Shared Values as Organising Principles in Complexity

A thesis submitted to the University of Cape Town Graduate School of Business

In partial fulfilment of the degree of Doctor of Philosophy

Felix Philipp

Supervisor:

Dr. Kosheek Sewchurran, Associate Professor

Graduate School of Business, University of Cape Town

Declaration

Hereby I, Felix Philipp, declare that the below thesis is my own unaided work, both in concept and execution, and that apart from the normal guidance from my supervisor, I have received no assistance.

Neither the substance nor any part of he below thesis has been in the past, or is being, or is to be submitted for a degree at this University, or any university.

Abstract

This study seeks to understand the role of organisational values as an apt candidate for organising principles to manage and adapt effectively in complexity. A starting interest of this research was the reflection that a strong set of shared values has the potential to enables a range of positive outcomes, particularly in complexity, where shared values act as schemata to guide behaviour and enhance an organisation's reflexivity and resilience in times of turbulence.

My stance is informed by the pragmatist research paradigm, recognising the interrelationship of research, action, theory, and practice. The literature review draws on two theoretical lenses, values theory and systems thinking, to trace the parallels between the developments in systems thinking and management thought.

While the chosen topic ranges across a wide scholarly terrain, it is grounded in the narrative of a particular organisation, a South African clothing retailer facing challenges in the face of increasing volatility and change in the market. Case studies are narratives, which can provide a rich and descriptive picture of the investigated object, portraying the complexities and ambiguities of the context and a socially constructed world (Tsoukas & Hatch, 2001).

We live in a world with ever-increasing uncertainty, inter-connectedness, and interdependence. Businesses are increasingly challenged to redefine how they manage and develop in complexity and adapt during turbulent times in their environments. Conceptions of management practices are being challenged by increasing unpredictability brought forward by technology, global trade, and the speed of cultural change, amongst other variables. One of the starting deliberations of this thesis is whether in such times, informal behaviour-guiding principles, such as values, gain importance to enable the emergence of systemic outcomes.

The project does this by articulating an analytical framework of systems thinking and values research and synthesising a combined lens for the primary case study.

I utilise a mixed-methods approach for the organising of data, including interviews and documentation. Values arrange what we do in organisations, and during change, can be effective and meaningful rudders for direction and adaptation if they are shared among members of the organisation and successfully influence decision-making and behaviour.

Core themes emerge that test the propositions of value transference and organisational purpose for an established corporate enterprise case study. Insights and key findings provide practical illustrations of the dynamic relationship between conceptions of organisational values and the lived experience of these values at different levels of the hierarchy.

Findings include the recognition that interpretations vary, and distinct values are highlighted according to the management level. The processes of defining or crafting values and aligning worldviews are best seen as continuous joint exploration of actors with different perspectives to create a shared understanding of the needs, approaches, and outcomes of the systems' activities.

The project concludes with a practical consideration of the theory of systems thinking and values about organisational values, adding value to the knowledge of management in complexity and charting the route for future research in this field. This project elucidates key dimensions of this perspective and provides an insightful perspective as to the practical implications of values as organising principles in complexity.

Dedication

To my parents, who have raised me to be an inquisitive and ambitious man and who supported me through the growing pains that this thesis has come to be.

To my grandparents, for being amazing role-models and for watching over me.

To my mentor, Stefan Fritzen, who taught me the value of hard work and persistence.

Acknowledgements

This thesis would not have been possible without the support of countless people and institutions. In particular, I owe endless gratitude to:

- The European Union for being a 'strange attractor' – a point of stability, for guaranteeing peace and freedom in these turbulent times and for financing my research.
- The Academy of Business in Society for organizing the "Innovation for Sustainability" consortium was to become my PhD home for over three years, including all the incredibly insightful, compassionate people within this amazing group. A special thanks to Nigel Roome, for being all our spiritus rector.
- My supervisors, Dr. Kosheek Sewchurran and Professor Walter Baets, for teaching me about all the layers of reality and the support when I wanted to give up. Special thanks to Glenda Weber for being my PhD-mom.
- My PhD colleagues, and especially Amanda "Manders" Williams, for listening to my complaints and for pushing me to complete these papers.

Table of Contents

List of Tables

List of Figures

List of Abbreviations

AQAL	All Quadrants All Lines
BC	Benefit Corporation
CAS	Complex Adaptive System
CLT	Complexity Leadership Theory
CPM	Critical Path Method
GDP	Gross Domestic Product
GST	General Systems Theory
HR	Human Resources
MBI	Management by Instruction
MBO	Management by Objective
MBV	Management by Values
MD	Managing Director
OR	Operations Research
SA	Systems Analysis
SE	Systems Engineering
SD	Standard Deviation
SSM	Soft Systems Methodologies
OR	Operations Research
VBL	Values-based Leadership
VBM	Values-based Management
VBO	Values-based Organisation

1. Introduction to the Study

In investigating shared values as organising principles in complexity, I begin with my research narrative, one of many interlinked narratives that theme this study.

This research journey started in the spring of 2013 when I became motivated to quench my thirst for deeper knowledge around the topic of sustainability. The urge to develop a better understanding of the field emanated from the partial knowledge obtained through my masters' degrees and my work in a German-based sustainability consultancy. This might sound like disappointment and critique; on the contrary, I owe much to both, since without either of them I would have never started this journey. I was taught by outstanding practitioners and academics, who demonstrated the urgency to change the way business is done and outlined the rapid developments in the field to emphasise how much remained to be done. These passionate and knowledgeable people imbued me with the will to make a difference.

During my masters' programme I was introduced to Porter and Kramer's (2011) paper "Creating Shared Value", which proposes a new way of doing business. A little later, I was able to pick up the concept of shared value and develop shared value creation strategies for clients – a preliminary strange attractor capturing my interest was revealed. After this taster, I wanted to research the topic and improve my understanding to further increase my personal impact. I applied for the ABIS "Innovation for Sustainability" PhD program and was accepted. My quest coincided with the programme and this was an incredible opportunity. Only much later in my research I could wonder about the synchronicity and entanglement of this chance happening.

My journey began at the Graduate School of Business at the University of Cape Town, as a research fellow of the Allan Gray Centre for Values Based Leadership, seeking to explore new ways of doing business based on purpose and sustainability. The PhD program, the focus of the school on complexity, and the Allan Gray Centre's values and purpose

provided the intellectual soil and the springboard for my academic and professional growth. [1]

The emerging paradigm of complexity is characterised by non-linear dynamics, uncertainty, perturbed causal patterns, and indeterminability (Cilliers, 1998; Stacey, 1996). One of the drivers of complexity is the growing connectedness between systems that is enabled by modern communication technology, globalisation, and the commodification of knowledge (S. L. Brown & Eisenhardt, 1997; Hitt, 1998). Consequently, organisations are confronted with a persistent need for innovation and flexibility, a necessity to explore new opportunities while exploiting existing ones (Uhl-Bien, Marion & McKelvey, 2007). Furthermore, management is no longer limited to physical infrastructure and labour power but extends to the mindsets and subjectivities of the employees (Alvesson & Deetz, 1999).

The modernist management paradigm focused on economic value creation and led to significant advances; however, many argue that it is incapable of accommodating social harmony, environmental protection, and economic prosperity (Donaldson & Walsh, 2015; Gladwin, Kennelly, & Krause, 1995; Metcalf & Benn, 2012; Purser, Park, & Montuori, 1995). While Porter and Kramer's (2011) "Creating Shared Value" concept addresses the need to create inclusive markets, conceive new products, and reshape supply chains it remains rooted in a paradigm limited to economic value creation and distribution, and may be too narrow to comprehensively address the complex challenges experienced in the early 21st century (Crane, Palazzo, Spence, & Matten, 2014).

[1] This thesis has catalysed and contributed towards two additional papers published in the Journal of Cleaner Production (Williams, Kennedy, Philipp, & Whiteman, 2017) and the International Journal of Complexity in Leadership and Management (Sewchurran, Philipp, Baets & McDonogh, 2016). The completion of this thesis represents the end of this journey, as new beginnings start to emerge.

Rooted in the presumption that business is a part of and not apart from society, the question arises: how can organisations add value to society, to contribute to a flourishing of socio-economic systems? The focus of this research thus needed to broaden, from shared value to shared values, entailing a discussion of the purpose and means of business in different systems paradigms, and in complexity. These deliberations culminated in the following guiding research question of the study:

Can shared values act as organising principles in complex adaptive systems?

As I indicated, this research journey has been characterised by synchronicity – perhaps a spin-off of investigating complexity? Another narrative stream arrived to join the current of this research and the world view it proposes. An opportunity to investigate this topic became available when a clothing retailer approached the business school and the researcher, expressing an interest to further their knowledge of how to create a shared understanding of the organisational purpose and values throughout the organisation. Although the company prided itself with a history of strong organisational values and values-based management and leadership, the extent to which values were shared throughout the organisation was unclear. After years of relative stability and growth, the organisation experienced increasing turbulence and complexity, which heightened the interest in values as organising principles. However, before the empirical research could commence, more theoretical groundwork was needed. It was clear that this study, confined to this thesis, could not reap any conclusive results, but it could be an exploratory study to serve as a steppingstone for future research and inquiry.

Due to its provocative nature, Friedman's seminal article (1970) is often cited and criticised for his statement that the social responsibility of business is to create shareholder value. The debate surrounding Friedman (1970) provided a natural starting point. From his work it can be discerned that he was working with an implicit set of assumptions, and a particular worldview. It could be argued that Friedman's (1970) conceptualisation of businesses is a mechanistic, closed-rational system that is separate and distinct from society and the environment. In his worldview, the maximisation of profit is the sole purpose of business was only logical. This was his individual ontology, amongst other ontological choices, that

one can assume to understand organisations and their purpose by way of the underlying logic of business.

An alternative to closed-rational systems ontology is the paradigm of complexity which is characterised by embeddedness, indeterminability, and non-linear dynamics. The underlying assumptions of complexity entail important consequences for organisational purpose and the role of shared understanding to facilitate coherent emergence. Friedman's (1970) views on which values are desirable or necessary to manage for prosperity differ from contemporary perspectives.

Currently, values, values-based leadership and management are most often associated with ethical considerations. However, as values are subjective and temporal, the 'ethicalness' or appropriateness of certain values may be a function of the systems paradigm and the worldview of the beholder. A major starting assumption and proposition of this thesis is what is regarded as a 'valid' organisational purpose and the means to attain the said purpose. Therefore, this study assumes that this is a function of the system's paradigm which is a matter of the worldview of the beholder or observer.

Rooted in the argumentation that management thinking can be linked to developments in scholarship on systems thinking, the researcher has proposed that the analysis of the shifts observed in systems paradigms can serve as heuristics to discern insights for management in complexity. In short, systems thinking has evolved from hard systems thinking, including clockworks and cybernetics, into soft systems thinking, network science and complexity theory (Jackson, 2003; Mingers & White, 2009). Hard systems thinking is associated with a Newtonian paradigm of equilibrium, linearity, and predictability, and has been paralleled in management in the form of Taylor's Scientific Management and rational choice theories (Barley & Kunda, 1992). In this paradigm, organisations are detached from society, interacting with other systems through an instrumentalisation of people and nature, measurable by productivity and characterised by technical problem solving (Alvesson & Deetz, 1999; Scott & Davis, 2015).

More recently, shifts in scholarship have occurred which are often described as a departure from the Newtonian paradigm of linearity and predictability towards an organic paradigm of complexity and emergence (Brown & Eisenhardt, 1997; Mintzberg, 1994).

The first objective of this study was hence to trace conceptions of organisational purpose and values as a function of different systems paradigms**,** suggesting that a more overt framing of the connections between systems thinking, the assumptions and phenomena of different schools of management thought can contribute to the discourse of management in the context of a paradigm of complexity.

Although (shared) values occupy a central place in management literature and principles of complexity increasingly seem to find their way into management scholarship, there is a lacuna of literature that works to combine the two lenses. This is surprising as *shared values* have been associated with a whole host of positive outcomes that could render them suitable as organising principles in complexity. To name a few: shared values are associated with increased commitment and job satisfaction (Chatman, 1989; Edwards & Cable, 2009; G. A. Fitzgerald & Desjardins, 2004), reduced stress and anxiety (Posner, 2010), reduction in conflict (Fitzpatrick, 2007), and, on an organisational level, with increased process innovativeness (Khazanchi, Lewis, & Boyer, 2007) or productivity (Amah & Ahiauzu, 2014). Moreover, shared values are thought to decrease the need for formal coordination and instruction (Fitzpatrick, 2007). These attributes gave rise to the interest to investigate the potential of shared values as organising principles that could potentially complement traditional means of organising, to fill the void left by the reduced effectiveness of formal rule and control in complexity (Cilliers, 1998; Uhl-Bien et al., 2007).

Despite the potential of values as organising principles in complexity, intriguing questions are raised, such as, *what* values are shared, to what extent and amongst whom they are shared, or how shared values come about. Given that in complexity agents are part of multiple, nested, and overlapping systems and adapt to their local environment, can there really be shared values across the organisation, both in terms of the means and ends of organising? Another way of framing this is to ask how do values differ per functional unit or level of analysis?

A relevant second sub-question is to assess the sharedness of organisational purpose and values within the case study organisation as well as the coherence between agents. Assessing the 'values landscape', to identify areas of incoherence may contribute towards a more nuanced understanding of values that emerge, transform, and adapt to local contexts.

In the past, value 'engineering' was an inherent leadership task. Leaders were thought to possess the ability and responsibility to consciously instil an organisation with a set of 'strong values' (Deal & Kennedy, 1982; Selznick, 1957). Moreover, in recent years, values-based leadership has emerged as a salient term that denotes leadership based on values and with the goal to instil the organisation with values.

A paradigm of complexity however shifts the focus: While complexity may increase the relevance of values for organizing, the ability of leaders to consciously instil values in an organisation diminishes. In complexity, future states are inherently unknowable, and patterns of behaviour emerge at different levels, hence the ability of top management and leaders to consciously influence the process and outcomes is severely compromised (Tourish, 2018). Furthermore, leaders are not free, objective, or independent in their pursuit of certain values, but their own values and interpretations are path-, history and context dependent. In other words, they are not free to 'choose' the values they deem as desirable, nor the practices to transport them. Although leaders are not free in their pursuit of values and their influence is limited, influence as such does not vanish but changes form, from a unidirectional force to a networked phenomenon, emergent from the local interactions of interdependent agents (Tourish, 2018).

The third sub-question was hence to inquire into the processes associated with the transference or emergence of shared values within the organisation. Given the paucity of literature on the topic, investigating the processes of values emergence or transference from a complexity perspective, addressing this question may add to our understanding of values as organising principles in complexity and to enable practitioners to harness the potential of values as managerial instruments to complement traditional means of organisation.

To address these questions, the first chapter of this literature review introduces values and discusses their background, presents definitions, and elaborates on the role of values in organisations and values-based leadership (VBL). The literature review reveals that despite the long-standing tradition of values research, several gaps and ambiguities prevail. The following pertinent questions remain:

1. What constitutes organisational values?
2. What values are beneficial?
3. How do they emerge and what are the roles of leaders in the process?

To discern the potential of values as organising principles in complexity and to interrogate the questions outlined above, the second chapter of the literature review introduces systems thinking as a theoretical lens and thereby sets the scene for the synthesis, tracing developments of systems thinking and management thought, in the final chapter of the literature review.

In summary, one of the main starting assumptions and propositions of this thesis is what is regarded as a 'valid' organisational purpose and the means to attain the said purpose, is a function of the systems paradigm which is a matter of the worldview of the beholder or observer. The underlying and initial objective of this study was about tracing conceptions of organisational purpose and values as a function of different systems paradigms. The relevant and following secondary sub-question was to assess the coherence between agents, organisational purpose, and values within the case study organisation. The third sub-question is to inquire into the processes associated with the transference or emergence of shared values within the organisation. These questions underpin my enquiry into the formative narrative of the clothing retailer that arrived at a fortuitous time.

2. Theoretical Lens I - Values Research

The introductory chapter sketched the background of the researcher and traced his intellectual journey that gave rise to this research project. This in turn led the researcher to contemplate a world of complexity. Amongst these considerations are questions about how to ensure coherence between the behaviour of different individuals, and between the means and ends of organising, between the futures we envision and the realities we live.

To commence my inquiry of this project, this chapter has the objective to review what is known about values and what remains to be discovered. After offering a preamble, I discuss the philosophical roots of value creation. Then I lay out basic definitions and conceptualisations of values. Building on the philosophy of values and the general introduction to values, the second section introduces organisational values, differentiates organisational values from other closely related concepts, and presents several persistent conceptualisations of organisational values.

After reviewing what is known about organisational values and elaborating on conceptualisation the third section of this values literature review addresses the questions about *what* values are thought to be conducive and *how* shared values are thought to come about. To address gaps in the literature, this chapter concludes by suggesting that systems thinking ought to be further explored to ascertain whether values could act as guiding principles in complexity.

Rules and routines are explicit – they represent the "knowledge about the *know-who* and *know-what*", however they often miss the "*know-why*" and the "*know how*" - a depiction of appropriate activities to attain desired future end states (Boal & Schultz, 2007, p. 419). More so, formal rules and control can inhibit explorative double loop learning, which is necessary to adapt to new context and situations (March, Schulz, & Zhou, 2000).

From the deliberation that the rules, controls, and heuristics we use are rooted in known cause-and-effect relationships numerous questions arise. Firstly, in new situations, formal rules and routines rooted in past causal relationships might provide little guidance for future unknown situations (March, Schulz, & Zhou, 2000). Moreover, in times of complexity and non-linear dynamics these cause-and-effect relationships may change or become unidentifiable. Cilliers (1998) highlighted that uncertainty and unpredictability rise to the

forefront in complex worlds. Thirdly, formal rules and control do not allow us to charter alternative pathways, envision new futures and shape new realities.

If explicit principles of rule and control lose their efficiency, appropriateness as organising principles in complexity, then it can be argued that other behaviour-guiding principles are required. Specifically, principles that are trans-situational, principles that allow members of systems to differentiate between desirable and undesirable modes of action or end-states of existence, principles that bridge being and becoming, principles that transcend the now into the future.

When the term 'organising principle' is used in this study and in the case study of the specific organisation in question – Miladys - it is meant to define a central thread or reference point from which other actions, decisions, and situations may be able to derive a valuation or meaning. For a group of people or a business to have an organising principle is to define the fundamental anchor point of organisational activity, and it may help individuals or constituents of a system find greater clarity and effectiveness even in complexity. This is because, an organising principle operates as a simplification of purpose, as a heuristic for a particularly complicated domain or phenomenon; or in this case to navigate decision making and action within complexity.

Values are a promising candidate to fulfil these requirements since they are ubiquitous, they are held by all individuals and shared among social collectives. They provide normative guidance and direct behaviour by influencing practices and purposes, and they are stable and yet adaptable (Rokeach, 1973; Schwartz, 1994). As they guide behaviour in the present to enable desired futures, their role is heightened in times of novelty and ambiguity, their relevance augmented when systems are growing together, becoming more interconnected. Given these characteristics, values could potentially fill the void left by a reduced adequacy of formal rule and control, and hence warrant an investigation to discern if and how they could serve as organising principles in complexity.

However, the exploration of value as organising principles does not suggest that they are a panacea to organise in complexity, that by managing on the grounds of (shared) values we *will create* prosperous futures, that once implemented they *will* lead to expected outcomes. This would be an impossible feat, especially in complexity, which is characterized by path-dependencies, emergence and the importance of chance, choice, and small, seemingly

random variations. The potential of values as organising principles lies within the latitude they *can* create, the *envisioning* of desirable futures, the *enabling* options of local action, situation, and problem specific modes of conduct with tight feedback loops between action and effect, rather than a grand pre-devised strategy with defined and quantified milestones, achievable with by prescribing actions. Values can enable a feeling into the future, a step by step becoming and realising of a reality, but equally they themselves require constant attention, (re-) articulation and negotiation as they are as malleable as the future they can enable.

Additionally, values as organising principle may have the possible pitfalls of creating a deceptive prism that colours and rigidifies judgment. This includes the proclivity to groupthink according to a pre-assigned and assumed organising idea, that upon oversimplification prevents constructive challenges to prevailing principles and the possible ousting of dissenters to the organising idea. In this investigation of shared values as a candidate for being an organising principle in complexity, I recognise the possible tensions of lived values, including amongst others:

- Individualism in contrast to community
- the problematization of equality in contrast to rewards in business
- the utility of the resilience of teams or companies versus profitability

Therefore, particular attention ought to be paid to the values content, particularly in a paradigm of complexity that is characterized by a multitude of connections within and between systems, each with their own peculiar values-constellations.

Hence, while the study is concerned with exploring shared values as a candidate for organising in complexity, the study does not suggest that they are watertight or immune to divergent organisational logics. Potential pitfalls, tensions, and limitations are highlighted throughout the study.

In considering basic definitions and conceptualisations of values, this thesis follows Rokeach's (1973) seminal work, which conceptualises values as abstract principles of the desirable, comprising temporal, normative, and subjective dimensions. Rokeach (1973) also differentiates between instrumental values and terminal values. Terminal values reflect the intended outcomes, goals, or end-states of existence, whereas instrumental values influence the practices employed to pursue the desired ends.

Given this process orientation to theorizing about values, I have selected Rokeach's (1973) definition and parameters for a working exploration of values precisely because, amongst the revision of scholarship on values, Rokeach's (1973) scholarly contributions provides the most suitable conceptualisation to investigate the role of (shared) values from a systems perspective; whether values can be viewed as useful as organising principle in complexity - and under what conditions they may be most successful at doing so. In particular, I will draw on his articulation of the duality between instrumental and terminal values, as the means and ends of organising, as well as the nuanced view of subjective, temporal and normative dimensions of values to interrogate the propositions of this study.

Whilst some scholars maintain that organisational values need to be explicitly stated or conscious to constitute organisational values, others argue they should be espoused, enacted, or shared (Fitzpatrick, 2007; Meglino & Ravlin, 1998; Stavru, 2013). Through the sketching of these fault lines this thesis argues that for values to be of use or meaning to an organisation, in the most literal sense of the word, they ought to be shared amongst the members of an organisation *and* influence organisational practices. Furthermore, coherence between means and ends is thought to be critical for organisational success.

This conceptualisation is based upon the rationale that organisations without shared values lack a common, uniting purpose, which corresponds to the ends of organising. Moreover, if values fail to influence practices, then no coherence of means to achieve the desired ends can arise. From a systems perspective, this would severely limit the potential of values to serve as organising principles. Therefore, the study is interested in the coherence between organisational ends and organisational practices, the degree to which these practices are shared across members of an organisation and how (shared) values come about.

Although competing conceptualisations of shared values exist, they are associated with a plethora of positive outcomes: Shared values are thought to reduce the need for formalised rule and control, increase commitment, innovation, and well-being (Fitzpatrick, 2007). shared values are linked to the quality-of-service delivery (Lages, Piercy, Malhotra, & Simões, 2018), contribute towards process innovation (Khazanchi et al., 2007) and increase consumer loyalty (Chaney & Martin, 2017) – all of these are characteristics that are thought to be beneficial for organisations operating in complex environments. Given these findings,

it is possible to conceive of shared values being an apt organising principle for operating in complex environments.

When questions of values content are addressed, a large proportion of the literature focuses on instrumental values and the means of organising (Brown & Trevino, 2003). In contrast, questions addressing *why*, the fundamental purpose of organising and organisations, only recently (re-)gained traction in mainstream management thought (Donaldson & Walsh, 2015; Hollensbe et al., 2014). Furthermore, values in organisations are often equated with ethics and ethical values, whereas unethical behaviour often is equated to non-values-based behaviour (Brown & Trevino, 2003; Fitzpatrick, 2007; Jaakson, 2010).

Following the critical perspectives of these authors, highlighting the need for a nuanced perspective on values, this thesis suggests that since values are subjective and temporal, the perception about the ethicalness of values changes over time, depending on the systems paradigm, the social context, and the worldview of the beholder – what is considered *right* or *ethical* differs whether you hold a closed rational, such as Taylor, or complex systems worldview.

While leadership theory is a sprawling field, our understanding of the influence of individuals, including pertained leaders, on the processes of 'creating' shared values amongst organisational members is far from complete and empirical insights are scarce and disconnected (Brown & Trevino, 2003; Buchko, 2007; Gehman, Treviño, & Garud, 2013; Grojean, Resick, Dickson, & Smith, 2004). Over the last years, the conception of the process of values' conveyance shifted from top-down, mechanistic ideas to more nuanced approaches (Jaakson, 2010; Viinamäki, 2012), mostly subsumed under transformational, ethical, or authentic leadership concepts (Copeland, 2014; Dinh et al., 2014). Despite the emergence of 'systems' or 'complexity leadership' studies, there is almost no overlap between the bodies of literature examining leadership in relation to values and research investigating leadership in a complexity paradigm. This represents an opportunity for future research directions as this intersection of narratives may, with sufficient attention, present new inroads for both areas of scholarship as far as transformational and authentic leadership is concerned. This weaving of the distinct literatures may also offer insights for the understanding of how shared values may arise as strategies for coping with complexity.

Despite the many competing views on organisational values and the leadership processes in complexity, researchers agree on the relevance of values for the practice of organising (Meglino & Ravlin, 1998, Dinh et al., 2014); especially in contexts characterized by uncertainty and ambiguity.

2.1. Defining and Describing Values

Values and value claims seem to be omnipresent in academia, business, and everyday life. One could suppose that this is a sign for their relevance for everyday life. However, this omnipresence creates significant confusion as a plethora of competing definitions, perceptions, and misconceptions prevail.

As per the Stanford Encyclopaedia of Philosophy, value theory is a catch all label for branches of moral, political, ethical philosophy, ethics, aesthetics, and fields of philosophy which encompass evaluative aspects (Schroeder, 2016). The origins of values theory can be traced back to the 14th century and inked to the discipline of economics and economic life (Joas, 2000). As per the Oxford English Dictionary, the *noun* 'value' refers to the importance, worth, or usefulness of something. Alternatively, it can describe the fairness or equivalence of an amount of commodity in an exchange. The *verb* to 'value' describes the act of appraising the worth of a good in an economic exchange (Oxford Dictionary of English, 2010).

In the following centuries, the usage of the noun and verb 'value' expanded to more abstract exchanges and concepts, and values theory entered philosophy and the social sciences before gaining importance in management, economics, and politics in the 1950s (Joas, 2000; Meglino & Ravlin, 1998). Despite this long-standing tradition of the conceptualisation of value(s), values philosophy and research, the field continues to be plagued by competing definitions and by a plethora of overlapping and adjacent constructs (Bourne & Jenkins, 2013). As early as in 1951, Kluckhohn (1951, p. 390) lamented in his review:

> *"Reading the voluminous and often vague and diffuse literature on the subject in the various fields of learning, one finds values considered as attitudes, motivations, objects, measurable quantities, substantive areas of behaviour, affect laden customs or traditions and relationships as such those between individuals, groups, objects, events."*

Since then, although more than five decades of research and writing had passed, Rohan (2000, p. 255) goes on to share Kluckhohn's frustration, stating that:

> "*Psychologists, anthropologists, political scientists, and sociologists seem to use the word values in a Humpty Dumpty fashion: They make it mean just what they choose it to mean.*"

While Rohan (2000) reviewed the psychological body of research on values, her assertion is likely to hold equally true for values in management research. Given that this builds on the works of the mentioned fields, it is conjured to be rather trailing than leading the developments in values research. Despite the persistent convolution in values research, the following section has the goal to define values from a sociological and psychological perspective, explain how values influence behaviour, and introduce some classifications of values before attending to values in organisations in the latter sections of this chapter.

In his seminal work Rokeach (1973, p. 5) defines values as:

> "*An enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.*"

This definition, though broad, provides a clarification of this study's concern with ends and means, the purpose and practices of organising, clarifying that values need to involve the preference for a specified end-state and therefore the mode of conduct that enables that end-state (Rokeach, 1973, p. 5). This definition stands in contrast to Lewin (1952) conceptualization which does not reconcile the ends and means of a particular value, or Feather (1996) who characterises values as pertaining to desirability of goals and again does not reference the connection of modes of conduct with that desired goal.

While Rokeach is one of the seminal authors of values research and his definition has been chosen as the working definition of this thesis, many others have coined definitions of values that provide nuance and contribute contrast to Rokeach's definition. The following Table 1, compiled by Rohan (2000, p. 257), gives an overview of the most cited and influential definitions in the field:

Table 1

A Selection of Values Definitions

Theorist	Definition
Lewin (1952, p. 41)	Values influence behavior but have not the character of a goal (i.e., of a force field). For example, the individual does not try to "reach" the value of fairness, but fairness is "guiding" his behavior. It is probably correct to say that values determine which types of activity have a positive and which have a negative valence for an individual in a given situation. In other words, values are not force fields, but they "induce" force fields. That means values are constructs that have the same psychological dimension as power fields.
Kluckhohn (1951, p. 395)	A value is a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable effect that influences the selection from available modes, means, and ends of actions.
Rokeach (1973, p. 5)	A value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.
Feather (1996, p. 222)	I regard values as beliefs about desirable or undesirable ways of behaving or about the desirability or otherwise of general goals.
Schwartz (1994, p. 21)	I define values as desirable trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or other social entity.
Schwartz (1999, p. 24)	I define values as conceptions of the desirable that guide the way social actors (e.g., organisational leaders, policy-makers, individual persons) select actions, evaluate people and events, and explain their actions and evaluations.

Note. A Selection of Values Definitions. Reprinted from "A Rose by Any Name? The Values Construct" by M.J. Rohan (2000), Personality and Psychological Review, 4, p. 173.

Although many have bemoaned the abundance of definitions and constructs, several common elements and cornerstones can be delineated from these definitions. Schwartz and Bilsky (1990) have distilled five recurring features of values from the most influential definitions:

- Values are beliefs.
- Values denote desirable end states or behaviours.
- Values are trans-situational.
- Values function in the selection and evaluation of behaviour and events.

- Values are ordered in a relative system.

A useful supplement to these five recurring features identified by Schwartz and Bilsky (1990) is Rokeach's (1973) additional specification. Rokeach (1973) further describes values and suggests that:

- The total number of values that every person possesses is relatively small.
- Everyone possesses the same values to different degrees.
- Values are organised into systems of relative importance.
- The antecedents of individual values are found in culture, society, and societal institutions.
- The effects of values manifest in virtually all social phenomena.

Rokeach's definition, and the common features of values, compiled by Schwartz and Bilsky (1990), include several elements that warrant a closer examination as they render values particularly interesting concepts to act as guiding principles in complexity:

Firstly, values are thought to be relatively stable. They are *trans-situational principles* and, although changeable, they could provide guidance in times of turbulence. Secondly, values are thought to *influence behaviour* and hence represent a promising candidate for further investigation if the purpose of an academic endeavour, such as this thesis, is to study how organisations sustain themselves, and the systems they are part of, during times of complexity. The last element, the *relativity and subjectivity* of values, being held by individuals or social groups with certain worldviews and assumptions, may at first glance complicate the matter but at a second glance it surfaces intriguing questions:

- "Can there be values based, or conversely values-free, management and leadership?"
- "Are all values equal or are some values better than others?"
- "Given that they are subjective and depend on the worldview of the beholder, is it possible to analyse the assumptions and principles and deduce heuristics about what modes of conduct or end-states could be preferable to an opposite or converse mode of conduct or end-state of existence?"

These guiding elements help discern how values can act as organising principles in complexity.

2.1.1. Temporal Dimension

The first element warranting closer attention is the conceptualisation of values as an "enduring belief" (Rokeach, 1973 p. 5). Thus, the first element is a *temporal* component. Values are generally regarded as standards or principles, implying a relatively stable, enduring nature of values which only changes slowly. Rokeach (1975) argues that while values are relatively stable, they can change or adapt over time - if they were easily and frequently changing, social order would be impossible, whereas if they were unchangeable an evolution in value systems and culture would be impossible. This stability differentiates values from other concepts such as needs, attitudes, or opinions which are thought to be subject to relatively frequent change depending on the situation and the context (Meglino & Ravlin, 1998; Schwartz, 1994). Jones and Gerard (1967) explain that the stability of values has to do with the experience of discomfort or deprivation during their acquisition: people become attached to things that they have acquired under difficult circumstances, and those values have proven to be valuable.

Values are linked to the affective system and therefore these abstract structures, that are organised in summaries of experience, provide continuity and meaning under changing environmental circumstances (Feather, 1996). As values do not change according to a specific situation, they are of a trans-situational nature (Schwartz & Bilsky, 1990). Furthermore, Rokeach suggests that in absence of other variables that could help guide behaviour, such as past experiences, explicit instructions or formal rules, individuals and groups fall back to their value systems and act in accordance with them (Rokeach, 1973).

Under an increasing complexity of everyday life, it could be argued that individuals and organisations increasingly encounter novel, ambiguous situations where lack of previous experience or an absence of formal rules fail to provide guidance on what is right to do in a specific situation. In such situations, a set of strong values could provide purpose and act as behaviour-guiding principles.

2.1.2. Normative Dimension

The second element is that values are normative and thereby function as a differentiator between distinct options of actions and behaviours, or goals and end states. As per Rokeach's definition (1973, p. 5), values express a:

> "*specific mode of conduct or end-state of existence, which is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.*"

The normative or evaluative component of values enables a differentiation between 'good' and 'bad' choices and hence guides behaviour when other situational variables are insufficient to ascertain what is 'right' in each situation. Values also refer to either a mode of conduct, behaviour or action, or an end-state of existence, a purpose or goal. The former is termed as *instrumental* values and the latter as *terminal* values (Rokeach, 1973). Terminal values represent goals or ends such as prosperity, happiness, world peace and harmony. They are the reason why action and organisation take place. In contrast, instrumental values influence the choice of means, the practices to achieve certain ends, for example flexibility, courage, or honesty.

Instrumental and terminal values hence are two key components of organising and organisation. Organising as a verb refers to the process to coherently structure a series of actions and behaviours to achieve certain ends, whereas organisation as a noun, refers to the outcome of such a process. Therefore, an *organisation* represents a coherent entity that exists to realise a certain purpose or outcome with the means, the practices and processes that are in place to realise that purpose. Thus, values influence what is regarded as the purpose of an organisation and what practices and behaviour are appropriate or acceptable to attain or strive towards that purpose.

Whereas ends and means are subjective, it is thus suggested that *coherence* between means and ends, the means serving the ends, is an indispensable requirement for coherent organisation and the realisation of the organisational purpose. As instrumental values influence which actions are deemed as most promising to achieve the ends, an 'organisation' of actions is required to ensure that the individual actions do not contradict or counteract each other. Potential discrepancies between means and ends could result in an inefficient attainment of the pursued purpose, or systems disintegration at worst. If one claims to pursue a certain purpose, yet the actions taken do not reflect the stated purpose,

the authenticity and legitimacy is likely to be questioned (Argyris & Schon, 1978; Avolio & Gardner, 2005). By influencing behaviour, both in the choice of means and ends, values represent a response to the three universal requirements with which all individuals and societies must cope: the biological needs as organisms, the needs of coordinated social interaction and the requirements for the smooth functioning and survival of groups (Schwartz, 1994, p. 21).

Whilst scholars agree that values guide behaviour (Argyris & Schon, 1978), the nature of this link is less obvious (Bardi & Schwartz, 2003; Meglino & Ravlin, 1998). Investigating the mechanisms of how values influence behaviour, Schwartz (2006) developed a four-stage model that links values to action: firstly, conscious, or unconscious values must be triggered by an event—and values must be important to the individual in that event-specific situation. Secondly, after being triggered, they lead to a reaction and to a preference of a specific action that helps to achieve goals. In the third stage, values serve as a lens to focus attention, perception, and interpretation. In the fourth stage, they impact the planning and implementation of behaviour. Schwartz's (2006) model received considerable attention, and many tend to agree with his suggestions. However, the debate on the exact mechanism linking values to actions prevails.

Furthermore, values imply an *oughtness*, regarding how things *should be* as per the individual or the social groups - however they do not necessarily represent how he or she *wants* to behave (Meglino & Ravlin, 1998). According to Kluckhohn (1951, p. 394), values define the "*limits of permissible costs of an expressional gratification [...] By evoking the consequences of such action for other parts of the system.*" Following Kluckhohn's (1951) line of argumentation, values induce a reflection on the consequences of one's actions for other parts of the (social) system. The relevance of shared values, and the consequences of adverse behaviour, hence, depend on two factors: firstly, the relative importance of values in the respective system and the degree to which the behaviour deviates from the norm, and secondly the nature and number of systems affected by (adverse) behaviour. Consequently, if an action does not affect other systems, acting in accordance with the prevailing values would not be necessary as there would be no permissible cost of an expressional gratification, due to the lack of effect on the other systems.

For example, neoclassical economics assumes that corporates are to be distinct and separate from the environment. As a result, to act against the prevailing value system of the environment would not induce a cost of action for the business. Under such a paradigm, social welfare or environmental protection are not the 'corporate business' and thus are of no concern. In contrast, when multiple social systems and their respective narratives are tightly interwoven, connected, and embedded in one another, behaviour that is averse to the value preferences of the other systems may result in greater repercussions than if the systems were distinct and disconnected.

Complexity implies an increasing interconnectedness of social, environmental, and economic narratives with dynamic linkages between the systems. Hence such a paradigm potentially heightens the importance of shared values as organising principles as opposed to a paradigm of distinct and separate systems with atomised and isolating espoused values - from environment to the firm.

2.1.3. Subjective Dimension

The final element of values studies warranting a closer examination in this introductory section is the *locus of values*, where or by whom values are held, and the implications for organising and organisations. Rokeach (1973) states that values represent a belief that something is "personally or socially preferable". They are described as *one's* judgment on what is important in life, thereby subjective and relative rather than objective and absolute. Hence, values are held individually and may be shared among a social group. Due to the subjective and relative nature of values, they are not generalisable, but dependent on the prevailing values' system and ordered in a system of relative importance that may differ from one social setting or context to another (Rokeach, 1973; Schwartz & Bilsky, 1990).

It is important to stress that the term 'social system' is not limited to large-scale social systems such as societies or cultures but may also be applied to smaller social units such as organisations, academic institutions, clubs, or families. Just as values systems differ between large scale social systems, for example between collective and individualistic societies such as China and the USA respectively (Hofstede, Hofstede, & Minkov, 2010; Hofstede, 1998), they may also differ between smaller-scale social systems, or within one society, between different companies or business units (Martin, 2002; Roe & Ester, 1999).

This raises the question of whether, given the condition of complexity, there really can be 'shared values' across an organisation or how the values within a social system may differ, evolve, and adapt to local conditions.

The introductory sections defined values, traced their origins, and demonstrated their relevance on a general level. I show how they are thought to influence behaviour and act as subjective, trans-situational guides of means and ends. The next section discusses values in organisations to ascertain their potential to serve as organising principles in complexity.

2.2. Values in Organisations

For decades, organisational values have been an important field of research in organisational theory and management studies (Bourne & Jenkins, 2013). Adding to this long-standing tradition in academia, a recent study compiled by Deloitte (2016) underscores their relevance for business practitioners in today's world: Deloitte interviewed more than 7,000 Human Resources (HR) and business leaders. More than 82% indicated that corporate culture and values are central to the organisation and represent a potential source of competitive advantage.

The next section commences with an account of the differences between individual and organisational values. Then, organisational values are differentiated from other closely related concepts, such as organisational culture, and different conceptions of organisational values. This includes espoused, aspired, enacted, and shared values. This delineation will also clarify the researcher's stance: for values to be of value to the organisation, they ought to be enacted and to some degree shared among the members of the organisation. Without some degree of sharedness, the associated benefits will not materialise.

Subsequently, I outline the associated benefits of shared values on an individual, organisational, and supra-organisational level. are. The last section of this chapter introduces values-based leadership (VBL). Over the last years VBL has become a salient term, however leadership in relation to values is often subsumed under other concepts such as authentic, transformational, and shared leadership (Copeland, 2014; Dinh et al., 2014). Moreover, organisational values and VBL are often equated with ethical values, and

unethical behaviour labelled as an absence of values (M. E. Brown & Trevino, 2003; M. E. Brown & Treviño, 2006; Grojean et al., 2004).

Given the central characteristics of values as outlined in the introductory paragraphs, it could be argued that values cannot be entirely ethical, but what are considered 'ethical', 'good', or 'bad' values does depend on the worldview of the beholder. In values research Rokeach's means-ends distinction is rarely considered (Järvensivu, 2006 and Krishnan, 2002 as notable exceptions) and the field has focused on the instrumental values (Meglino & Ravlin, 1998), whereas the ends only recently attracted increased attention (e.g., Hollensbe et al. 2014). As a result, more attention ought to be paid to the values *content* (Jaakson, 2010; Stavru, 2013; Brown & Trevino, 2003), what values are shared rather than considering VBL or 'values-based organisation' (VBO) as a panacea. The discussion of values-based organisation and leadership concludes this first section and sets the scene for the introduction of systems thinking as a theoretical lens in the second part of this literature review.

2.2.1. Describing and Defining Organisational Values

Many scholars agree that for effective and efficient organising and organisation to take place, an agreed upon collective purpose is required as well as a common understanding of the way organisational goals are realised (Blanchard, O'Connor, & Ballard, 1997; Fitzpatrick, 2007; Perkins, 2003). As a result, organisational values have attracted attention as a 'managerial instrument' (Dolan & Garcia, 2002; Mowles, 2008) and organisations with a set of strong values are thought to be *built to last* (Collins & Porras, 1994).

Organisational values denote what is desirable, acceptable, and what is rejected in the organisation. An explicit and active cultivation of strong organisational values is thought to reduce the need for explicit rules and control while unlocking commitment, motivation, collaboration, and a whole host of other positive outcomes (Fitzpatrick, 2007). Considering this, some scholars have called for a deliberate Management by Values (MBV), in contrast to Management by Objective (MBO) or Management by Instruction (MBI), as organising principles in complexity and invite prosperity (Baets & Oldenboom, 2013; Dolan & Garcia, 2002; Gharajedaghi, 2004). MBV has been defined as (O'Reilly & Chatman, 1996, p. 168):

> *"A combination of identifying strategically relevant values and norms [..] and promoting agreement as opposed to chronic conflict among organisational members."*

Jaakson (2010, p. 796) extends this definition by including external stakeholders in the consideration and defines MBV as:

> *"A series of interconnected managerial activities to ensure the acceptance of relevant organisational values inside and outside the organisation."*

While organisational values enjoy great popularity in academia and practitioner communities, they are often conceived as unitary, fully formed, and stable entities (Bourne & Jenkins, 2013). A careful exploration of the concept however unearths that organisational values can take several different forms and that the processes of *"identifying strategically relevant values and norms"* (O'Reilly & Chatman, 1996, p. 168) and *"to ensure acceptance of relevant values inside and outside the organisation"* Jaakson (2010, p. 796) are far from completely understood, especially when viewed through a complexity lens. In other words, the mechanisms of aligning values which are accepted and enacted across the organisation internally and outside the organisation, has not been sufficiently explored and remains contested in the literature.

One may ask, how can organisations possess values, when organisations are artificial creations, human constructs, and legal entities? Do organisations as legal entities have intrinsic values? Rather, organisations are social collectives and thus organisational values arise from the constituting members (Stackman, Pinder, & Connor, 2000).

Following Roe and Ester (1999, p. 4), organisational values can be defined as *"latent constructs that refer to the way in which people evaluate activities and outcomes."* This definition is relevant as it is compatible with the general definition of values given in the previous section, applicable to multiple levels, such as individuals, teams, or organisations, and acknowledging the means-ends differentiation introduced by Rokeach (1973). However, the definition provided by Roe and Ester (1999) leaves several issues unclear, as evidenced in he following questions:

- Are organisational values the sum of the individual values in an organisation or of an average of the individual's values?
- Are organisational values the values that are espoused by certain groups such as the founder(s) or top management (Rohan, 2000)?

To shed some light on these questions and to arrive at a useful conceptualisation of organisational values, one first differentiation is that individuals exhibit a set of personal values and a set of values related to their activities in organisations to generate income, so-called work values (Stavru, 2013). Individual personal values might differ from the values that are shared by a collective, just as individual work values may differ from the work values that are shared within the organisation. Figure 1 below illustrates the different dimensions of values definitions. Whereas the previous section introduced values on a general level, the following section focuses on the upper part of that matrix, the work values of individuals and the organisational values held by collectives within an organisation.

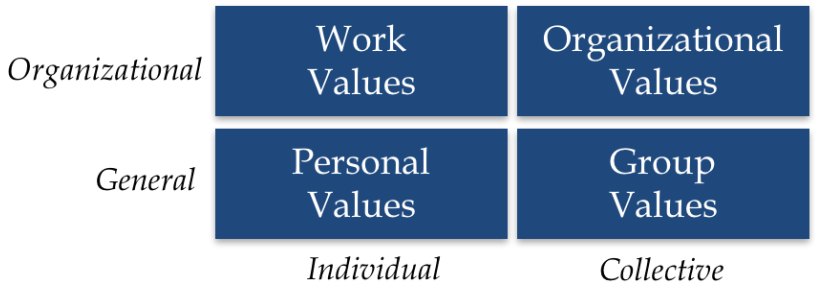


Figure 1: Types of Values Definitions. Adapted from "What do we know about Organisational Values? – A Systematic Review" by Stavru, S. (2013), p. 92.

