.”

Most corporations today are still stuck in the Second Wave. The corporation as the creator of value drives the transition from Second to Third Wave. The difference can be seen in how a corporation frames its strategic questions. Instead of asking, "How do we make money?" Third Wave corporations ask, "How are we creating value?" Instead of asking, "Are we beating the competition?" Third Wave corporations ask, "Do we understand the need?" Finally, instead of asking, "Are we gaining market share?" Third Wave corporations ask, "Are we providing the right kind of service?" The Fourth Wave corporation of the future will recognize its role "as one of stewardship for the whole, in addition to providing goods and services to a particular customer base." A Fourth Wave corporate image will be that of a serving organization rather than a manufacturing organization.

## Fourth Wave Change

Corporations will experience other changes with the onset of the Fourth Wave, including:

- Redefinition of corporate wealth - New techniques of social accounting will define the type of wealth created by corporations in the future. These techniques will include universalization of capital ownership, internalization of the social and environmental costs of doing business and capitalization of natural resources.
- Evolution of corporate structure - Corporate structure will move from a matrix model or business unit structure to a community model.

- Shift from corporation to community - Companies no longer will be external entities in a local community. Instead, the corporation will take care of the overall health and well being of its family members.
- Merging of ecology and economics - The movement toward a common cause of ecology and economics will see a shift beyond conservation to deep ecology. Economic justice and sustainability will be the key themes of this deep ecology, which in turn will reflect the growing awareness of a global consciousness.
- Use of appropriate technology - Changing views of technology reflects two cultural trends: The movement away from scientism and the movement toward laws of ecology that foster sustainability and environmental integrity.
- Blurring of leadership - Leadership in the era of bio-politics will reflect the blurring of private and public distinctions, because private values in the future will have to align with public welfare concerns.

## **Business of the Future**

Based upon the trends encapsulated in the Fourth Wave of change, 21st century business will:

- Act as an exemplar for other institutions in society.
- Act locally as a global citizen.
- Be an advocate of the living economy.
- Practice social and resource accounting.
- Be an organization committed to serve its community.
- Act as model of environmental concern.
- Be a pioneer in using appropriate technologies.
- Be led by bio-politicians.

## **Global Stewards**

The emerging Fourth Wave will create new roles for business. Under the Second Wave, the role of business was to maximize profits, and under the Third Wave, the role of business has been to create value. The Fourth Wave role will be global stewardship. Acting as a global steward will permit business to merge public and private responsibility as the basic provider of wealth and stability. The first area to witness this Fourth Wave role is our physical environment and ecosystems. Corporations have started to acknowledge the need for Fourth Wave sustainability through the creation of the Business Council for Sustainable Development. Other business leaders are making the call to identify planetary needs and corporate solutions.

## **Fourth-Wave Wealth**

The emerging Fourth Wave will create new definitions for corporate wealth. Under the Second Wave, corporate wealth was defined as balance-sheet tangible assets. Under the third wave, the definition of corporate wealth has been expanded to include intangible assets. Corporate wealth in the Fourth Wave will expand even further to include social performance. As businesses assume the role of corporate stewards, the means of evaluating performance will reflect the ability of those stewards to accomplish societal good. To effectively measure corporate social performance, accounting standards will need to include social accounting concepts to determine the complete social costs of production and protection.

## **Community Structure**

The emerging Fourth Wave will see corporate structure evolve. Second-Wave corporate structure was hierarchy, matrix or business unit. Third-Wave corporate structure has been team value. Corporate structure in the Fourth Wave will be community. The community model will be the driving corporate structure because the needs of the individual to belong and make a difference in the world can be realized only through a community structure. The community model will incorporate many qualities of team-value structure - it will be democratic and participatory - but it also will include the community values of co-creation, equality and flexibility.

“Individual business corporations will survive only if they undergo a major shift to address individual and societal needs and become more democratic in their processes.”

The corporation as community will be an environment in which everyone’s life is touched, unified and fully open to one another.

People will be able to be the same at work as they are at home, which will lead to the end of structural violence and the promotion of the wellness workplace.

## Eco-economics

The emerging Fourth Wave will witness the movement toward the common cause of ecology and economics. The Second Wave environmental perspective was based on consumption. The Third Wave environmental perspective has been sustainability. The Fourth Wave environmental perspective, the merger of ecology and economics, will be preservation. This preservation perspective will be based upon the following principles:

1. The growth of natural systems is finite. In a global ecosystem, unlimited growth leads toward disaster. Economic theories that support unlimited growth are unrealistic and environmentally dangerous.
2. Everything must go somewhere. The environment's ability to absorb solid waste has been exhausted. We need to discourage the belief that consumption drives business growth.
3. Competition discourages diversity. When competing species rely on the same limiting resource, coexistence is not possible; one species will win out over time.
4. The law of the retarding lead. The dominant species is slow to respond to change, so change might not come from known entities. Small, start-up corporations are the source of change, inventions and new techniques that permit long-term viability.
5. Everything is connected to everything else. Ecosystems operate under the same theory of the common ownership that leads humans to destroy public property because no one takes responsibility for the well being of public property.

## The Four Rs of Ecology

The Fourth Wave perspective will recognize the "4 Rs" of ecological wisdom: repair, recondition, reuse and recycle. The Fourth Wave will reward businesses that shift from consumption of finite resources or creation of heavy pollution. Businesses that ride the wave of ecology and economics, pollution control, recycling and resource substitution, energy efficiency, and ecologically tailored energy supply will flourish in the 21st century.

## Leaders of the Fourth Wave

The Fourth Wave will require corporate leadership that understands bio-politics. Under the Second Wave, corporate leadership came from the business leader. Third Wave corporate leadership has been a participant in dialogues on societal and global welfare. The Fourth Wave will see corporate leaders acting as global leaders and bio-politicians. Bio-politics will be measured by the power to produce change in ecosystems as well as in corporate headquarters, city hall, or Washington. Bio-politicians will adhere to morality and community values in acquiring and wielding power in the era of bio-politics. All business activities in the 21st century will have an environmental implication.

“Thinking globally recognizes that the earth is one.”

Fourth-Wave bio-political leaders will exhibit personal maturity as a prime trait. This level of maturity will permit these leaders to be self-aware of "personal scripts," or unconscious programming in their decision-making processes. Bio-politicians will also stand as moral leaders for the businesses they represent and the community at large. They will see their morality as a component of their ability to influence public dialogue. They will be the creators of global political order.

## About the Authors

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