The Five Elements of Organizational Success

A framework to analyze organizational systems, cultures and leadership styles within a context of change

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Fact:
People create organizations, therefore the concepts and systems of any organization must reflect the diversity and complexity of the people who comprise it.

Issue:
Leaders seek ways to:

⇒ Assess where a particular program, department, staff or board member, constituency, investor or the organization in general is at any point in time;
⇒ Make sense of all of the changes that are occurring in their organization in a way that everyone would understand; and
⇒ Create supportive and healthy responses so people are happy, engaged and productive in meaningful ways.

Solution:
Drawing upon universal tenets of development both in nature and business, the Five Elements of Organizational Success builds upon the following components or “elements”:

<table>
<thead>
<tr>
<th>Nature</th>
<th>Organizational Stage</th>
<th>Leadership Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>Consolidation</td>
<td>The Philosopher</td>
</tr>
<tr>
<td>Wood</td>
<td>Creation</td>
<td>The Visionary</td>
</tr>
<tr>
<td>Fire</td>
<td>Direction</td>
<td>The Networker</td>
</tr>
<tr>
<td>Earth</td>
<td>Coordination</td>
<td>The Facilitator</td>
</tr>
<tr>
<td>Metal</td>
<td>Implementation</td>
<td>The Achiever</td>
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</tbody>
</table>

Key:
The key concept of the Five Elements of Organizational Success lies in understanding how each element can support or restrain the other, and how to balance the dynamics between the elements to determine the most constructive solutions in any situation.
I. **Leadership and Our Changing Roles**

*Every organization is wrestling with a similar dilemma—how to maintain its identity, purpose, and effectiveness as it copes with relentless turbulence and change. But there is another similarity I’m happy to report: A common human desire everywhere in the world to live together more harmoniously, more humanely. ~ Margaret Wheatley, Leadership and the New Science ~

In the past, the quintessential organizational model was based upon a mechanized system. The focus was to increase wealth through the distribution of products or services in the fastest and most efficient way. Jobs became specialized into narrow tasks and workers had to adhere to specific regulations and timelines, allowing for little innovation and creativity. Of necessity, the mechanized model tended to be static and predictable. One small change could shut down the entire operation so innovation, especially from workers, was viewed with suspicion.

We are now in the midst of the information age, where the ability to respond rapidly to change is the measure of success and sustainability. Emerging models are more organic and flexible, which are proving to be more effective and sustainable. **People create organizations, therefore the concepts and systems of any organization must reflect the diversity and complexity of the people who comprise it.**

Organizations in both the public and private sector need a framework that can recognize and capture opportunities in these changing times. Businesses and corporations on the rise have shifted to more values-driven approaches and have adopted a greater sense of purpose beyond financial profit. Likewise, not-for-profit and philanthropic organizations are integrating more private-sector approaches in order to improve outcomes and efficiencies. And leaders from both sectors need ways to:

- Assess where a particular program, department, staff or board member, constituency, investor, or the organization in general is at any point in time;
- Make sense of all of the changes that are occurring in their organization in a way that everyone around them would understand; and
- Create supportive and healthy responses so people are happy, engaged and productive in meaningful ways.

**The Five Elements of Organizational Success** combines the latest research and best practices in business, science and leadership with East Asian principles of well-being to expand and deepen an organization’s capacity to thrive in an increasingly complex world. The model translates common concepts of leadership and change into languages that provide useful tools for everyone in this increasingly integrated and information-based culture.
II. Organizational Lifecycles
The most effective organizational models now derive their strength from their observation and integration of systems found in natural lifecycles. In East Asian cultures, this cycle is depicted through five elements – water, wood, fire, earth and metal - which interact with each other in fluid and dynamic ways. Figure 1 depicts how the organizations evolve and transition through these five elements in a circular formation.

![Figure 1: Natural Lifecycles](image)

In contrast, corporations and businesses commonly use a framework that is based upon a linear model which advances through step-like stages of development – creation, direction, coordination, implementation and consolidation.

![Figure 2: Stages of Business Development](image)
Combining these two approaches creates the basis of the **Five Elements of Organizational Success**. The stages of the linear framework of the business development model are respectively paired with the elements of the circular framework of the five elements.