Furthermore, it is important to differentiate between organisational values and organisational culture, as they are closely related and often confused with one another. Although organisational values and corporate culture are not identical, values are integral to organisational culture and often serve as proxies to study culture (O'Reilly, Chatman, & Caldwell, 1991). An often-cited definition of organisational culture is Schein's (2004) three-level typology: Firstly, the observable artifacts such as the visible structures, processes and behaviour *reflect* organisational culture. Secondly, organisational culture is *based* on underlying espoused values, strategies, and philosophies. Thirdly, organisational culture is *founded* on assumptions, beliefs and perceptions that are often unconsciously held, which constitute the source for values and subsequent practices.

Organisational culture is the outward manifestation of the underlying beliefs and values of the organisation. Whereas values are internal and abstract concepts, organisational culture is observable and expressed in artifacts, myths, legends, rituals, symbols, and the language

that defines a social group (Meglino & Ravlin, 1998; Schein, 1985). Thus, values are the foundation upon which an organisation builds its narrative (Collins & Porras, 1994; Dolan & Garcia, 2002). According to Martin (2002) values, ideologies, and beliefs are especially important for understanding an organisation's culture; and therefore, assessments of organisational culture have therefore typically focused on organisational values. In other words, the researcher recognises, in agreement with the scholars cited above, organisational culture as emanating from the organisational values.

2.2.2. Forms of Organisational Values

After defining organisational values and differentiating them from organisational culture, the following paragraphs discuss different conceptions of organisational values, the effects of shared values, and the conceptualisation of organisational values in this thesis.

Espoused Values

Espoused or explicitly stated values are often mentioned on websites, mission and vision statements, annual reports, and other documents, as well as being articulated and sanctioned by top managers (Bansal, 2003; Kabanoff & Daly, 2002; E. Schein, 2007). The espoused-values-as-organisational-values view is grounded in the presumption that top managers and founders *can* influence the values held in the organisation.

Early organisational theorists like Selznick (1957) suggested that instilling an organisation with values is a central leadership task. Similarly, Schein (1985) proposes that *founders* infuse organisations with their values. Agle and colleagues (1999) highlight top-managements' values as an important driver impacting the organisational structure and pursuit of competing goals (Agle, Mitchell, & Sonnenfeld, 1999), whereas Ashforth and Gibbs (1990) caution that top management may espouse values to gain legitimacy from stakeholders, such as customers, financial institutions or regulating bodies, without implementing structures and practices to embed the values in the organisation. While top management may have some degree of influence on values through their articulation, setting norms and standards and the sanctioning of non-conforming behaviour, Dow (1988,

p. 60) suggests a more nuanced and pluralistic perspective, that "values emerge from processes of social interaction in which top management is only one player among many."

Attributed and Enacted Values

In contrast to espoused values, attributed or actual values are those values members identify as a reflection of the organisation (Kalliath, Bluedorn, & Strube, 1999). The attribution of values to an entity 'organisation' is the basic assumption behind Albert and Whetten's (Albert & Whetten, 1985; Whetten, 2006) concept of organisational identity that perceives the collective 'organisation', consisting of multiple individuals, as one coherent whole. Attributed or actual values are those values that are enacted, and which have a history of impacting organisational decision-making (Jaakson, 2010; Pruzan, 2001), as opposed to the potential future impact of *aspirational* values or the non-implementation of espoused values (Bourne & Jenkins, 2013). Scholars who identify as attributed-values-as-organisational values supporters argue that it is exactly the historic enactment, the translation of beliefs into actions by the organisation rather than by single individuals, that makes them organisational values. However, values can equally be enacted without being attributed. They can be implicitly present as cultural structures influencing organising without being consciously spelt out and documented.

Aspired Values

Conversely, critics highlight that attributed values reflect the past, the historic values that may no longer be present as the organisation is adapting to changing environments, and that organisations should denote what *ought* to be the modes of conduct or end-states of existence, not necessarily what *are* or have been (Bourne & Jenkins, 2014). Hence *aspired* values refer to those values that members think the organisation ought to adopt to be successful (Enz, 1988), referring to a future rather than a past state.

Shared Values

Finally, *shared* values refer to the values organisational members holdin common (Wiener, 1988). Shared values can refer to either attributed or aspired values, with references to past

and future values systems. Shared values arise through socialisation and the exposure to norms, customs, and practices; the incentivisation of pro-values behaviour and sanctioning of behaviour going against these norms (Rokeach, 1979; Schwartz, 1999). The sharedness of values is assessed by the proportion of the members sharing a set of values, with individual values differences manifesting as a variation from the mean, and by the intensity by which certain values are held in relation to other shared values (Weiner, 1988; Bourne & Jenkins, 2014). As values are held on an individual level, sharedness refers to the fit of one's individual values to the values held by other members of the organisation, the level of analysis is hence the individual member and the aggregation of values held by members. This reflects the value profile of the organisation (Bourne & Jenkins, 2013; Meglino & Ravlin, 1998; Stackman et al., 2000).

2.2.3. Organisational Values in this Thesis

The conceptualisation of organisational values in the context of this thesis draws on the definition provided by Rokeach (1979), and other conceptualisations outlined above. One central feature, and main research interest of this thesis, is that values influence behaviour. Hence, explicitly stated, espoused values that do not inform decisions and impact practices are of little value in guiding the organisation in times of turbulence and complexity. Equally, aspired values are thought to be suitable, but are not necessarily present and perhaps do not inform current decision-making. Therefore, for values to be considered valuable, they must impact decision-making, be enacted to constitute organisational principles and thus regularly manifest in organisational practices. Under this conceptualisation it is irrelevant whether they are 'consciously held', explicitly stated, such as in corporate visions, or implicitly impact the organising practices. Making them explicit allows for their (re-) negotiation, reflection and creating momentum for change.

Furthermore, to act as organisational principles, and not purely individually held principles, they ought to be shared among the members of the organisation as otherwise everyone would act upon their own individual working values. Only once they are shared, both in means and ends, organisational values can unfold their potential in enabling coherent organisation and collaboration to achieve organisational purpose.

2.2.4. Effects of Shared and Enacted Values

Over the last twenty years, the concept of shared values has attracted significant attention from management scholars. For example, Nohria and Goshal (1994) investigated the role that shared values play within multinational companies, and Goodman and Svyantek (1999) questioned the utility of shared values altogether. Since then, a substantive body of research has emerged. This addresses the role and the effects of shared values, as a whole host of positive outcomes across a variety of levels have been associated with shared values. When individuals share values, they are likely to perceive issues in the same way and hence are likely to express similar behaviour (Fitzpatrick, 2007). Interpersonally, shared values are thought to help coordination by reducing ambiguity and conflict and simplifying communications (Meglino & Ravlin, 1998, Fitzpatrick, 2007).

However, in their review, Meglino and Ravlin (1998) point out that for shared values to have positive effects, they need to be appropriate to the task. Shared values between the organisation and the individual are thought to impact the individual for example in terms of commitment, turnover, and job satisfaction (Chatman, 1989; Edwards & Cable, 2009; Fitzpatrick, 2007). Posner's (2010) study found that congruency of values between the individual and the organisation was associated with higher motivation, satisfaction, and ethics, as well as reduction in anxiety and work stress. Gillespie and Mann (2004) found that shared values create trust among organisational members, as well as synergise. the community Khazanchi and colleagues (2007) found that shared values increase process innovation within companies while Manohar and Pandit (2013) identified a list of seven core values linked to successful innovative organisations, such as organisational trust, intense customer focus and organisational agility. Amah and Ahiauzu (2014) investigated the role of shared values on organisational effectiveness and found a significant positive relationship between employee involvement, productivity, and market share. Nohria and Goshal (1994) suggested that multinationals should differentiate their formal structure to fit local environments. while using shared values to govern relations and ensure high performance. Edvardsson, Enquist, and Hay (2006) developed and tested a model to show how companies communicate values through practices to their customers to build consumer value and loyalty, whereas Lages, Piercy, Malhotra and Simões (2018) identified that shared values enhanced the service delivery performance of front-line employees.

Together, these studies indicate, and make a case for, a strong relevance of shared values for organisations to be successful. They often highlight outcomes that could be beneficial to manage complexity, such as innovativeness, commitment, or customer value. Together with the attributes identified in the earlier sections of this chapter, such as transsituationality, the influence on behaviour and ubiquity of values, they seem to support the notion of values as organising principles in complexity.

However, when taking a complexity lens, shared values could equally result in adverse effects – that shared values and thus shared or similar perceptions of what is acceptable or desirable can result in 'groupthink', reducing diversity and thereby the ability to develop appropriate solutions to local challenges. While some as Nohria and Goshal (1994) have questioned whether shared values are even possible, especially across large organisations and international teams, none of the studies cited above have investigated potential adverse implications of shared values as such, a potential avenue for future research.

These reflections surface questions about whether 'shared values' are a sound solution for organising. As is often the case with simple-sounding solutions, reality is more complicated than anticipated or represented. This is even more so the case when taking a complexity lens. After all, organisations are distinct, they face an idiosyncratic variety of constraints, demands, and are exposed to a range of dynamics, ambiguities, and uncertainties. Rather than accepting shared values as a clear solution or panacea, I think a deeper understanding of what values are shared amongst whom, to what extent and how they emerge is required.

2.3. Values and Leadership

Although a substantive body of research has emerged that highlights the positive outcomes of shared values, empirical research investigating *what* values in *what* context could be beneficial; and how shared values; come about is less conclusive. Overall, the body of research concentrates on two questions. The first question is 'what values do values-based leaders (VBL) transmit?' This puts the focus on the content. The second question is 'what are the mechanisms to convey and instil values in others?' This focuses on the process.

To date, however, there has been "little empirical effort devoted to examining the tenets of the proponents of values-based management" (Buchko, 2007, p. 37), and the processes

whereby values come to be practiced in organisations remains under theorised (Gehman et al., 2013). This is potentially due to the pervasion of competing conceptualisations and definitions of organisational values (Bourne & Jenkins, 2014) or the conceptual ambiguity of the values-based leadership theoretical construct (Copeland, 2014; Dinh et al., 2014). The next section offers a brief sketch of the literature on values-based leadership to demonstrate these gaps.

2.3.1. Content of Values Based Leadership

Values Based Leadership as a term has gained salience. However, until recently, leadership in relation to values was mostly connected to, and subsumed under, a variety of other concepts such as authentic, transformational, or ethical leadership (Copeland, 2014; Dinh et al., 2014). A recurring theme that is central to much of the current literature is that VBL is characterised by moral and ideological values (Copeland, 2014, Dinh et al., 2014; Trevino & Brown, 2003). Bass (1985) suggested that VBL depends upon the moral content of the conveyed values, whereas neo-transformational leaders encourage others to embrace and pursue moral values such as justice, equality, and the interest of the collective.

Reilly and Ehlinger (2007) and Hester (2012) refer to VBL as acting upon foundational moral principles or ethical values. Similarly, Mol (2011) asks how ethical leadership affects values-based organisations. O'Toole (2008, p. 84) suggests that values-based leaders *"help their followers realise the most important ends [..] they cannot realise themselves."* Fritzsche and Oz (2007) found that altruistic or self-transcending values were positively related to managers' ethical decision making, whereas self-enhancing values were negatively related to ethical decision-making. Bass and Stiedlmeier (1999) argue that authentic leadership rests upon the leaders' moral character, the legitimacy of the leaders' and followers' values and the morality of leader's choices and actions. Similarly, ethical leaders are thought to possess personal traits such as honesty, integrity and trustworthiness which manifest in decision-making processes, showing concern and respect for people, being open and leading by example. Ethical leaders are objective and fair, demonstrating ethical awareness and concern for multiple stakeholders, the society and the long-term effects of their decisions and actions (M. E. Brown & Mitchell, 2010; M. E. Brown, Treviño, & Harrison, 2005).

Burns' conception of transformational leadership and VBL was based on political and religious contexts, involving moral and ideological values. However, Trevino and Brown (2003) question whether these notions are relevant in modern, public institutions with dominant shareholders and values emphasising innovation, competitiveness, profitability, and success. Moreover, by no means can transformational leadership be equated with ethical leadership. Yet transformational or charismatic leadership can exhibit and enact a self-centred and narcissistic dark side, relating to individual power (M. E. Brown & Mitchell, 2010; Khoo & Burch, 2008; Liu, Liao, & Loi, 2012). As per Brown and Trevino (2003) only few VBL studies investigate the transmission of specific (ethical) values and their acceptance by followers. For example, Morrison and Mujtaba (2010) explicitly differentiate between values-based leadership and ethics.

Furthermore, Groves and LaRocca (2011) find empirical support that transformational leadership is associated with deontological values, such as altruism, universal rights, or Kantian principles, whereas transactional leadership supports utilitarian values. Moreover, some values can conflict with others. Schwartz (1994) for example, highlighted that values of achievement, profitability, and power, which are certainly values present within many leaders and organisations, can conflict with moral values such as orientated to the servicing of and caring for others. Brown and Trevino ask:

> *"So, what do we call leaders who effectively convey values such as profitability and dominance that are linked to business success? Are they not values-based leaders?" (2003, p. 165).*

Brown and Trevino (2003) question whether there is an intrinsic connection between VBL and moral values and argue that VBL/VBM does not *per se* equate to ethics but depends on the content of the values and the process by which they are conveyed. Hence, per their suggestion and applied in the rest of this thesis, VBL is a neutral term, which denotes acting upon the values held by one individual. Whether these are ethical, or moral depends on the eye of the beholder and the embedding social context.

2.3.2. Process of Values-Based Leadership

Since the early stages of the field, infusing organisations with values was an inherent leadership task (Selznick, 1957). This view is based on the premise that through the leaders' influence and specialisation, members' values can be 'shaped' and divergent interests

minimised (Barnard, 1938; Etzioni, 1965). Indeed, the one unifying premises of the diverse leadership literature, perhaps even the only common denominator within the field, is the notion of influence of leaders on followers (Yukl, 2001)[2]: Due to their central and senior positions, leaders are thought to provide a vision and inspiration to followers (Bass, 1985; Copeland, 2014), equipped with the authority, power, and influence to shape standards, norms and practices in organisations (Bourne & Jenkins, 2013), but also to incentivise pro-values behavior and sanction behaviour going against these norms (Rokeach, 1979; Schwartz, 1999) - hence a carrot and stick approach.

In bureaucratic organisations goals and values are defined by leaders in a top-down approach and assumed to be adopted more or less unanimously by the followers (Barley & Kunda, 1992). However, the degree of influence, the mechanisms, and 'ideal processes' of values conveyance remain less than clear and are subject to debate (Bourne & Jenkins, 2013; Gehman et al., 2013; Hoffman, Bynum, Piccolo, & Sutton, 2011; Viinamäki, 2012).

Two studies that explicitly address leadership behaviour in relation to shared values are the works by Schein (2007) and Grojean and colleagues (Grojean et al., 2004). Schein (2004, p. 246) delineates mechanisms how leaders can transport values, how to "*teach their organisations how to perceive, think, feel and behave based on their own conscious and unconscious convictions.*" He differentiates between the primary embedding mechanisms, how leaders behave towards their subordinates, and secondary mechanisms of articulation and reinforcement via institutional structures and rituals. The primary embedding mechanisms are subdivided into the following aspects:

- What leaders pay attention to, measure, and control on a regular basis
- How leaders allocate resources
- How leaders react to critical incidents and organisational crises
- Deliberate role modelling, teaching, and coaching
- How leaders allocate rewards and social status within the context of the organisation
- How leaders recruit, promote and excommunicate

[2] According to Bass (1990, p. 11), "there are almost as many different definitions of leadership as there are persons who have attempted to define the concept.

The secondary mechanisms of articulation and reinforcement are further detailed as:

- Organisational design and structures.
- Organisational systems and procedures.
- Rites and rituals.
- Design of physical space.
- Stories about people and events.
- Formal statements and organisational philosophy and charters.

Grojean et al. (2004) conducted a study to investigate the mechanisms of leaders to convey organisational values. To establish a climate of *ethics*, Grojean and colleagues (2004) identify seven mechanisms to influence the values held by the members. The identified mechanisms parallel, to some extent, Schein's (2007) conceptualisation:

1. Values-based leadership: the use of charismatic and transformational approaches to use intrinsic motivation and inspire work towards a higher, collective purpose.
2. Role modelling: Rooted in social learning theory, leaders set examples and are influential in facilitating ethical behaviour.
3. Establishing clear expectations of ethical conduct.
4. Providing positive feedback.
5. Coaching and support of ethical behaviour.
6. Recognising and rewarding values-based behaviour.
7. Establishing leader training and mentoring.

Several observations are particularly significant in the analysis of Grojean et al.'s study (2004). First, they single out values-based leadership as one among seven mechanisms and do not conceptualise the bundle of mechanisms as facets or components of VBL. Secondly, they explicitly subsume VBL under transformational and charismatic leadership, an aspect that others called into question (e.g., M. E. Brown & Treviño, 2006 and Groves & LaRocca, 2011). Thirdly, points three to seven could be associated with transactional leadership; but Grojean et al. (2004) only highlight positive enforcing mechanisms, whereas sanctioning and enforcement of norms and behaviours are absent from their list. Lastly, Grojean and colleagues explicitly link VBL to ethics and ethical leadership while omitting that not all values are necessarily ethical.

Critics argue that leaders cannot dictate organisational values. However, to achieve collaborative practices and a shared vision (create common agreements), one must act collaboratively in terms of the definition and implementation of organisational values (Cha & Edmondson, 2006; Fitzpatrick, 2007; Graber & Kilpatrick, 2008). Otherwise, if stakeholders have not been involved in the development and interpretation of the values, they could be perceived as just another set of new rules, and their capacity to motivate, direct and coordinate might be severely limited (Pruzan, 1998).

Without a doubt, leaders that aim to instil and change organisational values face a variety of challenges. Notable studies that unearth the challenges of VBL are Vinamaeki's work (2009; 2012) and Graber and Kilpatrick's (2008) study on establishing VBL in healthcare organisations. Mastering tensions between organisation-wide integration and local adaptation of values is thought to be particularly challenging in diverse cultural and economic contexts (Nohria & Ghoshal, 1994) or in groups with diverse sets of professional backgrounds and traditions (Graber & Kilpatrick, 2008). (This applies to the Miladys case study, given its evolving narrative and country-wide presence.)

These groups can hold different worldviews and identities because of their occupation – management can hold a different work-worldview compared to operations or marketing (Graber & Kilpatrick, 2008). Even among similar groups values might differ according to regions (Nohria & Goshal, 1994). Roe and Ester (1999) for example suggest that in small groups with frequent interaction, shared values are more likely to emerge than in large, geographically distant structures with infrequent interactions. In the same vein, Hofstede (1998) notes that there may be more variation of values between different departments of international organisations than between a department and the local social context and environments.

Studying the commonalities and differences between VBL and the principles of leadership in different systems paradigms, and in complexity, in terms of content and process, represents a critical steppingstone to further our understanding of how shared values could serve as organising principles in complexity. This is of great interest to me, as evidenced in the topic I have chosen.

2.4. Conclusion - The Value of Values

This first chapter of the literature review introduced the concepts of values, their roots, how values are thought to influence behaviour, and their relevance for organisations. This review of values sets the scene for the subsequent introduction of the systems lens, and the synthesis of the two streams of literature in chapter three.

The relevance of investigating shared values as organising principles lies within a supposed increasing complexity of organisational life that renders formal rule and control less suitable to organise *successfully* in complexity. Given this, the chapter reflected if and how value could serve as organising principle in complexity:

Rokeach (1973) theorised that values, as one of the forces affecting behaviour, have the greatest impact in the absence of task or situational variables (i.e., past experiences, incentives, and limitations). Hence, values as behaviour-guiding mechanisms should be especially relevant in ambiguous and new contexts without a-priori defined processes, the kinds of contexts organisations are increasingly encountering and in the case study I am investigating. This conceptualization provides a first anchor, for the further exploration of the role of values.

Despite the long-standing traditions of values research, both on an individual and organisation level, a plethora of different definitions, conceptualisation and knowledge gaps persist. These limit our understanding of the potential of (shared) values as organising principles in complexity, namely the relationship between practices and purpose, what values content is 'desirable', the 'sharedness' and how to 'transport' values.

To explore these gaps, particularly Rokeach's conceptualisation of values proved to be useful. I will refer throughout the remainder of this thesis: The first reason is his differentiation between means and ends of organising, the instrumental and terminal values. In this perspective, values both influence the way elements interact (instrumental values) as well as the pursued organisational outcomes (terminal values).

From a systems perspective, a lack of shared means and ends, and coherence between the two, could compromise an organisation's ability to 'strive' in highly dynamic and complex environments. The second reason is his operationalization of values that encompasses

temporal, normative, and subjective dimensions. This operationalization allows us to investigate (organisational) values from *different* systems perspectives.

It opens several questions for me as a researcher: What is the relevance of (shared) values to organising, how does the value 'content' change and how do (shared) values manifest when taking different systems perspectives? What are the different perspectives on the means and ends of organising when taking a closed-rational systems perspective – such as Taylor's or Friedman's' as opposed to a complex-adaptive systems perspective? Can we look at 'value patterns' within organisations and attribute a systems type?

Rokeach's conceptualisation of values enables me to interrogate the values from *different* systems perspectives, not just a complexity lens, and discern propositions regarding the values content and the processes of transferring values. This more overt exploration of the connections between different systems paradigms, management thought, and values is the first research goal of this thesis, detailed in chapter three.

On an organisational level, different conceptualisation of values persist, such as espoused values, enacted values, attributed values, and shared values. Within the context of this thesis, I defined organisational values as shared among the organisational members and enacted in practices. If they are not shared, it would be impossible to speak of organisational values and if they are not enacted and impacting decisions and practices, the *means* to achieve certain *ends*, they are without relevance for organising. Hence, I believe for values to act as organising principles in complexity, they need to be shared among the members of the organisation and influence decision-making and behaviour. Additionally, while organisational values can be implicit or unconscious, making them explicit provides an access point to interrogate their implementation, expression and 'manage' values.

While a substantive amount of literature exists that identifies positive outcomes associated with shared values, research remains scarce to address the following questions: what values are leading to what outcomes? What values may be suitable in certain contexts? Current literature on values-based organising or leadership is mostly associated with ethical values. However, given their subjective and temporal nature, the researcher suggested that the 'ethicalness' or 'goodness' of certain values depends on the systems paradigm and the worldview of the beholder. For example, Friedman's (1970) conception of the nature and role of business in society led him to conclude that the only social responsibility of business

was to increase profits. This conclusion may change dramatically when adopting a paradigm of complexity.

Finally, in the early days of scholarship on leadership research, leaders were thought to consciously define and espouse values in a mechanistic, top-down approach which would then subsequently and unanimously be adopted by the members of the organisation. Since then, the concept has evolved to a much more nuanced approach. Yet leadership in relationship to values continues to be subsumed under other adjacent constructs such as transformational, ethical, and authentic leadership. The degree to which, and processes whereby, leaders influence organisational values, remains unclear. With few exceptions, there is a paucity of research that addresses the processes of values emergence and transference.

The chapter also discussed the limitations and pitfalls of organisational values. For one, the introduction clarified that in this thesis shared values are not conceived as a panacea for as successful organising; neither do they 'predict' futures or success, an impossible feat in complexity, nor do they do replace formal rules and control. Rather, shared values provide internal complements to these external, explicit structures, *enabling* and *empowering* futures rather than predicting them, connecting the being to the becoming by influencing everyday action. This thesis suggests that values themselves follow complexity principles – they are path-dependent, emergent, self-organising, and affected by multiple causes, and they cannot be engineered or consciously devised by a small group of top managers and then 'rolled out' to the organisation.

Secondly, my central assumption is that (shared) values can provide coherence and an access point to manage the increasing pace of change. Working through the literature, I am aware of the possibility that complexity thinking could perceive of coherent thinking across multiple actors as 'groupthink', limiting diversity and novelty, making it less possible for independent actors of a system to respond innovatively and adaptively to the local problems - relying rather on prescribed belief and evaluation. Notwithstanding this critique, I maintain that shared values do not necessarily prescribe action; instead, they provide an organising schema for how to go about problem solving in the locale. As Schwartz and Bilsky (1990) argued, values are trans-situational denoting of desirable states,

not prescribed place-specific ultimatums, further illustrating the potential of values as organising principles in a complexity perspective.

The third limitation is that values are not ethical per se but depend on the values content. – Which values are *good* or *beneficial* may depend on the systems perspective or worldview of the individual – Taylor and Friedmann held one system view, which is different to a complexity perspective. This relativity of values, what means and ends are beneficial in different systems paradigms, and how shared values come about, will be further explored in the synthesis chapter of this literature review.

The above is a clarification of my own hypothetical position; that shared values are in fact relevant in how organisations respond in, and adapt to, complexity. Values *have the potential to* provide agile coherence across groups in an organisation or parts in a system; they *can* facilitate the organisational logics of an organisation even if they are not explicitly known. However, as outlined above, closer attention must be paid to the values content. The processes of values transference require a better understanding, especially when taking a complexity lens.

To address these gaps, the following chapter introduces systems thinking as the study's additional theoretical lens and discerns the principles and implications of a paradigm of complexity. The introduction of systems thinking as a theoretical lens will then set the scene to synthesise the findings from values research and systems thinking.

3. Theoretical Lens II – Systems Thinking

The following chapter introduces systems thinking as a conceptual lens to investigate the following objectives. Firstly, to investigate whether shared values could serve as guiding principles in complexity. Secondly, to investigate how shared values might arise or emerge in complex and varied organisational environments. And thirdly, to investigate the challenges that leaders face in creating shared values.

The relevance of systems thinking to this thesis is that different systems paradigms have been paralleled by management concepts and organisational theory (Scott & Davis, 2015). However, the connections between systems thinking and management phenomena need a more overt exploration to draw inferences concerning the shared values that serve as

organising principles in complexity. The goal of this chapter is to introduce the systems thinking, and complexity, and to trace the connections between the evolution system thinking and management scholarship in this final synthesis chapter of the literature review. In merging these two narratives, I intend to create a third as a further contribution to understanding the ramifications of my chosen enquiry.

The chapter starts by defining systems, outlining the philosophical roots of the field, and deconstructing the *systemness* of systems, including a discussion of the constituting features of any system. Then beginning with the ancient Greeks, I depict the evolution of the systems thinking narrative to explain how it has undergone developments that have led away from mechanistic-deterministic type systems towards open and complex conceptions of systems. Finally, the chapter closes by making a case for complexity and presents arguments that suggest that organisations do experience an increase in complexity. I also outline critical voices in scholarship that caution against an overly simplistic application of a complexity paradigm to human and organisational systems.

3.1. Philosophical Roots

The etymological roots of systems theory and systems thinking date back to the ancient Greek verb *synhistanai*, which means 'standing together', referring to a whole entity of interconnected elements (Ison, 2007). Particularly noteworthy is the fact that *synhistanai* shares the same etymological root as epistemology, the philosophical branch concerned with theory of knowledge: Different assumptions about the nature of the investigated system (things that belong together) influence the epistemological choices - what constitutes knowledge under that specific paradigm and how one can acquire knowledge about a system of interest (Ison, 2007).

Heraclitus was an early scholar in the field of systems. The proverb "*You cannot step in the same river twice, for it's not the same river and not the same man*" is attributed to him. Through this proverb, he stressed the ever-changing nature of ourselves and the surrounding systems, the irreversibility of time and hence our path and history dependency - we became what we are today though the transitions of yesterday.

Plutarch, another early Greek philosopher, addressed systemic questions. In his book '*The Ship of Theseus'*, he pondered about the true nature of objects, their purpose and the relations among the elements that give rise to the systemic properties.[3] He conducted a thought experiment: If all the planks of a ship are replaced one after another, would this constitute a new ship or the same old ship? Hence, does the *systemness* arise from its constituting elements or from the emerging properties? And if all the old planks were salvaged and nailed back together, would that constitute a new ship or the original old ship?

The tradition of systems thinking amongst Greek scholars also included Plato, who was interested in the art of statesmanship and control (*kybernetes*) and how this could be applied to both vessels and states, suggesting that both need a helmsman if they are to prosper. Finally, Aristotle suggested that the organs of the body only make sense in the way they function together and used this as a metaphor to contemplate the relationship between the individual and the state (Ison, 2007; Jackson, 2003).

These early philosophers can be seen as the first systems thinkers, and while systems ideas persisted, the Scientific Revolution of the 17th century heralded a new era of epistemology and science at large, with scholars like Newtown and Descartes as frontrunners (Jackson, 2003; Merali & Allan, 2011). Rene Descartes is probably the most well-known for his theory of the dualism of mind and matter. What I've put in brackets could be footnoted? (To Descartes, the mind and the body are separate phenomena, the mind and soul defined as thinking and the body defined as matter and unthinking, with the two make up a composite entity. He prioritised the mind over matter and argued that the mind could persist without the body, while the body cannot exist without the mind.) With his dualism Descartes opposed the Aristotelian philosophy, which stated that the universe is inherently purposeful, and that everything happens due to some final reasons.

Descartes' thinking paved the way for the new sciences of Kepler, Galileo, and Newton: The Cartesian paradigm and Newtonian physics advocated that the natural state of a system is an equilibrium and that any departures from equilibrium would eventually

[3] Modern variations of this thought experiment are Locke's 'favourite sock' (Cohen, 2010) or 'Abe grandfather's axe' (Browne, 1962).

dampen out. Equally, they advocated a reductionist and deterministic approach to understand systems: by understanding the individual components of a system and the way they interact, the future state could theoretically be predicted (Bohm & Lindsay, 1957). They drew on the metaphor of a mechanical clock that consists of a range of elements with relationships, attributes, and interactions that are relatively fixed and unchanging. Such system features make it possible to understand, to model, and to reproduce systems by dismantling the system back to its constituent elements.

While reductionism dominated the philosophical stage for centuries, according to Jackson (2003), holism re-emerged through the works of Kant and Hegel: Kant was an idealist who argued that reality as such and its real character are unknowable, however Kant also suggested that it could be beneficial to think of systems as wholes emerging from, and sustained, by the self-organisation of their parts. Hegel on the other hand, introduced a dialectic approach: the whole is only understandable through a systemic unfolding of thesis, antithesis, and synthesis. He went further to suggest that with each cycle the synthesis becomes the new thesis and gradually improves the understanding of the whole.

I view these trends in scholarship concerning systems as waves of contrasting paradigms of thinking concerning epistemology and indeed ontology – from the Greek philosophers who recognised an inter-relation of parts that together make a system, through Newtonian physics and Cartesian philosophy to Kant and Hegel who offered a possible reconciling of these distinctions with a more dialectical approach, fundamentally accepting the limits to absolute control and knowing, and positing a way of synthesising perspectives. Finally, modern, and more recent scholarship on systems includes broad inquiry into the nature of complexity, providing a nuanced epistemology of how systems evolve, maintain, and are disrupted over time.

The next section presents an overview of systems, systems thinking and complexity studies with a view of discerning systems thinking and complexity approaches as a theoretical frame for the central hypotheses of the study: Whether values are a good candidate as organising principles in complexity.

3.2. Defining and Describing Systems

Over the last fifty years, the field of systems thinking has seen a rapid surge in depth and breadth of studies giving rise to a comprehensive body of scholarship, with varying perspectives and arguments, that are not without their accompanying tensions and nuanced differences. Through this, systems thinking has become an appraised discipline, perhaps because we have evolved into an increasingly dynamic and interconnected world that can no longer be described nor understood with previous paradigms of thought. Or perhaps that we are more open to appreciating and understanding the world as dynamic and interconnected. We often hear the argument the capability to think in systems, for individuals and for organisations alike, is crucial to ensure sustainable and prosperous futures (Senge, 2010; Wiek, Withycombe, & Redman, 2011). Despite this surge in depth and popularity, the field remains fragmented and characterised by an often-ambiguous terminology and multiple competing sub-streams, rather than being consolidated into a coherent theory, uniform discipline, or body of research (Cabrera, 2006; Warfield, 2003). Many definitions include embeddedness, nonlinear dynamics, uncertainty, and perturbed causal patterns, while others exist in in tension with one another; this being a testament to Cabrera's (2006) and Warfield's (2003) critique.

Like values, systems seem ubiquitous in our language and everyday lives. Humans, cells, companies, molecules, and ant colonies are systems, as are engines, societies, or sports clubs. One single cell, composed of proteins, mitochondria and cell walls and many other elements, is an example of a small-scale system that produces for example certain enzymes or hormones. One of the central characteristics of a system is that by itself none of the constituting elements could produce the enzymes or hormones, but through their interactions they are able to do so. When cells interact with other cells, they too form systems, such as tissues, organs, or humans, resulting in properties none of the constituting elements possess. The pistons, carburettor, spark plugs, and fuel pump are all elements of the system 'engine' and only through their interaction do they generate propulsion. Likewise, when the engine interacts with the gear box, wheels, brakes and chassis, these elements constitute the system 'automobile' (Meadows, 2008).

However, this does not hold true for human or biological interactions, where the interactions are variable, stochastic, and outcomes are emergent. It could be argued that the

systemness of a system also depends on the perspective of the beholder – a cell might just be an element within the greater system 'tissue', yet the cell itself may constitute a system (Merali & Allen, 2011). A car without an engine may not constitute a transportation system, but it may constitute a shelter system for a homeless person, as the elements continue to interact in such a way that they give rise to systemic properties, namely protection from the elements (Meadows, 2008).

So, how to make sense of this vast diversity of systems, and how can thinking in systems guide managers to steer their organisations, as well as enable a sustainable performance and prosperous futures, as some scholars claim or at least aspire to?

While systems seem omnipresent, diverse, and somewhat ambiguous they all share three fundamental principles. The constituting *elements interact* in such a way to produce an outcome *that none of the constituting elements possess* (Meadows, 2008; Merali & Allan, 2011). This property is what is described as emergence both in the scholarship and in this study. In Meadows' (2008), the producing of an outcome that is a synthesis and essentially a uniquely constituted property, not possible without its constituting elements, is what is meant by an outcome or phenomena being emergent.

Based on this definition, three axioms of traditional systems thinking can be identified as:

- The existence, and ability to identify and explicitly define an entity as 'the system' or 'the whole'.
- The composition of 'the whole' of interconnected parts.
- The existence of distinctive properties that can be ascribed to 'the whole' but not to any of the individual parts.

While the philosophical roots and the basic axioms of systems elaborated in the previous sections may not generate insights as to how to manage in complexity, or whether values could act as organising principles, they provide a background and generate a basic understanding of systems. They set the scene for the discussion of modern systems theory and thinking in the following sections.

3.3. Modern Systems Theory and Systems Thinking

Systems thinking has evolved through the impetus to articulate the features of the world in a coherent manner, debating the role of structure, form, and composition and engaging with the transience of system phenomenology (Cabrera, 2006). Despite this long tradition, systems thinking has not lost its relevance for today (Merali & Allen, 2011). To the contrary:

> *"The concept of a system is one of the most widely used concepts in science, particularly in recent times. It is encountered in nearly all fundamental fields of science, such as physics, mathematics, logic, cybernetics, economics, linguistics, biology as well as the majority of engineering branches." (Klir, 1965, p. 29)*

Building on its philosophical roots, the modern principles and concepts of systems theory started to emerge in the 1930s in domains such as biology, psychology, ecology, and cybernetics (Mingers & White, 2009)[4], and soon resulted in a quest to identify an exhaustive list of principles that underpin all systems, to define the characteristics or features that differentiate types of systems, and to or classify systems in a coherent and logical way (Hieronymi, 2013).

Kenneth Boulding (1956) categorized systems into a hierarchy of nine levels, depending on their complexity. Levels one to three describe inanimate systems, with static behaviour (level one, for example crystals), predetermined motions studied in natural sciences (level two, for example solar systems) or closed-loop cybernetic systems (level three, thermostat). Life begins at level four, with open systems that exhibit structural self-maintenance and are described by theories of metabolism. Level five describes systems with blueprint growth and reproduction, such as plants, whereas level six systems are capable of learning, for example a mammal. Level seven systems, such as humans, exhibit self-consciousness and employ symbolic language, whereas level eight are socio-cultural systems typified by roles, communications, and the transmission of values. Level nine is the realm of the inescapable and unknowable.

To make sense of systems and harness their potential, Ludwig Von Bertalanffy (1968) strove to identify general systems principles and developed a General Systems Theory (GST) aimed at "*…instigating the transfer of principles from one field to another and it will no longer be*

[4] Others, such as Hammond (2003), date the beginning of System Science to the 1950's

necessary to duplicate or triplicate the discovery of the same principle in different fields isolated from each other" (Von Bertalanffy, 1968, in: Merali & Allan, 2011). His quest was hence of a transdisciplinary nature, to identify *general* systems principles that underpin all sciences. By doing so he intended to further the sciences at large and to stimulate the cross-pollination of different subfields (Hieronymi, 2013).

With the continuing evolution of systems principles, Hieronymi (2013) suggests that systems thinking, and theory, have close ties to a variety of other fields of sciences: In his overview, he combines five vertical knowledge dimensions with five horizontal categories, representing major science fields and the respective systems thinkers in each field. The vertical knowledge dimension portrays the transition from formal and abstract knowledge of logic and mathematics over the phenomenological sciences to the normative aspects of values and aesthetics.

The horizontal dimension depicts the phenomenological sciences of physics, living systems, cognitive systems, social systems, and technological systems. He positions *Systems Science* as a formal science between mathematics and the reality-based sciences, whereas *Systems Design* is the field of general methods and practices relevant for all applied fields (Hieronymi, 2013): "*Systems science and systems design provide a bridge between the natural sciences and the humanities, between the descriptive research and the normative practice, thus contributing in terms of inter- and trans-disciplinarity*" (Hieronymi, 2013, p. 583).

Whilst exploring whether shared values could act as organising principles in complexity, this research is positioned to elaborate on the bottom section of Hieronymi's (2013) representation, how shared values can be used to guide the design of liveable systems, impact decision making, and problem solving and contribute to sustainability and management theory.

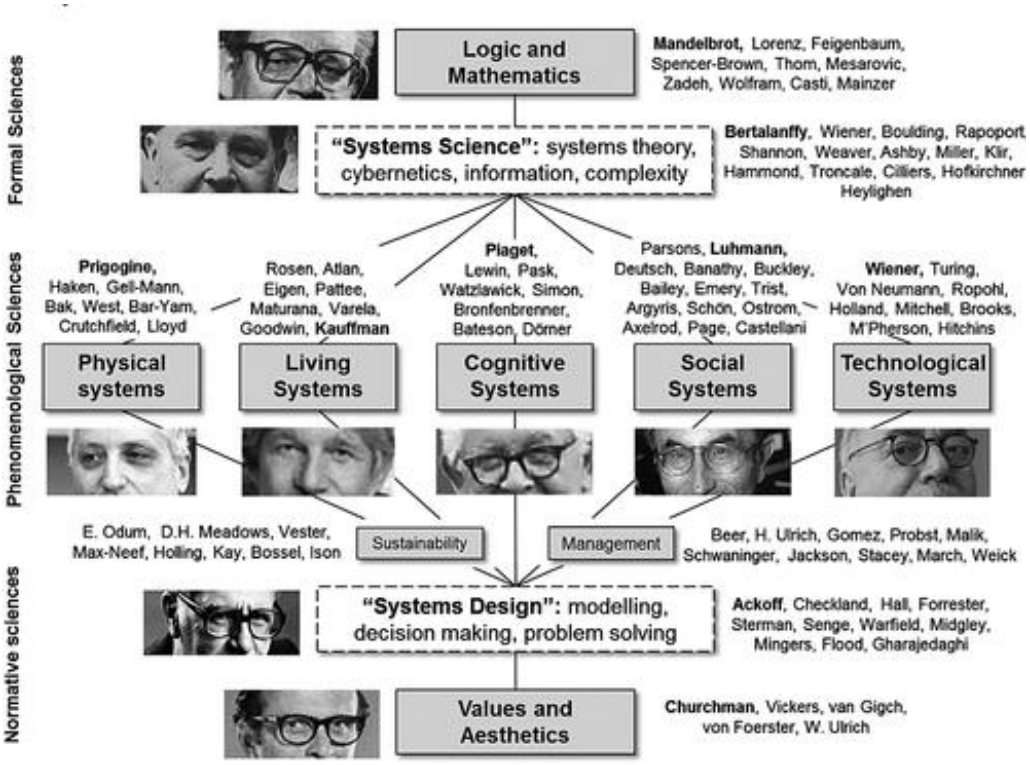


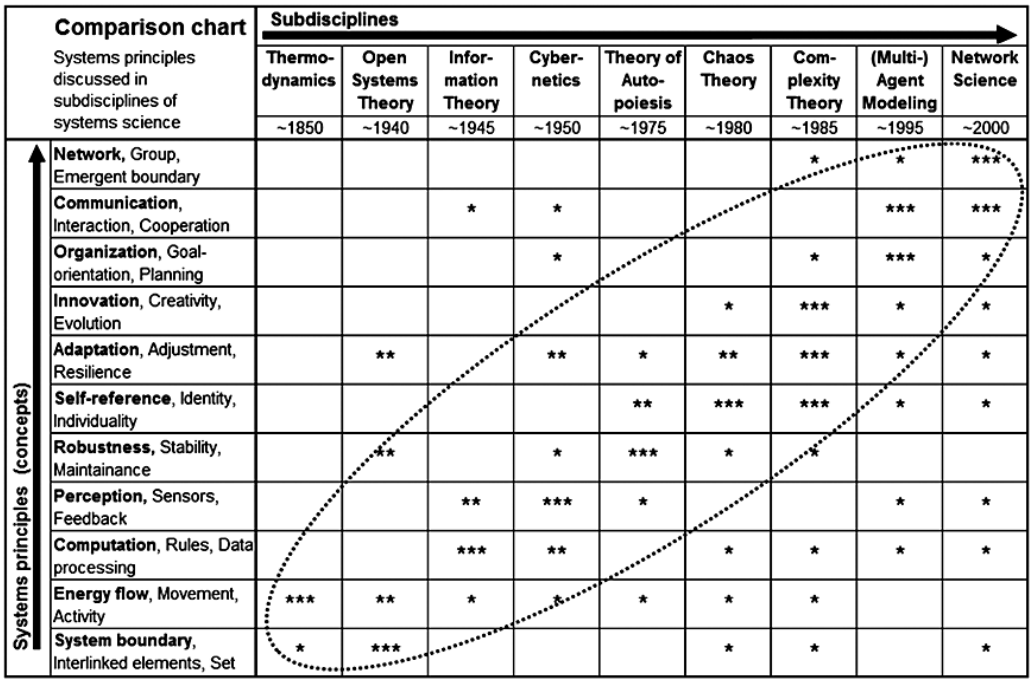
Figure 2. Systems Thinkers in the Field of Sciences. Reprinted from "Understanding systems science: a visual and integrative approach." by A. Hieronymi (2013)

Despite the suggested close links and the significant influence on other domains of science, the field itself remains characterised by a high degree of heterogeneity, with a multitude of persisting sub-streams and approaches to understand, design, and manage systems (Hieronymi, 2013; Ison, 2007; Merali & Allen, 2011). Unfortunately, the aspirations of early scholars such as von Bertalanffy and Boulding, that GST could provide a meta-level language and theory to address problems in many sciences and promote unity across fields, has not materialised to date (Checkland, 2012).

Instead of converging and unifying into one coherent theory and body of research, the field appears to undergo evolutionary transitions, with a succession or hierarchy of partial systems theories (Troncale, 2006), where each sub-discipline interprets and applies concepts differently (Dent & Umpleby, 1998) or develops domain-specific vocabulary (Schneider & Somers, 2006).

Hieronymi (2013) suggests that the field's development, with its various sub-disciplines, has followed a Kuhnian' (1970) process of paradigmatic shifts and scientific revolutions, approaching and clarifying principles and concepts with increasing levels of complexity.

When a sub-discipline reaches its explanatory or predictive power, changes in perspectives, mental models and methods give rise to new paradigms and concepts with greater explanatory power (Merali & Allen, 2011). Schneider and Somers (2006) however caution against the proposition of 'paradigmatic shifts' in systems theory. They suggest that the developments of complexity theory build upon, rather than refute, the previous sciences. Hieronymi (2013) provides a chart, Figure 2 below, comparing the evolution of systems principles and sub-disciplines and argues that the prevailing sub-discipline and concepts describe a viewpoint, one aspect of reality and evolve towards greater complexity over time:



Comparison chart Systems principles discussed in subdisciplines of systems science	Subdisciplines →								
	Thermo-dynamics	Open Systems Theory	Infor-mation Theory	Cyber-netics	Theory of Auto-poiesis	Chaos Theory	Com-plexity Theory	(Multi-) Agent Modeling	Network Science
	~1850	~1940	~1945	~1950	~1975	~1980	~1985	~1995	~2000
Systems principles (concepts) ↑									
Network, Group, Emergent boundary							*	*	***
Communication, Interaction, Cooperation			*	*				***	***
Organization, Goal-orientation, Planning				*			*	***	*
Innovation, Creativity, Evolution						*	***	*	*
Adaptation, Adjustment, Resilience		**		**	*	**	***	*	*
Self-reference, Identity, Individuality					**	***	***	*	*
Robustness, Stability, Maintainance		**		*	***	*	*		
Perception, Sensors, Feedback			**	***	*			*	*
Computation, Rules, Data processing			***	**		*	*	*	*
Energy flow, Movement, Activity	***	**	*	*	*	*	*		
System boundary, Interlinked elements, Set	*	***				*	*		*

Figure 3. The evolution of systems principles their application in various sub-disciplines. Reprinted from "Understanding systems science: a visual and integrative approach." by A. Hieronymi (2013), Systems Research and Behavioural Science, 30 (5), p. 588.

