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## **Editorial**

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Management theory and practice today accepts that our linear and deterministic ways of thinking about managerial problems might create more problems than they solve. In the field of strategy studies, for instance, one can observe a growing interest in learning and organisational flexibility; IT gives importance to distributed cognition and adaptive systems; business model innovation becomes aware of the potential of design thinking. Management theorists are keenly observing developments surrounding the complexity and chaos theory in science, and management researchers are attempting to apply emerging theories to managerial problems.

The ideas that many simple, nonlinear deterministic systems can behave in an apparently unpredictable and chaotic manner, was first introduced by the great French mathematician Henri Poincaré. Other early pioneering work in the field of chaotic dynamics is found in the mathematical literature by scientists such as, among others, Birkhoff, Levenson and Kolmogorov. More recently, several Noble prizes have been awarded in this field of research, for instance, to Prigogine and Kauffman.

Around the world, research centres and groupings are created that aim to explore a different way of doing business, a more meaningful way, a way based on the realisation of value as a driver for management. Such a more contemporary view needs to be based within a new paradigm: a more systemic view on the company that starts with a thorough reflection on values. In this special issue, we have gathered a few contributions that aim to broaden the scope of business management to management by values, and this in order to prepare the leadership/stewardship component, leading to values-based leadership. Management by values will show to be the focus for managing for sustainable performance. Indeed, sustainable performance is exclusively based on the realisation of socially or societally relevant values. It concentrates on the realisation of real value added for the customer, the citizen, the stakeholder, and it does not limit its focus to the shareholder only.

Dolan et al. (2006) suggest that the following four interconnected trends are heightening organisational complexity and uncertainty, and contributing to situations where the mainstream approach reaches its limits:

- 1 the need for quality and customer orientation
- 2 the need for professional autonomy and responsibility
- 3 the need for 'bosses' to evolve into leaders/facilitators
- 4 the need for 'flatter' and more agile organisational structures.

The quality and customer orientation are confronted with the issue that in today's markets, value added becomes an issue for continuation (or call it survival). A highly developed customer expectation can only be met, either by a value adding product or service (something which the others do not offer), or by a price breaking offering (which of course, in the long run, is not viable for the company). The question to consider is the simple question that in practice does not seem to be so simple to answer: what is the value added of your company? What are the market, the economy and the society missing if your product or service would no longer be there (e.g., if it went bankrupt)? Are companies able to state their value added to society and if they would not be able to state it, how could they manage the company to realise those values. If they would not have them, why in the first place do they exist from an economics point of view (other than for making an individual profit).

Moving from good to excellent, needs in particular a corporate focus on business model innovation, no doubt the most exciting and necessary activity of an excellent company.

'Shareholder value only' belongs to the mainstream managerial paradigm that is increasingly called into question. With less and less time to lose, people cannot afford the luxury of continuing to think in a paradigm that hardly questions the 'negative' side effect of its own ontology, let alone its impact on all living species, including ourselves and nature. The framework of a short term business view, ignoring the devastating impact of our consumerism on our own environment and our own well being, is no longer tenable.

In the first paper, the scene is set. Sewchurran, Philipp, Baets and McDonogh analyse the limitations in the current mindset and paradigm of management. The concepts central to this special issue: complexity, design thinking and values-based organising are not typically discussed together despite all three concepts being concerned with new, innovative ways of organising. When these concepts are used together the intent is to propose a revitalisation of the means and ends of organising. This paper explores the conceptual integration of these concepts by focussing instead on the systems of organising they encourage. The goal of this exploration is to deepen interest in the underlying systems that inform the ideas of complexity, design thinking and values-based organising. We believe there is a philosophy of organising implicit in each of these three concepts that is, as yet, not coherently articulated. More elaboration, such as that is being done in this special issue, is necessary to avoid the concepts being applied superficially. It is argued in this paper that more thoughtful practice of complexity, design thinking and values-based organising can address some of the limitations of current management and organising paradigms, but to sustain the effort a complex systems grounding is needed.

In the paper ‘Engaging with complex environments: why agility involves more than running hard’, Prange addresses the notion of ‘agility’ that has recently become very prominent in management practice and research. While part of the concept’s popularity derives from the consulting discourse, agility has also been considered a necessary remedy for coping with increasingly complex environments where the traditional strategy of running hard is no longer sufficient. Nevertheless, definitions and practices still tend to concentrate on the aspects of speed and acceleration. The paper develops a model that identifies four critical agility dimensions: identity, capabilities, mindset, and leadership.

Wulffers deals with the effect of the development of authentic leadership (AL) on trust in her contribution. AL, identified not only as the root construct of positive forms of leadership, but also equated to the highest level of leadership effectiveness through the development of inter-relational trust (IT), usually takes a life-time to develop. This article outlines an AL program and determines the distal program effect of AL development on IT. The paper gives a practitioners view on the matter. The findings illustrate the positive program effect on enhancing IT through the development of AL, and the symbiotic relationship between AL and IT. Organisations need positive leadership now, and cannot wait for a life-time for this leadership to develop.

Avenant, April and Peters give insight in the power relations in complex organisational development. Human interaction is so important because, in the workplace, you always have to work with other people. As a leader, the way in which you and others relate to each other, authentically and inauthentically, and use personal- and collective power within those relationships can create positive, enabling workplace environments, or be places of exclusion and negative engagement. Their research, informed by complexity theory, of the construct of power relations, investigating the lived experiences of leaders within the complexity of the emerging economy of South Africa. It also further explored the challenges of such an approach in terms of the implementation and openness of people within organisations to engage with power relations, and not just to treat it unconsciously. Key features dealt with in the paper are unpacking the relevance for leaders, as well as the impact of social dynamics, concepts of power, leader attributes, personal traits and organisational features on power relations.

Finally, Ng and James contribute a paper on agency and complexity in entrepreneurial decision making (No man lives on an island: habitual agency and complexity in entrepreneurial decision-making). An entrepreneur’s creation of value and moral leadership is primarily an individualised phenomenon. The objective of this study is to develop a socio-cognitive model where an entrepreneur’s enactment of valuable opportunities and a moral awareness for others operate within a complex social setting. We develop a ‘practiced’ concept of habitual agency where an entrepreneur enacts tightly coupled stakeholder exchanges that confirm an entrepreneur’s asymmetric advantage. This habitual agency seeks not only to reduce the ‘causal ambiguities’ surrounding complex stakeholder exchanges, but also to apply repeatedly a generalised moral standard – golden rule – to an entrepreneur’s tightly coupled exchange partners. This socio-cognitive explanation of entrepreneurship appeals to the holistic and interdependent tenets of complex systems where entrepreneurship cannot be examined in isolation of the complexities of their social realities. The implications and contributions of this socio-cognitive approach to entrepreneurship and complexity research are also highlighted.

We wish you an interesting reading journey.

## **References**

Dolan, P., Pearsgood, T. and White, M.P. (2006) *Review of Research on the Influences on Personal Wellbeing and Application to Policy*, Defra, London.