**The Five Elements of Organizational Success** provides an effective tool for strategic and action planning, allowing for all levels of an organization to understand how each element interacts with the other. In the natural course of things, water nurtures wood, which in turn fuels fire, creating ash or earth. Minerals (metal) are extracted from the earth. The cycle is completed when metal condenses to produce water. The chart below depicts this supporting cycle when applied in an organizational setting:
<table>
<thead>
<tr>
<th>ELEMENT</th>
<th>ACTION</th>
<th>OUTCOMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidation/Water</td>
<td>People come together through a common purpose or identified need.</td>
<td>Developed organizing principles and philosophy</td>
</tr>
<tr>
<td>Creation/Wood</td>
<td>The group explores all possibilities of expressing the purpose or addressing the need.</td>
<td>Research, Brainstorming, Visioning</td>
</tr>
<tr>
<td>Direction/Fire</td>
<td>The group identifies specific strategies, and attracts the larger community of supporters and investors.</td>
<td>Prioritized goals, Branding, Messaging, Networking and Collaboration</td>
</tr>
<tr>
<td>Coordination/Earth</td>
<td>The group hires staff, and develops systems, teams, policies and procedures.</td>
<td>Functional teams and operational systems that are in alignment with the organization's values, strategies and goals</td>
</tr>
<tr>
<td>Implementation/Metal</td>
<td>The group is in full production mode where projects are fully functions and tasks are accomplished.</td>
<td>Products and/or services produced and delivered</td>
</tr>
<tr>
<td>Consolidation/Water</td>
<td>The group reflects upon and evaluates the entire process for alignment of purpose and the quality and efficiency of the outcomes.</td>
<td>Analysis and refinement toward a deeper purpose or fulfillment of continued needs</td>
</tr>
</tbody>
</table>

Even in the best of circumstances, life does not always function within this supportive cycle. Figure 4 shows a second set of patterns and connections that emerge when conflict and tension arise within an organization. This is referred to as the restraining cycle, represented...
by the star formation within the circle. Water controls Fire, which tempers Metal. Metal cuts into Wood, which depletes the Earth. Earth acts as a container for Water.

The following case study demonstrates how one client used the **Five Elements of Organizational Success** to respond to the effects of 9/11:

**Case Study: The Five Elements of Organizational Success and 9/11**

The Board of an arts and media organization in New York City had just approved their five-year strategic plan in the summer of 2001. They had spent the previous eight months moving through the **Consolidation/Water** phase of reaffirming their mission, vision and values, the **Creation/Wood** phase of collecting community input and exploring new ideas and directions, and the **Direction/Fire** phase of deciding upon and articulating a strategic vision and direction. By September, the organization was well into the **Coordination/Earth** phase - restructuring their systems, hiring and training new staff and building their teams in anticipation of launching major new programs at the beginning of the new year. They were progressing very well in the supporting cycle.

But with September 11, their world suddenly shifted back into a **Consolidation/Water** phase, overwhelmed by the flood that had changed the entire landscape. At its best, the organization could have banded together to share and consolidate resources and renew their sense of purpose. At its worst, the organization could have dissipated into stagnation and chaos.

Since this organization was in the **Coordination/Earth** phase, a classic **Five Elements of Organizational Success** scenario emerged. Where they were once functioning well in the
supporting cycle, they were now enmeshed in the restraining cycle due to the unexpected flood of Consolidation/Water. The result was earth mixed with water, and there was a potential for them to get “stuck in the mud” and be paralyzed by the issues that 9/11 brought up. It could have mired their teams and systems in a process of inaction and indecision so the organization could not move forward with its goals.

The Board of Directors and Executive Team were well aware of this potential outcome. They also knew that they needed to find a way to move as quickly and seamlessly as possible to action, or the Implementation/Metal phase. They developed a series of short-term activities that were in alignment with their overall strategic goals but also meet the needs of their constituents in the midst of this tragedy. The teams were assigned tasks accordingly and management worked closely with them to provide support and guidance. By moving quickly into the Implementation/Metal phase, the organization was able to move through the mud, serve their constituents appropriately, stick to their strategic plan with minor modifications, and experience success.