The means to understand, influence, or guide systems behaviour are diverse and sometimes divergent (Ison, 2007). Classical analytical problem-solving techniques are well-suited for simple problems with clearly defined goals, whereas systemic approaches are particularly relevant for problems with many different stakeholders that interact in dynamic complex settings, often without consensus about the problem, without clear goals or vision. Such problems are termed as 'wicked problems' or 'messy' that defy classic problem-solving techniques (Ackoff, 1971). Despite it being impossible to account for all of them, the

following Figure 4, compiled by Ison (2007) provides an overview of prominent systems theory approaches, their origins, proponents, and applications:

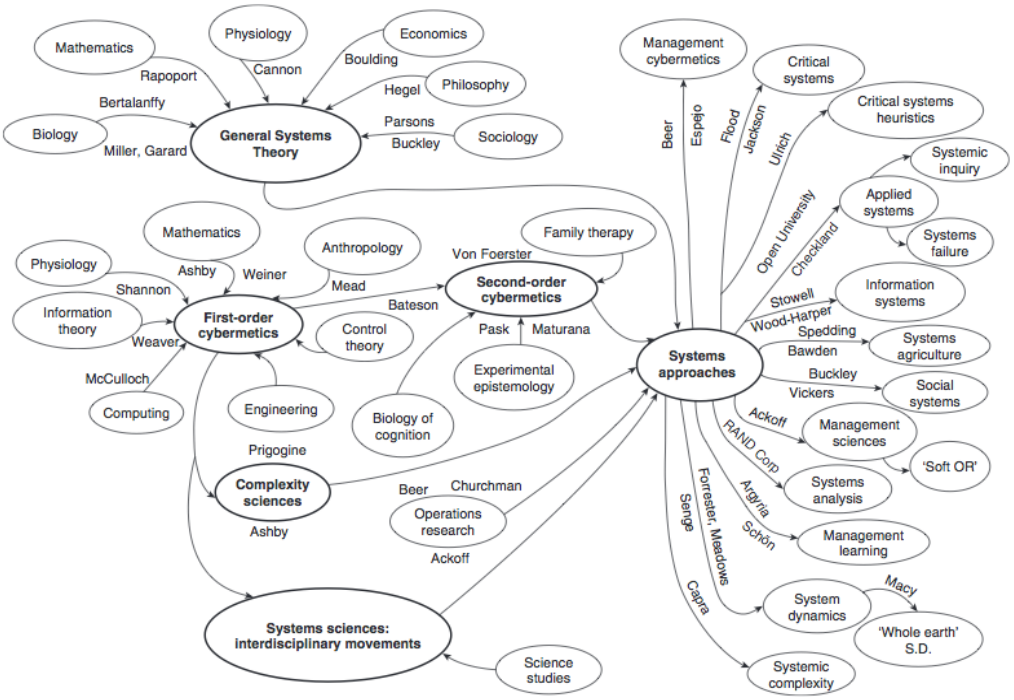


Figure 4. An overview of different influences that have shaped contemporary systems approaches. Reprinted from Systems thinking and practice for action research, by R. L. Ison (2008: p. 144) in: The Sage Handbook of Action Research Participative Inquiry and Practice (2nd edition). London, UK: Sage Publications, p. 139–158.

3.3.1. Systems Theory or Systems Thinking?

Cabrera (2006), in his scepticism of the field, criticises that the term 'system' has been used so broadly, so widely, and for such a long time that it has become ubiquitous and maybe even meaningless. Without doubt, significant confusion persists, in scholarly and practitioner literature alike, between the terms "Systems Theory", "Systems Approach", and "Systems Thinking", with renowned 'Systems Thinkers' using these terms interchangeably at times (Cabrera, 2006). To clarify the terminology, Cabrera (2006) suggests that the literature can be subdivided into two bodies, namely "knowledge about systems", which is ontological knowledge, and systems thinking, which is conceptual and/or epistemological knowledge.

When Bertalanffy and colleagues talk about systems thinking, they refer to knowledge about systems, which Cabrera (2006) describes as a loose ecology of descriptions and predictions regarding ontological phenomena. While there are *sciences* called complexity, cybernetics, or information science, referring to the upper section of Hieronymi's (2013) depiction of system thinkers in the field, there is no *science* called "systems thinking" as it is a conceptual framework, or otherwise put, a 'habit of mind' (Cabrera, 2006). Table 2 below gives an overview of influential perspectives on systems thinking.

While the study of closed systems and control mechanisms is part of the field of *systems studies*, and certainly contributed to the advancement of the sciences, it is often viewed as antithetic to *systems thinking* (Merali & Allan, 2011), which, for most scholars, emphasises the whole over the parts, the emergence over the determinism and disequilibrium over equilibrium.[5] To the holistic and modern advocates of systems thinking, the properties of the system cannot be understood from the properties of the parts alone. This represents a departure from the Cartesian paradigm, which posits that the behaviour of the whole can be understood entirely by the properties of its parts. Systems thinking in contrast, argues that properties of the parts can *only* be understood in the context of the larger whole (Merali & Allan, 2011).

[5] While literature abounds in defining systems inherently as "greater than the sum of its parts", Cabrera (2006) goes into great depth explaining that there is no 'mechanical imperative' to Descartes reductionism.

Also given than systems explain behaviour over time, it is the interconnectedness of these parts - their relationships and non-linear dynamics, that require attention in understanding the whole system. Typically, it is useful to ask: what is the system's behaviour tending toward? This is also what is meant by emergence; that the properties and knowledge of a system - and how to affect it - emerge from the understanding of the parts in context of the whole and the emergence and vice versa. Hence, given that human beings and their interactions are forever becoming, defining a system to account for behaviour in some context, amounts to an intellectual delineation made by an observer of a system.

Table 2:

Influential Perspectives on Systems Thinking

Author	Perspective
Checkland (1999, p. 318)	"An epistemology which, when applied to human activity is based upon the four basic ideas: emergence, hierarchy, communication, and control as characteristics of systems. When applied to nature or designed systems the crucial characteristic in the emergent properties of the whole"
Senge (1990, p. 7)	"Systems thinking is a conceptual framework, a body of knowledge and tools that has been developed over the past fifty years, to make the full patterns clearer, and to help us see how to change them effectively"
Flood & Carson (2013, p. 4)	"A framework of thought that helps us to deal with complex things in a holistic way"

Note: Reprinted from "Complex system governance requires systems thinking – how to find systems thinkers" by R. M. Jaradat. 2015, International J. System of Systems Engineering, 6 (2), p. 53-70.

Before I dive deeper into the connections between systems thinking and management theory, the following section elaborates on a selection of particularly pertinent sub-streams of systems thinking and focuses on complexity theory and complex adaptive systems (CAS). The relevance of discussing streams of systems thinking and respective core concepts lies within the implications for systems governance and change. The assumptions about the nature of system entail consequences regarding how we construct, manage, and change systems (Checkland, 2000).[6] I briefly outline, the origins of each stream and introduce the proponents mentioned and the basic concepts underlying the stream.

[6] As elaborated earlier in this chapter, the very basic assumptions about the nature of the systems influences the choice of method to inquire about that system.

3.3.2. Pertinent Streams of Systems Thinking

Classical Thermodynamics was one of the founding traditions of systems science. The origins of classical thermodynamics are based on Newtonian principles of physics, dealing with closed systems in an energetic equilibrium (Merali & Allan, 2011). The fundamental characteristics of thermodynamic systems are the stable relationships between elements and a clear boundary differentiating the system from its environment. The systems' outcomes are predetermined, reproducible and solely caused by an event in the environment. A change in environment is therefore a necessary and sufficient condition to explain the behaviour of the system. These types of systems, termed *reactive* systems, are often state-maintaining systems, such as a heating system (Ackoff, 1971).

Cybernetics was first developed in the 1950s by proponents such as Wiener (1954) and Ashby (1957) and focuses on the mechanisms of control and coordination in machines and organisms. Cybernetics can be defined as the study and modelling of the flow of information through a system and the way in which information is used by the system as a means of controlling or regulating itself (Ashby, 1957). Cybernetics is particularly focused on describing and modelling negative feedback loops as regulating mechanisms of the system's performance (Weiner, 1954; Ashby, 1957). Feedback loops are "*the secondary effect of a direct effect of one variable on another, they cause a change in the magnitude of that effect. A positive feedback loop enhances the effect, a negative feedback loop dampens it*" (Walker, Salt, & Reid, 2006, p. 163). Cybernetics focuses on understanding and modelling the feedback loops, amongst varied elements, to optimise its efficiency and effectiveness, to identify and eliminate potential breaking points, and to improve overall control (Mingers & White, 2010).

Von Bertalanffy's (1950) Open Systems Theory represents a major change in paradigm from the early closed-systems perspectives and forms the basis of modern systems thinking and theory. Bertalanffy posits that living systems are necessarily energetically open and in constant exchange with the environment, arguing that the classical laws of physics of systems closure and equilibrium dynamics cannot apply to living systems. The principles of open systems were soon taken up, furthered, and applied in a variety of sub-streams such as autopoietic system studies (Varela & Maturana, 1974), complexity, and complex adaptive systems (Capra, 1996). Following Katz & Kahn's (1978) delineation of open

systems principles and their application to organisations, open systems are characterized by their ability to import, store, and use energy to sustain critical processes, they are robust and can withstand changes in their environments.

This characterisation of open systems, however, can be weighed with Prigogine (1977) and Allen (1968), who would assert that an ability to exchange information and energy with the environment, rather than only processing that information, is a founding principle of complexity studies. In other words, that the key premises of open systems theory, as posited by Bertalanffy, can be viewed as one and the same with that of complexity studies.

Open systems process information about the environment, and negative feedback loops allow for necessary corrections to maintain structural and functional integrity. Open systems are steady-state systems in dynamic homeostasis with the goal to preserve the central characteristic of the system. The ability to return to its original form is often termed as 'resilience', which can be defined as *"the amount of change a system can undergo (its capacity to absorb disturbance) and remain within the same regime – essentially retaining the same function, structure, and feedbacks"* (Walker & Salt, 2006, p. 163).

Although the characterisation of open systems as in a steady-state homeostasis may be the case for the systems described as autopoietic (Varela & Maturana, 1974), this may run in contrast to Prigogine's arguments that systems, viewed as complex, are in non-equilibrium and are rather characterised by instability and iterative collapse as one such exhibition of their self-organising and emergent qualities. In other words, there is not a total correlation in terms from open systems theory to complex theory. I deduce considerable overlap to build upon, evident in my literature review.

Open systems are characterised by a drive for differentiation, specialisation and hence exhibit a need for integration and coordination. This differentiation and need of coordination give rise to the notion of nested and hierarchical systems. Dependent on the level of analysis, systems exhibit different emergent properties, for example the interaction of the components of cells give rise to emergent properties, just as when cells interact with others, they too generate emergent properties that none of the single constituting elements possess. Hence, in contrast to the determined outcomes of closed systems, the outcomes of open systems are emergent and occur at different levels of analysis, representing

hierarchies of systemness (Meadows, 2008) or, as Checkland and Scholes coin it, as an unravelling of existing layers of reality (1990).

When collectives produce an emergent outcome, they are perceived as *one* coherent entity, as one *whole*. Koestler (1968) introduced the term 'holon' to account for the layered structures, communication, and control with emergent properties at different levels. A holon is *whole* from one perspective, from one level of analysis, however it is also *part* of a greater macro *holon* and consists of multiple sub-holons. The term holon, as per Koestler (1968), may be applied to any stable sub-whole in an organismic, cognitive, or social hierarchy which displays rule-governed behaviour and gestalt consistency. Hence to function as a system, creating outcomes greater than the sum of its parts, the holon must have activities and structures related to its communication and control to adapt and survive (Checkland & Scholes, 1990).

Koestler calls these rules the *canon*, enabling the systemness of the holon as they specify how the elements of a holon interact. While these rules guide, inform, and constrain the behaviour of the elements, they do not exhaust the system's degree of freedom, but rather leave room for localised flexible strategies based upon the contingencies in the local environment (Koestler, 1989). In social systems, this *canon* represents the code of conduct, what is socially or personally seen as desirable. In behavioural holons it includes the instinctive rituals and acquired skills and in symbolic operations, the holons are rule-governed cognitive structures variously called frames of reference, universes of discourse, algorithms, etc. each with its specific grammar or *canon* (Koestler, 1989).

The inquiry of what elements and interactions form part of a specific holon and have a material impact on the emergence of the systemic properties is in essence an analysis of the system boundaries. Forrester (1994) suggests drawing the boundaries of a system around the causes that create the behaviour of interest. To determine a system's boundaries accordingly requires the study of the behaviour-generating causes. If the causes of behaviour of a specific system are not within the scope of analysis, the system boundaries should be redrawn, and the scope of analysis extended. It is important to note that such a *causally closed* system would still be open in the sense that it can receive external inputs, such as material, energy, or random disturbances and shocks from outside the boundary (Forrester, 1994).

Open systems fall under Ackoff's (1994) classification of *responsive* systems. In contrast to reactive systems, a change in environment is a necessary yet not sufficient condition to explain the behaviour of a responsive system. A responsive system alters its response to changing environmental conditions and becomes a co-producer of the event and changes through a *choice* of means, yet not a choice of ends. Examples of responsive systems are animals searching for food in different environments and adapting their behaviour through learning processes. Through their response, these kinds of systems alter and change the environment, triggering a new adaptive cycle. Higher level open systems, such as human beings, exhibit self-consciousness and can change *means* and *ends* under changing environments. A human being hence would be characterised as an *active* system, as opposed to a responsive system (Ackoff, 1994).

Active systems' behaviour cannot fully be explained through the analysis of changes in an environment, as these changes are neither necessary nor sufficient to explain the behaviour of the system. In contrast to responsive systems, active systems can alter their means and ends under changing as well as constant environmental conditions. Individual humans are uni-minded purposeful systems: As holons, as the overall system consisting of subsystems, we exhibit choice in means and ends, whereas our subsystems, our liver, lungs, or pancreas to not possess that ability, they operate on cybernetic principles as a homeostatic system. Social collectives, such as a club or an organisation, on the other hand can be considered multi-minded purposeful systems. They have purposeful individuals as elements, as members of the organisation, and form part of a larger purposeful system, the society (Gharajedaghi, 2012).

In multi-minded systems, having a shared systems purpose may be a precondition to coherently coordinate behaviour, the means of subsystems. It is exactly the purposeful channelling of the elements' actions through the interconnections that allows for something greater to arise, an outcome larger than the sum of its components. Without such shared purpose, any behaviour would be as good or bad as another, and without coordination no organisation could arise. According to Ackoff (1972), *purposefulness* denotes the ability to achieve the same outcomes in different ways and under the same environmental conditions. Hence, purposeful systems are not only able to learn and adapt, but they also create and change goals when given changing conditions. This implies that they are equipped with a

power to change the future states, thus certain degrees of freedom and choice to alter or maintain certain ends as well as the means to progress towards said ends (Gharajedaghi, 2012).

Autopoiesis, introduced by Maturana & Varela (1974), represent an important development from the concepts of open systems as it introduces 'self-reference' or 'self-reproduction' - the ability to refer to past or present states, to re-organise and reproduce the system. While the concept of autopoiesis does not deny the reliance of living systems to import energy, transform inputs, and extrude outputs, it does provide a valuable counterview by emphasising the interactions that occur *within* living entities that give rise to systemic properties (Merali & Allan, 2011). The interactions among these elements ensure the self-production and persistence of the system. The ability to self-reproduce and organise is not a result of the *a priori* design, to the contrary, it surfaces in the interaction of the system with the environment and the localised interaction between the system's components. Whereas the nature of the response depends on the internal arrangements, they are guided by *schemata,* which allows them to reproduce in the face of changing environmental conditions. In contrast to cybernetics, where systems could be 'reset' and feedback loops re-engineered, autopoietic systems are path and history dependent, as a sort of memory and building of identity. They exhibit non-linear and unpredictable behaviour.

These paths that I have summarised at some length lead me to complexity research, which beats at the heart of this thesis. Complexity research gained significance in the 1980s through the works of the Santa Fe Institute (Boisot & Child, 1999). Complexity theory can be defined as the research of dynamic behaviours of complex interacting, interdependent and adaptive agents under conditions of internal and external pressure (Uhl-Bien, 2008). Whereas some scholars maintain that complexity theory is a completely new paradigm (Wheatley, 1994), others view it as an extension of previously existing science (Mathews, White, & Long, 1999) or as a research perspective (Morel & Ramanujam, 1999).

The study of Complex Adaptive Systems (CAS) is a subset of complexity theory, just as the study of open systems represents a subset of GST (Schneider & Somers, 2006). The famed 'strange attractor' is a central feature of CAS and is only one of five types of attractors that may emerge among complex systems (Eoyang & Berkas, 1999), as many complex systems either reach a fixed point or a state of cyclical equilibrium (Dooley & Van de Ven, 1999).

Cilliers (1998) defines CAS as open systems with ten characteristics: Complex systems consist of many elements layered in rich, dynamic, non-linear but short-range feedback loops. The system's form is a function of its past. Furthermore, complex systems function under conditions far from equilibrium and the components are unaware of the whole - not requiring coordination or external inputs to create order and structure (Kauffman, 1996; Prigogine & Stengers, 1997).

Schneider and Somers (2006) contrast the commonalities and differences of CAS and open principles: Like open systems, CAS import energy from the environment, which are under the usage of energy converted into output and exported into the environment. Open systems are characterised by a cyclicality and negative entropy. Hence to survive and preserve the central characteristics, energy is stored, and systems can move to growth and expansion, as they tend to import more energy than necessary. System inputs consist of information and signals regarding the system functionality and the state of the environment, and negative feedback loops allow for the necessary corrections.

Over time, systems move towards greater differentiation, specialisation, and elaboration. They require greater integration, but the same final states can be reached from differing conditions and a variety of paths. In contrast to open systems, CAS are characterised by phased transitions to new, temporary, points of equilibrium which emerge from the inter-dependence of the system components rather than external stimuli. Instead of growth, the underlying principles of CAS are the preservation and adaptation of the character of the system.

When CAS is applied to the study of organisations, the basic assumption is that organisations themselves are CAS composed of semi-autonomous agents that seek to maximise fitness by adjusting interpretive and action-oriented schema that can determine how they view and interact with other agents and the environment (Dooley, Corman, McPhee, & Kuhn, 2003). According to Uhl-Bien, Marion and McKelvey (Uhl-Bien et al., 2007) there are a range of dynamics that characterise the formation and the behaviour of CAS. For example, Marion and Uhl-Bien (2001) found that interactive, adaptive agents tend to bond by adapting to another's preferences and worldviews, forming clusters of interacting agents engaged in cooperative behaviour. This activity results in complex, hierarchically embedded, overlapping, and interdependent aggregates (Kauffman, 1996).

Furthermore, they argue that the behaviours of interdependent agents are productive of emergent creativity and learning when previously unknown solutions or outcomes occur (e.g., Plowman et al., 2007). This has specific relevance for the Miladys case study that I will investigate in Chapters Five.

3.3.3. A Case of Complexity?

The field of complexity theory and the associated concepts such as sensitivity to initial conditions, nonlinear dynamics, and strange attractors originated from the study of natural systems' phenomena, most notably the study of weather patterns. However, is there evidence that these principles apply equally to social and economic systems? Are there signs that we live in, or are transitioning into, a complex world characterised by non-linear dynamics, ambiguity, and unpredictability? With this in mind, we may need to adapt our worldviews, mind frames, methodologies, and tools to think about and manage complex systems. A whole plethora of arguments are invoked to support the argument that we live indeed in an increasingly complex world. I present a brief synopsis of some of the arguments below and link them to the respective complex systems principles. This constitutes a narrative of literally cosmic proportions and implications.

Information processing, communication, and storage: The ability to process information, through reception, transformation and output is central to systems. The growth information generation and storage and processing in recent years has been astounding. In sixty years since the Apollo Space program, the processing power of the top performing computers has increased by a factor of *one trillion; with* cumulative processing power increasing even more. Exemplifying this, Apple sold more than 1.2 billion IPhones over the last 10 years[7], each IPhone several orders of magnitude more powerful than the NASA computers that landed the Apollo 11 spaceship[8]. According to the WEF, 90% of the world's data was created over the last two years alone. The growth has not only been non-linear; but it has also been *exponential*. While the famous Moore's law (the number of transistors on a microchip

[7] https://www.statista.com/chart/5390/cumulative-iphone-sales/
[8] https://pages.experts-exchange.com/processing-power-compared

doubles every two years) seems to have reached the end of its validity, new technologies such as quantum computing have the potential to dwarf the developments seen to date.

Interconnectivity/feedback loops between systems: Connectivity between systems has increased dramatically on a technological, economic, institutional, and cultural level. On an information technology level, the emergence of the worldwide web and the reduction of information processing and storage costs have enabled us to access vast amounts of publicly available information within seconds, to communicate and exchange across borders, time zones, actors, systems.

Globalisation, fuelled by the invention of mobility technology, stimulated the interaction and integration between people, companies, and government, resulting in an acceleration of growth and innovation. The increasing connectivity and interaction between different systems and system types leads to an increase in dynamics and complexity. Social and economic systems, exposed to shocks and system collapse, have always been embedded in environmental systems. Yet with the globalisation of production, mobility, resource extraction, and environmental destruction,[9] these dependencies are becoming ever more visible as we approach and surpass the planetary boundaries (Whiteman, Walker, & Perego, 2013).

Path dependency & sensitivity to initial conditions: The systems of today are a function of yesterday's systems, on a cultural, technological, environmental, institutional, and economic level. Western systems of law date back centuries and continue to shape how we think of business today. Technology is addictive as new innovations build on old ones, and the availability, and often the destruction of natural resources in certain areas is rooted in the past and influences the future. Very rarely we can 'design' systems from scratch, but we continuously build on legacy systems, and even when we do get the chance, our conception of an 'ideal' or 'desirable' system is influenced by our own past. Our conceptions are influenced by our worldview and experiences that we cannot escape from and that influence how we act and change.

[9] Environmental destruction has led to the collapse of civilizations in the past, however these adverse effects were localized with dramatic local consequence. Now, the consequences are global.

Local & decentralisation adaptation: Arguably the influence and control of centralised institutions is waning and being replaced by a multitude of localised adaptation ecosystems or forces. It is important to note that 'local' is not confined to regional/geographical references but rather extends to the *scope* of influence. In the past, virtually every aspect of life was controlled and influenced by a handful of centralised institutions, such as the (nation) state, the central bank, and the church or regulatory bodies. The influence of these institutions is now being rivalled, replaced, and reduced, thus accelerating change.

While these aspects support the argument for increasing complexity, counterpoints can and have been raised. Environmental destruction and large-scale monocultures lead to a loss in biodiversity, reduced ecological functions and altered natural communities, hence a reduction in natural complexity.[10] The loss of natural diversity is paralleled by a loss of linguistic and cultural diversity[11], a loss of diversity that is seen "*as equally necessary for mankind as biodiversity for nature.*"[12]

We increasingly access information through a smaller range of conduits – Google, alone controls over 90% of the internet searches[13], and Amazon commands over 30% of the book sales in the US. We increasingly consume the same products from the same mega suppliers such as Amazon, Walmart, VW, Toyota, Alibaba, Apple, and Facebook. These counterpoints are phenomena of an increasing homogeneity, of a loss of diversity and reduced richness of system functioning.

Furthermore, scholars raise additional and, in some cases, even more fundamental concerns. The first concern is whether times are more complex, whether we *do* face unprecedented change. Tourish (2018) argues that it is the conceit of each generation to imagine that the problems it faces are more challenging, more rapid, and more complex than in previous times. For example, Ansoff concluded in 1965 that the business environment is becoming more complex and turbulent and so did Mintzberg (1994) in his critique of strategic planning.

---

[10] http://encyclopedia.uia.org/en/problem/132867
[11] http://www.unesco.org/languages-atlas/
[12]http://www.unesco.org/new/en/indigenous-peoples/cultural-and-linguistic-diversity/
[13] http://gs.statcounter.com/search-engine-market-share

Tourish (2018) explains this with a 'presentism and tranquillity fallacy', namely the tendency to find the current era to be exceptionally, even uniquely turbulent, and past eras calm in comparison. The second, and more fundamental concern, is whether human systems in general, and firms, can indeed be described as complex systems. Scholars caution that complexity 'science' and chaos theory are relatively new fields of science, and despite the outstanding works of scholarly giants such as Boulding, Prigogine, and Kaufffman, much remains to be done to firmly establish its scope and validity, even in the domain of natural systems (Rosenhead, 1998). Critics of complexity theory argue that much of the evidence that is derived from computer models, and question whether the claimed behaviour would be found in the real world (Lissack & Richardson, 2001).

Sceptics raise even more fundamental challenges, namely the hiatus between social and natural systems. Physical systems are governed by a limited number of deterministic laws, whereas social systems are influenced by uncountable variables and probabilistic elements (Jackson, 2003). Humans, equipped with free will and self-consciousness, can think and learn and change their purposes, thereby disproving any law that is said to govern their behaviour (Rosenhead, 1998). Furthermore, while Anderson (1999) highlights the potential of CAS for studying the emergence of hierarchies or self-organisation, he raises methodological caveats: in CAS, the adaptive nature of the elements is an input and the physics of the adaptation are buried in the assumptions, when it is exactly the adaptive nature that one would like to 'explain' instead of assuming. Thus, some caution that complexity theory is running the risk of being, or becoming, the next fad, ultimately under threat of being discredited as their main tenets remain uncorroborated (McKelvey, 1999a). Through my research I have become increasingly aware of this paradox and ambiguity. While caution in blanket applications of emerging theories to unrelated fields is certainly warranted, the fields of organisational theory and management research tend to rely less on mathematical equations and computer models than the hard sciences of particle physics or mathematics (McKelvey, 1999b): If mathematical equations and formalised models represent a threshold for 'good science or theory', then even fields such as biology would be under scrutiny. Furthermore, since the early pioneering research of scholars like Rosenhead (1998), McKelvey (1999) or Anderson (1999), research utilising formalised models in the application of complexity theory to organisational research has emerged (for example Batten, 2009; Hazy, 2006; Schneider & Somers, 2006).

Most of the work seeking to apply the principles of complexity to organisations and leadership has done so by using complexity as a paradigmatic *lens*, rather than a coherent, formalised complexity theory or science, to understand dynamic change (e.g., Plowman et al., 2007), coordination and adaptation (e.g. (Brown & Eisenhardt, 1997) or leadership (e.g., Lichtenstein et al., 2006; Lichtenstein & Plowman, 2009; Uhl-Bien et al., 2007).

In contrast to closed systems perspectives or GST, open systems perspectives - embracing complexity principles - are well-suited towards this study's aim at explaining how organisations adapt, especially in environments characterised by high dynamics and increasingly interconnected systems operating far from equilibrium (Eisenhardt & Bhatia, 2017); the developments we are witnessing as outlined in the first section of this chapter.

Even if the world is becoming more complex, how do we reconcile the aspiration that thinking in systems can help managers to steer their organisations and enable prosperous future? What of the paradox contrary to this assumption, that 'in complexity, future states are inherently unknowable, and patterns of behaviour emerge at different levels, hence the ability of top management and leaders to consciously influence the process and outcomes is severely compromised?' (Tourish, 2018)? As Tourish (2018) argued, the actual capacity of leadership to consciously influence the turn of events in a firm or organisation, is severely compromised by the inherent nature of systems in complexity. Clearly there is not sufficient control with which to wield the steermanship that certain managers might require.

This is an integral difficulty in the research study, and I recognise it as an assumption of the researcher that agency is possible in the context of complexity and managing organisations in complex environments. Afterall is it not the quest of management scholarship to help managers reconstitute their agency despite the complexity we are all ensconced in? Complexity offers a lens to view systems holistically, as a diverse set of interacting elements organised into levels of hierarchy, and the emergence of systemic properties at different levels (Mingers & White, 2010). The mere recognition that the world is complex and unpredictable may already offer avenues for management – accepting and embracing emergence rather than prediction, change rather than stability, multiple perspectives rather than reduction, constant (re-) negotiation and (re-) evaluation of events, structures, and outcomes. These represent avenues for modern management, even if future states are

inherently unknowable. Thus, I believe that complexity does not imply an absence of agency but shifts the attention to the 'mundane', day-to-day acts of being and becoming, to the micro actions and interactions between the elements of the system that give rise to emergence of systemic properties - creating the path while walking it. In this research I too am on that path.

3.4. Conclusion

To investigate whether shared values could serve as guiding principles in complexity, the preceding chapter introduced systems thinking as a conceptual lens. The chapter started by sketching its philosophical roots, it outlined the evolution of different pertinent streams of systems thinking scholarship and demonstrated that over time the field increasingly incorporated concepts of complexity. These in turn provide the field with a practical utility to support organising in turbulent and uncertain times. The chapter also made a case for complexity, arguing that the principles of complexity could serve as a valuable lens to interrogate the dynamic, non-linear contexts that organisations increasingly encounter and to also further our understanding of how to manage within these contexts. The introduction of systems thinking, and the principles of the complexity paradigm, set the scene to trace the parallels between systems thinking and management thought in the final chapter of this review, the synthesis.

At the core of complexity and systems thinking, as applied in this study, is my recognition and appreciation for the emergent interconnectedness properties that give rise to phenomena not inherent to any of the constituting parts – emergence.

Managing or leading with complexity would entail at the very least:

1. embracing multiple perspectives,
2. searching for synthesis as opposed to reductionist approaches to analysis,
3. the conceptualisation of challenges and solutions as existing in non-linear contexts, multifaceted and uncertain environments.

In addition, the willingness to make sense and make decisions by employing thinking and working methods that appreciate the inherent uncertainty and variability of the imminent and long-term future - dialogical decision-making, system mapping, scenario planning and

forecasting, amongst other methods familiar in the systems thinking scholarly and practitioner lexicon. I advocate these as useful resources to support leadership in organising within a complex systems perspective. This calls for a dynamic way of being in an emerging corporate narrative.

4. Synthesis - Systems Thinking and Management Thought

The preceding chapters introduced and reviewed the bodies of values research and systems thinking. While both streams boast long-standing traditions, the reviews identified a range of ambiguities, paradoxes and gaps that require further attention to corroborate whether, and under what conditions, values could act as organising principles in complexity. These gaps relate to constituted organisational values and narratives which, given my career and research path, hold much personal interest. I have suggested that for values to be of use to the organisation, they ought to be shared amongst the members of the organisation and enacted in everyday organisational practices. Much of the current literature equates values and values-based leadership with ethical values. However, as values comprise normative, subjective, and temporal dimensions, their 'goodness' is relative and dependent on the worldview of the beholder. Thirdly, there is a paucity of research to address the processes of how shared values emerge and the role of leadership within these processes.

To further our understanding and to address these gaps and ambiguities, the second chapter of the literature review suggested systems thinking as a conceptual lens to interrogate the potential of values as organising principles in complexity. Open and complex systems principles, such as path dependency, nonlinear dynamics and indeterminability are arguably the conditions that organisations increasingly realize they encounter.

The following chapter synthesises the two streams and argues that the transitions seen in systems thinking have, to some extent, been paralleled by management thought. These developments entail important implications regarding organisational boundaries, the means and ends of organising and the role of leadership within the system 'organisation'.

The connections between systems thinking and management phenomena are in need of a more overt exploration. Therefore, the intention of this final chapter of the literature review

– and the first research objective of this thesis - is to connect the principles of system thinking to the evolution in management thought and to draw inferences concerning shared values as a function of different systems paradigms.

Building on Scott and Davis' (2007) classification of organisational systems, the following chapter shows how the narrative has changed. Management thought has shifted from closed and rational systems perspectives to an open and natural systems perspectives. I outline each school of thought linked to the respective streams of systems thinking and present prominent management scholars, and their conceptions concerning human nature. I also consider the means and ends of organising, and the role of leadership.

Although management thought has evolved from closed and rational systems perspectives, much of mainstream management remains rooted in open-natural systems perspectives, focused on economic value creation, notions of punctuated equilibrium with leadership tied to characteristics of individuals in certain positions.

Proponents of a paradigm of complexity argue that much of current management research fails to reconceive the very nature of humans and to incorporate the dynamic interactions between systems. They suggest that the Newtonian mechanistic-deterministic paradigm and the Cartesian separation of mind and matter can no longer sufficiently explain systems' behaviours. A management paradigm rooted in complexity, conceiving organisations as holistic, adaptive, multi-minded systems is required to enable prosperity and sustainable futures (Baets & Oldenboom, 2014; Gharajedaghi, 2011; Purser et.al, 1995).

Emanating from these criticisms, calls have grown louder to fundamentally rethink the ends of business and the role of business in society (Donaldson & Walsh, 2015; Hollensbe et al., 2014; Metcalf & Benn, 2012). I add my voice to these calls. Such reconsiderations and arguments for a paradigm of complexity entail far-reaching implications for organisational purposes, practices, and leadership: Proponents of complexity urge the pursuit of a holistic purpose, entailing environmental, social, and economic dimensions. They stress the importance of learning, innovation, adaptability, and accountability as key success factors and propose oriented leadership as a distributed, processual phenomenon.

Conceiving organisations as CAS, this chapter suggests that values act as *autopoietic schemata*, path and history dependent principles guiding behaviour, which are adapted to

local context (professional, cultural), while exhibiting self-similarity at different levels and emerging through the constant interaction between the system's elements.

Following this introduction, the chapter briefly outlines the characteristics of closed-rational systems perspectives before proceeding to open rational and closed- natural perspectives. I end the chapter by discussing open-natural and complex adaptive systems perspectives in management. Sketching the parallels between the evolution of systems thinking and management thought then reveals that, despite growing interest, the application of principles of complexity to management issues remains partial. In particular, the processes of values emergence, and the role of leadership within these processes, requires further investigation. This is an undertaking that has not yet been sufficiently explored and is addressed by the empirical part of this thesis.

4.1. Closed Rational Systems

The pioneers of management scholarship thought businesses to be closed-rational systems (Scott & Davis, 2015), which corresponds to Boulding's (1956) mechanistic systems, such clockworks, or thermostats. In closed-rational systems the structures are rigid, the independence of parts is highly constricted, and the outcomes are thought to be pre-determined (Jackson, 2003).

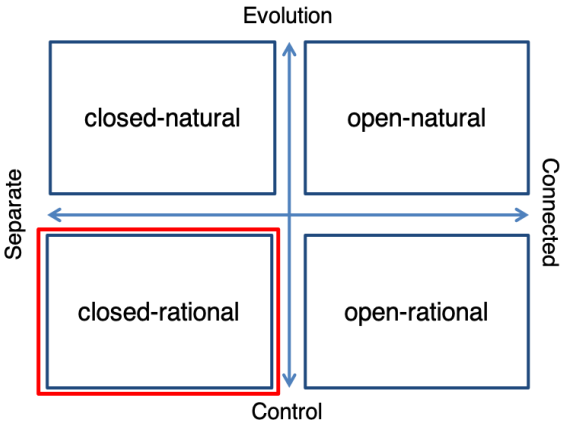


Figure 5: Closed Rational Systems

The closed-rational systems perspective of organisations traces back to the beginning of the 20th century and Frederick Taylor's (1910) opus magnum *Principles of Scientific Management*. Taylor set out to revolutionise the organisation of production, and although his work is often critiqued for providing the grounds of a dehumanisation of the workplace and the exploitation of labour, his work was propelled by his desire to create the public good for a more prosperous society. At the time, Taylor was concerned about the negative effects of inefficient work and production methods. He believed that instead of searching for extraordinary human beings, a systematic approach to improve labour productivity was

necessary. He argued that a scientific approach to management could deliver the public good of efficiency, prosperity, and happiness, saying: "*Under scientific management the intermediate periods will be far more prosperous, far happier, and more free from discord and dissension*" (Taylor, 1910, p. 29).

Indeed, following the decades following this scholarship, industry and management saw rapid advancements in productivity and economic growth. Taylor's work inspired other management theories, such as Fayol's administrative theory concerned with the organisation of management, or Weber's bureaucratic organisation, which combines Taylor's focus on labour with Fayol's management theory (Wren et al., 2012).

Historically, the system of the 'corporation' was originally devised to realise large-scale infrastructure projects, such as building bridges or railways. Corporations were set up to amass resources and capital that no individual would be able to mobilise and reward those who contributed in the form of dividends (Sovacool, 2010). Since these early days, corporations have become more widespread, but the purpose has remained the same, to create economic value that would in turn enable social development and upliftment.

To realise this purpose, Taylor and other early scholars conceived businesses as highly formalised systems (Scott & Davis, 2015), focusing on the internal features of the organisation as a key to success and drawing clear boundaries between the system and its environment. The external environment, such as socio-cultural or technological aspects were omitted, assumed as stable and predictable without interfering in the organisation (Daft, 2001). By conceiving business as distinct and separate from the environment, Taylor was, in his view, able to isolate and 'deconstruct' the system to study, understand and optimise its parts and their interactions. The system still produced outcomes greater than the sum of its parts. After all, no single financier or worker could build a bridge or a railroad by himself. However, in closed-rational systems the outcomes are thought to be determined rather than emergent as modern systems thinking suggests.

The 'rational' in closed-rational systems describes how a purpose should be pursued: To realise the systems purpose, the organisation should exhibit a high degree of formalisation and specificity, whereby specificity refers to the clear and explicit definition of the means and ends of organising, providing unambiguous criteria to select among alternatives for action (Scott & Davis, 2015).

The need for high degree of formalisation and specificity in closed-rational systems perspectives emanated from the assumptions about human nature. The underlying conception of humans in the closed-rational systems paradigm is that they are characterised by cognitive and motivational limitations and that employees need to be instrumentally motivated through material incentives, through which they rationally maximise their own economic utility (Barley & Kunda, 1992; Scott & Davis, 2015). As a result of these cognitive and motivational limitations, the means to coordinate behaviour relies on precise and explicit rules, roles are defined independently of individual characteristics or relations. Precise communication, data-based decision making, and information management are used to increase efficiency of processes (Zammuto, Gifford, & Goodman, 2000).

The goal of these explicit rules and formal instructions is to standardize and regulate behaviour, to make behaviour predictable and consciously modifiable and to improve overall business performance and efficiency. Closed rational systems perspectives view management and leadership as occupied with eliminating errors and increasing regularity and consistencies of outcomes. Leaders are characterized as organisers and administrators, paying attention to details, and following procedure methodologically (Scott & Davis, 2015; Barley & Kunda, 1992).

The limited cognitive capacity and rationality of employees stands in contrast to the assumed omniscience and rationality of the organisational leaders and managers, who were thought to possess the ability to deconstruct, understand and optimise the organisational system consciously and deliberately. This aspiration to eliminate all human elements from organisations, to optimise corporations like machines, caused Bennis (1959) to taunt the rational systems perspective as *"organising organisations without people."* Closed-rational perspectives of organisations can be characterised as *purposive* rather than *purposeful* – designed to reach a goal specified by the engineers of the system, but without the ability to alter their ends under changing environmental conditions (Jackson, 2003).

4.2. Open Rational Systems

Open-rational systems perspectives correspond to level 4 of Kenneth Boulding's (1956) hierarchy of complexity. They describe cybernetic systems that exhibit closed-loop control, structural self-maintenance through the exchange of information and resources with the environment and focus on the negative, system-stabilising feedback loops (Jackson, 2003).

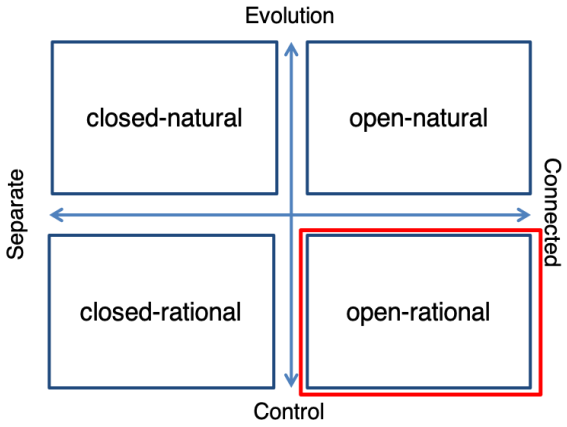


Figure 6: Open Rational Systems

Open-rational systems perspectives in management originate from the success of mathematicians, physicists, and statisticians in the Second World War to solve problems of planning and logistics, for example planning optimal convoy sizes or the manufacturing processes of military equipment (Jackson, 2003). These approaches include for example 'operations research (OR), systems analysis (SA) or systems engineering (SE) and are often subsumed under the umbrella term 'hard systems thinking' (Checkland, 1978). Soon after the war, these approaches were applied to management problems and dedicated research institutions were established, such as the Operations Research Society of America and The Institute of Management Science (Barley & Kunda, 1992, Jackson, 2003).

The formal establishment of a field of management science resulted in a mushrooming of theories and paradigms, a veritable theoretical Cambrian explosion (Davis & Adam Cobb, 2010). Multiple influential schools of thought emerged that shaped management thought, and in some cases continue to do so today. One of them is certainly Williamson's (1979) transaction cost theory, for which he received the 2009 Nobel Memorial Prize in Economics. Williamson reflected why, and under what circumstances, a system 'corporation' arises. What are the outputs greater than the sum of its parts? What are the factors that warrant the increased cost to coordinate the behaviour of elements within the system? Under what conditions does it make sense to perform tasks within an organisation as opposed to purchasing or leasing the service from an external provider? He concluded that the determinants of different systems configurations are the frequency that certain tasks or

resources required, the factor or task specificity, uncertainty the degree of rationality and the vulnerability to opportunistic behaviour.

Lawrence and Lorsch's (1967) contingency theory is certainly another hallmark of open-rational system theories. They suggest that organisational structures significantly depend on the specifics of its environment and the available technology. To be successful, organisations need to balance differentiation and integration of sub-units and groups, which depends on the degree of uncertainty of the context and tasks, the time-sensitivities of feedback loops and the goal orientation of organisational members.

Building on cybernetic principles Ackoff's (1971) work and Ansoff's (1965) strategic planning had significant influence on early strategy literature: the environment is analysed for opportunities, threats, strengths, and weaknesses of the organisation are derived and appropriate strategies devised to ensure the acquisition of strategic resources to enable competitive advantage, economic performance, growth, and long-term profitability (Peteraf, 1993; Porter, 1985). A flurry of management concepts built on this perspective persists today, for example Druckers' (1954) Management by Objective (MBO) or the Critical Path Method (CPM) (Barley & Kunda, 1992; Scott & Davis, 2015), but also the SWOT analysis (Humphrey, 2005) and Porters' Five Forces (Porter, 1985).

In contrast to these closed-rational perspectives, open-rational conceptions emphasise the importance of, and dependency on, other systems and actors for organisational success. Open-rational conceptions address questions such as how to rationally plan, strategize, allocate resources, and alter structures in the face of varying environmental demands and contexts (Scott & Davis, 2015). Being intertwined with the external environment, open systems adapt to changes and become more differentiated and elaborate in their own structure, expending energy on the maintenance of the system and the change of its organisation (Jackson, 1994). Thus, the organisational boundaries are more permeable and fluid in the open-rational conceptions. While open-rational perspectives do consider the wider organisational context, the widening of the perspective focuses on other economic and technological systems. Social and environmental considerations are largely absent or quantified through assumptions of economic utility maximisation (Rabin, 1998).

Although business and the economy are connected to the environment through the exchange of information and resources, these systems are viewed as distinct and separate, operating at 'arm's length'. In this paradigm, which Gladwin, Kennelly, and Krause (1995) labelled as 'technocentric', humans are viewed as superior to the natural environment, which is conceived as inert, passive and hence legitimately exploitable. This assumed separation of economic, social, and environmental systems gives rise to the conclusion that organisations have the purpose and sole responsibility to generate shareholder value. As the sole responsibility of business is to increase the wealth for shareholders, the pursuit of social or environmental objectives cannot be mandated or forced upon organisations as this would lead to inferior returns and lost competitiveness, and overall reduced value for all participants (Friedman, 1970).

While in principle the proponents of the open-rational systems paradigm followed March and Simon's (1958) argument that human nature is boundedly rational, Barley and Kunda (1992) suggest that the difference was rather gradual than a shift in paradigm. Open-rational perspectives perpetuate assumptions of cognitive decision-making and rational calculations; thus, employees should be instrumentally motivated through material incentives (Barley & Kunda, 1992). In fact, Barley and Kunda (1992) emphasise that apart from top management and some subject experts, many of these theories lacked explicit models of the workforce and often portrayed workers as automatons who *"responded mechanically to structural changes or as rational actors whose involvement in work was instrumental"* (p. 380).

Following the assumptions of the connectedness of the system 'organisation' to the environment and to human nature, the means of organising assume that goals are clearly defined and the factors that influence the realisation of the objectives can be identified, quantified, and optimized. The ideal process is to formulate goals and analyse problems that may obstruct the realisation of the goal, and subsequently construct abstract models to represent the system of interest, to derive solutions from the model, test the model and establish controls over the solution (Churchman, Ackoff, & Arnoff, 1957, Jackson, 2003; Merali & Allan, 2011).

The role of management in open-rational systems is to develop a strategy through a rational analysis of the environment and design systems to meet these objectives through

forecasting, planning and control (Barley & Kunda, 1992). In this planned mode, the outcomes of the organisation are determined, rather than emergent (Pidd, 2004). Others, such as Mintzberg (1994), voice caution as this mode assumes two critical aspects: ,one the ability to sufficiently understand the environment and secondly, the capacity to influence the environment. If one of these two premises is absent, the planned strategy development and implementation may not yield the intended outcomes.

Leadership in the open-rational perspective differed from the functional, topic expertise perspective advocated by Taylorism. Leadership in the open-rational perspective purports that given the aspiration of universally applicable principles of systems analysis and design, trained managers could apply their skills to basically any organisation or problem (Barley & Kunda, 1992). With an appropriate analytic orientation and knowledge of contingent relations, leaders can consciously and deliberately design a more effective firm by manipulating structures and decision processes.

The open-rational conception of organisations can be characterised as *uni-minded purposeful* systems where the management is conceived as conscious or purposeful, being able to choose their means and ends under changing circumstances, whereas the subsystems, and the individuals within the organisation, operate on mechanic or cybernetic principles (Gharajedaghi, 2011).

4.3. Closed Natural Systems

Progressing in the complexity of systems, the closed-natural systems view of organisations corresponds to level 6 of Kenneth Boulding's (1956) hierarchy of complexity. It describes systems that are characterised by structural self-maintenance, blue-printed growth, and reproduction (Jackson, 2003). Of course, all living systems are open systems, so the *closed* in closed-natural does not imply that they do not exchange information,

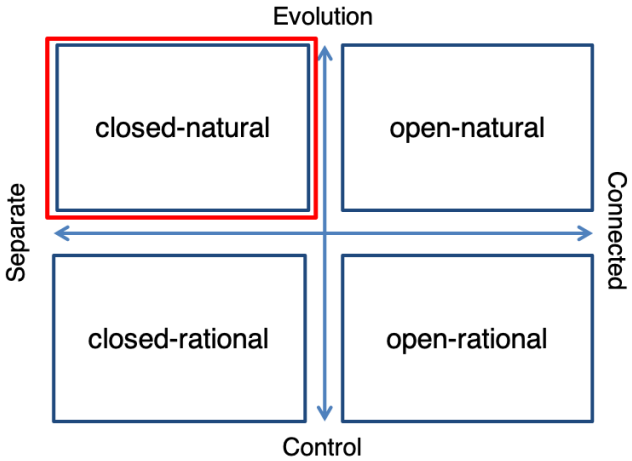


Figure 7: Closed Natural Systems

energy, and resources with the environment. Rather, closed-natural perspectives highlight the importance of internal arrangements for systems behaviour, the circular nature of living systems, the ability to self-reproduce and the reluctance to change (Jackson, 2003).

Closed-natural systems perspectives originate from the field of biology and the study of living organisms, most notably through the works of Maturana and Varela (1974). Closed-natural systems highlight the need to consider internal features to understand systems and thereby provide a counterpoint to the organisation-environment relations stressed by the open-rational systems. Apart from drawing our attention to the internal characteristics as determinants for systems behaviour, *natural* systems perspectives also acknowledge that actual systems behaviour may diverge from the formal structures and considerations that were absent from rational systems perspectives (Scott & Davis, 2015).

The discrepancies between formal structures and systems behaviour may arise due to the existence of multiple, often ill-defined, and competing ends, as well as an ambiguity of means, the practices, and processes, to realise these ends. While formal structures exist, their influence on behaviour is relative and they are complemented by informal aspects rooted in psychology, personal characteristics, and social relationships (Mingers, 1995; Scott & Davis, 2015).

One of the first seminal authors to highlight the complex, multi-layered nature of humans and organisations was Parsons' study of workers' productivity at Western Electrics' Hawthorne plant. Expecting that workers' productivity would be influenced by the levels of lighting, he found that both the control group and the experimental group increased their productivity. Startled by these results, Harvard professor Edward Mayo set out to further study this so-called Hawthorne effect. He concluded that factors beyond the physiological caused the effect. Blending ideas from psychology, sociology, and anthropology, he conceptualised organisations as social systems, and thereby shifted the focus to informal social relations, personal characteristics, and aspirations as determinants of productivity (Barley & Kunda, 1992).

Other seminal authors were Kurt Lewin (1952), focusing on work groups, and Abraham Maslow (1943), who argued that humans have a set of hierarchically ordered needs that motivate people. Physiological needs of food, water and sleep must be met before humans are motivated to satisfy others needs such as security, order, and stability. Social needs such

as belonging, recognition and affection in turn only motivate action when physiological and safety needs are met. Building on these early scholars, Ouchi's Theory Z (1981), Peters and Waterman's "In Search for Excellence" (1982), as well as Deal and Kennedy "Corporate Cultures" (1982) mainstreamed the organisations-as-social-systems perspective in management research in the 1980's.

These scholars highlight the multi-dimensionality of human nature and stress internal arrangement of the system as the key to organisational success, thereby drawing clear boundaries between the system and the external environment. By focusing on the internal features of the system and largely ignoring the existence of, and dependency on, the social and natural environment, these authors also perpetuate an organisation – environment dualism (Purser et al., 1995). Moreover, some suggest that with its internal focus the closed-natural perspectives also struggled to integrate the 'whole' person at work, with all their roles in different social systems, as employees, as customers, as citizens (Pruzan, 2001; Ramarajan & Reid, 2013).

Despite this internal focus, closed-natural systems perspectives advocate a multi-layered nature of humans, entailing a more holistic and socially complex agent, including cultural-cognitive elements, such as beliefs, ideas, values, and identity (Scott & Davis, 2015). Employees are no longer conceived as rationally calculating agents, as utility-maximising automatons, but as social beings driven by emotions and social relations and a desire to belong and contribute to a greater cause (Merali & Allan, 2011). Natural systems views recognise the entwinement of the external, physical dimensions with the internal emotional, needs and values-driven dimension of human behaviour (Barley & Kunda, 1992).

Although these scholars acknowledged the multi-dimensional nature of humans, they did not advocate social relations and values for their own sake, for the purpose of the organisation still focussed on the creation of economic welfare for individual shareholders (Barley & Kunda, 1992). As social norms, which emerge over time through ongoing interactions between the organisational members, and relationships play a critical role in the realisation of organisational objectives, the modus of outcome realisation shifted from a determined to emergent modus (Barley & Kunda, 1992). Due to the emergent nature of group norms, there is no guarantee that they align with the overall organisational objectives

and thus firms need to pursue 'maintenance goals' to ensure alignment between the members and to perpetuate the organisation itself (Scott & Davis, 2007).

Critics of rational perspectives argue that the focus on control and standardisation incentivises parochialism and calculative involvement from management, at the expense of moral authority and social integration. This may result in a decline in loyalty and commitment (Barley & Kunda, 1992). Furthermore, while rational systemisation may be well-suited to manage in periods of stability, in turbulent environments the reliance on rational control may accelerate a decline in productivity when employees' commitment is most critical (Masuch, 1985). Despite the acknowledgement of the internal dimensions and the criticism of the means of rational-systems perspectives, the closed-natural systems view does not relinquish control, nor abandon the ideals of efficiency and productivity. Rather, closed-natural systems perspectives complement the external-physical control of previous management theories with an internal dimension, turning the attention to creating internal alignment to realise given ends. An 'excellent company', as Peters & Watermans (1982) argues, should hold a few centralised values, and then delegate autonomy, since well-socialised employees can be trusted to enact the organisation's interests.

With this in mind, 'well-socialised employees' would no longer require constant supervision, formalisation, and control to motivate action, and internal alignment would result in a lower cost of coordination and thereby achieving improvements efficiency and productivity (Barley & Kunda, 1992; Peters & Waterman, 1982; Deal & Kennedy, 1982).[14]

To achieve these goals of internal alignment, organisations ought to focus on human development, empowerment, and employee retention through teamwork, encouraging informal structures and decentralised decision-making (Barley & Kunda, 1992). Dunphy et al. (2003) suggest that associated means ought to focus on internal staff development, learning and capacity building to renew and upgrade knowledge and skills, and on the promotion of equal opportunity, workplace diversity, and work-life balance. In other words, it is argued that the work environment is to be conflict free with a good work-life

[14] While most scholars remained rather reserved regarding the mechanisms and outcomes of culture, Deal and Kennedy (1982, p. 15) proclaimed that "The impact of a strong culture on productivity is amazing ... we estimate that a company can gain as much as one or two hours of productive work per employee per day".

balance and with constant, but timed and deliberate growth to keep employees loyal to the organisation.

Change is thought to be deliberate, consensual, and cooperative (Scott & Davis, 2015). In closed-natural systems perspectives, interpersonal skills and competencies are an indispensable prerequisite for leadership and management; they should take the roles of mentors, facilitators, and team builders, emphasising shared objectives, mutual contribution and collectivity to influence social dynamics and gain the consent from the workforce (Barley & Kunda, 1992).

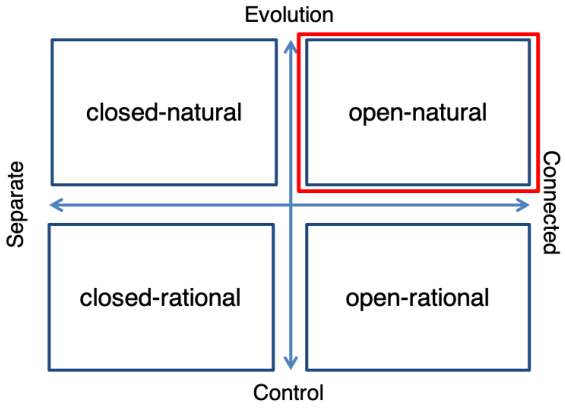
The spectrum of managerial activity hence widened. Instead of only managing the flow of goods and services and devising plans and processes, they now have the additional task to manage normative systems to enhance a firm's integration. Moreover, since the primary work groups were the ultimate point of integration, managers all the way down to first-line supervisors required communication skills, sensitivity in interpersonal relations and knowledge of how to mould the dynamics of a group (Kunda & Barley, 1992). However, the closed-natural view of organisations also holds the idea that strong cultures can be consciously designed and manipulated; managers are not only capable of formulating desirable values systems, but also instilling those values in their employees. The conscious, deliberate, and intentional change of values during the lifetime of the company, 'values engineering', is seen as a key and inherent function of leadership (Hambrick & Brandon, 1988). In this view, organisational leaders espouse organisational values in a top-down process, which are subsequently adopted by employees (Barley, Meyer & Gash, 1998).

4.4. Open Natural and Complex Adaptive Systems

Building on the evolution from mechanistic-deterministic perspectives to natural systems view and the corresponding management paradigms, I discuss in the following section the application of open-natural systems principles in management, and I focus on complex adaptive systems as a subset of open systems. I trace the roots of open systems and

Figure 8: Open Natural Systems

complexity research, consider seminal scholars and their conception of the systems' boundaries, then discuss the ends and means of organising and leadership in complexity.



Open natural and complex adaptive systems perspectives correspond to level 8 of Kenneth Bouldings' (1956) classification of complexity, referring to socio-cultural systems characterised by roles, communications, and the transmission of values (Jackson, 2003). To explain systems' behaviour, open-natural perspectives balance the internal dimensions introduced by closed-natural systems perspectives with an external orientation. While closed-natural systems focus on stability, open-natural systems introduce disequilibrium but return to a steady-state equilibrium. Complex systems however emphasise instability with local attractors as points of temporal stability and multiple negative *and* positive feedback loops between numerous interconnected systems. As a response to feedback, complex systems adapt and transform with direct and indirect impacts on sub- and macro-systems (Holling, 2001). The constant adaptation to feedback loops without a central organising agent drives the emergence of system dynamics, structures, and self-organisation (Batten, 2009; Dougherty & Dunne, 2011; Sterman, 2001).

Most of current management and organisational theory is based on open-natural systems principles (Barley & Kunda, 1992; Schneider & Somers, 2006). Seminal works that can be classified under this paradigm include Freeman's (1984) *Stakeholder Theory* that stresses the importance of social systems for organisations, DiMaggio and Powell's (1983) work on institutional constraints or Pfeffer and Salancik's (1978) work on resource dependencies and the effects on organisational structure, power, and performance.

Open systems principles have permeated into a broad variety of fields; including strategy, for example with Barney's (1996) *Resource Based View* that incorporates principles of path and history dependency or Teece's *Dynamic Capabilities;* innovation research, including O'Reilly and Tushman's (2008) seminal work on *Ambidexterity* that stresses the delicate balance between performance of existing systems and innovating new ones'; project management with *Agile Methodologies* based on iterative development, adaptation, self-

organisation and accountability (Beck et al., 2001) or entrepreneurship with *Lean Start-Up Methodologies* that emphasise the importance of evolutionary learning through quick, iterative processes to test and validate hypothesis (Ries, 2011). Although much of current organisational theory is based on open systems principles, a range of differences persist between open systems perspectives and conceptions of CAS.

With the focus on the impact of the environment on the systems' functioning, the notion of clear boundaries and internal authority present in closed-natural systems evolved to a more fluid, permeable and flexible conception, especially in hyper competitive environments (S. L. Brown & Eisenhardt, 1997; Ilinitch, D'Aveni, & Lewin, 1996).[15] Freeman's Stakeholder Theory for example recognises the importance of considering other *social* systems' needs in decision-making, mostly those with a material power to endanger the organisations' license to operate. If regulating bodies, local communities or suppliers materially impact the functioning of businesses, they ought to be part of the system and their needs considered (Freeman, 1984; Spitzeck & Hansen, 2010). Likewise, scholars have argued that if the dependency on resources shapes business decisions, the *competitive* environment should be considered part of the system (Peffer & Salancik, 1978). Numerous studies have shown that an engagement with the *natural* environment or social investments can improve competitive advantage and contribute to firm performance (for example Ameer & Othman, 2012, Eccles, Ioannou, & Serafeim, 2014, Margolis & Walsh, 2003, or Sharma & Vredenburg, 1998).

However, proponents of complexity maintain that the broadening in perspective and organisational boundaries too often remains limited in scope and limited in temporal, and spatial scales. In complexity, organisations are embedded and nested in social and environmental systems, as opposed to being disparate as advocated by neo-classical perspectives or intertwined as suggested by open-natural systems views. In a paradigm of complexity, organisations influence social and environmental systems through their productive function and the generation of economic outcomes (Capra, 1996), therefore bi-

[15] This trend towards openness, fluidity and dynamics is however balanced by research stressing the importance of identity, path dependency and recursive practices, enabling a clear(er) distinction between the organization and environment (Schreyögg & Sydow, 2010).

directional interdependencies ought to be considered (Marcus, Kurucz, & Colbert, 2010; Sterman, 2001; Whiteman et al., 2013).

System level effects, such as environmental degradation or social inequality, arise due to individual agents' behaviours and their interactions with other systems, impacting on the level of organisations as well as on interconnected economic, social, and environmental systems (Ehrenfeld, 2005; Holling, 2001; Vinkhuyzen & Karlsson-Vinkhuyzen, 2014).

To understand systems behaviour thus requires a consideration of the dynamic interconnections across systems types (social, environmental, economic), temporal and spatial scales (Cash et al., 2006). Complexity perspectives thus suggest an expansion of the notion of organisational boundaries to recognise the dependency on society, economy and nature, and the systemic limits to growth within the boundaries of the planet (Starik & Kanashiro, 2013; Whiteman et al., 2013).

Gladwin and colleagues (1995) ascribe limited broadening in 'systems view' to the characteristics of the currently dominating management paradigm and its underlying conception of human nature. Originating from the Scientific Revolution of the 17th century, the Cartesian paradigm views humans as the sole locus of intrinsic value, humankind as separate from and superior to nature, and the earth as inert, passive and hence legitimately exploitable. Gladwin et al (1998) argue that in this paradigm, ethics are necessarily homocentric, and utilitarian as contemporary and proximate humans matter most. Sacrifices towards less fortunate social groups that are non-material for the functioning of the business, future generations or the natural environment are therefore not justified.

Purser et al. (1995) supports Gladwin and colleagues' views and further contend that the anthropocentric paradigm, even when taking an open system view, fails to recognise the dynamic loops and circular flows within ecosystems and remains firmly focused on firm level effects. Although natural systems' perspectives introduced the psychological-internal dimensions of human nature - the worldviews, beliefs, and values - it remained focused on the system's organisation and failed to integrate the 'whole' human into the theoretical models. The individual who is not only an element in the system 'organisation' but who is a holon and member of multiple overlapping social systems has not been sufficiently represented in scholarship (Barley & Kunda, 1992; Pruzan, 2001; Scott & Davis, 2015). As a result, the currently dominant paradigm "*drastically separates mind and body, subject and*

object, culture and nature, thoughts and things, values and facts, spirit and matter, human and nonhuman" (Wilber, 1995, p. 4).

Attempts to reconcile the human with nature and the mind with matter frequently draw on the concepts of holons and holarchical systems to offer a more nuanced perspective on the multi-layered essence of humanness and the nested nature of economic, social, and natural systems. In this quest for an integrated view, especially Koestler's (1989) notion of holons and Wilber's (2000) "All Quadrants All Lines" (AQAL) have elicited interest. A holon is whole but also a part; a system but also part of macro-systems and composed of multiple sub-holons, exhibiting rule-governed behaviour and gestalt consistency, but also degrees of freedom for localised flexible strategies to adapt to local contingencies (Koestler, 1989). In social systems, these rules refer to the codes of conduct, the instinctive rituals and acquired skills, the frames of reference, universes of discourse, each with its specific grammar or canon (Koestler, 1989).

Wilber (2000) builds on the idea of holons in his AQAL model where each holon comprises four dimensions along two axes: The first axis differentiates between the exterior dimension, describing the objective or observable phenomenon, and the interior or subjective dimension. The second axis discerns between the individual, the agentic level, and the shared and communal aspects. In his model, the individual dimensions interact with collective dimensions, just as the internal dimensions interact with the external dimensions and vice versa.

Following Wilber's (2000) line of argument, the emergent properties of a holon, for example an organisation, depends on the internal dimensions of the constituting individuals, their values, and worldviews, just as it depends on the internal dimensions of the greater collective within which the organisation is embedded, the culture, and norms. The emergent properties also depend on the external dimensions of the constituting elements, their behaviour, and technical skills, as well as the external behaviour of the embedded greater collective, such as the availability of resources and the laws that govern behaviour.

Whilst, to date, no consolidated and uniform view has emerged, the concepts of holarchical systems and Wilber's AQAL model have been applied to a range of topics to grasp the complexity of interconnected systems, including sustainability studies (Bradbury, 2003; Gladwin et al., 1995; Marcus et al., 2010), psychology (Laszlo & Krippner, 1998; Wilber,

1995), organisational innovation (Baets & Oldenboom, 2013), organisational development (Stevenson, 2012), values crafting (Holloway, van Eijnatten, & van Loon, 2011), organisational 'consciousness' (Pandey & Gupta, 2008), and leadership (K. C. Laszlo, 2012).

With the transitions from rational to natural systems perspectives, management theory has increasingly incorporated aspects of psychology and sociology into its models to address ailments associated with modern capitalism, neoclassical economics, and rationalism (Kahneman, 2003; Rabin, 1998). However, trust in corporations and management scholarship has declined and calls for a fundamental re-definition of the role and purpose of business in society have grown louder (Adler, 2014; Donaldson & Walsh, 2015; Ghoshal, 2005; Hollensbe et al., 2014; Metcalf & Benn, 2012, Valente, 2010).[16]

From these perspectives, evidence abounds that corporations in their current form damage society, the planet and fail to realise the satisfaction of social needs.[17] They argue that the shortcomings of business are not an 'implementation error', in other words that the assumptions are sound and that just the implementation of the technology 'corporation' should be improved, but rather that it is a design flaw (Metcalf & Benn, 2012). Todays' economy bears little resemblance to the conditions modern market capitalism *assumes* to assure social welfare and hence it is unlikely to increase levels of social welfare (T. M. Jones et al., 2016). Economic scarcity may have been a substantial challenge during Taylor's times; however, this is no longer the case in most developed countries. In contrast, social welfare problems, old and new, are on the rise, such as increasing inequality, rising healthcare cost and (political) corruption. Lastly, to conclude that shareholder maximisation automatically improves social welfare is a substantial leap of faith, that too often results in externalities that are borne by the collective and the underprivileged (T. M. Jones et al., 2016). Thus,

---

[16] A multitude of perspectives has been put forth as arguments for the market oriented economic system, ranging from the protection of political freedom through to economic freedom, protection of property rights and the honoring of contractual obligations, but most importantly the stipulation that shareholder wealth maximization were to produce the highest levels of social welfare due to the most efficient use of resources and hence social objectives would be assured if economic objectives were attained (see Sundaram and Inkpen (2004) for an extensive review of the argument).

[17] Accounts of corporate negligence, fraud, misbehavior as well as the impacts of the modern-day economy on the environment and the social fabric have been extensively and eloquently documented in other publications, such as Bannerjee (2008), Donaldson & Walsh (2015), Whiteman, Walker & Perego (2013) amongst many others, and thus don't require further repetition in the context of this thesis.

critics argue that corporate misbehaviour is a systemic issue, not bound to single organisations or industries, but in its current *design* the social technology 'corporation' is self-interested and unable to take other concerns into consideration (Banerjee, 2008; Crane et al., 2014).

The question of purpose of business is essentially a normative question – *what do we consider as ends worth pursuing?* What world do we want to inhabit and what is the role of business to shape that world? There are no laws that determine that the purpose of business is to pursue shareholder value maximisation, or sustainability or any other end. What is considered an 'acceptable' or 'desirable' end of business activity is fundamentally dependent on the worldview and values of the social collective that forms the constituents and the recipients of business activity, by the social reality in which business operates (Crane et al., 2014). Society sets the framework in which business operates, to whom corporations are accountable, the means of control, and more generally how success is defined (Donaldson & Walsh, 2015). Hence, a shift to a paradigm of sustainability, as advocated by many proponents of complexity, requires a paradigmatic shift on a societal level (Valente, 2010; Waddock, 2016).

Although calls to redefine the role of business in society have emerged in the 1960s and taken steam in the 90s (Purser et al., 1995; M. Starik & Rands, 1995; Wang, Tong, Takeuchi, & George, 2016), over the last few years they seem to gather more momentum, both in academia as well as in practice. Leading management journals call for research on organisational purpose and values (e.g., Hollensbe et al., 2014; Jones, et al., 2016). Efforts extend to re-define a theory of the firm, including Waddock's (2016) suggestion that business's purpose is to maximise aggregate wellbeing within ecological constraints and without dignity violation.

Donaldson and Walsh (2015) suggest that the purpose of business is to optimize *collective value*. They define collective value as the satisfaction of participants' values, including physical security, healthcare, personal freedom, family support, education, and charity. Business should be accountable to those *who affect and are affected by its activities, those in the present, past, and the future.* Donaldson and Walsh (2015) expand the notion of purpose in terms of value dimensions, from monistic to pluralistic conceptions, and in terms of the recipients or beneficiaries of business activity and temporal scales.

Efforts to re-define the purpose of business have not remained confined to the theoretical realm. In 2009 legislation was passed to create a new legal form of business, the "Benefit Corporation" (BC), that has the expressed purpose to create a material positive impact on society and the environment (Clark & Babson, 2012). Organisations in geographies without such legislation can voluntarily become a "BCorp'' by joining and meeting the standards set by B Labs, a non-profit that seeks systems change, to act and consider broader stakeholder interests (Hiller, 2013). Perhaps these examples are indicative of the emergence of a shift in worldview and mindset, which I endorse, a shift that acknowledges the complex interdependencies between economic, social, and environmental systems, that recognises the multi-layeredness of our existence, a shift from shareholder value to shared values or *"from valuing growth to certifying values"* (Gehman, Grimes, & Cao, 2018, p. 1).

So, if we assume we live in a complex world as many suggest, what are the means to organise in complexity and to realise the systems' purpose, whatever that purpose may be? Organisations such as CAS face divergent requirements: On the one hand they must ensure the performance of the current system, the efficient fulfilment of the systems purpose, maintaining stability and integrity, while on the other hand they must enable change and novelty to adapt to changing environments. They must master the duality between being and becoming, stability and change, administrative and generative requirements, entailing not just the exchange of physical goods, services, and information but also the alignment of the subjectivities and mindsets of individuals. Stacey (1996) for example suggests five parameters that management can manipulate to ensure an organisation is, or remains, at the edge of chaos:

- Information flow.
- Degree of diversity.
- Richness of connectivity.
- Level of contained anxiety.
- Degrees of power deferential.

However, these 'control parameters' appear to be indicators of complexity, rather than means to influence these parameters. Maybe finding a 'how to manage in complexity guide' is a futile aspiration. After all complexity implicates contingencies, paradoxes, and indeterminabilities that render grand narratives and overarching theories and solutions

unsuitable (Tsoukas, 2017). Complexity rather directs our attention to the processes, the practicalities of the day-to-day lived realities and activities of trying to organise, relate and interact. These are the processes and interactions that give rise to the emergent patterns (Langley, Smallman, Tsoukas, & Van De Ven, 2013; Mowles, Stacey, & Griffin, 2008). What can these day-to-day patterns of sensing, acting, relating, adapting, and evaluating reveal that may enhance the understanding of organising in complexity? Some principles may underpin processes that differentiate organisations that are able to do well in complexity from those who do not.

Systems' behaviour emerges through processes of interaction of agents, whose behaviour is governed by adaptive rules or schemata (Anderson, 1999). Through these schemata agents evaluate behaviour and adapt their own behaviour in relation to others (Maturana & Varela, 1987). Together, agents adapt to each other and form a co-evolving supra-system that "creates and learns its way into the future" (Stacey, 1996). Hence, structurally coupled systems are systems that result in continuous adaptation, learning, and development. Schemata are somewhat paradoxical. They constrain agents and guide them at the same time, they form and are formed by the local agents, while nobody is in control of what is happening (Stacey, 2007). Through language, humans coordinate behaviour and create a world which can be brought forth with others through abstract thought, concepts, symbols, and representation and through the co-evolution. This results in a system of shared beliefs, explanations and values, a context of meaning that is sustained by ongoing conversations (Capra, 1996).

Values as schemata and abstract principles of the desirable, denote the options for action and the different paths a system can take. The future states are already encoded in the agents' schemata of today. Equally, the system of today is a function of the schemata held yesterday and these schemata in turn influence today and the potential futures (Dolan, Auerbach, & Garcia, 2003; Dolan & Garcia, 2002). Shared values represent schemata that are shared by the actors of the system and that enable actors to self-organise and adapt to the local environments while pursuing the overall systems purpose. They serve as "*strange attractors of sufficient stability and diffusion to capture a system's attention to reproduce a repeated pattern of behavior*" (L. A. Fitzgerald & van Eijnatten, 2002, p. 412). From a complexity perspective, schemata are not necessarily congruent across agents and hierarchies, but

rather exhibit self-similarity at different levels, and evolve per the adaption to the environment. Changes in the environment trigger ripples of adaptation within an organisation's shared schemata to continually adapt existing conditions.

Complexity draws our attention to schemata, the mental models that people bring to their roles. What are the means we can activate to understand and influence these schemata, to avoid the challenges outlined by Viinamäki (2012) or Fitzpatrick (2007), and enable some of the positive outcomes such as innovation, adaptability, or performance? In previous paradigms, leaders and managers were thought to possess the ability to consciously instil values in their organisations, which were then unanimously adopted by their followers (Barley & Kunda, 1992). Since then, the notion of leadership has expanded to include the subjectivities and mind-sets of employees and the focus of research shifted to understand phenomena that evolve over time and how bi-directional influences affect leaders and followers (Dinh et al., 2014). By now, most of leadership theory can be subsumed under the open-natural systems paradigm and within the field neo-charismatic, information processing, social exchange and trait theories continue to dominate (Dinh et al., 2014). I find this an intriguing narrative for our current time.

Research investigating values and purposes is mostly subsumed under concepts such as authentic or ethical leadership and draws on concepts from transformational theory and neo-charismatic leadership theories (Copeland, 2014). Although over the last decade systems and complexity leadership theory emerged as relevant sub-fields, little of current research on values and values alignment explicitly draws on systems thinking or complexity perspectives (Mowles, 2008). Equally, only a few systems or complexity and leadership scholars refer to schemata or values when discussing the means to manage complexity. Indeed, a paradigm of complexity seems to complicate the matter for leadership and the processes of values transference.

The classic premise of leadership, that may be the only unifying aspect in this diverse field, is one that includes an intentional influence by someone on others (Yukl, 1994). In contrast, in the long run, complexity implicates an inability to identify and isolate all factors of influence and hence an indeterminability of future states. However, unpredictability does not imply an absence of order, just as recurrence does not preclude novelty (Tsoukas, 1998, p. 292). Although organisations may be complex, they are not chaotic and certain norms

and rules do persist as constraining and enabling influences on behaviour, yetin comparison to closed or rational systems perspectives, only to a limited extent.

Acknowledging the limited influence of individuals in complexity, Complexity Leadership Theory (CLT) aims to shift the focus from the actions or characteristics of individuals to a relational, dynamic, and distributed nature of leadership (Uhl-Bien et al., 2007). Uhl-Bien and colleagues (2007, p. 299) distinguish between *"leadership as an emergent, interactive dynamic interplay from which a collective impetus for action and change emerges when heterogeneous agents interact in networks in ways that produce new patterns of behavior or new modes of operating"* and *"leaders as individuals who act in ways that influence this dynamic and outcomes."* In their framework:

> *"CLT seeks to foster CAS dynamics while enabling control structures appropriate for coordinating formal organisations and producing outcomes appropriate for the vision and mission of the system. It seeks to integrate complexity dynamics and bureaucracy, enabling and coordinating, exploration and exploitation, CAS and hierarchy, and informal emergence and top-down control" (Uhl-Bien et al., 2007, p. 304).*

Again, formal organisation and control structures are not abandoned, but rather complemented by informal dynamics and 'degrees of freedom' to enable the emergence of novel behaviours. Commensurable with the concept of holarchical systems and Wilber's AQAL model that stresses the duality between formal and informal, individual, and collective, these hybrids indicate that in CAS coordination arises from two distinct sources: First, from informal constraints emergent from the interdependent relationships, and second, from formal constraints imposed by actions external to the informal dynamic, including environmental restrictions and administrative controls. Internal controls arise through a sense of common purpose and from an inter-agent accountability that is inherent in interdependent systems (Marion & Uhl-Bien, 2001; Schneider & Somers, 2006), hence linking to purpose and values as schemata that influence the agents' behaviours.

They distinguish three entangled leadership roles to harness the mechanisms of CAS, while also capitalising on the benefits of administrative coordination, to enable learning, innovation, and adaptability:

- **Administrative leadership** as formal acts that serve to coordinate and structure organisational activities, grounded in traditional, bureaucratic notions of hierarchy, alignment, and control.

- **Enabling leadership** that structures and enables conditions to optimally addresses creative problem-solving adaptability and learning.
- **Adaptive leadership** as a generative dynamic that underlies emergent change.

While Marion and Uhl-Bien's framework is conceptual, as is most of the work in the field, Lichtenstein and Plowman (2009) base their theory of CLT emergence on a number of case studies. They investigate how under certain conditions the dynamic interactions between individuals produce emergent outcomes. They identify four *sequential* conditions of emergence, namely, a state of dis-equilibrium, amplifying actions, recombination or self-organisation and finally stabilising feedback. Lichtenstein and Plowman (2009) then link these four contextual conditions to nine behaviours that *individuals* can enact to generate the conditions that stimulate emergence:

- **Disrupting Existing Patterns:** Leaders and members ought to embrace uncertainty and then surface conflict and controversy to generate novel opportunities and to enable dis-equilibrium.
- **Encourage Novelty:** Allowing experimentation, fluctuations and rich interactions and supporting collective action is thought to amplify actions.
- **Sensemaking and sense-giving:** Creating correlation through language and symbols, just as the recombination of resources and acceptance of certain tags as symbols for an emergence process is thought to facilitate self-organisation throughout the system.
- **Stabilising feedback:** When local constraints are integrated, the more likely will emergent order be stabilised in the system.

Despite the growing popularity of CAS in organisation studies and the emergence of CLT, I and other scholars find much remains to be addressed. CLT remains largely conceptual, has yet to be applied to various levels of system complexity (Lichtenstein & Plowman, 2009), to a variety of different contexts (Murphy, Rhodes, Meek, & Denyer, 2017) and to develop a coherent and internally consistent view on leader-follower dynamics (Tourish, 2018).

In his critique of the body, Tourish (2018) argues that *how* CLT emerges and the dynamic interactions among organisational agents, remain largely unexplained. Essentially, the processes that produce leadership are side-stepped. Tourish (2018) deplores that leadership

remains 'out there', acting to produce observable, measurable outcomes in the pursuit of straightforward goals that simply exist. What is left unexplained is why these goals exist, why they have priority over others, who sets them, and how are they to be achieved? He complains that CLT simply assumes that such issues as purpose, ethics, and identities can be unproblematically established for relatively compliant followers.

Tourish (2018) cautions that such arguments can easily cycle back to transformational or authentic leadership concepts where powerful or particularly gifted leaders set visions, strategies and establish ethics and identifies for others; leadership conceptions where more expectations are placed on leaders who are thought to possess the cognitive space, skills and tenacity to deliver on these responsibilities, as well as the power to influence their colleagues and followers (Tourish, 2018, p. 7). When semi-independent agents interact, they can follow, ignore, or slightly alter their response, hence when organisations face dynamic and unpredictable environments, the feedback is nonlinear and small changes can have large effects (Osborn, Hunt, & Jauch, 2002).

Agents evaluate whether the interactions have left them better or worse off according to a fitness criterion (Kupers, 2000), which is not necessarily rational or quantifiable, but rather a differentiated process of social construction and meaning making (Tourish, 2018). Hence, in CLT, leaders cannot be depicted as a force standing apart from the system, neutrally exerting influence, and control to achieve putatively positive, predefined outcomes. Rather, leadership deals with contingencies, possibilities, and not linear sequences; indeterminacy, uncertainty and unpredictability are ever present and can never be eliminated (Tourish, 2018).

Tourish (2018) suggests that communication and process theory are better suited to understand leader follower processes: Leaders and followers act to co-construct their understanding of issues and each other, as well as their individual and common identities through communication and sense-making, but also through conflict and resistance (Karp & Helgø, 2008).

While putative leaders attempt to promote category convergence – shared meaning – the dynamics of organisational reality ensure that these efforts can only be partial at best. Leaders' influence is not a uni-directional force, but rather a bi-directional push and pull between opposing forces that enact social reality. Leadership is never 'accomplished',

assigned to a position, stable or enduring, but its emergence is always contested, partial and tentative; its form is continuously changing, always in flux and fraught with omnipresent possibility of breakdown. Tourish (2018) conceives leadership as an inherently contested process with unstable and continuously evolving leader and follower identities that are ceaselessly co-constructed through dynamic processes of struggle, debate, and iteration.

Leadership manifests in routine and non-routine forms of interdependent action, creating novelty, conflict, resolution, and breakdowns. Instead of devising grand theories and abstract strategies, more attention ought to be paid to the small and mundane acts of daily interaction through which leadership emerges and seeks legitimacy, such as simply listening, paying respect, and chatting to others (Alvesson & Sveningsson, 2003), through the acts of recognizing and being recognized (Karp & Helgø, 2008). Boal and Schultz (2007) suggest that through dialogue and storytelling, leaders 'push organisations to the edge of chaos and influence the tags that produce the structures of interactions. This positions the leader as both narrator and character within a particular story – a subject for further research.

A good portion of Tourish's (2018) criticism of CLT seems to hold equally true for much of current values-based leadership literature. Current values-based leadership and management literature seek to complement traditional means of organising with the power of normative systems, to complement formal rule and control with the informal power of values. However, values are often conceived as unitary, stable entities that can be identified, crafted and then shared across an organisation by leaders that are thought to possess the authority, power and influence to shape standards, norms and practices (Bourne & Jenkins, 2013).

Leaders are mostly viewed as conscious, independent agents that can define, maintain, and transfer ethical values to their followers in a rather simple and uniform fashion. Thus, VBO and VBL aims to use formal means to instil informal schemata in actors: Management by values for example has been defined as "a combination of identifying strategically relevant values and norms [..] and promoting agreement as opposed to chronic conflict among organisational members" (O'Reilly & Chatman, 1996, p. 168) or as "a series of interconnected managerial activities to ensure the acceptance of relevant organisational values inside and outside the organisation" (Jaakson (2010, p. 796).

In contrast, argues that complexity perspectives suggest that shared values emerge through an on-going process of weaving values into practices, a constant engagement in negotiation and discussion around what values are held, what values should be held to achieve what ends by which means, how they translate into action and practices and in turn how these practices impact then schemata and rules (Mowles, 2008). As values are rooted in certain worldviews, Mowles and colleagues (2008) suggest a continuous joint inquiry by the manager and the managed into the day to day lived experience. The aim here is to make subjective experience (for both sides) more objective through reflection and discussion, to reveal the interpretative assumptions that are implicit in everyone and all 'acts' of work and form a 'community of inquirers' as coined by the pragmatic philosopher Pierce (1998).

The final section of this synthesis chapter demonstrated that although much of current management and organisation theory is based on an open-natural systems paradigm, complexity perspectives only slowly find their way into mainstream management literature. There is growing momentum to acknowledge the dynamic interconnectedness of social, environmental, and economic systems and the need for business to contribute to the flourishing of these systems., There remains a paucity of research to address informal behaviour guiding mechanisms such as values from a complexity perspective.

4.5. Conclusion

The first two chapters of this theoretical framework introduced values research and systems thinking as theoretical lenses while this third chapter synthesised the two streams and drew parallels between the evolution of systems thinking and management thought and scholarship. This synthesis of the parallel literature fields of management, values and systems thinking, is in itself the first objective of this research and contribution.

Over time, the interdisciplinary field of systems thinking has incorporated concepts of increasing complexity to make sense of observed phenomena and to expand its explanatory power (Hieronymi, 2013). Management scholarship has paralleled some of these developments, progressing from Taylor's mechanistic and deterministic systems to perspectives that represent a view of systems as open and natural (Scott & Davis, 2015). In the process of these developments in scholarship, the notion of organisational boundaries has changed, entailing evolutions in the conceptions of how organisations interact with the

environment, the role of leadership, and what is considered suitable means to achieve organisational ends.

Systems thinking has become an increasingly appraised discipline to make sense of complexity and to enable prosperous and sustainable futures (P. Senge, 1990; Wiek et al., 2011). However, when calls for systems thinking are raised in the practitioner or scholarly community, they usually refer to systems thinking to make sense of *complexity*, not for a Taylorist style of thinking of organisations as closed and rational systems. Although *current* systems thinking emphasises emergence, holism, and non-linear dynamics, reducing systems thinking to complexity *only* would do injustice to many of the disciplines' founding fathers and their analogues in management theory - In his way, Taylor was a systems thinker and so were Parson and Mayo, however their worldviews differed fundamentally from the worldviews of todays' advocates of complexity perspectives in management and organisational theory.

Based on different assumptions regarding the nature of the world, each paradigm reaches different conclusions regarding the purpose of business, the means of organising as well as the role and processes of leadership: Early theorists and scholars from rational perspectives would have suggested that the Earth is a machine; empty and exploitable. These theorists may have represented organisations as disassociated from social or environmental systems and that man is rational, calculating, and that the role of business is to further economic development. Given the disassociation of businesses, social and environmental systems, concluding that the purpose of business is to make profit and associated means focusing on efficiency, rules and control, flowed logically from the underpinning paradigm.

In contrast, modern systems thinkers stress the embeddedness of economic, social, and environmental systems. Many proponents of complexity perspectives argue that the purpose of business as a social technology ought to be redefined to contribute to the sustainability of these systems. However, the application of the lens of complexity to organisational purpose, instrumental values, and leadership processes, begets a host of questions that warrant further investigation to better understand the potential of values as organising principles in complexity, identify enablers and pitfalls, and equip practitioners with the knowledge and tools to manage in uncertain, turbulent times. To this end, in the

following section I bring forth four propositions as a conclusion of the synthesis enquiry. I will explore these in the empirical part of this thesis.

4.6. The Propositions – Exploring the Role of Values in Complexity

After drawing parallels, contrasting overlaps and differences between the evolution of management thought and systems thinking, in relation to the means and ends of organising, the second objective of this thesis is to empirically investigate an organisation that prides itself as possessing and manifesting a strong values-base which is thought to be enacted and shared amongst its members. The objective is to assess what values are shared amongst whom, whether they differ from the espoused purpose and values, and how values are thought to manifest in practices and leadership behaviour.

The section brings forth four propositions as the conclusion and synthesis of the theoretical framework. The researcher will use these propositions to make sense of this synthesis in the context of the overarching research question, and the inquiry for the chosen case study.

These propositions are rooted in an assumption that the world *is* indeed complex, that *social systems* such as businesses or societies are becoming increasingly complex, including surges of unpredictability, ambiguity, and non-linear change. Furthermore, the propositions are also rooted in an assumption that complexity rationality and long-term predictability is compromised and may have never existed in the first place. However, despite complexity, system members and purported leaders do retain a form of agency and influence, at least directionally, and especially on local, tightly coupled systems, over mediate timeframes.

These propositions are reflected on throughout the research, findings, and discussion sections as a way of bringing a constant reflexivity to the study - reconciling the research process with the theoretical framework by exploring these propositions. These propositions will be revisited along the way, at various sections of each chapter, recognising that they are instrumental in guiding and shaping the inquiry.

4.6.1. The Why – Organisational Purpose is Plural and Relative.

The first proposition follows from a complexity perspective and states that organisational purpose relates to the context and systems view held by an organisation; implying a *relativization* and *contextualization* of organisational purpose.

The preceding chapter outlined that a complex systems perspective stresses the need of organisational purpose to relate to social, environmental, and economic dimensions of their embedding of macro systems, e.g., society, and constituting sub-systems, such as their employees. Organisations with a natural systems paradigm highlight the need to contribute to a flourishing of social systems in addition to economic success. In contrast, organisations operating under a closed-rational systems paradigm emphasise the importance of economic success as a paramount organisational purpose.

If corporations are separate from society, with humans rationally maximizing economic utility under conditions of perfect information, the question arises: why would there be another purpose for business? The maximization of profit as a sole organisational purpose does flow soundly from the inherent presuppositions of the world and the conception of human nature. Additionally, given the disparate and distinct nature of business, in this paradigm it would also be logical that *all* businesses share the same purpose, as they are all tools conceived to fulfil an economic function and nothing else.

With this in mind, and in contrast to mechanistic and closed rational conceptions of organisational phenomena, complexity perspectives suggest that the purpose of an organisation is to satisfy collective needs under the consideration of temporal scales and the needs of constituting sub and embedding macro systems. In other words, complexity as a perspective recognises the value of satisfying collective needs over time as well as the needs of embedded systems. As Hollensbe et al. (2014, p. 1228) stated "a focus on purpose acknowledges the interdependencies of business and society – one cannot flourish without the other" and a business that succeeds in a society that fails becomes self-defeating.

Instead, business ought to contribute to the common good and profits ought to derive from delivering products and services that benefit society. In other words, in a complexity perspective, as per the first proposition, it is important that a business formulates its

purpose and values relative to its context. Or to put it more pointedly: what is good for the embedding macrosystem and constituting sub systems, is good for business.

Given that the needs, the societal configurations and the 'social good' differ from culture to culture, from industry to industry, and that no two businesses are embedded in or constituted by the same systems, the question arises whether there cannot be *one* purpose of doing business? Or, rather, the purpose of business is plural, in its dimensions, but also the relative importance different purpose(s) varies within an organisation.

Following this, the case study aims to assess the 'systems view' held by the organisation and its members: What is the organisational purpose; for whom or how does the organisation aim to create value? Are there differences between the explicitly stated organisational purpose and what members of the organisation perceive as the lived purpose? In other words, observing systems behaviour over time, what outcomes does the organisation produce?

The proposition of contextualization and relativisation implies that there are differences - the interpretation, or the relative importance of different organisational purpose(s), may differ per the functional area, geography, or seniority of the respondent – for example, a senior executive may have a different interpretation of the organisational purpose compared to an entry-level employee; given the relative nature of the respondent to the context.

Equally, complexity and the proposed plurality of organisational purpose also implies that there are likely tensions or trade-offs experienced between different dimensions of organisational purpose. Even if there is a general agreement, what the intended outcomes of organizing ought to be. Unearthing these tensions, and trade-offs, when they arise and how they are dealt with, will provide insightful nuance to the internal operations of the organisation as a system.

4.6.2. The What – Coherence of Values and Practices

The second proposition is that means need to relate to what ends: that the practices and actions need to relate to the purpose of organising and, by extension, only if values are

enacted, are they of value to the organisation. This proposition aims to shed light on the theorized connection between systems outcomes, organisational purpose, and practices.