The key to the system is in having the tools and methods to:

- Assess the dynamic of a person, group or organization in any given situation;
- Determine the possible supportive or restraining responses that can occur; and
- Facilitate a process that moves the situation from a potentially negative response to a positive response.
### III. Leadership Styles and the Five Elements

In addition to its application in organizational development and change, organizational leaders use the Five Elements of Organizational Success to determine and manage leadership styles and interpersonal dynamics. The chart below outlines these connections:

<table>
<thead>
<tr>
<th>Leadership Type</th>
<th>Role</th>
<th>Skills</th>
<th>Organizational Need</th>
</tr>
</thead>
</table>
| Wood/Creation         | The Visionary | Planning, mapping, visualizing, conflict resolution | - Conceptualizing a new campaign or project  
|                       |               |                                       | - Research & development                                  |
| Fire/Direction        | The Networker | Marketing, prioritizing, defining, problem solving | - Branding and messaging  
|                       |               |                                       | - Outreach, sales and public relations                    |
| Earth/Coordination    | The Facilitator | Supporting, allocating teambuilding, arranging, distributing information | - Maintaining systems and operations  
|                       |               |                                       | - Establishing a healthy work environment                 |
| Metal/Implementation  | The Achiever  | Setting standards, accounting, quality control, managing change | - Achieving tasks in a time-sensitive manner  
|                       |               |                                       | - Establishing a strategy or action plan                 |
| Water/Consolidation   | The Philosopher | Setting limits, regulating, managing resources | - Tying things back to the bigger picture  
|                       |               |                                       | - Performance analysis and evaluation                     |

When operating within the supporting cycle, these leaders work together, respecting each other’s diverse strengths and skills and allowing the appropriate person to take the lead according to the organization’s need. As the needs shift, so do the leaders. Utilizing this team approach implies that there is no single model of leadership, nor does one person need to be and do everything.
However, leadership and interpersonal dynamics can just as easily operate within the restraining cycle, resulting in conflict and lack of progress in achieving goals. For example:

⇒ A Philosopher’s wide-ranging discussion on mission and meaning can overpower a Networkers’s focused discussion on strategies and goals. (Water to Fire)
⇒ The micro-management of a Networker can can lead to an Achiever’s meltdown. (Fire to Metal)
⇒ An Achiever who is so intent on getting the job done can thwart a Visionary’s advice to make the task more efficient. (Metal to Wood)
⇒ The abundance of a Visionary’s ideas can exhaust the resources of the service-oriented Facilitator. (Wood to Earth)
⇒ The process-driven concern of a Facilitator in bringing up past drama that has long been resolved could mire a Philosopher in an endless discussion about history and tradition. (Earth to Water)

Leadership styles are determined through two categories - acquired skills and inherent strengths. Once each person’s leadership style is determined, a collective analysis of the group can reveal the organization’s culture and patterns that impede or facilitate progress.
Case Study: I’ve got an idea/Let’s do it

A Leadership Styles assessment was conducted on a national nonprofit organization. After analyzing the staff, we determined that the organization was mainly composed of Visionaries and Achievers. The organizational culture generated a multitude of ideas and acted on every one of them. This was manifested in the seventeen different programs implemented by a staff of thirty.

While the programs were indeed implemented due to the Achievers, there was a lack of focus (Fire/Direction), support (Earth/Coordination) and planning (Water/Consolidation). The organization tended to do the work because they loved getting things done, not because it was necessarily strategic or in the best service to their constituents. In addition, the “let’s do it!” nature of the Achievers tended to cut off the generative nature of the Visionaries.

Since Water/Consolidation facilitates the tension between Metal/Implementation and Wood/Creation, we encouraged management to ask reflective questions, (“What is the bigger picture?” and “How do these ideas flow into our purpose, strengths and current programs?”). We also worked with management to hone their skills of providing focus (Fire/Direction) and support (Earth/Coordination). For instance, if there was a flurry of ideas coming from the Visionaries, the management had to bring in the language of the Networkers (“These are great ideas. Now we need to focus and prioritize.”). At that point, the Achievers said, “Great, now that we have finally decided what to focus on, let’s do it.” This led to inefficiency and alienation of the group if the necessary teambuilding (Earth/Coordination) has not been accomplished. In this case, we recommended inviting the Facilitators in the organization to take the lead and facilitate systems and processes that were more inclusive in nature.