In a closed rational system view, one would expect to observe a focus on economic ends and on corresponding functional values that stress planning, efficiency, prescribing activities, and rule-based behaviour. Any other practices would be considered unnecessary, even detrimental to the success of the organisation as scarce resources – time, attention, or funds – would be allocated to activities that are assumed to have no direct impact on the system 'fitness' and purpose, namely, to create economic value.

Assuming a complex world consequently entails implications regarding the system's purpose, as discussed in the preceding proposition, but also concerns the means of organising. To enable the emergence of systemic properties, complexity perspectives suggest that organisations ought to increase their own level of complexity to match the environment instead of trying to reduce complexity and rationalise their own structure – it takes complexity to embrace and adapt to complexity (McKelvey & Boisot, 2003). Complexity in means enhances the system's ability to identify innovative solutions to challenges, to enable the adaptation to local circumstances, context, and role specific challenges and therefore a better fit of system behaviour. Functional values in complexity could entail a focus on flexibility, adaptability, autonomy, and reflexivity and improve the system's capacity for learning, creativity, and adaptability (Uhl-Bien et al., 2007). Systems approaches, such as SSM, could assist in generating an alignment of worldview, means and ends within the organisation.

Potential discrepancies between means and ends could result in an inefficient attainment of the pursued purpose, or systems disintegration at worst. Moreover, if one claims to pursue a certain purpose, yet the actions taken do not reflect the stated purpose, the authenticity and legitimacy is likely to be questioned (Argyris & Schon, 1978; Avolio & Gardner, 2005).

If we assume a closed rational systems perspective, then this would necessitate the relentless focus on economic growth, efficiency and so on. Means of complexity would be unnecessary, even detrimental, as they would reduce systems fitness. In contrast, a complexity paradigm and multidimensionality in purpose while employing closed-rational means, could lead to a reduction of 'systemness' due to the reduced ability to adapt to local

challenges, innovate, and create coherence in worldviews within the organisation. Therefore, the second proposition aims to investigate the coherence between organisational purpose(s) and functional values.

To interrogate this proposition, the Miladys case study aims to identify the practices and lived day to day actions to enact the organisational purpose(s). The proposition suggests that only if there are practices relating to the purpose, does the organisation exhibit such behaviour. Explicitly stated purposes without the corresponding practices are mere words, and of little relevance to organising. Are there associations made between the organisational purpose and practices relating to these purposes? Does the organisation exhibit emergent behaviour pertaining to these practices and purpose? This could be detected in statements such as 'our tremendous focus on efficiency and planning is the basis for our economic success'. Alternatively, do the members experience a disconnect between the perceived or lived organisational purpose and the means to enable and enact it? What are the emotions expressed or perceived consequences of such as disconnect?

4.6.3. The Where – Sharedness across the Organisation

The third proposition is that the perception of what constitutes desirable means and ends need to be shared among the members of the system to be of relevance to the organisation. However, sharedness does not imply congruence. Like the relativisation of purpose, teams or subsystems may hold shared values that relate to their system environment; to the tasks they need to complete, the challenges they encounter, and the outcomes their respective 'subsystem' aims to create.

Closed-rational systems assume that purpose and values can be defined in a rational manner by leadership, which are then adapted uniformly by the member of the organisation, hence implying a sharedness of purpose and values across the members of the organisation.

As businesses consist of multiple purposeful subsystems, shared values regarding the purpose, and the means reduce the need for coordination, control and clarification among the systems members and thereby improve the functioning of the system. In contrast, the disagreement regarding purpose and instrumental values would result in a greater

coordination cost and reduced 'fitness' of the system. Within the context of this thesis organisational values are defined as enacted, hence reflecting in practices, and shared among the members of the organisation, as opposed to espoused or just endorsed by a few individuals such as top management staff. However, questions remain regarding the degree to which they are, can, or should be, shared.

Following from this proposition, the investigation of the case study aims to assess to what extent members of the organisation have a *shared* understanding of the purpose of the business and the desirable means to achieve these ends. So rather than asking whether they are shared or not, as a binary question, the case study aims to assess *what* is shared, amongst *whom* and to *what* degree. Additionally, how do the perceptions differ across the organisation, for example in different departments or according to levels of seniority? Complexity perspectives suggest that values exhibit a greater similarity in teams that work together closely, interact frequently and have been 'socialised' for a longer time, than disparate teams, working in different functional departments or geographies.

Can these differences be linked to organisational outcomes or the systems behaviour? This would reflect, for example, in statements such as 'we all strive for efficiency and excellence in planning, which allows us to be economically successful' or conversely statements such as 'in our department, we aim for practices that enable employee well-being, which will enable our associates to strive and be good at their jobs, however the focus of head office on hard numbers, efficiency and control undermines our efforts'.

4.6.4. The How – The Emergence of (Shared) Values

The fourth proposition is that sharedness of the perception of desirable means and ends arises through on-going reflection, discussion, and re-negotiation.

Whereas in closed-rational systems, identifying and 'instilling' values in an organisation is an inherent task of leadership, a conscious and deliberate process, with values seen as being unanimously adopted by employees, complexity perspectives suggest that values as autopoietic schemata arise through the day-to-day micro interactions, constant reflection, and renegotiation of what these values mean and how they ought to materialise in practices.

Conceiving values as internal schemata that influence the perception of the desirable, both in means and ends, in purpose and practices, and that emerge from the interaction between the members of the organisation, introduces a more contextual, temporal, and processual view on values. This could be beneficial to ascertain their potential to guide behaviour in complexity.

Process perspectives suggest that leadership, or values 'transfer', is not a one directional flow, but rather a push and pull, a constant renegotiation of 'reality' and never 'accomplished', stable, enduring, but always partial, tentative and in flux. Furthermore, the review of leadership literature in relation to complexity also revealed a lacuna regarding the topic of values or the role of schemata, the processes of their emergence and what role leaders could play. The proposition is that those who endorse a worldview of complexity, and follow its principles, will be perceived as 'values-based leaders, whereas rational, technocratic, top-down approaches may fall short to create a shared understanding of means and ends in the organisation.

To interrogate this proposition, the case study aims to assess Miladys through a series of questions:

What is the 'corporate view' on the processes of identifying values and transferring them in the organisation? How did the organisational values come about? Was this a once off process, designed and implemented by a small team in head office or rather a collective, on-going effort? Additionally, what is the view of associates on how shared values come about - what are the processes and practices to 'create' shared values? How is someone identified as a values-leader and why? What do they do, to be recognised as someone who is living the values?

5. Research Design

5.1. Introduction

In the quest to identify principles of organising in complexity, the preceding literature review discussed theories around shared values and systems thinking. The chapter argued that although management theory has, to some extent, followed the developments of

systems thinking, a paradigm of complexity has yet to gain traction in mainstream management literature. Nonlinear dynamics and indeterminability implied in a complexity paradigm, amongst other phenomena described, represent a formidable challenge for traditional management.

Shared values were discussed as organising principles and as internal schemata, with the potential to reduce the need for formal coordination and bureaucratic control, enabling adaptability, local problem-solving and innovation.

A 'traditional' management approach can, arguably, be non-viable and unfit to cope with complex and novel circumstances. Despite this, shared values are not seen as a panacea. Rather, I argue that attention ought to be paid to the values content, to the degree to which they can be shared across a large organisation. These questions have been relatively underexplored to date, particularly from a complexity perspective. The author recognises this challenge as an opportunity. Firstly, for inquiry as to how shared values emerge across an organisation, and secondly how, or under what conditions, they might be able to support organising in complexity.

The first chapters of this thesis explored shared values as organising principles in complexity from a theoretical perspective, delineating their potential benefits, the challenges that may arise and aspects that remain unknown. This exploration culminated in the four research propositions which were examined in the empirical part of this thesis. Building on these theoretical and literature-based deliberations the goal of the empirical part of this thesis is two-fold:

The first goal is to assess the sharedness of values across the case study organisation, and in so doing to understand how values are emerging in the organisation. The author hypothesised that by assessing the 'values landscape' we might be able to contribute to a more nuanced understanding of values as schemata that emerge, transform, and adapt to local contexts. It may also provide a better understanding of the values content and their target audience, including the ability to:

- Discover potential discrepancies between the espoused and enacted values.
- Assess the coherence between means and ends.
- Discern the differences in the interpretation of values within the system.

The second goal is to investigate the processes of values emergence and in particular the role of leadership within these processes. Given the paucity of literature investigating the processes of value emergence or transference from a complexity perspective, addressing this question may add to our understanding of values as organising principles, as well as to the role of leadership in complexity. This includes the following questions:

- Who is recognised as a values-based leader, by whom and why?
- What is their (the attributed leaders) perspective on values and processes of values diffusion?
- How do followers perceive that leaders 'generate' shared organisational values?

Before discussing each of the three pillars, their components, and their application in this thesis, it is important to note that the design of this study, in fact the design of any study, is already an analytical choice. The research design reduces the potential research avenues to a small number of gaps or phenomena that are deemed interesting, while not attending to others. As such, the research design already represents a form of 'anticipatory data reduction'—as the design rules out attending to certain phenomena, investigating certain relationships or variables, while focusing on others (Miles & Huberman, 2006). Specifically, at each level of the research inquiry, the researcher has made choices to manage and progress the research project. These choices may in some instances reduce comprehensive objectivity, where bias and preconceived notions of the researcher are concerned. Here the researcher strives to acknowledge these limitations and justify the means used to achieve the ends of this research study.

The discussion of the research design commences by elaborating on the paradigm of this study. This explanation is fundamental as it informs the subsequent strategy of inquiry and the methods, the process of data collection, analysis, and interpretation, and what 'validation' means within a given research paradigm (Creswell & Creswell, 2017).

Different philosophies of research in management are outlined and I put forth an argument for a pragmatic stance and abductive reasoning – emphasising a focus on what could be true. Following the discussion of the research paradigm, exploratory case study research as a strategy of inquiry is discussed and the advantages and challenges are outlined. Finally, the chapter closes by presenting the methodologies for data collection, analysis, and

interpretation as well as illustrative examples of how the researcher has analysed the data obtained by way of the research methods that were utilised.

5.2. Research Paradigm

Explicating the philosophy of science of a particular piece of research with regards to the nature of the examined phenomenon, and the applied methods for understanding them, enables an understanding of the underlying assumptions, the choice of methods and the interpretation of the conclusions (Bechara & Van de Ven, 2007). Hence, an explicit articulation of the study's underlying ontology and epistemology is vital to avoid misinterpretation when classifying the findings and discussion according to the pre-existing presuppositions and approach of the researcher, and thereby qualifying its position within a wider stream of research.

According to Bechara & Van de Ven (2007, p. 37), philosophy of science can be classified into four distinct research paradigms: positivism, relativism, pragmatism, and realism, with each of the paradigms "providing a repertoire of alternative ways to interpret the nature of things we study and the methods for doing so." Paradigms are axiomatic systems, essentially characterised by the different sets of assumptions about the phenomena they inquire about. Research paradigms therefore define the kind of questions asked, how data is collected and subsequently how the results are interpreted (Lincoln, Lynham & Guba, 2011).

Research paradigms however are not set-in stone, nor are they static. Rather, what is considered 'knowledge' and how we may obtain 'truthful' knowledge evolves over time (Kuhn, 2012). Science goes through periods where one research paradigm is dominant, followed by times of change where the paradigm itself is under revision. This paradigmatic evolution is certainly present within the field of organisational and management research with several competing paradigms as remnants of the paradigmatic explosion and the subsequent 'paradigm wars' in social sciences (Bryman, 2008).

The dominant paradigm in management research in the 20th century was the positivist, reductionist paradigm of science, which has its origins in Kant's Enlightenment (Alvesson & Deetz, 1999; Alvesson & Skoldberg, 2009). This paradigm, also called the modernist

paradigm, advocated the progressive emancipation from the darkness of ideology, myth, and authority through the acquisition of knowledge through scientific methods. It claimed a transparent language, representational truth, and reasoning as a basis for growth, wealth and a 'good life' (Alvesson & Deetz, 1999). The central epistemological foundation of modernism is the Cartesian dualism, the epistemological foundation, where the human mind is viewed as independent from the world, and 'truth' as an agreement of mind with reality.

The researcher is assumed to take an objective stance, separated from the research object, theory generation and validation. The process is recognised as separate and independent from the researcher's specific context, his pre-existing knowledge, and dispositions. This is implied in the separation between the researcher and researched object as an assumed independence of the social, economic, and psychological aspects in the research process (Alvesson & Skoldberg, 2009). These notions remain deeply ingrained in the modern mainstream paradigm through an instrumentalisation of people and nature; by using scientific-technical knowledge generation following positivist approaches to predict solutions, which are measurable by productivity and characterised by technical problem solving (Purser et al., 1995; Scott, 1998).

Though a consensus around reductionism, rational knowledge, and the possibility of an 'objective researcher' may have existed in the 1960s and 1970s, over the last 30 years this paradigm has undergone a fundamental revision that some may say is a demise in the perspective altogether (Bechara & Van de Ven, 2007). Critics have successfully argued that social science cannot be objective, rational, or cumulative as it is a social process where subjective and biased concepts, such as culture, norms, and mental models, are inevitably the inputs and processes of social science (Bechara & Van de Ven, 2007).

One central tenet of postmodernists is the rejection of an objectivist worldview, the negation of the existence of absolute knowledge and the emphasis that things ought to be seen in relation to one another. Relativism encompasses various streams such as historical relativism, social constructivism, postmodernism, critical theory, and hermeneutics. These philosophies are united in the criticism of the positivist assumptions of cumulative, unmediated knowledge as a complete representation of reality. Rather, they emphasise an entwinement of theory genesis and refinement, a socially constructed reality with truth as

a collective interpretation of observations and knowledge as socially and historically constructed (Bechara & Van de Ven, 2007).

A vast amount of literature and various streams of research are commonly labelled postmodernist. A brief, precise and fair illustration of this broad variety of ideas, texts and authors arguably cannot be written. Despite this, I offer a brief outline of some central tenets below.

Postmodernism can be traced to four different developments in Western thought (Cilliers, 1998). Firstly, the power and knowledge relationship arising from Nietzsche's perspectivism, where all knowledge claims primarily reference social communities with specific power relations instead of an essential world or knowing subjects. This constituted a challenge to knowledge as such. Secondly, phenomenological hermeneutics and structural linguistics gave rise to a non-dualistic constructionist account of experience and language, situating all perspectives in a specific sociolinguistic context. This then causes an inter-subjectivity of all experiences beyond subjectivity or objectivity. Thirdly, taking up social conflict theories from Marx, postmodernism accounts for materially produced social divisions and the problems of economic or social exclusion in society. Finally, postmodernism and critical theorists adopted Freud's ideas of a complex, conflict-ridden human subject that is influenced by a multitude of sensory stimulations and thereby challenging the idea of an autonomous, objective person with one fixed and immutable identity.

In postmodernism language as a system of distinctions plays a central role in the process of construction. As a result, postmodernism is characterised by an 'incredulity towards metanarratives' - instead of looking for a simple all unifying discourse, we must cope with a multiplicity of discourses, locally determined and potentially incommensurable to one another (Cilliers, 1998, p. 114). Different institutions and local contexts produce different narratives of what is true, not necessarily in a logical structure. Rather, narratives are of an instrumental nature that enable an understanding of the environment and the achievement of local and contextual objectives (Cilliers, 1998; Tsoukas & Hatch, 2001).

> *"Together people, realities, and social relations become non-essential constructions, constructed under specific conditions of power and contestation, and filled with opacities, contradictions and conflict suppression. These different concepts provide the historically-*

specific tools for encountering the dominant discourses of the time." (Alvesson & Deetz, 2006, p. 257)

While positivists aim to gather and systemise knowledge by observing and measuring something that exists, critics argue that an observation is already an interpretation. All facts are theory laden; all observation requires a preconception about what instruments to use, how to measure and what to measure to investigate the object of interest and thereby engage with reality in a subjective way, or as Nietzsche formulates: *"No, it is precisely facts that do not exist, only interpretations"* (Alvesson & Skoldberg, 2009). Although social constructivism has long been used in sociology and psychology, management theory has long been reluctant in engaging this paradigm. Earlier applications of this paradigm are found in critical management studies and feminist literature and later examples of a wider application include the topic of sense-making, as Drath (2001, p. 136) suggests:

"People construct reality through their interactions from within world views... [They do it] when they explain things to one another, tell each other stories, create models and theories... and in general when they interact through thought, word, and action."

As outlined above, over the last decades the paradigmatic field has widened, with a multiplicity of different stances, some competing, some overlapping and more nuanced gradients, resulting in a 'greying' of the former paradigmatic dichotomies, both in terms of ontological and epistemological considerations. To Boisot and McKelvey (2010) the persistent animosities between modernists and the different shades of postmodernism undermine truth claims and thereby hinder the advancement of the field of organisational theory. Arguing for more paradigmatic tolerance, they draw on complexity theory and Ashby's Law of Requisite variety to characterise modernists as order seeking regimes, and postmodernists as richness-seeking regimes. They suggest that it is not an *either–or* decision or form of 'dualism', but that both connectionists and atomistic ontologies have both their place as transitory moments in a broader process of scientific evolution. This in turn creates a richer narrative which holds contradictions. It touches on the poet Walt Witman's observation. "Do I contradict myself? Very well then, I contradict myself, I am large, I contain multitudes."

Contrasting the often-hard-nosed paradigmatic confrontations, pragmatism sets out to bridge the empiricist position 'what is' with the constructivist 'what might be', to enable a level of flexibility and permeability to account for a multi-layered reality (Denscombe,

2008). According to Denscombe (2008), the origins of pragmatism can be traced back to the mid-1930s and the works of Peirce (1931), Dewey (1931), and Mead (1938) aiming to formulate an alternative to the abstract and rationalistic science of the time.[18]

Pragmatism's origins trace back to before the paradigmatic 'wars'[19] and the 'clashes of epistemology.' Yet in a sense, it pre-empted more recent developments, focusing on the practical meanings and implications of the conceptions made and countering some of the overly interpretivist tendencies. Pragmatism takes a realistic stance saying there is an external world independent of human life and affairs. This perspective recognises a reality upon which we can act but combines it with a constructivist counterpoint by acknowledging that we live in a social world, where knowledge and language are created through social interaction and dependent on the connections among and between us (Denscombe, 2008).

To pragmatists, the conception of an effect of an object, which is mentally constructed in the first place, is the totality of the conception of an object. In other words, one only conceives an object by conceiving the effects or outcomes of an object (Peirce, 1878, in Drath et al., 2008). The focus of the pragmatic perspective is on actions, investigating behaviour as intermediaries between current and aspired existences and developing concepts that help to influence action. As an example of this, pragmatists assert that research theories without practical implications are little more than intellectual gameplay.

While qualitative researchers often stress the importance to start theory construction with a 'clean slate' to avoid preconceptions (Eisenhardt, 1989), it is inevitable, that our observations are guided and influenced by some sort of frames of references, and ideas on how to approach the research topic (Siggelkow, 2007; Suddaby, 2006). It can be argued that hardly any research is *purely* inductive as the researcher approaches the fieldwork with some idea and with preconceived notions what may be. Nor is research *completely* deductive

---

[18] Both Dewey (1934) and Mead (1923) were early scholars reflecting on the role of values in organizations and between different sovereign bodies such as nation states. Dewey argued that 'a judgement of value is simply a case of practical judgement, a judgement about the doing of something"

[19] Datta, L. (1994). Paradigm wars: A basis for peaceful co-existence and beyond. In C. S. Reichardt & S. F. Rallis (Ed.), The Qualitative-Quantitative Debate: New Perspectives (p. 53-70). San Francisco: Jossey-Bass.

(Creswell & Creswell, 2017; Miles & Huberman, 2006). Most research follows an *abductive* reasoning, a constant comparison between ideas and concepts, observed phenomena, the constant break down of models and the reconstruction to build knowledge.

The goal of research is to discern, describe, and analyse patterns of relationships, to distil concepts and theory, and ultimately to inform action and practice. Thus, the dichotomy between inductive theory generation and deductive theory validation may be considered artificial or synthetic and is hardly applicable to the reality of research practice. We as researchers are not independent, free, and completely conscious, but rather subjective, path-dependent and influenced by contingencies: concepts and models inform our thinking, and every data collection is already an interpretation as we choose to apply a specific methodology deemed valuable to gather this data (Miles & Huberman, 2006).

In situations of novelty and tensions between observations and new concepts, multiple and possibly valid alternative viewpoints can emerge for the researcher (Van de Ven, 2006). In this process, the researcher is entangled in data and theory; he/she does not exist outside like a spectator but is embedded in the situation and engages with it (ibid.). Conceiving research as a process of abductive reasoning is more realistic, and involves a constant re-framing and discovery process, in line with the pragmatic ontology of the author's paradigm of complexity, as outlined in previous chapters.

When approaching the research, it is crucial to clearly articulate the epistemology, methods, and processes to ensure the validity of the findings. According to Maxwell (2012, p. 122), the validity of research rests on several pillars and can be understood as "*the credibility and correctness of a description, conclusion, explanation, interpretation or sort of account.*" However, validity is not something that can be obtained in an absolute and finite way - "*being purchased like a commodity with techniques*" (Brinberg & McGrath, 1985, p. 13). Maxwell (2012) posits validity as relative and argues that it is to be assessed in relationship to the purpose of the study and the circumstances of the research. Validity threats are refuted based on evidence, rather than adherence to protocol, and methods are only a tool to obtain evidence to mitigate validity threats (Irwin, 2008).

The belief that methods could 'secure' validity was part of the positivist research tradition, which has been widely criticised by more contemporary philosophies of science. Biases in the selection of data that fit the researcher's theories and preconceptions, and the selection

of data that stands out for the researcher are the most important threats to validity (Miles and Huberman, 2006).

With this in mind, the researcher recognises here that Miles and Huberman's (2006) concern regarding the inherent biases in research, apply as much to the author's own methodology and analyses. While accepting these natural shortcomings of research practice, the following chapter will lay out measurements taken to safeguard the data collection and analysis process, point out and discuss potential biases and discuss where these may impact the inductive interpretations of the study.

It is impossible to eliminate all preconceptions and ideas. It is equally crucial to explain one's possible biases and how they are dealt with in the research to increase validity and credibility of results and insights (Siggelkow, 2007; Suddaby, 2006). Furthermore, it is important to consider the possibility of reactivity, the influence of the researcher on the researched setting and research objects. Like biases, it is impossible to eliminate the influence of the researcher on setting and objects. Rather the degree of influence varies, depending on the research methods: While in surveys or participant observations this might be less of a problem, in qualitative interviews the researcher will always to some degree influence the interviewee and the research setting (Maxwell, 2012). To minimise validity threats, the data collection process aims to maximise the richness of data through triangulation from multiple data sources, such as interviews, surveys, and documents analysis, and in intensive involvement, searching for discrepancies and negative cases and comparing different data sources (Huberman & Miles, 1994).

The preceding section outlined the ontology and epistemology of this research as these perspectives guide the choice of theories, methods and the potential conclusions drawn from the process of inquiry. The author's stance is informed by the pragmatist research paradigm, recognising the interrelationship of research and action, theory, and practice. The author recognises that knowledge generation cannot be abstracted entirely from the living world.

This pragmatic stance corresponds to the articulated ontology of complexity, appreciating that the future is inherently unforeseeable and therefore action, adaptation and insights ought to be based on the locally prevailing conditions and dynamics. Based on this epistemological stance of the researcher, the following section proceeds by articulating the

value of case study research and presenting the methodologies of data collection and analysis that have been employed in this study.

5.3. Research Strategy

5.3.1. Case Study Research

A valuable research strategy to gather rich, empirical descriptions of phenomena is case study research (Yin, 1994). The value of case study research is to illustrate phenomena and problems, inspire new thinking and motivate further research (Siggelkow, 2007). Building theory from case studies combines multiple sources of data, such as interviews, observations, questionnaires, and documents to create theoretical constructs, propositions and mid-range theories based on empirical evidence (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). Theories that are built on case study research are emergent as they are situated in, and developed by, the identification of patterns of relationships within and across the studied case. They are a "*bridge from rich qualitative evidence to mainstream deductive research*" and as such case study research is not in competition with deductive theory testing, rather complementing it (Eisenhardt & Graebner, 2007, p. 30). Inductive theory built by case study research provides the basis for subsequent deductive theory testing.

However, when using case studies for theory building, the researcher must take the additional step of justifying why the research question is better addressed by theory building instead of theory testing (Eisenhardt & Graebner, 2007). Theory driven case studies, that extend existing works, are tightly scoped and argue that the insights gained through qualitative data from complex social processes can reveal more than quantitative data. They are therefore valuable to inductive theory building. Phenomenon-driven research questions show the importance of observed phenomena and the lack of viable theory or empirical evidence explaining the observed case. The scope of the research question is usually broader, to allow for more flexibility and less restrictions in the search for possible explanations (Eisenhardt, 1989; Eisenhardt & Graebner, 2007).

Despite the value of case study research outlined above, this research strategy has faced considerable criticism. One of the main arguments offering criticism is that general, context

independent knowledge is more valuable than concrete, practical and context specific knowledge such as that generated by case study research (Flyvbjerg, 2006). Contrasting this point, Flyvbjerg (2006) argues that developing a nuanced view of reality is crucial to research, and that human behaviour cannot be meaningfully understood as rule-governed acts as it is often implied by proponents of grand narratives and abstract theory. While conducting case study research may not result in universal theory that is generally applicable, proponents argue that it generates the possibility to learn. It is exactly this nuanced entanglement in context and rich detail that generates interesting insights (Ragin & Becker, 1992).

A second point of criticism is that this research strategy cannot contribute to scientific development as one cannot generalise from one individual case, and that case studies are more valuable for hypothesis generation than testing or theory building (Flyvbjerg, 2006). However, case study research does not aim at representativeness or random sampling. Rather, it answers questions like "how" and "why" rather than "how many" or "how often" (Eisenhard & Graebner, 2007).

Moreover, unlike other disciplines, such as biology or physics, the features that make organisations particularly interesting are endogenous (Siggelkow, 2007). The argument that case study research cannot contribute to scientific development stems from natural science thinking (Flyvbjerg, 2006). The argument can be addressed by Karl Popper's approach of theory falsification and his example of black swans. By demonstrating that black swans exist, the theory that "all swans are white" is falsified and the study of one single case of a black swan can generate a generalisable statement such as "black swans do exist". The selection of cases is a theoretical one: they are chosen because they are special and because they display a certain phenomenon that is possibly unexplainable by existing theory. The behaviour of the average is less important than outstanding individual cases which prove a point.

Although one case can be enough to contribute to scientific development, building theory using multiple cases can be beneficial too. Multiple cases can provide a better ground for comparisons and subsequent theory building. The researcher can assess if the identified phenomena are idiosyncratic or consistent across the cases and thus potentially generalisable (Eisenhardt & Graebner, 2007). Multiple cases serve as replications, contrasts,

and extensions to reflect the emerging theory or to eliminate alternative explanations (Yin, 1994). Theoretical sampling of multiple cases is especially valuable to explain phenomena, extend relationships and concepts (Eisenhardt & Graebner, 2007). Theoretical sampling is harder when using or referring to multiple case studies, as the uniqueness of every case is reduced. Whereas single-case studies are valuable in describing existing phenomena (Siggelkow, 2007), multiple case studies provide a greater potential for theory building (Yin, 1994; Eisenhardt & Graebner, 2007).

Another alleged drawback of case study research is the difficulty to summarise the findings into general propositions, scientific formulae, and theories (Flyvbjerg, 2006). This criticism is valid if the researcher would be aiming to condense complexity and contradictions into compact tables and formulas. Yet it is debatable if these reductions still reflect the ambiguous reality we encounter in our everydayness. Hence, case studies are often presented in the form of narratives, which can provide a rich and descriptive picture of the investigated object, portraying the complexities and ambiguities of the context and socially constructed world (Tsoukas & Hatch, 2001).

Lastly, case study research has been suspected to contain a tendency towards verification, to confirm the researchers preconceived ideas (Flyvbjerg, 2006). Qualitative research methods are criticised to allow for more room for subjective and arbitrary judgments than other methods, they are perceived as less rigorous than quantitative, hypothetical-deductive methods and therefore of little scientific value (Flyvbjerg, 2006). On the contrary, any selection of a research method is already an interpretation of the usefulness of said method to investigate the research question. The choice of methodology is already subjective and open to bias, independent of the quantitative or qualitative nature of the research.

Flyvbjerg (2006) argues that most experienced case study researchers report their preconceived views, ideas and assumptions were wrong and the cases have helped to revise them. Ragin (1992) points out that it is closeness to the case which allows the case to "speak back" to the researcher. If research is a form of learning and understanding phenomena, then the most advanced form of learning is to place oneself within the context being studied (Flyvbjerg, 2006). As argued above, case studies cannot prove a theory. However, they are

a good way to falsify the very same thing and to enable theory generation in domains with insufficient understanding, as it is the case in the context of this study.

5.3.2. Case Study Research in this Thesis

To explore the question if and how shared values could act as organising principles in complexity, the core research strategy of this thesis was to conduct a single exploratory case Miladys study of a South African clothing retailer. The value of conducting an exploratory case study arises from the scarcity of existing research addressing the role of values, and the associated processes of values transference from a complexity perspective, and in combination with the features of the organisation and its context.

The case study organisation is Miladys - a Durban-based clothing retailer that prides itself with a history of strong organisational values. In addition, the organisation recognised that the values were thought to be shared within the organisation, influenced strategy, and affected day to day decision-making. Therefore, the organisation fits the conceptualisation of organisational values in this thesis.

For a long time, the organisation had grown organically and consistently within the South African market. However, over recent years, the market environment has become increasingly competitive and dynamic, growth has stalled, and margins have dwindled. These increasing dynamics necessitated a careful re-adjustment of organisational strategy to respond to these changes. Leadership felt that a "new breath" (H2), greater agility and higher speed of change were required to respond to these increasing dynamics in the market environment. This has in turn led to a repositioning of the brand and an 'overhaul' of the organisational values. As a result of these circumstance questions surfaced about which values were shared and how it would be possible to ensure a sharedness of values. The research took place over a period of six months between April and October 2015. The case study organisation provided the researcher with access to all organisational levels, from head-quarter to shop-level associates, to conduct this exploratory case study.

5.4. Research Methodology and Data Analysis

To capture a rich picture of the organisation, including its context, teams and individuals, a variety of data capturing techniques were used. The methods used in the data collection process set the basis for the analysis process that follows and determines the space for the exploration of new concepts and theory. I argue that employing only one method or focusing on only one group (for example only top management) would result in a coarse-grained picture of the organisation, its particularities and that the fine-grained subtleties might be lost.

Moreover, as discussed by Miles and Huberman (1994), employing a variety of different methodologies to collect data of different types from a variety of sources reduces the risk of validity threats. Using different stakeholders and different perspectives as sources of insights also adds to the credibility of the collected data as the complex reality requires different, overlapping, and contradicting perspectives to enable a nuanced understanding (Rubin & Rubin, 2011). To obtain a rich picture of the case study its context, the organisational structure and the inner working of the teams and leaders, data was collected via the following research instruments:

- Qualitative, semi-structured interviews with the senior management, shop managers and shop-level employees.
- Surveys conducted with employees from all levels of the organisation.
- Organisational documents and studies of the industry.

Of these three sources of data, the qualitative, semi-structured interviews were of most value to the researcher. This was because of the rich multi-layered illustration of the case study, from diverse perspectives provided by respondents across various levels of the organisation. In contrast, survey data was not utilised to the same extent as originally intended – in part due to the lack of responses, and the lack of engagement with the survey by many participants.

The following section discusses the scholarship concerning data collection methodologies, as well as the benefits and risks of distinct methods used in this study. After which, the researcher will begin a more practical set-up of the data collection process, concluding with

an exemplification of the data analysis by presenting examples of data in illustrative coding tables and analysis excerpts.

5.4.1. Interviews

Interviews are a crucial instrument in performing research. Whereas the application of interviews in quantitative research is limited, serving primarily as the preparation of quantitative surveys, their application in qualitative research is widespread and multi-facetted (Hopf, 2004). Qualitative interviews represent a type of conversation whereby the researcher guides the interviewee in an extended discussion, eliciting the details and depth of the area of interest by situational follow-up questions based on the answers of the interviewee (Rubin & Rubin, 2011).

Qualitative interviews allow the researcher to understand experiences, circumstances, and contexts in which the researcher has not personally participated. They are useful in revealing complex relationships and allow the researcher to gain insights into the motives and reasons for doing things as well as insights into the processes and relationships that drive and underpin phenomena. Ultimately, they provide an opportunity to address the *how* and *why* questions of an area of interest, rather than the *how many* aspects of that same area of interest (Rubin & Rubin, 2011).

Interviews can be differentiated along a variety of dimensions and the choice of the type of interview depends on the research question and overall research paradigm. First, interviews differ in the breadth or narrowness of the questions that are asked. Whereas open-ended and unstructured interviews are used to obtain a general idea of a topic, semi-structured interviews are beneficial in answering questions and patterns identified in previous, or preparatory research such as in literature reviews (Rubin & Rubin, 2004)., Following Rubin and Rubin (2011), second interviews differ depending on whether they aim to shed light on understanding and meaning or whether they are used to describe events and processes. To ensure the quality of the information obtained through interviews, the researcher must be thorough and consistent throughout the process, investigating all the relevant options with care and completeness, checking facts, and tracking down discrepancies, but also choosing knowledgeable and balanced interviewees to balanced views and carefully piecing together the separate parts of the puzzle (Rubin & Rubin, 2011).

Interviews in this Thesis

The researcher sought to obtain insights into the sharedness of values, the practices, and challenges in diffusing values in this organisation. To this end, the researcher embarked on several rounds of informal conversations and interview testing prior to the data collection process. Following this explorative mode, a total of 35 semi-structured interviews were conducted with headquarter senior-management, the divisional and regional management, shop-level managers, and associates. The interviewees were asked open-ended questions and were allowed the opportunity to speak freely, highlight areas of specific interest and generate new ideas. The interviews are segmented into three broad levels:

- Three interviews were conducted with headquarter-based senior management, namely the managing director, the operations manager, and the HR manager.
- The middle management contributed 17 interviews, split between two division managers, two divisional visual managers and 13 area/cluster managers from the two geographical divisions, the Northern and the Southern Division.
- On the store level 15 interviews were conducted with four (assistant) store managers and 11 associates.

The stylised organogram below illustrates the interviewees in dependency of level and division:

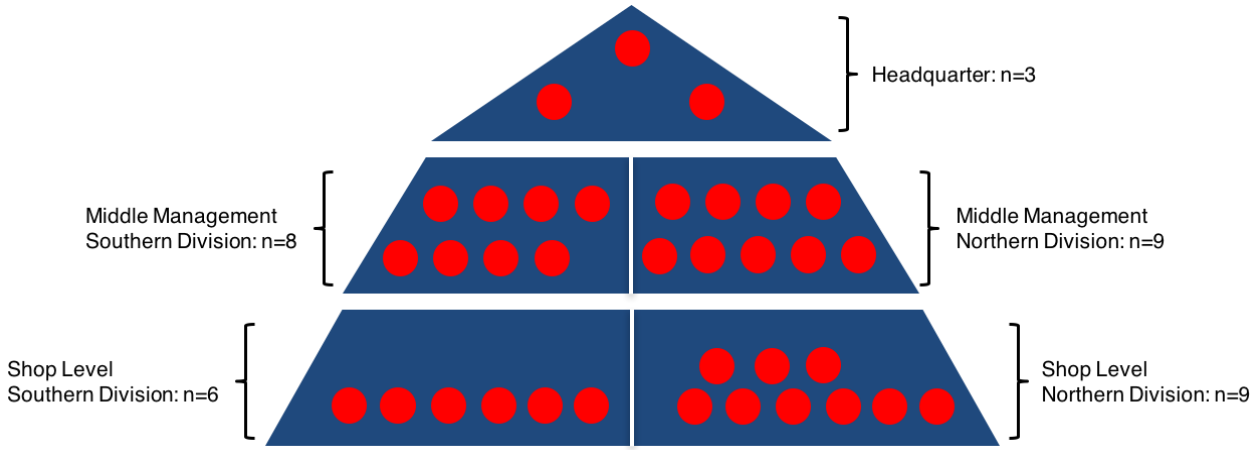


Figure 9: Interviewee Organogram

The excerpts from interviews are coded by their organisational position, as per the interviewee organogram above. However, the names of interviews are not provided as discretion regarding identity was agreed to by the researcher. The codes are as follows:

- Shop Level Associates (Ax) where ASx refers to Associates from the Southern Division and ANx refers to Associates from the Northern Division.
- Middle Management (MN) where MNx refers to Middle Management from the Northern Division and MSx to Middle Management from the Southern Division
- Headquarter Management (H).

The interviews were split into three sections:

- Firstly, the researcher introduced himself and the research. To create a relaxed environment the interviewees were asked to talk about their personal history in the organisation, including their role and experiences. The interview then shifted to their perspective of values in the work context and the perceived role of values in business, particularly in times of turbulence and change.
- The second section addressed the coherence, potential differences or tensions between espoused, enacted, shared, and aspired organisational purpose and values as well as their translation into organisational practices and lived reality.

- Following the rationale that in complexity 'values leadership' is a systems property arising through the interaction of interdependent elements rather than outstanding or high-ranking individuals, the third section sought to understand how values are transported, how a shared understanding of purpose and values arises and who is considered a values-based leader.

This variety of interviewees, across levels of the organisation, helped to provide a deepened and more comprehensive view of the subject organisation, through several distinct lenses. In addition, given the differences in experience between top management and shop level interviewees, the interview data provided a diversity in perspectives and lived experience.

Interviewees across a broad spectrum of language and educational background, had extremely varying ideas of the company and its values. It is worth noting that the interview guide was not followed verbatim, rather used as a guide, where the researcher focused on meter, and language of questioning to encourage and welcome free-ranging responses and conversational ease, with the aim of eliciting the reflexive voice of the respondents' experiences.

With this in mind, the interviewer needed to iterate and adapt the questionnaire process according to the respondent. This had the risk of being suggestive and biased in the questioning process – constituting a validity threat. The author recognises this limitation and maintains that an iterative and adaptive approach to the qualitative research methods of a case study can often provide nuanced data as much as it may be problematised. Moreover, it was deemed necessary to ensure that interviews were accessible and welcoming to respondents, and thereby eliciting clearer feedback and data. The researcher has, as much as was in his capacity to do so, asked questions to encourage engaged and invested responses from across the organisation.

Concerns about biases were tempered with allowing interviewees to speak freely and allow them to guide what was being discussed, where the researcher set the theme and topic of the conversation; and the respondent was not interrupted, rather given the time to consolidate thinking and respond as they wished in response to the thematic questions.

There is an inherent proclivity to assume that shared values do exist in the lived experience of various members of the organisation. There is also the assumption that there may be values-based leaders. However, the questions were not framed in a structured prescriptive

fashion. For example, when the researcher inquired as to the theme of values-based leadership, the question was framed as open-ended to encourage respondents to draw from their experiences in the way that they saw best fit.

An example of open questions with limited structure during the interviews:

- What are the values of Miladys?
- Are these values lived in Miladys and do they reflect in daily-practices and behaviour? Which values are lived in the organisation?
- Who is living the values at Miladys?
- What does that person do, to be seen as living the values?

Whereas all members of the middle management were interviewed, such as shop or area managers, access to headquarter management was restricted to the three interviewees mentioned above. This limited the insights obtainable by the researcher, especially considering frequent references made by interviewees to the merchandise department, product strategy, and customer segments.

The interviews were all conducted in the offices of the case study company and usually ran over a duration of 50 - 70 minutes. The tendency was that the lower the interviewee was positioned in the organisational hierarchy, the shorter the interview was, and vice versa, despite the interview-guide being nearly identical. Shop-level employees' answers tended to be shorter, less detailed and at times required considerable follow-up questions to encourage nuanced answers.

The interviewees were open to the questions of the researcher and appreciated being given a voice. It was also clear that the researcher's interest in the organisation was appreciated, as it was possibly easy to welcome an outsider who 'has no skin in the game' nor a 'political agenda' (MN3), as described by one of the interviewees. This represented a good example of the comfortable and open nature of most of the interviews. While most interviewees opened to the researcher, giving coherent and in-depth insights into the organisation, others used the opportunity to portray the organisation through the lens of personal experiences with members of management – personalising their feedback.

The researcher took precautionary measures by checking internal coherence within the interview transcript, scanning for personal motives, and comparing the responses to others

to ensure the quality of the codes obtained, as recommended by Miles and Huberman (2006). This coherence check was a critical component of my preparation of the interview data.

The following sections include illustrative coding tables for topic, process, and values coding:

- **Topic coding:** a set of metaphors, in table format, listed with basic coding that reflects on the espoused values of the organisation,
- **Process coding:** A set of excerpts from the interview data that help to reflect on values leadership and transference in terms of how interviewee perceptions help to shine light on what processes are involved in the diffusion and emergence of organisational values,
- **Values coding:** a table presenting the propositions, in contrast to feedback from interviewees, and
- Codes as per the researcher's analysis in NVIVO, as described in the following section that outlines the interview analysis process. These following tables illustrate the coding process that took place in NVIVO.

Interview Analysis

The 35 interviews amounted to approximately 40 hours of audio recording. The audio recordings were transcribed and coded in NVIVO to extract meaning, relationships, and patterns from the interview data in a structured way.

First Order Coding Methods

Coding is a method to organise and group similar data into categories that share the same characteristics. Codes are essence-capturing labels which, when clustered as per their similarity, show a pattern, and facilitate the development of the analysis of their connections (Saldaña, 2015). Codification is a process that allows data to be segregated, grouped, and relinked to consolidate meaning and explanation, as a first step in the analysis. Analysis is defined as the search for patterns in the data and for ideas that help explain why those patterns are there in the first place (Saldaña, 2015). Hence, the process of

coding the data is the link between data collection and the more extensive data analysis (Saldaña, 2015).

Two processes are summarised under the term coding, namely the *de*coding of the source and deciphering its core meaning. Secondly when that portion of information is deemed appropriate for the study, the data is *en*coded through labelling and grouping similar information (Saldaña, 2015). Through the process of coding, patterns begin to emerge as the same codes were applied to different pieces of text.

It is the researcher's goal to unearth these repetitive patterns in the data. However, as Saldana elaborates (2015), even idiosyncrasy is a pattern and variations in data can be patterned too: Coding filters denote how one - consciously or unconsciously - perceives, documents, and analyses the data. This also applies to the types of questions asked, the detail and structure of field notes, the gender and the and race of the participants.

Merriam (1998, in Saldana, 2010, p. 48) states that "our analysis and interpretation – our study's findings will reflect the constructs, concepts, language and theories that structured the study in the first place. Sipe and Gisho (2004) concur that the coding of data represents the analysis and judgement of the researcher, since researchers bring their subjectivities, personalities, predispositions, and quirks into the process - coding itself *is* analysis (Huberman & Miles, 1994, p. 56). Saldana continues to argue that coding is a *heuristic* for an exploratory problem-solving approach without specific formulas to follow and serves as an initial step towards a rigorous analysis and interpretation of the coding report.

Whereas codes represent the smallest unit of meaning of data, when they are clustered and consolidated into categories, they help to make a higher resolution of clarity available to the researcher, representing the building blocks of themes, concepts and ultimately theory (Saldana, 2015). Richards and Morse (2007, p. 157) pointed out that categorising is an upwards process, from the diversity of data into the shapes of data: "*concepts are how we get up to more general, higher-level and more abstract constructs.*" Adding to this, Corbin and Strauss (Corbin & Strauss, 2008, p. 55) stressed that "*the ability to show how these themes and concepts systematically interrelate lead toward the development of theory.*"

Second Order Coding Methods

Once the body of data has been completely reviewed with a first round of coding, a second coding order aims at developing a categorical, thematic, conceptual, and theoretical organising of the plethora of first-round codes (Saldana, 2015, p. 149). In this process, some codes will merge. Similarly, others may be dropped due to their infrequent use or because they seem redundant (Saldana, 2010). The initial data might be re-coded as some themes only emerged in later analysis and might have been missed by the researcher at the start of the coding process. This is how codes obtained from the first round might be changed and recorded, however, this does not apply to second cycle codes.

Second order coding, also called pattern coding (Miles & Huberman, 2006), results in a reduction of codes into more general categories and classes, a step closer towards understanding patterns and developing explanations towards the findings of the study. Pattern codes identify emerging themes and configurations. They establish relationships between first level codes and condense the diverse data into more meaningful and parsimonious units (Miles & Huberman, 2006). According to Miles and Huberman (2006) pattern codes revolve around four interwoven summarisers:

- 1) themes,
- 2) causes/explanations,
- 3) relationships and
- 4) more theoretical constructs.

The following examples illustrate the use of these four items in this study:

> *"I think the purpose […] is more about giving back to the people that are employed here. […] Yes we have a goal of driving sales but not at the expense of everything else. It's more about enrichment or benefiting of the employees within the organisation" (H2).*
>
> *[Primary Code 1: Purpose-Giving back; Primary Code 2: Purpose-Sales; Second Order Code: Purpose-Relativity]*

The resulting pattern codes can be used in three ways: They can be added to the 'primary' codes and applied in the next set of analysed documents to verify whether they fit. Pattern codes can also serve as a 'hook' for memos, expanding on and explaining the meaning of the code, its relation to other codes and constructs and thus generate clarity for the

researcher. Finally, pattern codes can also be used in further research to balance rival explanations.