As a result, several programs were combined and staff developed cross-divisional teams according to their inherent strengths, in order to share skills and resources. There was a greater acknowledgement and appreciation of different leadership styles and the organization integrated methods to accomplish tasks by calling on various staff to take the lead, according to the timing and appropriateness of the process.
IV. Integrating the Five Elements into your Organization

There are several ways to integrate the Five Elements of Organizational Success into an organization. The most effective method is through a customized program, starting with a general presentation of the system to the staff and board, along with an analysis of the organization’s culture and leadership style. We design a training program that draws upon an established curriculum, but is tailored to client’s needs. The program works best if it is integrated over a period of time, allowing for the staff to become familiar with the concepts and try them out before the next training session.

We also can co-create series workshops, either in part or as a whole. The workshop format is especially useful for general audiences, conferences and groups or organizations in the midst of a strategic planning process or in their early stages of development. The Five Elements of Organizational Success has been particularly effective in:

**Organizational Systems and Design**
The system assists in creating a harmonious work environment by contributing to the design and development of the operating and administrative systems.

**Communication & Conflict Resolution**
The system provides a unique way of looking at group and interpersonal dynamics in a way that is affirming of differing views, non-threatening and practical.

**Leadership Development**
The system acknowledges the spectrum of leadership styles, and provides a model for processes to develop in a constructive and harmonious manner. In addition, it gives leaders a tool to maximize the strengths of each person involved.

**Teambuilding**
The system provides a way of analyzing teams and workgroups in a way that clarifies roles and responsibilities based on the inherent strengths and gifts of each individual. In this manner, an effective and mutually-supportive team can be maintained.

**Strategic Planning & Implementation**
The system effectively addresses the philosophy, premises and processes involved in strategic planning. Moreover, it provides a good method of integrating a strategic plan from the written report to actual implementation.
The **Five Elements of Success** System of Organizational Design and Leadership Development offers people a unique way to analyze situations, organizational cultures and leadership styles within a context of change. By drawing upon universal tenets of nature, the system operates from both an intuitive and didactic level, which allows for a seamless cohesion with traditional and non-traditional approaches and structures. As our society moves toward an integrated culture, the **Five Elements of Success** serves as a useful tool for organizations and individuals to incorporate into their overall strategies and day-to-day operations generate the most harmonious and effective results.
The Five Elements of Organizational Success
A System of Organizational Design and Leadership Development

Figure 7
The Five Elements of Organizational Success
About the Author

Kevin Fong is the founder and president of Elemental Associates, a consulting firm that utilizes conventional management and leadership theories along with Eastern traditions and philosophies to design functional and harmonious organizational systems. Their mission is to work with communities, organizations and individuals to clarify identity and purpose, establish alignment of principles and culture, and design structures that will propel passion toward effective strategies.

Through his combined experience as a corporate buyer, a health care administrator and an organizational consultant, Kevin has created the Five Elements of Success, a system of organizational design and leadership development which combines the East Asian theory of the Five Elements with Western modes of leadership development, organizational design, and New Science. The Five Elements of Success is comprised of exercises, tools and methods that provide a cultural and common-sense context for people to approach their work and their lives. The system incorporates leadership, teambuilding, conflict management, ethics, strategic planning, and organizational philosophy to assist people in creating more harmonious and productive workplaces, homes and communities.

A third-generation Asian-Pacific American, Kevin is a graduate of the University of California and a Kellogg National Foundation Fellow. He lives in San Francisco and Seattle.

Acknowledgements

Kevin would like to acknowledge the following individuals for their guidance, support and wisdom in the development of the Five Elements of Organizational Success - Puanani Burgess, Donald O. Clifton, Dr. Frank Deluca, Tessie Guillermo, Dee Hock, R. Gregory John, Jude Kaye, Kathy Ko, David Korten, HH Professor Lin Yun, Dr. Hanmin Liu, Jan Masaoka, Katherine Metz, Robert Sachs, Peter Senge and Margaret Wheatley.

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