When an alternative explanation emerges, often the codes do not get dismissed but qualified, while conditions of 'validity' are defined (Miles & Huberman, 2006). From a process perspective, coinciding data collection and data coding is beneficial to the remaining collection process as it continuously enhances the researchers understanding of the subject matter (Saldana, 2015). The simultaneous collection and coding of the qualitative data leads to a continued refinement of questions and themes to obtain the most insights.

The interview data and field notes of one interview were always coded in conjunction with other interviews to identify contrasts and similarities between the content and codes from the interview itself, and the reflection of the interviewer in the encounter. The data obtained from interviews and documents was treated with primary coding first, which helps to distil meaning and develop basic structures for the second cycle of coding.

The methods were chosen to identify the different themes emerging from the interviews regarding organisational values (topic coding), interpretation and perception of the values within the organisation (values coding) and the enactment and transportation of values (process coding).

The following section briefly introduces each coding method, enriched with examples from the data collected to illustrate their application in this process.

Topic Coding: Following Miles & Huberman (1994) and Saldana (2015) the first approach to the qualitative data obtained through interviews and document analysis employed descriptive coding, sometimes referred to as topic coding. Descriptive coding generates a basic vocabulary and an inventory of codes to identify the data's most fundamental topics, and "*to assist the reader to see what you saw*" (Walcott, 1994, p. 55 in Saldana, 2015, p. 71). Saldana explains that descriptive codes summarise in a short phrase or sentence the basic topic of a passage and, they act as abbreviations of the topic.

> *"The profit, it certainly is a goal and it's certainly stated right upfront in our mission statement and our objectives. It certainly is the reason why we do it, to create profit. In the process, all of these other things are done. It's a combination of things" (H1).* ***[Code: Purpose-Profit}***

The following table (Table 3) provides an exemplary illustration of how topic related data was coded, with reference to literal references to the role of values for business. Interview excerpts are linked to sub themes and second order codes, grouped, and enriched with the researchers' reflections linked to the propositions:

Table 3: Illustrative Topic Coding Table - The Role of Values for Business

Resp.	Response	First order /Sub-theme	Second order Topic
MN3	The role or values, first of all, is the most important thing in any company. Your leadership, and top line leadership, the way that they execute it and the everyday ideas, can make it a fluffy statement so, yes. As a company, if you look at that, if your values goes down the drain the business is going to be threatened for me.	• Relevance for organising -central • Values-practices coherence - day to day actions • Responsibility - Leadership • Values impact – Business performance	Values – organisational success
MN6	I think over the years because of I've been here for a long time, the values have always been one of the strongest points that we've had in terms of the business. The value of the partners within the business but I think that has changed, I think now this period of change and there has been a lot of change. I think that the values, certain values have fallen by the side and I think that they are the more important aspects of who Miladys used to be.	• Relevance for organising - central • Values-practices coherence - decreasing	Decreasing value coherence – decreasing overall resilience of organisation over time
MS3	It's very important for a business and for the culture of the business because if we don't have the values and nobody practices them then we won't respect each other. I feel it's very important because values come back to respect and treat people the way that you want to be treated.	• Values-practices coherence • Values impact - respect	Organisational culture - valued
H2	Obviously for me, its, values of business environment are critical in terms of an ethical way of doing things. It underpins depends how the company feels or deems things to be important in the way they do their business. It's almost like I 'd say common it's a common thread and	• Values – environmental and ethical • Coherence of organisational values – essential for common thread	Coherent values – organisational success

	everything that the company does or stands for is printed by the values.		
AS2	The values are very important to for the business, but you also have to live by them when times are tough, and when times are hard people fall back to their 'reptilian brain' and forget about the values	• Coherence – consistency over time • Values dropped during challenging times	Organisational values – fragile during shock

The table above showcases examples that provide a window into distinct value orientations from organisation members; and provides an example of differing priorities in values associated with where the respondent is in the organisation. This provides a useful articulation of insights in contrast with the study's guiding propositions, as outlined at the synthesis of the preceding chapter.

Values Coding: The third coding method used in the analysis of qualitative data in values coding, pertinent for this study is to *"explore cultural values and intrapersonal and interpersonal experiences and actions in case studies"* (Saldana, 2015, p. 90).

Values statements are often not explicit but embedded in context. Phrases like "I feel", "I love" or "I think it is important" are indicators for values statements. Close attention was paid to these indirect phrases, in addition to direct questions by the researcher to the interviewee, such as: "What do you value in your work environment?" As values form a part of the social and cultural web, each individual or organisation is influenced by, and embedded in, the social networks, their personal biography, and historical period.

Conscious consideration of these aspects is important during the analysis. A critical reflection on the analyst's own stance, paradigm and perspective is indispensable as value coding is value laden. In the context of the present study, the goal is to grasp the interviewee's interpretation, their worldview, and is not a critical perspective and judgment of the data—thus, the coding remains grounded in their perspective rather than the researchers'. Values coding is an important component to this study but cannot stand-alone. Statements of participants regarding their values and beliefs may not be harmonious with their actions and interactions, thus values coding was complemented with topic coding to substantiate or refute the emergent themes from values coding (Saldana, 2015, p. 90).

One of the overall research questions is to analyse the interpretation of organisational values, what they mean for them, and whether they are present or not. Values, as elaborated earlier, are referential to the importance one attributes to something, thus even a sentence like the one below is coded with a value code:

> *"To be honest, I think value statements are just shiny words, they have no relevance in organisational reality" (MS12). [Code: Values-Irrelevance]*

The metaphors provided in table (Table 4), along with first and second order coding provide a fitting example for values coding, highlighting the interpretation and perception of values by respondents within the organisation. They also provide a sense of the degree to which values are espoused and similarly enacted or not.

Table 4: Illustrative Value Coding Table - Metaphors

Resp.	Response	First order Sub-theme	Second order Topic
AS1	"Something that, you know, that you can always go back to and you feel happy when you do it. Like some people have chocolate as a comfort food, you know, it makes them feel happy."	• Personal connections • Sense of place • Belonging/Harmony	• Social/personal priorities view • Organisation as home
MN3	"The grass is not greener on the other side. And it's not about... you know what I like about Miladys it's more like a family."	• Sense of place • Belonging/Harmony	• Socio-economic systems view • Organisation as family
MS2	"It's organised chaos. Organised chaos. In some instances, it's too chaotic to be productive because then everybody forgets about the customer."	• Complexity • Inter-organisational Dynamics • Lack of shared purpose	• Incoherence in values - • Disunity in purpose
AN3	"Way back when, it was more like a family and now it's like everyone is on their own mission, if I can put it that way."	• Sense of community • Sense of purpose	• Incoherence in values • Disunity in purpose

The sharing of metaphors provides an open-ended and heuristically illustrative way of understanding the perspective of the interviewee in relation to their working environment. They paint a rich picture of the organisation's story as experienced by its members or

elements. In other words, it provides us with a sense of how the system is being sensed by the constituents of that system.

Process coding: As one of the main interests of this study is the process through which leaders enact organisational values and strive to create a shared understanding of organisational values, I paid specific attention to process coding. Process coding focuses on actions narrated by the interviewees and uses gerunds ("-ing") to denote such actions (Saldana, 2015). Although this research is not following grounded theory approaches, Corbin and Strauss' (2008, p. 96) process coding is especially relevant as it allows one to focus on "ongoing action/interaction/emotion taken in response to situations, or problems, often with the purpose of reaching a goal or handling a problem. When analysing qualitative data for processes, transitional lingual indicators such as "when", "if", "then" etc. are clues for relevant information." These indicators then can be ordered in a process or sequence of action or alternatively it can graphically represent by causal charts and flow diagrams:

> *"The purpose of Miladys is to look after your shareholders [...], but shared values enable that, if you have shared values you are one team, you move forward" (MN3). [Code: SV-enabling purpose]*

The following table (Table 5) provides an illustration of the process coding in this thesis, showcasing the experience of organisational culture and leadership processes in relation to values from various respondent perspectives:

Table 5: Illustrative Process Coding Table: How are values lived in the company?

Resp.	Response	First order Sub-theme	Second order Topic
MN9	No matter what would be going on he'd visit the store and the way he would speak to the people with such respect you can admire a person like that and I would want to be lead like that and a lot of people feel that way.	• Communicating • Respect • Leading by example	• Day-to-day leading by example • Coherence – means and ends
SL4	People must see it in your whole attitude every day because we live these values. So it's not something that's there and everybody thinks about it. We are real, we are dependable, we are progressive and people must see that in their everyday lives.	• Day to day, • On-going action	• Day-to-day • Coherence – means and ends

MN8	By leading by example. By me being real. I've got quite a few, you know… I've just taken over here and I haven't beaten around the bush with some area manager's issues… I've taken them on. I've been real, so they're know exactly where they stand with me, because before there was a lot of…	• Living values • Actions and integrity of purpose • Open communication	• Enacting espoused values • Coherence in means and ends • Values based leaders transferring values
H2	Now there's a push happening for new values to be rolled out but this work around values is an ongoing process, it's constantly aligned in my strategy from the people point of view.	• Values creation • Coherence across the organisation	• Values-based organising • Multiple priorities – organisational members
H3	We communicate the values to our store managers, tell them about it, we do it at least twice a year or three times a year when we have meetings with them and we bring them back to them. We just had a meeting with, they've built the new value system and whatever but I think there's not enough of it and I don't even know how you would communicate it.	• Ad hoc communication • Periodic, • Event specific values communication • Lack of implementation/communication	• Negative values transference • Lack of effective values diffusion in organisation
MN2	Yes, then again I says it is up to the manager, how passionate the manager is about a business. It comes down to people, it's about your leader and how passionate she is. You can have one manager who's very passionate and make sure those posters are engraved into the staff every week. You'll get another manager who'll only do it every 6 months. It depends on the manager, you can't blame anybody else for that, you've got to blame the direct leader. There is no blame for anybody else except the leader.	• Congruence – living values • Inconsistency in leadership	• Negative view of coherent enacting ofespoused values • Coherence in means and ends • Values based leaders transferring values

The above quotations provide examples of how leadership is interpreted by members in the context of the organisation case study. Specifically, these excerpts provide insight into the process by which leadership inculcates organisational culture. In the first example, the respondent considers culture as a top-down responsibility from organisational leaders and

managers, and at the same time recognises that culture is maintained and diffused further by the enactment of all members of the organisation.

5.4.2. Surveys

To complement the qualitative data obtained from interviews and document analysis, surveys were conducted amongst employees of the organisation. The following paragraphs introduce the Cassandra tool and outline how the survey has been adapted to fit the purpose of this research study. In addition, I provide an explication of which safeguarding measures had been taken to ensure the quality of the data and the rigor of the research,. Finally, and despite the safeguarded rigor of the research, the author will substantiate why the survey was not used to drive the insights of this thesis.

The '*Cassandra Tool*', developed by Baets and Oldenboom (2009), is an empirically validated tool to investigate values-based organisations. It is commensurate with the ontology of the researcher - an ontology of complexity and inseparability of mind and matter. The Cassandra Tool, with a structure that is depicted in figure 6 below, is based on Wilber's (2000) four quadrant model. It consists of two axes, spanning up a 2 x 2 matrix to represent a systemic view of an organisation:

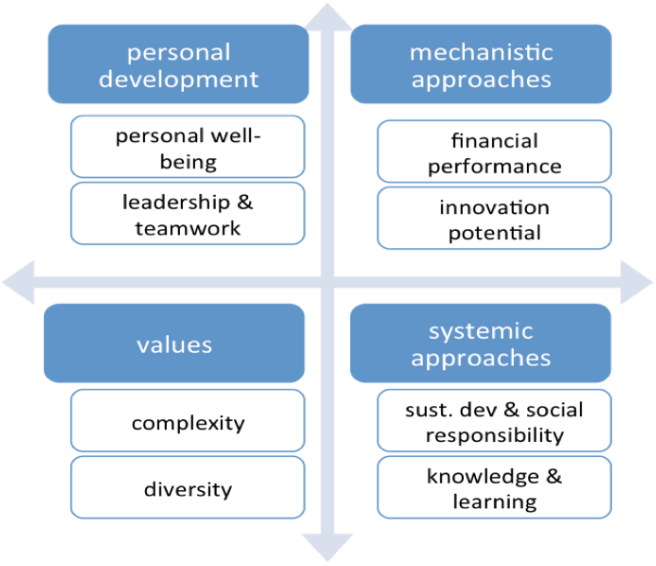


Figure 10: The "Cassandra Tool" (Baets & Oldenboom, 2009)

The Cassandra Tool is composed of 68 questions in four dimensions, each dimension subdivided into two blocks, with each being rated on a five-point Likert scale.

- The values quadrant is subdivided into the 'diversity' section, based on the works of De Anca and Vazques (2007) and the 'complexity' section based on Baets (2007).
- The personal development quadrant comprises 'personal well-being', where the questions are based on research of Chopra (1994) and 'leadership and teamwork' based on the work of Nierenberg (1999).
- The mechanistic performance quadrant entails the work of Stone (1999) to substantiate the 'financial performance' subdivision and research by Advanced Practical Thinking Inc. (2001), which constitutes the 'innovation potential' section.
- The systemic performance quadrant is divided into 'sustainable development and social responsibility' based on the work of Stacy (2000) and the subsection called 'knowledge and learning' based on research by Baets and Van der Linden (2000).

The survey is available in two versions, a corporate and a leadership version. Both versions were used in this study. The corporate version was used to survey shop-level associates to obtain their perspective on the overall organisation. The leadership survey was used to generate insights from the individual perspectives of the leaders at middle and top management. The questions in the two versions are similar, differing in the perspective taken: the corporate version asks about the practices and values of the company. This could include statements like "Our company values…" or "In our company X is considered valuable". In contrast, the leadership version dives into the personal and individual actions as well as the behaviour that nurtures practices that in turn enable a sustainable performance. The tool has been validated by Pinto Leis, Vargas and Baets (2008) and used by Naidu (2018) to study coherence and consciousness in organisations.

- The leadership survey was used for store managers and regional managers and the questions were phrased from an "I" perspective, aiming to obtain data on their individual leadership behaviour.
- The corporate version was formulated to ask the respondents about the overall state of the organisation as well as the leadership behaviour of their superiors, thus shifting the focus away from the personal perspective of the leadership survey to a collective perspective of the organisation.

Safeguarding the Survey

To ensure the quality of the responses, multiple workshops were conducted with shop-level employees, managers, and head-office management to test the survey prior to the survey launch. Through these workshops, feedback regarding the framing and formulation of the questions was collected. As a result, the survey's language was simplified, and questions underpinned by real-life examples to account for the diverse education levels among the workforce of the organisation.

A second safeguard used to ensure the quality of the quantitative data was to expand the five-point Likert scale to include an additional option *"I don't know – X"*. This step prevented respondents from being forced to choose a value when circumstances or practices were unknown to them. It is important to note that on a five-point Likert scale the value "1" denotes "completely disagree", whereas the value "5" denotes "completely agree". The value "3" on the Likert scale stands for "neutral", which is different to an absence of knowledge regarding the subject addressed in that question[20].

To give respondents an option to express the absence of knowledge was important not to distort the data, in particular for shop-level associates. The relevance for including this additional option is demonstrated by the high numbers of respondents answering "X" in "Section Five: Mechanistic Performance – Financial Performance." Across this dimension on average 10% of the questions were answered with "I don't know", with a maximum of 25% of the respondents indicating not knowing the answer to question 37: "Our cash-flow is above average in the industry." Apart from preventing 'false' votes and distorting the outcomes of the survey, the option "I don't know – X" also served as a basis for the subsequent reflection within the organisation about what knowledge or processes ought to be shared and known across all areas of the organisation.

Despite the safeguarding of the survey, several limitations reduced the validity of the survey results, and the ability to deduce nuanced, comprehensive, and representative

[20] The debate what scales to use and whether to include a 'neutral' middle remains unconcluded (Leung, 2011) and irrelevant to the issue faced in this study as even-numbered Likert scales also force the respondent to choose a rating. Moreover, also N/A options would not solve this conundrum as again "not applicable" is different to knowing having knowledge about some issue.

insights. Therefore, ultimately, the survey was not used as part of the analysis and insight building towards the findings and discussion. Rather, the survey served as an analytical cue for themes, which were further explored in the interviews.

The following three limitations describe why the survey was not used to the same extent as envisioned at the outset of this research process and later in comparison, with the interview data:

First, the survey process resulted in a low overall number of responses, both from management, as well as from shop level associates. Out of the total population of approximately 1500 shop-level associates and 195 managers, 140 surveys were completed. In total 30 managers participated, representing 15.3% of the population, shop-level associates accounted for 110 responses, the equivalent of 7.3% of the total employees. This low participation rate would have introduced large uncertainties and margins of error.

A second reason for discounting the survey as a main source of insights was that, especially on a shop-level, many responses yielded results that indicated a non-engagement with the survey. A first-level analysis of completed surveys included an overview of the mean score across all questions, the standard deviation as a measure of variability, and a summary of each dimension of the Cassandra Tool. This proved to be a critical step in the preliminary analysis to identify patterns that might indicate a non-engagement with the survey. Examples of these patterns include respondents answering *all* questions with "1 – completely disagree" or "5 – completely agree." In total, 25 surveys were excluded from the analysis due to result patterns that indicate a non-engagement with the survey.

Finally, the original survey was tested and statistically validated in previous studies, However the tool's language and the underpinning concepts proved to be too complicated for many participants in this research study. Therefore, language was simplified, and questions were enriched with examples to increase salience. However, it cannot be guaranteed that these changes to the tools did not introduce validity concerns which may have compromised the results of the survey. As a result of these limitations, the survey was discounted as a main source of insights for the research.

5.4.3. Document Analysis

The document analysis was conducted to complement the data obtained through interviews and surveys with official documentation to identify the espoused purpose and values of the organisation, and how their realisation in practice is communicated to internal and external stakeholders. The document analysis was also used to analyse the perceived and officially communicated links of the organisation to other systems, such as society and the natural environment. The document analysis consisted of publicly available annual reports of the case study company and the parent company, as well as internal publications which are aimed at explicating and operationalising the organisational purpose and value to internal audiences, namely shop level associates and managers.

5.5. Research Ethics

The research was conducted in accordance with the University of Cape Town's Commerce Faculty Ethics in Research Policy. All participants were given the option to remain anonymous for part of, or all the interview. They were provided with the option to exclude parts of the interview or leave the interview at any time. All participants were provided with the background to the research and a letter of consent that was signed, and returned to the research, prior to the commencement of any interviews. No perceived risk to the participants in the study was recorded as part of the ethics application. The researcher ensured confidentiality of participating individuals and through rigorous protocols regarding the secure handling and disposal of research data. The research protocols were approved by the Commerce Faculty Ethics in Research Committee for the University of Cape Town.

5.6. Conclusion

This chapter introduced the research design to assess the degree to which values are shared within the case study organisation, as well as the processes of values diffusion. This is a crucial step, as every research design already constitutes a form of anticipatory data reduction. It enables the reader to understand why certain steps were taken and facilitates the classification of this thesis within the wider stream of research.

The first pillar of the research design is the research paradigm. The researcher outlined the characteristics of a pragmatic research paradigm, bridging the empiricist position of 'what is' with the constructivist perspective of 'what might be', enabling the flexibility and permeability which is necessary to account for a multi-layered reality (Denscombe, 2008). Moreover, a pragmatic research paradigm is commensurable with the principles of complexity. Numerous complexity scholars have drawn on pragmatic philosophers to inform their own research. Included among these are Mowles, Stacey and Griffin (2008), Drath et al. (2008) and Boisot and McKelvey (2010) – hence a pragmatic paradigm is well suited for the context of this thesis.

In addition, taking a pragmatic stance recognises an acceptance of uncertainty and the move away from certainty seeking and reductionist-oriented sense making for strategy. Rather, a pragmatic stance encourages and allows for a focus on emergent patterns. Specifically, in terms of learning from data that acknowledges the embeddedness of the findings in its context and the possibility of reflexive inquiry in terms of the practical implications of the findings. Further, in line with a paradigm of complexity, it may be more realistic to conceive research as a process of abductive reasoning - as a constant re-framing and discovery - based on our own mental models and contingencies. These mental models include our knowledge, historical dependencies and the insights that emerge from the data from the interviews and document analysis.

Given the breadth of the topic and the paucity of research exploring the role of values from a complexity perspective, the core research strategy was to conduct a single exploratory case study with a South African clothing retailer. The organisation is an interesting case study as it prides itself with a strong legacy of values-based management. However, the organisation is also experiencing increasing macro and systemic dynamics and turbulences due to exogenous changes and increasing complexity in the sector and wider economy. From the perspective of the researcher, this context augments the role and usefulness of shared values as behaviour-guiding principles and the relevance to investigate this organisation.

To gather a rich picture of the organisation, its context, and the teams and individuals, the decision was taken to employ a variety of data collection methodologies, namely semi-structured interviews, surveys, and an analysis of organisation documents.

As the survey did not provide a rich, and comprehensive view of the organisation, partially due to low participation from respondents and several responses that indicated non-engagement, its overall relevance to, and role in, the research process changed. Instead of being used as the analytical counterpart of the interviews – engaging inquiry with several key personnel and capturing representative picture across the organisation – the surveys were used to identify themes and analytical cues that were then deepened in the interview process. In short, the surveys served a guiding and preparatory function for the semi-structured interviews, which ultimately played a central role in the research study and data collection.

Semi-structured interviews were conducted with members from various levels of the organisation to gain a rich perspective of the organisation. This contrasts with focusing on one method or one group only. For example, only interviewing top management may have resulted in a coarsely grained picture of the organisation, its particularities, and thereby would have limited the space to explore new concepts and theory. Semi-structured interviews were convened with members across the organisation, from shop-level to top management.

Finally, included in this chapter is a high-level overview of the data analysis, with reference to first order and second order coding cycles which was facilitated by the pragmatist approach and with abductive reasoning. In addition, this chapter presented an outline of topic, process and values coding and substantiated these coding approaches as being best suited to the study's research question and central propositions, as outlined in the synthesis of the theoretical framework. The application of second cycle coding used for this study helps to move the process of abductive reasoning forward in providing an iterative development of themes and macro themes. Illustrative coding tables and data excerpts from the semi-structured interviews were shared to showcase how the interview data was analysed.

In the following chapters the results of the research process and analysis will be presented as part of the findings of this study. Following this, a discussion chapter will provide an overview of major insights and place them in conversation with the theoretical framework to ascertain the second empirical objective of this research study.

6. Findings

6.1. Introduction

To assess the perception of organisational purpose, what values were shared amongst whom and what processes were used to diffuse values, this chapter analyses and discusses the findings from the data collected through interviews and the analysis of documents.

To set the scene, the analysis commences by elucidating the socio-economic and industry-specific context of the case study company, Miladys, and then zooms in to present the organisation and the current phase of disequilibrium that led to the investigation of what values are shared and enacted in the organisation.

While South Africa exhibited sluggish economic growth, political uncertainty, glaring inequality, and rising levels of consumer debt, the clothing retail industry showed historically high growth rates, high margins, and low competition - at least in an international comparison. However, over the last several years, many international clothing retailers have entered the market and continue to build their presence as the South African market is perceived as lucrative and an ideal steppingstone to unlock other African markets. This increased competition, together with diminishing disposable income of consumers, puts considerable strain on the industry incumbents. This in turn has forced some companies out of the market, and others to reconsider their strategic orientations in terms of market segment, product positioning and overall value proposition.

Miladys, the case study company, was not spared these developments, and had to carefully adjust its strategy, internal processes, and product offerings in adapting to the macro socio-economic changes. These developments heightened the executive's attention to, and interest in, the degree to which organisational purpose and values are shared and enacted throughout the organisation.

Based on the outlined context, the espoused organisational purpose is presented and contrasted against the respondents' interpretations to assess the extent to which the purpose is shared and to identify potential differences between respondents. While the preceding literature review on values and systems theory suggests that a sharedness is beneficial to the systemness, it also discussed whether a sharedness is attainable and

proposed a relativisation of organisational purpose. Hence, as stated in the proposition in this thesis, the sharedness of, and coherence between, organisational purpose, values as well as their translation into practice, deserves closer scrutiny.

The chapter proceeds with an analysis of the espoused values and the respondents' interpretations and perceptions of the organisational values. Next, the paper analyses how values manifest in practices, processes, and organisational structures. Completing the analytical triptych, the final section of this chapter analyses the processes that are associated with values diffusion. Where do the values emerge and what are the processes of transferring them throughout the organisation? Who is regarded as a value(s) leader in the organisation, and why? What differentiates these values-leaders and what effects are they thought to have?

Values leaders were found to emphasise the connectedness of systems and endorse a humanistic view of the organisation, illustrating it as a space where employees bring needs, desires, and aspirations to the workplace. Associated practices to transfer values focused on empathetic inquiry, as well as a continuous operationalisation of values, linking every action back to the overall purpose and values of the organisation. Rich, personal interactions and short feedback loops represented the primary transferal processes, whereas the secondary mechanisms, through the design of organisational systems and spaces, were less relevant.

6.2. Organisational Context

6.2.1. Socio-Economic Context

Since the demise of the apartheid regime more than twenty years ago, South Africa continues to face enormous socio-economic challenges. These challenges were aggravated by the downturn of the global economy in the context of the 2007-2010 crises, which led to lower GDP growth in China and a sluggish recovery in developed economies. This effectively ended the "commodity super cycle" resulting in continued depressed commodity prices. Consequently, this left South Africa's economy exposed, due to its reliance on commodity extraction which contributes more than 15% of the annual GDP

(UNCTAD, 2014). This in turn caused the exchange rate to tumble, the cost of imports to increase and the central bank to raise interest rates to curtail capital outflow.

Officially, at the time of writing, the unemployment rate hovers around 27%, with a youth unemployment rate of more than 53%. This figure of overall unemployment increases to 35% when discouraged workers are included (OECD, 2017). Furthermore, macroeconomic policies are financially constrained and high interest payments continue to increase public debt levels, whilst improvements in the governance of state-owned enterprises is required to improve service levels and realise growth potential (OECD, 2017).

Growth potential remains unrealised due to failing infrastructure, especially power shortages, political instability, and regular flare ups of labour market unrest. Income growth averaged 2% over the last five years, substantially lower than inflation, which consistently averages above 5% per annum. Access to higher education remains limited and therefore skills shortages and mismatches represent significant bottlenecks to inclusivity and growth (OECD, 2017). As a result, well-being, social progress, and cohesion have been hampered and are at risk of further deterioration given the macro-economic circumstances (OECD, 2017).

6.2.2. Industry Context

Within this challenged economy, the South African retail and wholesale industry is a major sector. In 2012 it generated more than R654 billion in revenue and employed about 22% of the national labour force (Promozione, 2013). The clothing retail market represents a particularly dynamic subsector. With an annual turnover more than R30 billion and growth rates exceeding 10% per annum between 2008-2014, the sector substantially outperformed GDP and general retail growth, which grew on average 3% per annum (Anderssen, 2015; The Broll Report 2014/2015, 2015). Despite this track record, current and prospects appear considerably less favourable due to the stagnating GDP growth, record debt levels of unsecured consumer loans, nominal and real increasing interest rates and inflation levels (PWC, 2016). Therefore, market participants and analysts expect negative growth in spending power, retail growth and overall profit margins (PWC, 2016).

At the time of this study four large, listed companies, namely Woolworths, Truworths, the Foschini Group and Mr. Price, dominated the clothing retail market. As noted by investment analysts, South Africa's clothing industry is highly concentrated with a combined market share of more than 40% by the top 10 brands, representing a much higher dominance of the top-ranking companies than in other countries (Anderssen, 2015).

Brand development and positioning has been a focus by the four leading companies, with each brand capturing a large share of their respective target market. However, while the EdCon group lost significant market share in recent years, the Mr. Price group, due to the large overlap of customer groups, has taken up most of this loss and their market share is now comparable with their competitors - Truworths and the Foschini Group (Anderssen, 2015).

Adding to the overall economic concerns, the relative position of the four dominant clothing retailers has come under pressure due to an increasing presence of international competitors. However, South Africa's infrastructure and institutions are relatively well developed, and the clothing retail market still boasts comparatively high profit margins, making the South African market attractive for multinational companies who view South Africa as a hub and steppingstone for their expansion throughout the Sub-Saharan African region (Anderssen, 2015; PWC, 2012). In the meantime, large international contenders such as Inditex, H&M, GAP or Cotton On with large, sophisticated supply chains, design and manufacturing capabilities have entered the South African market and continue to build their presence. This increase in customer choice and competition drives down industry profitability and forces local players to focus on operational excellence and customer value delivery to defend their market share (Anderssen, 2015). As a result of these developments, competitive pressure has increased significantly and is expected to further escalate in the coming years.

6.2.3. Organisational Context

The case study organisation, Miladys, is one of five divisions of the Mr. Price Group, the other divisions are Mr. Price, Mr. Price Sport, Mr. Price home and Sheet Street. Miladys was founded in 1947 in Pinetown and at the time of data collection ran 195 stores throughout Southern Africa (188), Namibia (4), Botswana (1) and Swaziland (2).

Within the Mr. Price Group, Miladys as a business unit is focused exclusively on female fashion. The traditional target customer group of Miladys are women in the 6 to 10 LSM range who desire versatile yet comfortable clothing. The target customer segment is described as a woman *"who knows who she is and what she wants. She shops for fashion that makes her look and feel good"* (Mr. Price Integrated Report, 2015). The brand summary, according to the integrated report, is to be *"own brand, on-trend, good quality and affordably priced clothing, intimate wear, shoes, bags, and accessories for moderate women"*(Mr. Price, 2015).

While Miladys boasts more than 6 decades of history and runs close to two hundred stores, in recent years, the organisation has come under pressure. The traditional target market segment is shrinking, and the organisation has been unable to unlock new customer segments, such as the growing black middle class, the young and hip urban generation, high LSM segments or the market for women shopping for work clothing, as demonstrated by the quote below:

> *"You know, at the end of the day, our traditional customer, who has been coming to Miladys for the last 20 years or so is the aunt from the little dorpies, but we haven't been fashionable and sexy. No mom will come and shop at Miladys for her teen-aged daughter and if people want elegant work clothes they go to Woolies"* (MN2).

The quote above exemplifies Miladys' conundrum. The traditional clientele of that market segment, looking for easy-to-wear, comfortable clothing was typically located in smaller towns and suburbs and would traditionally be rooted in the Caucasian middle-to-high income bracket. With the rising black middle class, the drive for urbanisation and increased competition from fashionable international brands, the organisation struggles to attract new customer segments. Being locked into a somewhat antiquated, shrinking customer segment with limited spending power - *"who shops like once every six months for a top that is on promotion, but comes in every week to chat with the ladies"* (AS4) - led to a reduced organisational performance, especially in comparison to the other divisions of the Mr. Price group, and the local and international competitors (Mr. Price, 2015). This development is reflected in the following key performance indicators (Mr. Price, 2015):

- **Business growth and profitability:** In 2015, the year of this study's data collection, Miladys revenues grew by 0.9% to R1.4 billion, with decreasing number of units sold (-1.5%) and shrinking retail space (-0.4%), slightly improving profit margins. In comparison, the overall Mr. Price group had an excellent year 2015, expanding

sales by 13.9% to R17.3 billion and operating profit increased by 20% to R2.5 billion, with an improved operating margin of 19.2% on retail sales and other incomes.

- **Supply chain management:** The goal to build a sustainable and reputable supplier base to meet the increasingly complex requirements through supplier grading and visibility through various initiatives such as Sedex and ETI have progressed in other divisions. The same process has only just commenced within Miladys.
- **E-Commerce:** Miladys is the only division that is not trading online, in contrast to the other Mr. Price divisions - which grew their online sales by 107% in 2015.
- **Credit curtailment:** Miladys addresses a higher price point clientele than the overall Mr. Price Group and, with 54% of sales being a credit contribution, has a higher risk exposure than the other comparatively more cash focused divisions. Challenging economic environments and credit curtailment had a disproportionately higher impact on the high-price point and credit-reliant business of Miladys.
- **Staff base:** Although Miladys boasts a low staff turnover, the relatively low-diversity staff base, in terms of gender and skill sets, potentially may inhibit the unlocking of new customer segments.
- **Product trend:** Miladys also faced a disconnect between the ordered merchandise and customer demand (Mr. Price, 2015). This led to substantial markdowns and therefore a reduction in margins and profit. The incorrect styling calls, as coined in the integrated report, can be regarded as a major stumbling block for any retailer. When the available products do not match customer expectations and demand, then sales, margins and reputation are endangered.

6.2.4. Conclusion

The combination of macro socio-economic challenges, increasing industry competitiveness and internal organisational challenges provided the backdrop for this research endeavour. After years of growth and relative stability Miladys, at the time of writing in 2016, experiences considerable disequilibrium and nonlinear dynamics that compounded each other and hence necessitated adjustments to the value proposition, target market, tighter

cost control and improvements of internal structures. While the organisation was not experiencing upheaval or chaos, people were cognisant of the need to change and adapt. Tensions were palpable, and the future of the organisation was uncertain.

Balancing these increased nonlinear dynamics and competitive pressure, Miladys and the Mr. Price Group as a whole, prides itself with a set of strong values that are thought to be shared and enacted throughout the organisation. In conversations with the leadership team, the interest arose to investigate which values are shared, to what extent they were shared amongst whom, and how they go on to translate into practices. Are Miladys' values truly as shared and enacted as top management would like them to be? Do they act as guiding principles, during times of turbulence, as trans-situational behaviour-guiding principles or do they fall to the side in times of crisis? And what could be done to foster and nurture the values in the organisation, enabling a prosperous organisational future? This background - the organisation's historic focus on values in combination with increasing complexity provided the opportunity to conduct an exploratory case study, to investigate the role of values as organising principles.

6.3. Organisational Purpose

One central characteristic that defines any given system is that outcomes are greater than the sum of the parts. Specifically, where outcomes represent the organisational ends the *raison d'être* or purpose of organising. From a systems perspective, the organisational purpose ideally guides and coordinates the behaviours of the members, justifying the existence of the company through the way value is created by and for its constituting sub- and embedding macro-systems.

Following from the proposition that the organisation employs means to achieve ends, it was brought forth that a degree of shared purpose within the organisation is necessary for successful organising. Especially since without a shared understanding about the goals and purpose, no alignment of means and behaviour would be possible, and no coherent organisation, or 'systemness', would arise.

However, as contexts, industries and worldviews are in flux and ever-changing, as new members enter the organisation and others depart, the process perspectives suggest that a

sharedness of organisational purpose is never fully 'achieve'", static or definitive. Rather, it requires continued conversations, dialogue, and confrontations to diffuse and transfer values. From a complexity perspective, the propositions suggested that the organisational purpose ought to be adapted and customised to the needs and configurations of the constituting sub- and embedding macro systems, and that the perception may differ according per the worldview of the members of the system.

Based on this outline of the importance of organisational purpose, this section continues to analyse the espoused purpose of the organisation. As Meadows (2008) argues, often the espoused purpose does not match the actual lived purpose of an organisation. Consequently, when trying to identify the organisational purpose, it may be more appropriate to observe the system's behaviour and subsequently deduce the purpose from the outcomes, rather than taking a purpose statement at face value, in other words showing rather than telling.

The analysis of the espoused organisational purpose is only one piece of the puzzle, and needs to be complemented by, and contrasted with, the interviewee's interpretation of Miladys's purpose. The section therefore starts by briefly presenting and dissecting the espoused organisational purpose before analysing the interviewees' interpretations. The analysis of the espoused and perceived organisational purpose provides the grounds for a subsequent analysis of stated and perceived organisational values and how these values materialise in behaviour and practices.

6.3.1. Espoused Organisational Purpose

The purpose of the organisation, as stated in their 2015 annual report, is as follows (Mr Price, 2015):

> *"The purpose of Miladys is to add value to our customers' lives, and worth to our partners' lives, while caring for the communities and environment in which we operate."*

When dissecting the statement, three distinct elements can be identified:

- Add value to our customers' lives,

- worth to our partners' lives, and
- caring for the communities and environment in which we [Miladys] operate.

The purpose statement is all encompassing by including a broad variety of stakeholder groups. The two explicitly named external stakeholder groups - *customers* and *communities/environment*, as partner stakeholder groups, can entail either external stakeholders - such as shareholders, suppliers, or regulators - or internal stakeholders, which may be employees, or a mixture of both. Furthermore, *creating value for customers' lives* is named first, followed by *worth for our partners,* whereas *caring for communities and the environment in which Miladys operates* is connected by the operator *while,* implying a superiority of customer value and partners' worth over caring for communities and the environment. Furthermore, it is noteworthy that the purpose statement is vague - one would not be able to identify the nature of the organisation nor the industry the company is operating in. Nor are the words, *value*, *worth, caring* or *partners* operationalised by way of the statement. This renders the organisational values even more relevant as a link between purpose and practices, as a means that denotes how the stated purpose ought to be achieved.

Following this brief analysis of the espoused organisational purpose, the following section proceeds by presenting the perceived organisational purpose. Three different notions of emerged from the interviews. Each of these notions is outlined before discussing interdependencies, ambiguities and paradoxes amongst them and the espoused purpose of the organisation.

6.3.2. Customer Value

When interviewees were asked, "what is the purpose of Miladys?", the first and most-often mentioned element was to add value to the customers' lives. Despite the survey having limited overall value to the thesis, customer focus emerged as one of the analytical themes with more than 90% percent of the respondents indicating customer value as central to the purpose of the organisation. With customer value as the first element in the purpose statement and as the most-mentioned element by interviewees, there is a strong congruence between the espoused and perceived organisational purpose. Indeed, one could suppose that if the customer would not perceive the value of buying at this retailer greater than the

associated costs, then the organisation would cease to exist. However, a widely shared purpose of customer centricity may channel behaviour and energy towards the satisfaction of these needs, as respondents from various levels of the organisation stress:

> *"Main purpose of Miladys is to make women feel special and wonderful and not want to shop anywhere else" (MN2).*

> *"The purpose is to inspire women to … Particularly a contemporary woman who is 35 plus, in the 35 plus age group to look and feel wonderful about themselves" (H1).*

Customer value comes in many forms, and rather than being solely determined by price or quality, customer value can be considered a "value bundle" that entails quantitative and qualitative dimensions. Elements within this value bundle includes the design, feel and look of the items, as well as the relation between the perceived value of the clothes and the price. However, it can also include the full customer life cycle, from marketing and advertising to in-store service and assistance.

Customer service emerged as a key theme in the analysis of customer value, especially amongst shop level respondents such as store managers and associates who stressed the notion that "*customer service comes first*" (AS3). To their view, the customer service, and not the product, is a key differentiator that sets the company apart from its competitors. Interviewees frequently drew comparisons between the organisation and its competitors, both from a customer as well as from a service provider perspective, as many of the respondents had worked for one or more competitors. Respondents unequivocally emphasised the importance of:

> *"…having someone on the floor to assist you, unlike at Truworths or Woolies where you would have to look for someone" (AN3).*

Customer service was seen as "being there" for the customer when s/he enters the shop, including assisting in choosing fashionable items and giving honest feedback regarding the look and style. It also extended to non-purchase related relationships, such as listening to their complaints and stories, and taking the time to get to know them. As one interviewee stated:

> *"Most of the customers I have […], I know them by name, they know me by name. I know their families, so we've got relationship bonds with our customers" (MN5).*

This emphasis on a multi-layered perspective on customer service that extends beyond the product advice and delivery, and includes social relationships, supports the notion of shared values. Here it includes social and economic value dimensions, rather than a solely economic value exchange between the buyer and the organisation. Despite this strong reported customer service centricity, especially by lower-level employees, nuanced voices also highlighted that with an increased pace and pressure of the organisation, customer service had declined in recent years. To their view, customer service once *was* great when associates had the time to properly assist every customer, whereas nowadays they report to be under-staffed:

> *"What would make the biggest difference is that we need to make sure that customer service becomes our main focus again. And that somewhere along the line, as I say, somewhere along the line that's being lost. Like I told you now, previously we've always been a customer-driven business. We've always focused on the customer. Lately, yeah, we had a lot of changes with visuals starting to change and promotions being brought in, we don't have time anymore" (MS2).*

Whereas customer service is internally seen as a key competitive advantage of the company, respondents agreed that the second aspect of "customer value", namely, to deliver desirable, well-priced products to the customer had not been successfully realised over the last years:

> *"At the end of the day if you don't have the right product your customer is looking for, that is mostly the real cause of all issues" (MS1).*

As one respondent indicated, delivering customer service, or living values internally does not suffice when a central element of customer value - the provision of the right stock - is not fulfilled:

> *"Well, the first thing is we need to get the right stock in. If we don't get the right stock in, we can live all these values, but it boils down to what we give our customer" (MS7).*

Given the increased competitive pressure, as well as the aging and shrinking target customer segment, the organisation launched a new product strategy, termed "Forever 35" to improve this key aspect of "adding value to customers" lives:

> *"The "Forever 35" product strategy has the goal to shift the focus of the product offering to a younger, more versatile "on-trend" market segment, with products that have the right silhouette and shape for her body" (H2).*

This product strategy was aimed at unlocking important market segments, such as young, professional, and urban women. The shift in product strategy occurred during the time of data collection and while it was too early to determine the impact and success of the strategic pivot, respondents welcomed the increased product focus and indicated a positive response from customers, as exhibited by the excerpts below:

> *"Look at people at this Forever 35. About Miladys only for old people, for they put us in a box where only a certain kind of people look at Miladys. But in the last few months that has changed a lot, especially whether for Forever 35. Has been in place for the last 2, 3 months now but has been a major change because like I say I work on the floor and retail where the customers are on a daily basis. The customers that just come into the store now are totally different. They are the ones getting the younger customer and they're actually reaching that" (AS2).*

Overall, respondents across positions in the organisation and geographies stressed that the purpose of the organisation is to deliver customer value. They share an understanding of the components of customer value as being composed of customer service and high-quality products. Furthermore, although customer service was a core strength of the organisation, interviewees shared the sentiment that customer service needs to be complemented by adequate merchandise to increase the customer value. This would also attract new market segments as well as assist in remaining relevant by delivering "value" to a significant and large market segment. Interestingly, while respondents sometimes made remarks such as *"the customer doesn't have as much money in the pocket as they used to" (AN2)* these were minority voices, and the overwhelming majority attributed the challenges of selling products to wrong decisions regarding style, the design and delivery of undesirable products.

In summary, respondents exhibited a shared understanding that *"adding value to our customers' lives"* is the central purpose of the organisation and a unique selling point that entails multiple dimensions, including products and as well as personalised services. Furthermore, respondents also shared an understanding that the product component needs to be improved to deliver customer value and to remain relevant, an aspect that was targeted with the "Forever 35" product strategy.

6.3.3. Adding Worth to Our Partners' Lives

The second element of the espoused purpose states that the purpose of the organisation is to *add worth to our partners' lives*. Partners can denote a broad variety of stakeholders, such as shareholders, employers, suppliers, and regulatory bodies. Hence, the definition of *worth* may change, depending on the respective partner.

Two main themes emerged from the data that can be linked to *adding worth to our partners' lives*. The first, and more prominent theme, identified shareholders as key partners and the creation of shareholder value as an organisational purpose, whereas the second theme identified the employees as key partners and saw benefitting employees as central to the organisational purpose.

Following the axiomatic theme of "customer value" as a key organisational purpose, the second most important theme that emerged from the data was that the purpose of the organisation is to create shareholder value. Although creating shareholder value is certainly an element within the purpose statement, the purpose statement does not explicitly refer to any specific group or to creating shareholder value or profit as a central purpose. In contrast to the first element of the purpose statement "creating customer value", wherein respondents exhibited a high degree of shared understanding concerning the relevance of customer value for the organisation, the perception of the importance of creating shareholder value was more diverse. This is especially the case when shareholder value was contrasted to other elements of the purpose statements. The views ranged from shareholder value being the goal of the organisation to shareholder value being an outcome of other activities, which, while seen as important, are not the dominant purpose.

The most extreme points of view denied the existence of other organisational goals, or at least significantly discounted them vis-à-vis profit. Such views are exemplified by quotes such as the following:

> *"You know if you'd take all the b/s out, I do think profit is the ultimate goal" (AN1).*

While this position, in its absoluteness, represents an extreme point in the data set, a large share of the interviewees perceived profit as the goal of the business. Most respondents phrased the relation between profit and other goals as slightly more nuanced, viewing

profit as an overarching purpose which can only be achieved under the consideration of other aspects, including customer focus:

> *"Without the customer we are nothing, but any company is there to make money" (MN2).*

It is worth noting that profit is not stated right upfront in the mission statement and objectives, at least not explicitly. Moreover, the citation above reveals a perceived superiority of profit over other goals, as *"in the process other things are done"* (H1), rather than:

> *"In the process of delivering value to our customers, we create worth for our shareholders" (H2).*

An interesting tension emerged between creating shareholder value and delivering customer value, in particular the customer service component. As the organisation has been under pressure to increase sales and improve margins to create economic value for the group and its shareholders, it launched the new product strategy but also strived to implement more efficient store-level processes. Whereas the new product strategy was applauded by respondents, the increased pressure to perform and to drive sales was often seen as coming at the expense of delivering customer service. This manifested in having too little time to care for the customer and thereby undermining a key value-driver, the close and personal relationships between the staff and the customer base.

Although many interviewees stressed the importance of profit, the theme was prominent but not dominant, and most respondents qualified the quantitative, economic value by calling for a "people first logic" as an enabler for economic outcomes. This was reflected in the interviews, where "benefiting employees" emerged as a strong theme in the discussions of organisational purpose and values-based practices:

> *"I think the purpose […] is more about giving back to the people that are employed here. […] Yes, we have a goal of driving sales but not at the expense of everything else. It's more about enrichment or benefiting of the employees within the organisation" (H2).*

The notion of employees as important partners, or as "associates" as they are called within the organisation, emerged throughout all levels, from headquarters to shop-level employees. Generally, it was perceived that a strong and committed workforce is indispensable to the company:

"As a business, as any business is, it is to serve its customers and to make profit. But the way you make the profit and how you get there I would think is by empowering people to make, you want to make profit, but you want to empower people on the way to do that because happy people are committed people" (MN9).

Within the "employee value" two sub-themes emerged, namely financial benefits and personal growth:

Financial participation: One of the central strategies to align incentives and enable the participation of the associates in the success of the organisation is the share and stock options scheme. The scheme extends in its various forms from top-management to shop-level associates. Employees are awarded shares and options and are paid dividends biannually. The share scheme aligns interest between company and employees by letting them partake in the success of the company and generating motivation to work hard for the company's success, as it will ultimately affect the employees' shares.

Depending on the job role or level, the employees can sell their shares after a certain time, increasing their financial security and assisting in big purchases. Furthermore, Miladys assists in paying school fees, supports student-associates through bursaries and contributes 50% to the employees' health insurance. Overall, the financial incentivising of associates beyond the salary emerged as a strong theme within "employee value" and is particularly relevant in the South African context, which is characterised by low-growth, high unemployment, and a relatively weak social security system:

"Personally, for the staff there's a lot of benefits. If you catch on in school there's bursaries, they pay your school fees, your bursaries. […] There's a shared option. They allocate shares to the staff to keep the business for a certain period of time. You are allowed to purchase shares in the business. There's a lot of opportunities, the medical aid is fantastic. They pay half the medical aid and staff pay the other half" (AN4).

Personal growth: The second element within the respondents' interpretation of the organisational purpose and the dimension 'employee value' was the ability to grow personally and build a career in the organisation. In particular, area managers and shop-level managers indicated that they had risen through the ranks and were given an opportunity to up-skill themselves and assume increasing responsibility:

"Look, I started here like 5 years ago as a simple associate and now? I am an area manager. You know, it's not easy, it's really not. You have to work hard, but when you do, they see it and reward it. Now I am even training other store managers, Miladys has given me that opportunity and I would have never thought that I am here now" (MN9).

6.3.4. Communities and Environment

The third component of the purpose statement - *while caring for the communities and environment which we operate in* emerged as a minor theme from the interviews. In the interviews, hardly any of the respondents conceived the purpose of the business to add value to suppliers, society and community, or the natural environment. The very few respondents who did include such considerations were exclusively part of senior management situated in the headquarters of the company. Even within this group, the natural environment was not considered. Perspectives were limited to social systems:

> *"The purpose is to inspire women to … Particularly a contemporary woman who is 35 plus, in the 35 plus age group to look and feel wonderful about themselves. […] Thereby we provide wealth and we create wealth and we provide wealth to our shareholders, our suppliers and of course our associates. [...] Value to the community, add value to our customers' lives, to the people that live in our communities to provide not only services and goods but also to provide job opportunities" (H1).*

Furthermore, including conditioners such as *"while"* in the purpose statement, seems to substantiate the notion that caring for the communities and environment may take a backseat in comparison to customer or shareholder value generation, a purpose dimension that may be considered alongside customer value and partners, but not at the centre and potentially not at the expense of the former.

6.3.5. Conclusion

This section contrasted the espoused purpose of the organisation to the respondents' interpretations, showcased areas of coherence as well as differences. The findings indicate a strong and shared understanding of the first two tenets of the organisational purpose: to provide customer value by providing fashionable merchandise to women over 35 which "make them feel wonderful", as well as through outstanding customer service. While respondents agreed that customer value is at the core of the organisation, and that partners, namely predominantly shareholders and employees, are the main beneficiaries of the systems' activities, the third aspect of the purpose statement, *caring for the communities and the environment*, was almost completely omitted.

Despite this agreement on the purpose to create customer value, a range of noteworthy divergences, foci and interdependencies emerged in the analysis of the espoused and perceived organisational purpose.

Most notably, the interpretation of the organisational purpose differed according to the hierarchical level and functional unit of the respondent(s). While literature stresses the need for a shared purpose for organisational coherence, in this case, it was shown that the employees' interpretation is role dependent. The data suggests that interpretation of the primary organisational purpose corresponds to the spectrum of tasks and activities of the respective groups: shop-level associates stressed the customer service component, financial security and personal growth, middle management emphasised profit and employee benefits, whereas top-level interviewees, such as managing director and operations manager, brought forth a more holistic perspective by including, to a limited extent, the wider organisational environment in their considerations.

The analysis also revealed that the respondents differed in their perception of what constitutes the *means* and the *ends* of the organisation. In other words, there was a disagreement regarding the breadth of the organisational purpose and whether all elements of the purpose statement represent ends, or whether some are means to achieve ends. The purpose statement defines *adding value to customer's lives* and *worth to the partners' lives* as the ends of the organisation. However, some respondents perceived caring for employees as a path en route to making profit. This is exemplified by quotes such as:

> *"Look, I think profit is the ultimate goal, yes I do, but to achieve that you need committed and happy people" (MS6).*

One could suppose that the perception of the firm as a vehicle to create economic value is rooted in the worldview of the individual, his or her perception of human nature, as well as the interconnections between social, environmental, and economic systems. Hence, the analysis suggests that although the customer centricity does thread through the organisation, different worldviews persist.

Overall, the organisational systems paradigm corresponds to the closed-natural systems view, rather than a paradigm of complexity. Customer value as a purpose was shared, but the respondents' interpretations stressed employees, shareholders, and the creation of economic value. Despite an abundance of social and environmental challenges in South

Africa, only a few mentioned "communities and environment" as beneficiaries of the organisation's activities.

In contrast, the discussion of a complexity paradigm suggested that a short-term focus on economic value creation may be too narrow. The discussion instead suggested a holistic purpose proposition, entailing the needs of the constituting sub and embedding macro systems, including social, environmental, and economic values dimensions across spatial and temporal scales.

Building on this analysis of the espoused and perceived organisational purpose, the following section proceeds by analysing these values. The analysis will then turn to identifying how they are enacted in practices to draw inferences as to what values are shared, as well as to the areas of lacking coherence between the ends and means of organising.

6.4. Organisational Values

The previous section addressed the espoused and perceived organisational purpose, dissected the elements of the purpose, and outlined the relations, ambiguities, and discrepancies amongst them. The following sections proceed to analyse the organisational values, which represent the means to the ends. Although organisational values are thought to guide actors, behaviour, and reduce behavioural ambiguities, a closer look is warranted.

The reviewed literature suggests that organisational values can be espoused by a small group such as top management, despite not being shared or enacted. Yet, within the context of this thesis, the researcher has suggested that only if they are enacted and shared as internalised schemata that guide employees' behaviour and decision-making, can they enable the associated positive outcomes and serve as organising principles in complexity.

This section commences by discussing the value of values for organising and accomplishing this during times of turbulence and change. Secondly, the espoused values of the organisation are presented, demonstrating how the organisation defined and described their values, including the associated practices and outcomes. Thirdly, building on this analysis of the espoused organisational values, I discuss the interviewees' perceptions of

the organisational values to explore if and how they influence organisational practices and decision-making.

The analysis focuses on the content of the values, the target audience and how they are thought to translate into practices. This analysis serves as a basis for the discussion of what values are shared and enacted among which groups, what ends they serve, and whether some of the theorised elements of values as guiding principles in complexity, surface from the data. The analysis seeks to interrogate the propositions that if there is coherence between means and ends values, as well as corresponding processes to diffuse values, they could serve as organising principles in complex turbulent times.

6.4.1. Relevance of Values for Organising

As stated in the Abstract, one of the starting deliberations of this thesis is that in times of turbulence and change, informal behaviour-guiding principles, such as values, gain importance to enable the emergence of systemic outcomes. To scrutinise this theoretical deliberation with empirical data, interviewees were asked to elaborate on the role of values in the current business environment and within Miladys.

Three themes emerged from the interviews, namely the role of values:

- for business in general,
- within Miladys in particular, and
- the relevance of values in times of change.

In line with the document "*Understanding our Brand*", interviewees stressed the importance of values to give direction to the company. They described values as the fundamental DNA that defines what is important and guides decision-making. Although the vagueness of values was perceived to be a potential threat, including a misuse of values to make false promises, the majority conceded values to be a central guide to business to shape practices and define behaviour:

> *"If the values go down, business is going to be threatened" (MN3).*

The organisational values were seen to be important as:

"They drive your whole team, they all know what we need to reach at the end of the day" and as guidance to the behaviour of the individuals within the organisation, as "some type of path that a certain business is going […] all your people need to understand, you know, what is the bigger picture" and *"to motivate the staff, create commitment and build relationships with them and anybody else"* (MN5) *and "to have common shared values you move forward as a team"* (MS1) and by *"virtue of living the values internally, it extends to our customers service in store"* (H2).

An interesting aspect, speaking from the data, is the relation between the purpose and the values, connoting an instrumental view of values as an enabler of the organisational ends. This was exemplified by quotes such as:

> *"The purpose of Miladys is to look after your shareholders [...], but shared values enable that, if you have shared values, you are one team, you move forward" (MN3).*

According to this respondent the organisational values have an instrumental function. They are connected to certain outcomes, such as *"enabling a well-run organisation" and "becoming a team and moving forward"*, rather than being of intrinsic and inherent worth in themselves. This is in line with the argument developed in the theory section - that values describe the means to achieve organisational ends, but also ascribe an instrumental value as schemata to align behaviour and enable the systemic properties to arise.

In line with other findings, there was a distinct difference between the views of head-office, the perception of middle management and that of shop-level associates. Top management emphasised the ethical nature of values as:

> *"Guides of ethical standards in terms of treating people correctly, doing things honestly" (H1) and as "critical in terms of an ethical way of doing things" (H2).*

In contrast to the deontological perspectives put forth by top management, focusing on ethical values such as altruism, universal rights or Kantian principles, middle-management and shop level associates stressed the instrumental nature of values to guide behaviour to efficiently achieve organisational goals. They saw values as means to an end, and hence adopted a more transactional-utilitarian view. These findings support the view that values-based organising and leadership cannot be automatically equated with ethical behaviour. Rather, a nuanced perspective, and differentiation between deontological-transformational and teleological-transactional values systems, as suggested by Groves and LaRocca (2011), is required when assessing the role of values in business in general and in complexity.

Respondents, at various levels of the organisation, made frequent references to the industry as such. They characterised it as *"extremely high pressure, as cut-throat, hectic and fast paced"* (MN1). The argument was made that in such a context the relevance of values is amplified, as something to "fall back to" and to provide a strong and solid base to ensure loyalty and commitment. This was underscored by frequent references to direct competitors: many of the employees had previously worked for one of the competitors, such as Foschini, Truworths or EdCon. Interviewees from all levels stressed the transactional relationship of competitors towards their employees. As one respondent coined it:

> *"Foschini's culture is ice cold, they suck you dry until they are finished" (MS3).*

In their description of competitors, respondents consistently deplored the lack of a humane work environment, however, they also highlighted the transactional efficiency and the process related values and practices that enable the organisation to *"get things done quickly and well"* (MS3). Comparisons to competitors ought to be treated with caution as answers may contain a social desirability bias, portraying their own employer as better than competitors. In addition, employees who left Miladys to work for one of the competitors, were not represented in the sample; hence their potentially more critical voices towards Miladys - respectively more appraising towards the competitors - remain unheard. While treating these accounts with caution, they do fit the overall patterns identified regarding the strengths and weaknesses of Miladys' values and culture – a very strong orientation towards growing people, integrity, and customer centricity. Also, these accounts showcase significant deficiencies with regards to training processes, information systems technology, processes for idea generation and refinement.

While respondents generally stressed the role of values for organising and business, nuanced voices emerged when referring to the role of values in contexts of change, turbulence, and tension:

> *"We're changing our strategy fundamentally at the moment and changing a lot of things in Miladys […]. And I think what's good for Miladys [is] that prior to all these changes, there was a values-based system" (MS1).*

This aspect relates directly to one of the central research questions of this thesis – whether and how values act as guiding principles in complexity, in times of turbulence and change. The following question emerges: apart from being shared and enacted in times of

equilibrium and harmony, what is the role of values in conflict? Do they really act as trans-situational guides or do people revert to "*their reptilian self*" (MS9)? -as one respondent framed the dilemma

To address these questions the participants were asked to elaborate on how values unfold in times of conflict, crisis, and change - the increasingly dynamic contexts that Miladys was encountering. When taking a micro-level perspective, respondents nearly unanimously agreed that in conflicts and disagreements, arguments and behaviours were routinely linked back to values. Values hence provided an evaluative component to reward pro-values behaviour and sanction counter-values based behaviour. This is illustrated by quotes such as:

> *"If someone is not being real or dependable, I will tell him and make sure that this is against our values" (MS7).*

From this micro perspective it did indeed seem as if values were particularly relevant as guiding principles in conflict - as a constant confrontation and negotiation - as to what is within the realm of the "acceptable". Although many perceived that values *do* serve as a guide in situations of conflict and confrontation, others highlighted the *lack* of confrontation and conflict as a major stumbling block. In this view, linking behaviour back to values and enforcing them in times of conflict did not even arise due to the avoidance of conflict. Instead, respondents described that emphasis was put on creating a cosy and comfortable environment. But doing this the organisational members lose out on the benefits of values-based discussion and reflections that could result in necessary learnings and advancement of the business:

> *"Look, I think our managers, and probably our business as a whole, had been spoon fed for a long time and this has changed now and that obviously creates conflict. I think a lot of the times conflict is avoided, I think there should be healthier conflict that should have almost been like a platform. I think we actually need a platform to be a little bit more confrontational and to challenge each other, I think it'd take this business to the next level, but it's a balance and that's finding that balance" (H2).*

This statement is remarkable, as central cornerstones of the espoused organisational values were realness, openness, and honesty. These attributes can all be linked to having a 'humane', emotionally mature, fact-based discussion and voicing one's opinion. Moreover, a continuous joint exploration of different, potentially opposing perspectives represented a key theme to enable growth and development in complexity. Thus, confrontation and

sometimes conflict may be unavoidable and beneficial to organisational development and long-term resilience. Voices like H2 above emphasised the historically *"lenient culture*", characterised by harmony and equilibrium seeking, rather than utilising tensions and conflict to align schemata and to explore and create novel ways of working and improving processes.

A more nuanced picture also emerged when considering the influence of the increased competitiveness of the industry. This respectively increased tension between certain values. The increased pressure on the organisation was seen as a major source of disequilibrium, putting certain values under strain and creating tensions between different values and hierarchical levels, instead of values helping to navigate the change:

> *"I think over the years because I've been here for a long time, the values have always been one of the strongest points that we've had in terms of the business. The value of the partners within the business but I think that has changed, I think now this period of change and there has been a lot of change. I think that the values, certain values have fallen by the side and I think that they are the more important aspects of who Miladys used to be" (MN6).*

The first theme was a need to implement more efficient structures and agile processes to succeed in the increasingly competitive environment, "*to implement and actually live the 'progressive' in our values statement*" (MN3), with a perceived trade-off between progressiveness and human relations. This surfaced as a point of tension and a nucleus of conflict:

> *"It [the relevance of values] hasn't changed but I think you'd find if you ask that question of someone that's been here 15 years now until it is. Maybe that's a pace thing because I do know in the last 3 years the business has moved from quite a snail pace but like quite a 'a lets just plot on' whereas now it's go, go, go we are flat out, I think a lot of people are battling with it" (H2).*

Despite this perceived in values-led behaviour, most respondents expressed their passion in working for Miladys and the family-like atmosphere, the importance of teamwork, personal development, and customer centricity.

Overall, the participants highlighted the role of values for doing business in their industry and succeeding in a fast-paced changing macro environment. Frequently references to values were made when evaluating *practices,* particularly from a utilitarian argument highlighting the relative 'goodness' of practices to achieve certain ends instead of a deontological argument that suggests an intrinsic worth of certain practices themselves.

While respondents generally acknowledged the role of values, disagreement persisted with regards to the interpretation and evaluation of certain *values. S*ome respondents stressed a need for more progressiveness to succeed in increasingly complex environments, whereas others deplored the reduced attention to human relations and rather emphasised the importance of creating caring and nurturing environments.

These tensions surfaced and gained momentum with the shift in organisational strategy. From the perspective of a lens of complexity, the contextual environment shifted and altered the feedback. The resultant stimuli that the 'system', or organisation, received triggered and changed responses to match the changing context. In turn, this caused a re-evaluation of the schemata that guided decision making. While this change may represent a source of tension and conflict, the reviewed literature suggests that it is potentially unavoidable as the context is in constant flux, whilst being path and history dependent. Furthermore, the process of evaluating values - and their respective practices - ought to be continuous rather than episodic, inclusive across levels and focused on the joint exploration of worldviews and 'problem spaces'.

6.4.2. Espoused Values of the Organisation

Values manifest in nearly most interactions in an organisation, explicitly or implicitly. Explicit values communication often takes place in annual reports and the publication of marketing content, especially when addressing external stakeholders.[21] In addition to these materials, which are often geared towards external audiences, the case study company published a document - "*Understanding Our Brand*" - to communicate and explicate the organisational values to the employees.

In the following section, this document, supplemented by the annual reports, provides the main source data to explore and further elaborate on the espoused values and the respective practices. The espoused values of the organisation are then compared to the interpretation of the interviewees.

[21] Values communication to external audiences via marketing materials is not within the scope of this work.

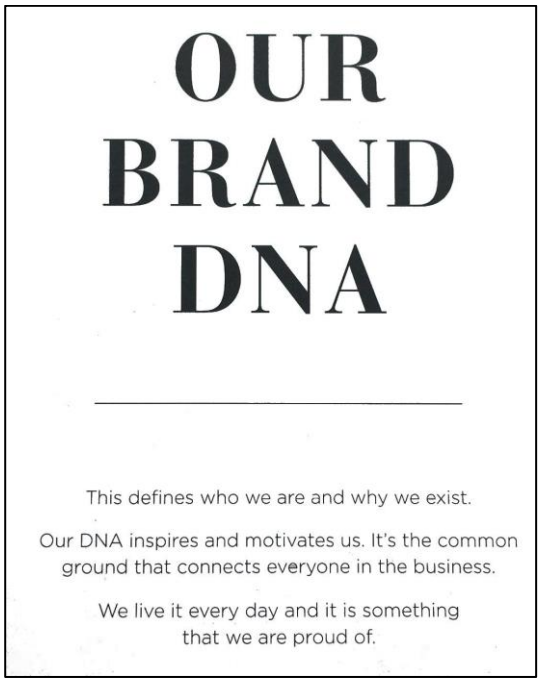


Figure 11. Our Brand DNA, reprinted from: *"Understanding our Brand,"* Miladys (2015).

The cover of the document contains a number of elements inherent to values theory and practice.

Firstly, values are portrayed as the DNA, hence as central to the organisation. They are being portrayed as defining the organisation and justifying its existence. The DNA analogy is striking as it underscores the centrality of the values to the organisation - as the organising code that determines systems' behaviour.

Secondly, the document stresses the centrality of organisational values by outlining their *effects*; organisational values are the main source of inspiration and motivation, hence striving for something great and informing action and impacting behaviour.

In line with the conceptualisation of organisational values in this thesis, the document also emphasises the sharedness of values throughout the organisation, stating that they provide a "*common ground that connects everyone in the business*" and that they are enacted every day. The cover underscores the centrality of values in the organisation, which is further substantiated by the content of the document. The document articulates values as reflecting the central beliefs of the organisation, acting as guiding principles that influence actions and decision-making. In other words, they are being portrayed as being permanently present in every action and decision - thus occupying a central place in the organisation:

> "*Our values are our guiding principles. They are the things we stand for and believe in. Because of this, they are at the heart of everything we do, influencing our actions and decisions as we live them out each and every day" (Understanding our Brand, p. 3).*

The document reflects and supports the theorised relevance and characteristics of organisational values: they represent beliefs that *ought* to be *shared* throughout the organisation and *enacted* in actions and decisions and thereby act as guiding principles. The document also espouses and defines the following three organisational values:

- **Real: When you act with sincerity and integrity you earn the respect and loyalty of others**

> *"Whether it's in a meeting or in our stores, sincerity and integrity count. It's all about the people and relationships, so for us, listening is vital. These are traits that we live in all our interactions as well as the quality of our products. Caring and communicating come naturally to us and we are open, honest and always ready to listen."*

- **Dependable: We understand our customer(s) and are there for her**

"By understanding our customer, we can respond in a considered, consistent manner. It influences the way we see and do things throughout our business. From our clothing to our service to everything else, our customer knows she can count on us for what she needs."

- **Progressive: Confidence and passion allow us to evolve with our customer in a considered manner**

"We proactively learn and grow with our customer(s) so that we can meet her changing needs. This is reflected in our product, service and shopping experience, as well as in the way we work. We believe in going beyond the expected and achieving all of this through our confidence and passion for the business, individual potential and life itself."

The analysis of the values above and their definitions reveal that each value is operationalised by antecedents or behaviours that are thought to underpin each value, as well as a functional relationship between the values and envisioned outcomes. These definitions, the description of each value and the contained behaviours and antecedents serve as analytical cues in the comparison between the espoused and perceived organisational values.

6.4.3. Organisational Values in Practice

Following this analysis of the espoused organisational values, the next section contrasts the espoused values with the perspectives of the interviewees. The analysis is structured as follows:

- Specifying the espoused and perceived target group,
- the espoused and interpreted values content,
- whether, and in which way respondents perceived values to manifest in practices and
- the effects and outcomes.

Real: When you act with sincerity and integrity you earn the respect and loyalty of others

"When you act with sincerity and integrity you earn the respect and loyalty of others. Whether it's in a meeting or in our stores, sincerity and integrity count. It's all about the people and relationships, so for us, listening is vital. These are traits that we live in all our interactions as well as the quality of our products. Caring and communicating come naturally to us and we are open, honest and always ready to listen."

The espoused target audiences of the definition of REAL are internal and external groups - employees as well as customers - as the definition includes sincerity and integrity in meetings and in the stores, in all interactions and in the quality of the products.

In contrast, the perceived target audience for 'real' was nearly exclusively perceived to be fellow employees and managers. Even from shop-level employees, who exhibited a stronger customer centricity in the analysis of the organisational purpose, nearly all exclusively referred to REAL as a value that regulates internal behaviour, rather than extending REAL to the relationships with customers or suppliers. Only very few respondents explicitly mentioned customers and products by stating that being real is:

> *"Giving the product she wants […] don't lie to them, that she looks good when she doesn't" (MN2) or "Being real, being honest when we give the customer our opinion" (AN2).*

The espoused definition of the value REAL contains two values in itself, namely "sincerity and integrity", which are seen as instrumental to "earn" the outcomes of respect and loyalty. Sincerity and integrity are further operationalised by practices or "traits". Practices that are linked to sincerity and integrity are listening, caring, communicating, openness, honesty, and a readiness to listen. An interesting finding from this is the emphasis on the importance of listening, thus an openness to receive feedback, inputs, and ideas. As per the definition, these practices or 'traits' are lived in all interactions, in meetings and stores, and in the quality of the products. Most frequent references to the perceived content of REAL were openness or transparency, fairness, and honesty.

When respondents were asked to elaborate on what REAL meant to them, most referred immediately to openness as a key component of REAL, which was frequently used interchangeably with honesty or sincerity. Openness was seen as being able to speak one's mind, having a point of view, and being able to share their point of view without fearing repercussions.

The following is revealed when comparing the espoused definition and the interpretations by the employees: although *"listening is vital"*, it represents a central part of the definition, respondents did not mention 'listening' once. Rather than the receptive and absorptive "listening", the expressive "being able to voice opinion" was stressed. Statements such as "*You voice your point of view and there is no right or wrong"* (H2) exemplified this. The expressive aspect was further substantiated by linking realness to honesty and

transparency, including the ability to hold "*tough conversations*" and to be able to "*not beat around the bush*" as well as being frank and open about misalignments and sub-par performances (MS6, MS2).

In addition to openness, REAL was also associated with being authentic, approachable, and treating people with respect (MN5, H3, MN9). Respondents highlighted the importance of being able to *"just speak to anyone, without having to fear that they will put you down"* and be respected by more senior management:

> *"For me real means being yourself and being who you are and being honest and not being afraid to be yourself. That's what real is to me, I know what all the words saying whatever for me are simple terms that's what real is" (MN9).*

In particular, REAL was associated with an acknowledgement of hard work and giving honest and clear feedback on performance. Respondents consistently stressed the importance of rewarding positive behaviour and appraising performance. Thus, there was a recognition that commitment and motivation are not taken for granted, rather that hard work is valued and appreciated.

Interestingly, respondents often stressed the importance of being *publicly* rewarded and appraisal of good performance. This serves the function to point out individuals that exhibit behaviour in line with the organisation values, to motivate and provide direction for others, but was also to increase the appraisal by making the individual feel important in front of their peers.

Real, in relation to performance, also included frank, open and direct feedback on sub-par performance to correct behaviour. This feedback was key to personal and organisational growth:

> *"I feel we are very real to our people. I would go out there and I will call somebody in and say, listen I'm not happy with what you're doing here. I think you are letting yourself down, you are letting me down and you're letting the team down. Please fix it and it will be over and done with. It's not that you're going to be angry with each other so that's real. People need to know the truth otherwise how are they going to grow" (MS6).*

While REAL was particularly often mentioned in relation to evaluative practices concerning performance reviews, REAL was also linked to forward guidance and transparency regarding plans, and actions:

> *"...so that things aren't shocks, may they be pleasant surprises or horrible things" (H1).*

In contrast to the evaluative aspects of REAL, which was acknowledged and appreciated by nearly all the respondents, the REAL value code was less present in realistic assessment of tasks, feasibility of projects and forward guidance through transparent communication. Some respondents lamented the lack of training while being expected to know everything and hence be as productive as others, whilst others criticised the short-notice communication, planning, and a lack of realism from head-office when it came to changing stores and stock. The effect of acknowledging and appraising both good and bad behaviour alike was crucial to motivate staff and to provide direction for personal growth. Acknowledging and providing critical feedback is directed at behaviour that is in the past and so correct or solidify future behaviour.

The effect of REAL was linked to effective communication and clear expectations to reduce ambiguity, build trust, and enable personal growth. In the same vein, the fragility of these attainments was stressed when people stopped being "real" with each other:

> *"If you're real to somebody automatically you're gaining trust, if you're not real they're going to figure that very quickly. Managers and staff are not stupid, I know all area managers. You can very quickly pick up if somebody's not real" (MN2).*

While respondents were cognisant that the effects of REAL were crucial, there was consideration that it was fleeting, as and when people stopped being REAL. Overall, the respondents exhibited a shared understanding of what REAL means and how it ought to materialise in practice. Moreover, most respondents agreed that realness is enacted and present within the company, stating that, for example:

> *"People are real in the company" (MS7).*

However, a few nuances and differences or variations emerged. For one, although caring is present in the definition of REAL it did not emerge from the data. Caring was rather associated with dependability than with being real and will be further discussed below. The second difference was the nuanced interpretations of the value REAL, which can be roughly linked to the work responsibility and role of the respondent. Headquarter interviewees exhibited the most balanced responses by stressing the evaluative and the forward guiding function of real. Middle management focused on the performance management aspects, and shop level associates predominantly on day-to-day interaction amongst the team and, to some extent, the customer.

Despite this general appreciation of the REAL behaviour in the company, a few respondents also indicated that a deteriorating enactment of the value, real, over the last years: some stress the lack of realness from top management when it comes to target setting and expectation management, for example, when asking to redress a store within short time frames and low staff capacity.

This is especially interesting and worrisome as particularly top management respondents emphasised the expectation management and planning function of real communication. Others voiced concerns that the company was becoming less real, especially exemplified through lack of training or the disconnect between decision-making and accountability. Interviewees perceived that they are expected to react quickly and autonomously, however are not given the decision rights to do so. Store managers are expected to use their initiative but "*are getting knocked on the head for not sticking to the procedures*" (MS1).

Dependable: We understand our customer(s) and are there for her:

> *"By understanding our customer, we can respond in a considered, consistent manner. It influences the way we see and do things throughout our business. From our clothing to our service to everything else, our customer knows she can count on us for what she needs."*

The espoused target audience in this values statement are customers. It only implicitly addresses other stakeholder groups by stating that DEPENDABLE influences the way 'we, the staff and decision-makers in management, see and do things throughout the business.' Again, the customer is the priority, in accord with the customer focus, and this does influence how things are done within the business. In contrast to the values statement, and its supporting definition geared towards the interaction with the customer, the perceived target group of DEPENDABLE behaviour was nearly exclusively internal audiences. Respondents stressed that the dependable behaviour towards customers was predominantly shop level employees, with a few exceptions from middle and top management.

Per the espoused definition, the key practices to exhibit DEPENDABLE behaviour, and to respond to the customers' needs in a considered and consistent manner, is linked to understanding the customer. Hence, *considerate,* and *consistent* are attributes that describe the outcome, and illustrate what DEPENDABLE means.

In contrast to the value REAL, the description of dependable does not specify the form or nature of the interaction. Whereas REAL was described with adjectives and practices such as caring, listening, openness as a mean to achieve loyalty and commitment, DEPENDABLE is specified by the practice or process of 'understanding' to the end result of 'being there for' the customer. To achieve an understanding of the customer needs, one could theorise that a deep engagement with the customer and multiple, rich feedback loops between different levels of the organisation and the customer are necessary to provide the best products and services. In contrast to the espoused definition of DEPENDABLE, the perceived content of DEPENDABLE mainly refers to keeping word with what is promised, to be accountable, and to be able to get help when needed, caring, and looking out for each other. The perceived content hence differed considerably from the espoused definition of dependable, which remains rather abstract and without substantial operationalisation.

When looking at the translation of the value into practices, the themes *caring*, and *taking an interest* in the personal life beyond the store or the workplace, was especially prominent. Respondents overwhelmingly stressed that caring and 'seeing you as a person', with a life and family is key to commitment and loyalty.

> *"If I know that I can for example be dependent to be there by my team, that behaviour is a watershed effect and they will be there in turn for their reportees. I think that that's really important and that we are there for people in both good times and bad times" (H1).*

This theme was present amongst all levels and divisions with very few exceptions and seen as a core strength of the business and a main differentiator in comparison to the competition:

> *I think dependability again referencing back to my previous environment is definitely a core value that I think is lived. There is very much a cliché but like a kumbaya type atmosphere here where people lookout for each other. Dependable is high up on the agenda in terms of how we do things as a business.*

Dependable was perceived as meaning that everyone has their ups and downs. Although the associate is expected to give a lot to the organisation, s/he can count on the company when facing personal problems. Establishing a personal relationship with the associates was perceived as a crucial detail in forming a team and a motivated collective:

> *"And I think if you have a relationship, because yes, business is business, but you also have to connect with the person reporting to you, have an understanding that this person actually*

cares about my well-being. Because if you don't have that you're never going to get the best out of your team" (MS1).

The second main theme that emerged was the connection between dependability and independence. The argument was made that if one can rely on someone to exhibit dependable and predictable behaviour, one could let them act independently, which reduces the need for management and control. *Because* they are dependable, they can act independently. This is because the dependable person can be held accountable and deliver on what was promised. The quote from a senior member of the organisation exemplifies this:

"Dependable is that you know when I walk out the room, that my managers continue functioning and doing their jobs without me […] because I can't be watching every minute of the day" (MN1).

However, respondents also emphasised that DEPENDABLE is a two-way street; DEPENDABLE is not limited to the dependability of team members and shop-level employees but includes team leaders and management to support shop-managers and associates, to give clear direction and guidance with regards to how things ought to be done:

"In terms of dependability, I depend on him to give me a direction, communicate clearly to me, no, I don't think I can do that in the last year and a half. It's always this person is trying to do that person wrong, or trying to fight" (MN9).

Whereas the respondents shared an understanding of the importance of DEPENDABLE and how it should be enacted in practice, the respondents' interpretations differed considerably from the definition provided by the company. The espoused definition focuses on the exchange and interaction with the customer, whereas the respondents nearly exclusively focused on the interaction between each other. None of the cues including 'understanding', 'consistent' or 'considerate' - from the espoused definition and description of DEPENDABLE - appeared in the responses.

When looking at qualitative differences amongst the responses it appeared that shop level associates exhibit a stronger alignment to the official definition of dependable, which can be explained through their constant interaction with the customers. Area and division managers, being the middle link between the strategic direction from head office and the operational implementation in the shops, tended to emphasise accountability, factual

communication, and the ability to get help. Headquarter respondents, as in the interpretation of the value 'real', exhibited a more strategic orientation in their interpretation of dependable. In other words, less of an ad-hoc, reactive, 'we need something now' interpretation from mid-management. Here the emerging themes were:

> *"Looking out for each other" (H2), and: "Reaching a level of understanding each other [to] make life so much easier" (H1).*

Respondents stressed clear communications and holding each other accountable as key practices to attain DEPENDABLE, as well as holding each other accountable to agreed targets. Although respondents shared an understanding of what it means to be DEPENDABLE, with the nuances outlined above, the assessment whether people in the organisation *exhibit* dependable behaviour was less clear.

Once again differences were noticeable in the level of interviewees. Headquarter interviewees highlighted the relevance of dependability and voiced considerably less critical views regarding its enactment, in comparison to middle managers or shop level associates. Some deplored the lack of dependability and accountability, especially when it comes to training and not knowing the processes and procedures of the organisation. They cited a lack of clear communication and planning between headquarters and stores, manifesting in last minute requests and changes and the absence of information. Like REAL, respondents indicated a perceived decline in dependability over the last years due to frequently changing structures, greater distance and less face-to-face contact between area management and stores.

The effects of DEPENDABLE were perceived to generate passion, motivation, and commitment amongst the employees. An interesting theme emerged from the data, where respondents and in particular top-management perceived dependability towards your peers, especially direct team members, as a function to reduce uncertainty and ambiguity and enhance collaboration:

> *"They can depend on me and actually know and understand how I will behave in a particular situation. What my reaction is going to be. Once you have reached that level of understanding of one another and how one another would behave, it makes life so much easier" (H1).*

In this view some respondents noted that, to them, dependability refers to independence, autonomy, and shared understanding about reactions that are crucial when taking a complex system perspective, hence the perspective of value brought forth in this thesis.

Progressive: Confidence and passion allow us to evolve with our customer in a considered manner.

> *"We proactively learn and grow with our customer(s) so that we can meet her changing needs. This is reflected in our product, service and shopping experience, as well as in the way we work. We believe in going beyond the expected and achieving all of this through our confidence and passion for the business, individual potential and life itself."*

The definition of PROGRESSIVE espouses customers as a key target audience, PROGRESSIVE is thought to reflect in the product, service, and shopping experience. However, by referencing the 'ways we [Miladys] work', the description also includes internal audiences. It is noteworthy that proactive learning and growth are explicitly linked to the customer as a target audience, as are confidence and passion in the definition of the value. However, in the description 'going beyond the expected […] confidence and passion' addresses a much larger target audience, namely the business as such, the individual and life itself. In contrast to the values REAL and DEPENDABLE, there was an overlap in the perceived and espoused target audiences of the value PROGRESSIVE. Respondents linked PROGRESSIVE to the products, services, as well as internal processes and people. The focus remained on internal aspects as opposed to the product and client perspective.

The definition and description further operationalise PROGRESSIVE; proactive learning and growth are mentioned as means to enable the organisation to meet the changing needs and confidence, and passion as enablers to evolve with the customer. The first sentence of the description nearly matches the definition, while replacing confidence and passion with proactive learning and growth.

The definition of and description of PROGRESSIVE are striking. PROGRESSIVE is *not* linked to a being bold, courageous, or experimental in management and its evolution, but to evolve in a 'considered manner'. As one would expect, the description of progressiveness entails some dynamic elements – '*to evolve with our customer*' to '*grow […] changing needs*' and thereby underscores the envisioned progressiveness in contrast to the conservation of

a status quo or state of equilibrium. Although the statement of progressiveness does encompass some elements of dynamics, they are carefully dispensed as an adaptive step-by-step change, reacting to the changing needs of the customer. They move along in a 'considered' manner rather than courageously, bold, and dynamic at the edge of chaos, responding through trial and error:

> *"We're driving all of our values. […] Our progressive behaviour if you look at what it talks about, it is about moving our customer on in a considered manner […] being considered and how we try to improve things in the business. It was all very subtle. You know what I mean? It isn't anything inspirational and exciting. It doesn't encourage people in the business to be innovative. It doesn't encourage people in the business to embrace change and be brave when it comes to taking risks and making decisions" (H2).*

Overall, respondents had a shared understanding of what it means to be progressive. Nonetheless, they juxtapose the perceived and the espoused content of PROGRESSIVE revealing substantial differences between the two. Although respondents recognise the potential and need to enact the value PROGRESSIVE, they also agreed nearly unanimously that this value is not enacted, but rather aspired to, and that delicate signs of increasing dynamics are only slowly emerging:

> *"From that perspective yes, I think from a progressive perspective I think we try hard to get people to be progressive and in fact we try to make that a priority this year because I think that's where we're lacking" (H2).*

The perceived content of PROGRESSIVENESS covered several themes.

One key emerging theme was personal growth. General turnover is low and tenure amongst area managers often exceeds 10-15 years. The company recruits a large share of their store managers and area managers from former shop level associates who rise through the ranks of the organisation. The opportunity to grow within the company was a recurring narrative especially from shop-level employees who often lack employment options outside of retail. This ability to make a career within Miladys gives employees a perspective for personal growth and development, enabling motivation and commitment.

Although career path, training and personal development represented a strong motivator, some lamented that structured training and support could be improved and that more space could be given to personal development. This duality, opportunity to grow within the organisation yet also the few formalised training programs was also reflected in the surveys, with high scores for development and career opportunities, and below average

scores for support and time for the pursuit of goals and professional development. Interestingly, none of the respondents subsumed the organisational share scheme under progressiveness. In this scheme, members of the organisation are rewarded with options, shares, and dividends once they have stayed with the organisation of more than one year.

Whereas employees saw the opportunities for personal growth as very positive, three main themes emerged associated with progressiveness. However, their presence, or degree of enactment within the company, was questioned. These themes are idea generation, refinement, and implementation, the use of technology and mind set of employees.

The first ambivalent theme was idea generation, collection, refinement, and implementation. Idea identification was often seen as a panacea to 'getting business to the next level', 'thinking out of the box' and challenging the 'status quo'. Yet when asked about the processes of idea refinement, testing and implementation, they revealed a more nuanced picture. Whereas interviewees, which were predominantly from middle and top management, exhibited a critical assessment of the processes of idea refinement and implementation, survey respondents were more appreciative of the existing structures. Interviewees, across levels and divisions, expressed views as in the excerpt below:

> *"It's a strength to come up with ideas, but I don't think we follow through correctly, […] the execution isn't that great, the structures are not here to implement them, or to materialise" (MN1).*

This quote reveals that although there are many ideas, and especially from shop level associates, the respondents deplored the lack of efficiency to systematically collect, prioritise, refine, test, and implement these ideas. Moreover, the assessment is not limited to internal processes, but also extends to the product and service domains:

> *"The one thing I said is that the forever 35 is a strength and weakness. It's strength because it can change our perception, but if the company does not give us the product to do that, […]it's not going to be successful and what we saw yesterday does worry me, so that maybe it's not the greatest example but it's that type of thing that is this great idea that can be progressive, but the follow through is not great" (MN1).*

In contrast to these critical voices from management, more than 80% of the survey respondents, which were predominantly shop-level associates, indicated that the organisation has good or very good formal processes to collect ideas. A majority agreed that the organisation has the structures, processes, or people in place to come up with new ideas, refine and implement them.

The analysis of the data also revealed an 'idea-conundrum': Top and middle management deplored a reliance of the lower levels on guidance and ideas – "*You are struggling with people to be progressive, thinking out of the box because they always want the answer from you.*" *(MS2)* - but equally lower-level employees lamented that business process and product innovation remains a top-management function, with limited space for innovation and adaptation to local contexts and by way of the individual stores. This notion was supported by the survey results that indicate that the rigidity of processes gives people very little possibility for correction and shops have little room for experimentation.

A large share of the mid-level managers deplored the lack of technological infrastructure, which has been linked to cumbersome communications, limited opportunity for analytics and reduced productivity. Especially the lack of computers within stores directly impacts the ability to communicate with store managers, to easily collect, aggregate and analyse data to improve internal processes, coordination, and stock orders:

> *"I have xx stores and only have 1 stores that has a ... the store manager has a computer in the store in the office with email. So, I can't send the email to xx stores, I can only send it to xx stores, so I think we definitely lack technology. I think it's just a quicker and more efficient way to communicate with your managers. To get the same message to everybody quickly, you have to send it to one person, and that one person has to distribute it to the other xx stores. I think if we got the technology in the stores, it would be faster and more efficient. [..] We use Whatsapp groups, we've got the instant messaging system, but you can't put a power-point presentation or anything in there so just a normal message to the stores."*[22]

The lack of technology was not only seen as impeding communication within the organisation, but also impacting upon data mining and demand driven stocking as sales data is laborious to obtain, analyse and to transmit in time. This impedes the ability to understand the customer and her needs, to better tailor the product offering to the demand:

> *"There isn't information that you can pull on your fingertips. […] we don't have that report on the sales and what has been going well and what is not going well. … Whereas in Edgars and at Foschini, there were more progressive in terms of systems, so that is challenging."*
>
> *"You can't argue about that, but sometimes costs are saved to the detriment of your business. And that's where we get frustrated, that we feel we don't have a voice because we are not being consulted. The example is they'll take out computers. You have a small store. Turnover wise*

[22] The number of stores were replaced by 'xx' to protect the identity of the respondent.

it is small. You can see by looking at it analytically, figure-wise, but they don't look at the operations behind it. What is the bigger impact of this decision" (MN3)?

Finally, given that many store-managers lack a computer in their office and that most communication between the store and area managers is done via WhatsApp, all documents that must be distributed to the stores, or surveys that have to be conducted amongst the store-teams, such as the survey of this thesis, get placed on the point of sale, which undermines customer service and equally hampers the company's ability to collect data:

"A lot gets placed on a point of- sale machine […] We want all these things to happen on the interface where you're actually supposed to be dealing with the customer [...] (MS1)

Respondents agreed that the lack of technology impedes the execution of efficient processes, the ability to improve processes and stock management, as well as delivering great customer experience.

Whereas the definition and description emphasised emotions of passion and confidence, which were perceived outcomes of DEPENDABLE, respondents accentuated processes such as idea generation and implementation, and attitudes such as 'thinking out of the box' or 'openness to change'. Changing structures and processes were crucial to progress from the status quo and adapting to a dynamic environment. Equally respondents stressed the need to change mind sets and mentalities within the organisation. Despite acknowledging the importance of change to be progressive, as in that "*People need to get out of their comfort zone to bring the business to the next level, they need a kick on their toe*" (MN3), the overall tone tended to stress the lack of this awareness:

"*People just go with the flow and accept the way things are" (MN7).*

To be, or rather to become more progressive, respondents identified a need for more confrontation and discussion, to openly address issues. This opportunity was currently not present and has already surfaced in the discussion of REAL:

"*We need to push things harder to get the teams to think […] it'll look more uncomfortable and reduce complacency*" (H2), which links directly to learning, and growth:

"We project a certain amount of openness so that people can learn, they can challenge, they can make mistakes, they can innovate and so on from a progressive point of view" (H1).

However, key enablers to be open, confrontational, and thus unlock learning and innovation as key attributes of PROGRESSIVE, are courage and confidence, which represents key elements in the definition of the value:

> *"progressive to me is really about being courageous. About being able to open your mind to change, embracing change, being able to move forward, being able to look at things differently" (H3).*

Respondents identified precisely these two key enablers as lacking, as absent from the current mind sets that hold back the organisation:

"*From my side it's not that I'm not progressive but it's sometimes that you are scared to be progressive*" (MS2) - resulting in a stability and equilibrium seeking behaviour that prefers continuity over change:

> *"I think it's just education levels, lack of confidence in terms of opportunities on the buying side. We're not very …innovative, well we're doing this. It's working so let's just keep doing that. Versus its working but now what can we do more" (H2)?*

However, respondents concurred that current practices and structures do not support that:

> *"Are we investing in our people to think outside the box? We are investing in our people to be comfortable with who they are, so I don't think so" (MN9).*

Respondents agreed that it is the key responsibility of management to create an environment for interaction and learning. Management must pay attention to strengthening the confidence levels within the teams, yet they highlighted an absence of appreciation and encouragement towards a variety of opinions within decision-making processes. There was too little space to share experience and lessons in a trusted environment and a high rigidity of processes constraining the possibility for experimentation and innovation.

While respondents positively highlighted opportunities to grow personally and professionally within the organisation, change resistance, lack of confidence and courage, as well as insufficient technological infrastructure and structured processes for idea generation, refinement and implementation were major stumbling blocks to be PROGRESSIVE.

Conclusion

The proceeding sections analysed the relevance of values for organising in complexity. The analysis focused on what values are espoused, shared, and enacted within the case study organisation. The first section of this chapter investigated the perceived relevance of values of business especially in times of complexity. It was shown that values occupy a central place in the organisation and are perceived as the DNA and the foundation of the organisation. They address the core beliefs, as well as indicating how things ought to be done.

This view was espoused from the organisational documents and shared amongst the employees. It corresponds to the conceptualisation of values delineated in the literature review. Values are perceived as 'the bonding glue' that holds people together, as the key to motivate staff, create commitment and build relationships. However, some differences emerged in the conception of values. Whereas shop-level employees and middle-management attributed an instrumental-utilitarian role to values to reduce ambiguity and facilitate communication, there was a tendency of top-management to connect values to ethical principles, including fairness, honesty, or integrity. The other levels tended to see values as transactional.

Values-based management and organisation therefore cannot only be automatically equated with ethics or ethical management. Therefore, closer attention ought to be paid to the values content, the interplay and balance between deontological-transformational and teleological-transactional values. It seems that both these values are required.

Although respondents stressed the 'values-basedness' of Miladys *vis-a-vis competitors* and emphasised the quality of personal relations and humane work environment, they also conceded deficiencies regarding efficiency related values and practices. Respondents recognised that the increased competitiveness and dynamics gave rise to tensions. In theory, respondents avowed values a central role to guide behaviour in times of turbulence and change, as 'something to fall back to'. However, they also acknowledged that in practice conflict and confrontations are often avoided rather than addressed and resolved with the assistance of values as trans-situational behaviour guiding principles.

The second section of this chapter interrogated what values are espoused, what values are shared amongst whom and how they materialise in practices. Potential discrepancies were unearthed between espoused and enacted values, as well as across levels. The analysis also revealed substantial differences *amongst* the three values, with regards to the overlap between espoused and perceived values as well as their enactment in practices and processes.

This emphasises the emergent nature of values once internalised. They are lived out in the day-to-day experience of staff in the operations of the organisation in such a way that may reveal, previously unseen overlaps and contradictions in coherence.

A key theme across the three values is the difference between espoused and perceived values and values-based behaviour target audience. The espoused values have a clear focus on the customers while other groups or processes are only implicitly addressed. The customer focus, which was also the first element of the purpose statement, threads through all three organisational values and is further operationalised by specifying the means of interaction.

In contrast, respondents exhibited a strong focus on internal processes and practices, whereas customers as 'recipients' of values-based behaviour only emerged as a minor theme. Thus, while the espoused definition of values exhibited an external orientation and close links to the customer, respondents displayed an internally focused perception of values to regulate the interactions amongst each other, rather than impacting the interactions between the organisation, the environment and customers.

Apart from the target audience, there was a large overlap between the espoused definition and description of the value REAL and the respondents' interpretations. By and large, respondents shared the sentiment that REAL was enacted within the organisation, however, cautioned against a deteriorating 'realness'. REAL was associated with openness, sincerity, integrity, or authenticity, whereas caring or listening were less present. REAL was associated with evaluative practices, such as rewarding outstanding behaviour or correcting sub-par performance, and expectation management and 'being able to speak to anyone in the organisation', regardless of their position or seniority. The effect of REAL was linked to effective communication, clear expectations, reduced ambiguity, increased trust, and personal growth.

The assessment of the value DEPENDABLE revealed considerable differences between the perceived and the espoused description. Although respondents exhibited a shared understanding of DEPENDABLE, they differed in their perception whether it is enacted in the organisation. Whereas top-management tended to confirm the enactment of DEPENDABLE, shop-level associates and middle management exhibited a more critical assessment. DEPENDABLE was associated with being accountable, being able to ask for (professional) help and support, keeping to what is promised, caring, and looking out for each other. Practices associated with DEPENDABLE included clear communication, training, timely responses, and information, but also taking an interest in someone's life and 'seeing me as a person'. The effect of DEPENDABLE was linked to creating passion, improved commitment, and loyalty.

The analysis also disclosed substantial differences between the espoused definition and description and the perceived meaning of PROGRESSIVE, as well as differences in the respondents' interpretations of what it means to be PROGRESSIVE. Respondents throughout levels agreed that apart from personal growth, PROGRESSIVE is not enacted within the organisation, but rather represents an aspired value. PROGRESSIVE associated with personal development, learning, courage, and confidence. Practices linked to PROGRESSIVE involved training and development, structures, and processes to generate, refine and implement ideas, technological infrastructure to collect and analyse data, as well as space and time to experiment and learn in a trusted and safe environment. Outcomes associated with PROGRESSIVE were learning, growth, organisational efficiency, and great customer value, both in terms of service and product.

Finally, the analysis revealed signs of interdependencies between the values, as a form of values succession or 'hierarchy of values'. For example, respondents identified commitment, confidence as well as independence as key *antecedents* of PROGRESSIVE. These antecedents allow enablers to 'think outside the box', to learn and innovate. However, confidence, courage and independence were also identified as *outcomes* of DEPENDABLE, hence, to be PROGRESSIVE requires a shared understanding and enactment of DEPENDABLE. Similar links were identified between REAL and DEPENDABLE. Open and frank conversations, authenticity and being able to speak to anyone in the organisation were key ingredients for DEPENDABLE. Although the

relationships are tentative and not clear cut, the data contains cues of complex interdependencies between the antecedents and outcomes of these organisational values.

6.5. Organisational Leaders and Values-Based Leadership

The previous sections outlined the organisational context and purpose, the relevance of values for organising in complexity, as well as the extent to which values were shared and enacted in the practices of day-to-day organising. Completing the analytical triptych, the following section analyses the source of values and the processes of values transference. In the process, the goal is to discern *who* is perceived to be a values-based leader and *why* those individuals are thought to exhibit values-based behaviours. Several values leaders and practices are identified where behaviour was conducive to create a shared understanding among the members of the organisation and coherence between purpose, values, and practices. Several challenges emerged and have been noted.

The general sentiment was that the organisational values, including the definitions and descriptions, originated from the top-management. In particular, the managing director was consistently identified as the key source of organisational values, as the true *spiritus rector*, the driving force behind the desire to create and maintain a values-based organisation. One respondent indicated:

> *"Where did it originate? I think it's driven by Larry [the managing director] specifically because if I look at our values, they're very closely aligned to him and the way he does things" (H2).*

In the conversation with the managing director, it emerged that his desire to instil values in the organisation was not a deliberate and conscious process of 'identifying strategically relevant values' as suggested by MBV-literature, but rather that he perceived the organisational values as emergent schemata rooted in his own personal history and upbringing, representing his own personal beliefs:

> *"You know values come from the heart. Values come from what you believe in. Values come from the way you've been brought up. In my view values are things that we live by" (H1).*

In this case the desire to 'implement' a values-based organisation was not a strategic and conscious decision yet does correspond to natural-systems perspectives of evolution, path, and history dependency. While the managing director was seen as the key source and

driver of the organisational values, the definition and description of the values was a collaborative process achieved through the extended top-management team:

> *"I think while the values would have been collectively or collaboratively done with the management team at the time, I think it largely emanated from his [the managing director] desire of wanting to do things the way we do them. I think he would have started it and then obviously, they came through into the team at the top" (H2).*

This process too corresponds to the traditional top-down conception of 'values crafting as an inherent leadership task', as a conscious and deliberate process of identifying the most relevant values, defining, and translating them into practices which are then passed down:

> *"We've actually just done a road show of what our values mean to the business and around the real, dependable and progressive. We've also as a management team work-shopped those values. […] we sat and we agreed on what those values meant. It was a facilitated workshop where we actually brainstormed words around what real means and words around the other two values, dependable and progressive" (H3).*

Hence, while the managing director was consistently seen as the source of values, the exact definition of the values, the attributed meaning, the corresponding practices, and associated outcomes arose through an upper-echelon process of head-office top management, and was subsequently 'showcased' to the rest of the organisation:

> *"It almost had a disproportionate amount of focus and energy from senior leadership there were the road shows across the country. It wasn't just, well we're talking to the store manager, it was they talk to every associate. There was quite a lot upfront that was done, to talk about the importance of values and how they work and what the benefits there are, and then obviously, the launch of the values" (H2).*

In contrast, even when asked explicitly, respondents denied involvement in the co-creation of organisational values and culture:

> *"No. I don't think that they help you co-create the culture, I don't know if they are doing it and we don't know about it" (MS3).*

While there had been an agreement regarding the source of values and the process 'how the values came about', the perception of who is driving the values in the organisation through *what* practices and processes revealed a more nuanced picture. Throughout the interviews at all levels, the managing director of the organisation was heralded as a values-based leader, as a person to whom everyone can speak to without fear, who pays respect to everyone, a leader who makes people feel comfortable, acts with integrity and 'is a people's person':

> *"I must say that indeed Larry, if I may say he is a real people person, who comes in week to the store and I feel very comfortable going to him and discussing matters relating to customers, the products and things like that" (AN1).*

For some, the managing director was almost synonymous with the organisational values:

> *"For me when I think about the values of this company, I think of him" (MN9).*

This focus on the managing director as a values-based leader is very much in line with the traditional conception of values and leadership, where infusing the organisation with values was seen as an inherent leadership task (Selznick, 1957). At first glance, this focus on the managing director as a values leader may seem to contradict the suggestions of CLT, which questioned the ability of organisational leaders to instil an organisation with values. CLT questions whether issues such as purpose, ethics, and identities can be established solely by leaders, who are assumed to possess the cognitive space, skills, and tenacity to deliver on these responsibilities, as well as the power to influence their colleagues and followers (Tourish, 2018).

However, the analysis also revealed that none of the other top management team was mentioned as being a values-based leader. Neither operations management, nor people management, which are two critical functions that are responsible for the coordination of work-streams, hiring and staffing of people, and the alignment of mindsets to ensure the 'systemness' of the organisation. Although senior leadership partook in the definition and the showcasing of the values, it did not translate into them being perceived to be values leaders. Thus, apart from the managing director, the respondents did not associate senior management with values leadership, yet frequently referred to their *direct superiors* as being values-based. Therefore, the processes and practices that are linked to values-based leadership warrant a closer scrutiny. Respondents identified a variety of themes and practices that are conducive to create a shared understanding of values. However, a range of challenges also emerged. The most prominent themes are synthesised below.

Operationalising values and linking concrete behaviours and action back to values was by far the most prominent theme. Respondents from all levels stressed the need to make values practical and actionable, to translate the often ambiguous and vague values statements into concrete action, to reward pro-values behaviour and to penalise behaviour going against the values. The function of the leader here is to fill the values and purpose statement with

life, with concrete content and provide leads. However, and conversely, it is not the function of the leader to determine the answers to questions such as 'what is the purpose of the organisation?' or 'what do our values mean for the interaction with the client, partners and wider communities?'

Continuity was the second most prominent theme connected to creating a shared understanding of purpose and values. The translation and operationalisation of values into practices and action must not be a once-off process or ad-hoc action. It rather requires effort to constantly ingrain values in everyday behaviour, through continuous references that link values and practices. Organisational values management and leadership, in addition to the content role outlined above, ought to fulfil temporal requirements to shape the value system of the organisation. The continuity theme contained two elements, firstly continuity was linked to the continuous process of ingraining values in everyday life, while continuity also referred to a continuity in leadership.

> *"for me it's about the daily things that you do with your team, with your associates, with your customers, because if you're not doing it daily and all of a sudden now you want to come and talk values or culture it doesn't work, if you do it becomes a norm" (AS1).*

The theme of continuity was also linked, or opposed to, the notion of 'values as a narrative' versus 'values as walking the talk'. Face to face time was equally seen as an important enabler as well as a challenge. Frequent, direct and personal contact with the team was identified as key to create 'shared values', to continuously operationalise values and provide feedback on behaviour. Respondents unequivocally recognised that large organisational structures, long chains of responsibility, infrequent and impersonal communication represent major challenges. The importance of face-to-face contact potentially contributed to the perceived values-based orientation of direct superiors, as opposed to hierarchically and geographically more distant managers.

> *"I am there for them so they should need any assistance, or even not knowing something. I would go through the process of spending time, teaching, training them to get them into that level, or sharing knowledge that I know and not holding back what I know" (AN1).*

Although face to face time was an important element to drive values, it could be considered a necessary but not sufficient condition to values-based leadership. Rather, caring and taking a personal interest in someone's life emerged as a key differentiator.

"People care about you, generally not just you, your family. I feel that's what we get here and that is what I was able to take to my team when I became an area manager" (MN8).

People have the desire to be seen as a person, with a life outside of work, with emotions, sometimes challenges, that influence who they are and how they work:

"When I walk into a store, I greet everybody, not just walk through to my office, and ask them about their life, ask them about their children. Show that you have interest in them as a human being and not only as a worker" (MS6).

Caring and taking a personal interest in someone's life, regardless of whether they are casual staff or area managers, surfaced as a central explanation why the managing director was perceived to be a values-based leader. According to the respondents, he takes time to chat, to understand what is going on in the shops and to hear the associates' concerns. This openness to hear what 'ordinary people' have to say, regardless of their position in the organisation, to give them a voice and appreciate their efforts, represented a major source of motivation and passion for the organisation.

"That's when I saw he's a human being. If you're around him and you see the way he is and the way he speaks to people and the way he tries to get information for the benefit of the company, but yet he also cares about the person inside" (MN2).

Although they are not congruent, the notion of caring and personal interest was closely linked to paying respect and listening to team members as a valuable source of insight regardless of their level in the organisation:

"He is so respectful no matter what is going on or how things are looking he always treats you with respect, he doesn't speak down to you he speaks to you. Not just with me with anyone on the globe"(AN3).

Although respondents stressed the need for listening and paying respect and acknowledged the role of the managing director, it emerged as a point of tension and between the 'field teams' and head office:

"We communicate a lot [to head office], but I don't think it's really taken up as seriously as what we would do to […], they say they do but they don't. I don't believe that. (MN1)

In particular, the feedback concentrated on what is feasible in the stores, what would sell, how the stores could independently improve their performance in terms of merchandise and quantities and wanting increased liberty in designing processes that suit the local circumstances:

"We need the allocators to be more open and decide well listen to your ops is really because we bring the money for them. If the store manager is telling you that they need to sell arty for an example one of the brands that were selling. I need these specific sizes and I need this, this is what the customer is looking for. They need to open up to what we're asking them." (MS4)

Adding to this, some respondents acknowledged that given the challenged business environment, head office was trying to streamline and converge, rather than diverge in processes by allowing localised adaptations. The reality of managing close to two hundred stores may complicate matters:

"They want to cut options to do instead of trying to put things and to test things, so if the store doesn't have the money and doesn't have the stock to make the money, how are they going to ever perform? They don't open up and see it from our perspective and maybe we don't see it from their perspective as well, and they've only got 3000 units that are bought. It's probably the same thing" (MN1).

In contrast to the perceived lack of listening and breakdown of bottom-up communications between head office and the field teams, most respondents stressed again that their direct superiors did in fact listen and highlighted this aspect as a major contributor to 'values-basedness':

"My boss always gives me a hearing. She always listens to me and she trusts my opinion. Professionally we've got a very good relationship" (AS1).

Respondents were cognizant that 'being listened to' does not equate to everyone getting their ideas accepted. They were aware that operations management needs to consider a variety of ideas and needs. However, the mere act of listening was a key to feel important and trusted:

"She listens to me for number one, she hears me out and then whatever she can implement she will. We are on the floor and have to deal with the customer, it's not like whatever does she know. So yes I would say they do listen and they do, like now then they listen to their different opinions and then I mean obviously they can't listen to one. They've got to have quite a few and then you take the most common out of the group I would say and they implement" (AN6).

The major reasons for the breakdown of listening and bottom-up communication varied according to the respondents. Head office attributed the breakdown of bottom-up communication to the lack of technological infrastructure and business needs, stressing the design and procurement processes, whereas middle management identified lack of face-to-face time and personal communication as a major challenge. Overall, respondents shared

the sentiment that listening, and bottom-up communication is indispensable to feel valued and trusted. They also acknowledged that the processes are 'not there yet.'

6.6. Conclusion

To investigate the sharedness of values and the processes of values transference, this chapter presented and analysed the findings from the data collected through document analysis and interviews. While opting not to use the survey, I have gleaned some insights which I have shared in this chapter. I chose to include this to reflect the authenticity of this study.

The chapter started by elucidating the organisational environment, including the socio-economic context of the case study and the industry. The chapter has outlined the macro economic developments, increased dynamics and turbulences that has led to the current state of disequilibrium within the organisation.

After years of growth and relative stability, a combination of macro socio-economic challenges, increasing industry competitiveness and internal changes gave rise to considerable disequilibria and non-linear dynamics that have necessitated adjustments of the value proposition, target market, tighter cost control and improvements of internal structures. This context provided the backdrop to investigate the degree to which organisational purpose and values are shared and enacted throughout the organisation.

The analysis of the espoused and perceived organisational purpose revealed a shared notion of customer value as the core organisational purpose; however, respondents exhibited a nuanced understanding of what is meant by customer value. Top-management exhibited the most holistic interpretation of customer value, whereas middle management focused on product and shop-level associates stressed the customer service component. Furthermore, respondents differed in their perception of the relevance of other stakeholders, such as shareholders, employees or communities and the environment. Whereas communities and environment only emerged as a minor theme, shareholders and employees surfaced as relevant beneficiaries of the organisational system. However, it was less clear whether they constitute equal ends, or if one takes primacy over the other. For

example, some respondents perceived caring for employees as a mean to the end of making profit.

The analysis of the organisational values, as means to achieve the organisational purpose, demonstrated that respondents concede a central role to organisational values, as the foundational DNA and core beliefs regarding 'how things ought to be done'. Also, in theory, respondents avowed organisational values a critical place to manage complexity. However, in practice, conflict was often avoided rather than addressed and resolved by adducing values as behaviour guiding principles.

Differences also emerged in the conception of values. Shop-level employees and middle-management attributed to values an instrumental-utilitarian role to reduce ambiguity and facilitate communication, whereas top-management tended to connect values to ethical principles. Across the three values, the espoused values exhibit a clear focus on the customers while other groups or processes are only implicitly addressed. In contrast, respondents concentrated on internal processes and practices, and customers as 'recipients' of values-based behaviour only emerged as a minor theme. The analysis also revealed substantial differences *amongst* the three values.

Respondents exhibited a shared understanding of the value REAL and agreed that it is enacted in practice. Moreover, while they also shared an understanding of DEPENDABLE, they differed in their perception whether it is enacted in the organisation. Finally, respondents agreed that PROGRESSIVE is not enacted in the organisation.

The final sections of this chapter analysed the source of values and the processes of values transference. Herein, the managing director was perceived as the 'spiritus rector' and the key source for values-based management. In other words, the organisational values emanated from his beliefs regarding how things ought to be done. This initial impetus was less a deliberate and conscious process, but rather rooted in his own personal beliefs, history, and upbringing.

The values were then defined and described through a collaborative process amongst top management and subsequently showcased and road showed across the organisation. This process corresponds to the upper-echelon idea of 'identifying strategically relevant values' as suggested by management-by-values literature. The managing director was also seen as the key values leader, and although none of the other top-management team were

mentioned as values-based leaders, respondents frequently referred to their direct superiors as values-based leaders, making relevant decisions based on key values.

Key practices to transport values included the operationalising of values, a continuous linking of values to practices, caring and 'seeing someone as a person', as well as spending face-to-face time with the team. Key challenges to values-based organisation included the lack of autonomy across roles and insufficient information flow.

The final chapter of this thesis discusses these findings in relation to the propositions developed in the theory section and concludes by outlining the practical implications, the limitations of this study and by sketching avenues for future research.

7. Discussion

This research study set out to investigate the potential of shared values as organising principles in complexity. As indicated in the abstract, the literature review drew on two theoretical lenses, values theory and systems thinking, to trace the parallels between the developments in systems thinking and management thought. An additional objective was to discern the role that values, and values research, could play in guiding organisational behaviour in complexity.

Regarding the theoretical component of this study, for values and systems research, the researcher identified a lack of linkages between the two fields. Embedded in systems research, the paradigm of complexity is slowly, yet increasingly, gaining traction in management research. Through tracing the connections between the two fields of values and systems research, the synthesis of the theory chapter concluded by spelling out four propositions that acted as guiding lines of inquiry for the empirical part of this thesis. The synthesis of these theoretical frameworks represented the first objective of this thesis and constitutes a tangible contribution to the relevant literature.

The case study of Miladys, as the empirical component of this study, provided the researcher a context-specific opportunity to interrogate the propositions, to build on the literature, in the spirit of abductive reasoning. This was undertaken by exploring the research question in the context of an organisation that considers itself values-driven, navigating increasing dynamics, ambiguity and complexity.

The following sections discuss the findings of this thesis in relation to the propositions outlined in the theory section, keeping in mind the theoretical and empirical sections of the study, and their respective objectives. Finally, I follow this discussion chapter with a conclusion that includes practical implications, outlines the limitations of this study, and closes by suggesting avenues for future research.

7.1. Shared Values: Same or Similar?

A starting interest of this research was the reflection that a strong set of shared values have the potential to enable a range of positive outcomes, particularly in complexity. As organisational systems consist of multiple purposeful sub-systems, the research set out to investigate shared values as organising principles to facilitate coherent organisation and the realisation of the systemic properties, emergent from the behaviour of the agents of the system.

The Miladys explorative case study revealed that while some values were shared and enacted, particularly customer centricity, differences did persist along several fault lines. For example, respondents' perspectives differed in terms of the espoused values, as well as in their perception of what each of the values meant. Added to this observation, was the recognition that the systems view differed amongst respondents, and subsequently how value ought to be *enacted* in organisational practices varied depended on the level of the respondent in the organisation. The perception of what distinct values mean, whom they address and how they ought to be implemented in practice differed as per the level of the respondent's role and function.

Top management exhibited the most holistic interpretation, including suppliers and to some extent wider communities in their 'systems view'. Middle management's interpretation contained a focus on efficiency and employees. Shop-level associates exhibited a stronger notion of customer centricity as above all other stakeholders and audiences. This is understandable given the degree to which each level directly interacts with, and experiences, the sub-systems they are a part of.

Nonetheless, this observation poses a challenge to the organisation when considering the proposition of shared values enabling a range of positive outcomes. The common

understanding of the meaning of values may be missing, and this may negatively affect the overall propensity of the system to adapt and adjust to complexity in an emergent manner. In other words, while the system of 'Miladys' is guided by the overall purpose to create customer value and thus produce emergent outcomes, the schemata that govern *how* to produce these outcomes differ across the constituting sub-systems. This observation in the findings surfaced the following questions:

> To what extent can or should values be shared uniformly throughout the organisation?
>
> - To what degree and amongst whom ought they to be shared?

This insight points to the inherent complexity of any given system; that the variety of sub-systems and associated distinctions in agents' experience gives rise to similar, however, not the same value learning, enactment and ultimately transference.

It is not necessarily the case that company values are uniformly enacted across the levels of seniority of the organisation. It may also be that the conception of shared values, and the associated outcomes, is *not* necessary to reach higher organisational competencies for the organisation. Instead, different members of the system could be governed by slightly different schemata that exhibit self-similarity rather than direct sameness in values. This is compatible with the notion of individual-level schemata, that are adapted to the individual context, the actual tasks and responsibilities of the agent and their lived experience and daily routines. In keeping with a systems' view, they are in a sense shaped by localised feedback loops regarding the appropriateness of action rather than an externally conceptualised and uniformly adopted conception of values.

Thus, while values guide action and behaviour, the aspiration of *one* set of shared values throughout the entire organisation may be unattainable and not *necessarily* conducive to the overall organisational success. Different narratives exist within the overarching one. As with a complexity perspective, values, just like purpose, may require customisation and relativisation according to the local environment.

This prospect would be benefited by further organisational and dialogical processes to facilitate a perception-focused interpretation of the values according to the level in the hierarchy. Rather, a contextualisation of values may be indispensable, as is further

explored in the section that follows. This would include a continuing evaluation and organisation-wide discussion regarding what values are conducive in which contexts to enable the systemness of the organisation, and by extension, the creation of positive outcomes that are greater than the sum of its parts.

7.2. Organisational Purpose: One for all or context dependent?

After delineating different systems paradigms and the corresponding streams of management thought, the synthesis of the literature review suggested several propositions. First of these was the proposition that an organisational purpose ought to relate to a systems paradigm and that, in keeping with that paradigm, complexity necessitates and implies a relativisation and contextualisation of organisational purpose.

As an example of this proposition, as represented in the empirical section of this thesis, the findings of the case study indicated a strong and shared understanding of the organisational purpose of creating customer value. Specifically, framed as providing fashionable merchandise to women over the age of 35, to 'make them feel wonderful', and deliver a meaningful experience through outstanding customer service.

Despite the shared understanding of the organisational purpose to create customer value, some noteworthy divergences, foci, and interdependencies were identified in the findings regarding the creation of value for partners and stakeholders, whilst taking care of the broader environment. The espoused organisational purpose is to create value for customers, profit for the shareholders as well as social benefits for the employees of Miladys.

Most notably, in the findings, is that the interpretation and emphasis of the organisational purpose differed dependent on the hierarchical level and functional unit of the respondent providing the interpretation. In contrast to this espoused value statement, and despite an abundance of social and environmental challenges that persist in South Africa, communities and the environment were hardly considered by respondents as relevant to their interpretation of the values and purposes of the organisation.

Perhaps, this is due to the respective and differing 'systems views', or view of the system, of the respondents, dependent on their position in the organisation. These distinct and

varied views included, for example, interacting with customers and *"making the women feel good"* for shop level managers and associates (AS2), "*keeping the engine running, costs under control and people happy" (MS4)* f or middle management as well as providing strategic guidance and macro-systems management, such as liaising with shareholders, suppliers, and communities, for top management (H1).

Further, these differences in perception and interpretation of the organisational purpose at different levels of the system, are potentially augmented by the vagueness of the case study organisation's espoused purpose. It is impossible to identify the organisation, or even the industry Miladys is operating in, through the purpose statement alone. It is arguably too generic and could be applied to virtually any other company in the sector. Moreover, only *customers* are explicitly mentioned in the statement, whereas *partners* can entail a vast range of stakeholders. The interpretation of *worth* will depend on the individual interpreting the value as well as the particulars of the *partner*.

Hence, the espoused purpose of Miladys may be limiting its potential for being an organising principle in complexity, remaining standardised and context independent, rather than relativised and contextualised to the needs of the constituting and embedding sub- and macro-systems.

This is contrasted to the propositions that the researcher had derived from the theoretical framework. Here the researcher proposed that for shared values to be an organising principle in complexity, it is important for an organisation to have developed values, as well as the practices that institutionalise those values, so they are contextually embedded. This would, as the researcher has argued, enable a more robust organisation that is reflexive in its environment - making it more resilient in the face of turbulence. The contextualisation of organisational values enables resilience precisely because it characterises the organisational functions as relative to the environment and therefore reflexive to a change in this environment. Reflexivity is vital to resilience when a system is under stress or experiencing significant complexity.

The first proposition indicates that when shared values and purpose are sufficiently contextualised, they may support the case for shared values as an organising principle in complexity. Miladys faced a challenging macro-economic environment and increasing

complexity. Yet this study identified a lack of a shared organisational purpose, as well a lack of contextualisation to the broader environment wherein the organisation is nested.

These observations give rise to interesting reflections: if distinct parts of the overall purpose are shared in distinct ways, it may still be able to contribute towards the emergent shared values expressed in the organisation. Specifically, that shared value is an organisational property emergent from its members, of its entangled and interdependent parts, and *not necessarily* expressed uniformly by its parts.

Additionally, this inconsistency raises the question of whether *one* overarching organisational purpose *needs* to be shared? Or, if it is more in keeping with real time organisational life, to seek to share a set of values across and amongst the members of the organisation at the appropriate role and context? Could it be beneficial that *some* elements of the organisation's purpose – such as customer value – be shared amongst *everyone,* while other aspects, such as benefiting employees or community focus may best be dependent and subject to the role, organisational geography, and seniority level of the individual member?

These are vital questions for organisations that are thinking about their organisational purpose. If not addressed these questions, and differences in worldviews and interpretations, concerning the overall system's purpose, could persist in hampering the realisation of desirable systemic outcomes. Equally, if discussed, tousled with, explored, interpreted, and negotiated, these differences in perception of purpose and the resulting conversations could well serve as the enablers of dynamic adaptations to complexity.

7.3. Organisational Values: Desirable, if usable?

The researcher has suggested inferences regarding the desirability of values content. For values to act as guiding principles in complexity, the values ought to enable organisations to face the various and divergent challenges, and associated requirements, posed by complexity.

Values ought to ensure the performance of the current system and the efficient fulfilment of the system's purpose, maintaining stability and integrity of the organisation's purpose. They may also enable dynamic change and novelty in decision-making to empower the

adaptation to changing environments. In other words, to provide utility in guiding behaviour in complexity, values may need to be better employed in harnessing the duality between, and amongst other polarised themes, being and becoming, stability and change as well as administrative and generative requirements.

In the case study organisation, most respondents described organisational values as instrumental in nature. They connected values to certain outcomes, such as 'enabling a well-run organisation', 'becoming a team' and 'moving forward', rather than being of intrinsic worth within themselves.

This finding follows the argumentation developed and illustrated in the theory section ascribing an instrumental quality to values as informal schemata, guiding behaviour that then enables more effective organisation. Values as informal schemata may potentially lead to a variety of systems outcomes, amongst them being financial profits and by extension value generated for shareholders of the organisation.

Moreover, the perception of organisational values as instrumental, further corroborates with the pragmatic scholarly stances, arguing that concepts are only valuable when they are *use-full*, i.e., full of use or usable, in the pursuit of an intended goal. Thus, it is recommended that the organisational values ought to include the needs and goals of the constituting sub and embedding macro-systems.

This is particularly relevant as through the lens of a complexity paradigm, organisations consist of multiple purposeful sub-systems embedded in economic, social, and environmental macro-systems. This may include the social needs of the employees and the wider community or macro-environment where the organisation plays a role and is a part of that environment. In other words, the values could continue to propel the organisation's efficiency and effectiveness in pursuit of the needs of economic systems, whilst also providing a contribution to system wide priorities. This creates a 'both and' rather than an 'either or' narrative.

The values explored in the findings section do well to offer answers to this dual requirement, for example, the contrasting and complementary values of REAL and PROGRESSIVE. REAL is associated with authentic personable interactions internally while PROGRESSIVE can be associated with innovativeness and thinking ahead and out-of-the-box. These *espoused* values, when *enacted*, may induce tensions in the system as they

require divergent behaviour in the face of specific cases of complexity and uncertain circumstances that may benefit from either or both values simultaneously.

The researcher suggests that values content needs to meet the requirement of both enabling stability in the organisation's purpose, as well as providing scope for novelty. This would enable values to encourage adaptivity and creativity despite uncertainty and conditions of complexity, whilst still maintaining internal stability and harmony.

Values content could very well be addressed under the lens suggested by Stacey (1996): Values that facilitate high information flow, high degrees of diversity, richness in connectivity and low anxiety, would be beneficial to the case study organisation, and to manage in complexity.

7.4. Coherence: Within, or also amongst different systems?

The literature review of this thesis followed Rokeach's (1985) differentiation of terminal and instrumental values. Terminal values describe the goals or end states of existence and instrumental values describe desirable behaviours and practices. The introduction of systems thinking, and the synthesis of the theoretical frameworks, showed that within systems, elements interact in a way to produce outcomes greater than the sum of its parts. They give rise to emergent properties that none of the constituting elements possess alone in isolation. Hence, to enable a systems paradigm orientation in an organisation, the elements ought to interact in a way that enables the emergence of these systemic properties. The theory chapter proposed that successful organisation is enhanced by a coherence between means and ends, and between purpose and values.

The findings, emerging from the data collection with the case study organisation, showed that the *espoused* purpose and the *espoused* values exhibited a strong external orientation towards customers and thus exhibited coherence between means and ends. While the organisational purpose had a strong external orientation, *enacted* values on the other hand were focused on internal functions and harmony. The analysis revealed that respondents also exhibited a strong internal orientation both regarding means and ends, and focused on creating a harmonious working environment, stability, and growth for employees' careers.

Both observations are in keeping with the *espoused* organisational purpose and the redeployed *espoused* values of the organisation, as per the Forever 35 campaign. The analysis revealed a lower emphasis on external foci, including to some extent customer centricity. However, for the most part, *enacted* values had a strong focus on internal harmony and stability. In contrast to the internal facing values that highlight stability and harmony, dynamic change and innovation-oriented values were largely absent in the respondents' interpretations of the organisational means and ends. This omission was similar regarding the section of the values statement concerning the external environment and communities.

Thus, although there was coherence with regards to internal focus regarding means and ends, there was a mismatch between the external focused purpose statement that included newness and progressiveness, and the internal *enacted* values. This disparity may help to describe why the organisation had struggled to adapt to the increased external changes induced by macro-economic challenges and industry-related competitiveness.

The second proposition, as it is currently articulated in this study, states that coherence between means and ends is necessary. However, based on the findings, this proposition requires refinement and adjustment:

A refined proposition would stipulate that successful organisation in complexity necessitates coherence between means and ends, as well as coherence between internal and external complexity: coherence between means and ends may be a necessary, but not a sufficient condition to manage in complexity.

In the case study, while the organisation exhibited some degree of coherence between means and ends, the coherence between internal and external complexity was lacking. Accounting for a coherence in internal and external complexity may require refinements and adjustments in values and practices of values transferal, recognising that a corporate company is a part of, and not apart from, its context. To thrive in dynamic and uncertain contexts Miladys, and organisations facing similar challenges, may benefit from a formulation of values that is coherent across the segments of the system, and *in alignment with its environment*. This would, as per the propositions of this study, enable an enhanced capacity to organise effectively and contextually during turbulent times.

Culminative, these recommendations could encourage a coherence between means and ends, and therefore emergent systems properties of shared values as organising principle in complexity. For shared values to represent such an enabling factor, organisations need a balanced mix between stability and harmony on the one hand, to allow internal smooth operations, and change dynamics on the other hand to allow for adaptive values and values enactment. Or, to reference McKelvey and Boisot's (2009) law of requisite complexity: complex environments require complex responses.

7.5. Values-Based Leadership: Design or Emergence of Values?

In this thesis, shared values have been conceptualised and proposed as internal schemata that influence, and simultaneously emerge from, the interaction between the members of the organisation. In the case study organisation, Miladys, the *espoused* purpose and values emanated from top-management, and the managing director, who identified and defined the values that were deemed most relevant to the organisation. Top management then substantiated the values with indicative practices and subsequently compiled materials and conducted roadshows to showcase and communicate the values.

This approach corresponds to the traditional notion of infusing an organisation with values beyond the technical requirements as central leadership tasks, firmly located within a notion of top-down management. This approach limited continuity or involvement from the whole organisation, and thus it contrasts with and contradicts the perspectives suggested by the preceding propositions.

However, in contrast to this traditional view, previous values research in the literature review has indicated that the top-down leadership approach has its difficulties and challenges. Considering the more open, transparent forms of organising (Cha & Edmonson, 2006), researchers, such as Pruzan (1998, 2001) highlighted the importance of co-crafting values with a variety of organisational members. Otherwise, they may be perceived as just another set of rules coming from senior management. In other words, from this perspective, if they are not crafted with representation from across the organisation, they are less capable of being infused into the day-to-day *how* of the organisation. Consequently, the degree to which values can be shared, and can offer behaviour-guiding schemata during turbulence, may be significantly reduced.

Moreover, from a complexity and systems process perspective, the importance of a continuous joint inquiry is stressed. This can be helpful to explore different perspectives to generate an alignment in terms of worldview, beliefs and organising schemata. From these perspectives, values are never stable or 'accomplished'. Rather, as schemata they adapt to the local contexts, and can be continuously re-negotiated, discussed, translated, and ultimately diffused throughout the organisation. This argues for values as situational.

Recognising that future states are inherently unknowable, and patterns of behaviour emerge at different levels, the ability of top management and leaders to consciously influence the process can be compromised (Tourish, 2018). However, despite not being able to 'choose' and control what values emerge, they still can have influence and may play a role in guiding the crafting of values. From this perspective, they may do this by networking, encouraging local interactions and engaging in dialectic leadership with members of the organisations, as interdependent agendas.

This is in stark contrast to leadership conceptualised as a directional and definite exercise. Values transference can thereby be enhanced by values-based leaders acting in accordance with a complexity perspective. This approach better mimics the concept of emergence, as recognised by the complexity perspective, and illustrates the resilience of values as organising schemata to the degree to which agents in the system have themselves a role in forging these values. Co-crafting of values, in the sense that Pruzan (1998, 2001) has described, involves the representation of the system's various levels in the sense-making of purpose and values. In this participatory and ultimately more inclusive way, it is possible to imagine an enhanced and emergent organising capacity of the system in that it is possible to adapt and adjust practices and functions, during turbulence and macro-economic complexity.

The findings did indeed support the notion of values as dynamic behaviour-guiding schemata that adapt to the local contexts and environments. This was also supported through the findings, in that each level and division had 'customised' the values to their own 'systems view', and to the relevant tasks and activities, rather than a uniform adoption of an espoused set of values, defined and implemented in a top-down approach. This was particularly apparent with regards to the value PROGRESSIVE, which can be contrasted with REAL and DEPENDABLE, and was a 'new value' – PROGRESSIVE - that the

leadership aimed to instil in the organisation. However, in contrast to this re-prioritisation, respondents largely agreed that this does not yet manifest in practices and lived reality.

Specifically, for an organisation to hold and give space for a values-oriented dialectic at various levels of the organisation, may be beneficial in harnessing the potential of new meaning-making schemata and alignment, rather than uniformity, across the levels of organisation. This is what could be required to realise the possibility of shared values as organising principle in complexity, whilst acknowledging that there may not be a need for one size fits all interpretations across the levels of hierarchy of that organisation.

7.6. The Value of Values: Daring Complexity

One of the central elements motivating this research was the reflection that in times of turbulence and complexity alternative behaviour guiding mechanisms would be required to complement, and perhaps in some instances replace, formal rule and control.

As explored in the introduction, early researchers such as Ouchi (1981) and Deal & Kennedy (1982) built their theories on the normative power of values. The importance of informal schemata is arguably further heightened by an increase in contextual complexity regarding the case study and the industry in which the organisation is positioned. The rationale was that shared values could lead to a variety of positive outcomes, that previous researchers have identified. In a paradigm of complexity, reliance on shared values could enable decentralised decision-making, localised autonomy, and bottom-up processes.

While the organisation was thought to have a strong set of shared values, and to some extent it did, shared values were not used as an opportunity to decrease formal control and to harness the normative power of values to guide behaviour. This can be understood as a missed opportunity in recognising shared values as capable of enabling local experimentation and autonomy, whilst matching accountability with decision-making responsibility.

While some benefits associated with shared values were observable within the case study organisation, such as strong employee commitment to the organisation, many of the theorised attributes to succeed in complexity were absent. For example, fostering decentralisation and local adaptation, facilitating experimentation and bottom-up

information flow were not observed. Instead, the organisation continued to rely on hierarchical organisation and relatively rigid top-down control.

Thus, the organisation aimed to have both strong values *and* strong formal rules and control, limiting the complementary effects of these two behaviour-guiding mechanisms. To harness the normative power of shared values as behaviour-guiding principles in complexity, a delicate balance between formal and informal systems is required. As the researcher, I recommend this metered balancing of a mixed approach based on the key presuppositions of this study. In addition, careful attention to the values content as enablers of dynamics and change, in contrast to providing internal stability and harmony, is necessary. From a complexity and processes perspective, this will not likely be 'achieved', but needs constant calibration, revisiting and renewing to adjust the two behaviour guiding mechanisms to local contexts and dynamics.

7.7. Conclusion: Tying These Insights Together

In the preceding sections, I reflected upon the propositions of this thesis, contrasted them with findings from the case study. The propositions, which emerged from the theoretical framework and synthesis, were used as analytical cues for the empirical Miladys case study.

A starting assumption of this research was the notion that a strong set of shared values may enable a range of positive outcomes, which could be particularly relevant for managing in a paradigm of complexity. As organisational systems consist of multiple purposeful sub-systems, it was proposed that shared values facilitate coherent organisation and the realisation of emergent systemic properties.

For the case study organisation, the perception of what distinct values mean, whom they address and how they ought to be implemented, differed as per the level of the respondent's role and functional area, pointing to the inherent complexity of the system 'Miladys'. The variety of sub-systems and associated distinctions in various respondents' experiences gives rise to similar, rather than identical, values. The author argued that these differences can be valuable, as dialectical tensions can lead to collaborative learning and emergent organisational culture.

The generic organisational purpose, and the strong internal focus on internal values may be compromising Miladys capacity to adapt to complexity and to a challenging macro-economic environment. This gave rise to constructive reflections regarding the extent to which shared values are possible, and to what extent it is beneficial to aim for shared values. This insight was recognised in relationship with the valuable observation that a degree of divergence can be valuable, and even necessary, for dialectic organisational learning and enhanced adaptability to external complexity – that internal complexity can better match external complexity by harnessing divergence in values enactment.

As a secondary proposition, the theory chapter suggested that successful organising requires coherence between means and ends and between the purpose and values. The espoused values for the case study, notably outward facing, are not coherent with the enacted values, as perceived by members of the organisation. Respondents applauded the consistency in the value of service to the customer and continued representation of the enduring value proposition - which are external facing yet invoke internal pride and satisfaction. These are values that can be associated with the espoused values, that are often deemed as lacking in enactment. This incoherence may still be contributing towards a less nuanced understanding of values, and therefore a potentially diminished capacity to transform and adapt to local contexts. The lack of coherence, that may be workable in times of stability, may not be sufficient when systems need to organise and adapt dynamically in response to turbulent times and external complexity.

For values to in fact act as guiding principles in complexity the values may need to enable organisations to face the divergent challenges, and associated requirements posed by complexity. In other words, the values need to propel and enable both the needs of economic systems, as well as the needs of the macro system. This is possible by appreciating the usefulness of internal differences, divergences in similar values and encouraging the dynamic and creative tensions that facilitate productive dialectic and negotiation in mediating accountability and responsibility and metering more decentralised decision-making as a part of the organisational culture. This can be further encouraged by employing a values-based leadership approach to co-crafting values and relativising them dependent on context; enabling members to adapt values to their unique experience of the system.

Finally, values were conceptualised as internal schemata that influence, and simultaneously emerge from, the interaction between the members of the organisation. It was clear that, emanating from the propositions tested, there is a notable relationship between the theoretical synthesis, resultant and refined propositions, and the degree to which the case study organisation was enabled to adapt and re-organise in the context of complexity.

By appreciating difference in values enactment, contextualising organisational purpose, co-crafting useful and complexity-oriented values and employing emergent values-based leadership practices, organisations may enable shared values as organising principle for managing and organising effectively in complexity. By reflecting on the propositions of this study, Miladys and other organisations may be able to model the principles of organising that may result in shared values being organising schemata in complexity. The case study has provided a deliberate and fruitful analytical exercise to explore the empirical application of the theoretically inspired research question. It has added another rich stream to the current of this research story.

8. Conclusion

8.1. Limitations

This study was conducted as a single exploratory case study, within one specific socio-economic region, industry, organisational context and within one country. This case study was a purposeful choice to provide a context for a systematic interrogation of the propositions merging from the literature review. The intent was to use the particularities of the case to engage in a disciplined imagination about the plausibility of the propositions, confronting theory with the empirical world (Dubois & Gadde, 2002). The case study was therefore not meant to provide a perfect fit and resemblance to the propositions, but served as an opportunity for deliberate, abductive exploration of what *could be true* (Thomas, 2010) Whilst this purpose was adequately served there are some limitations to acknowledge.

Firstly, the case study yielded interesting and valuable results regarding the degree of sharedness of values, the values content, the processes of values transference and values-based leadership. While the plausibility of the propositions remains, these findings

emerged from the case embedded specifically within this context. Thus, whilst interesting and valuable for reflection on the industry and the key themes, these findings are likely not generalisable to other organisations, industries, or contexts. Rather, it may serve as an analytical cue to conduct further research. Consequently, the analytical contribution of the work may be best fit for providing a comprehensive example of one such approach to studying the role of values for effective and resilient organising in complexity. The work helps to clarify the route ahead for further scholarship in these fields. It may also provide the backdrop for further case-specific analysis and action research towards more harmonious organisational understanding for future research projects, as the lens lends itself to organisational development, institutional work, systems entrepreneurship, and organisational culture amongst other fields of scholarship. The intent of the case was to further elaborate and develop the plausibility of the propositions emerging from the literature.

Secondly, data was only collected from current members of the organisation since the researcher did not have access to former employees', external advisors, customers, or other groups that may have provided additional perspectives. Thus, the researcher acknowledges that the respondents may be more biased and may have portrayed their organisation in a positive way. Despite this, measures were taken to mitigate the negative consequences of biases by ensuring anonymity and voluntary participation in the interviews, as well as through checking for consistency and contradictions within responses and across respondents at all levels.

Thirdly, the researcher recognises his own 'entanglement' and the role played as a researcher in this process. Like anything studied within a complexity perspective, the researcher is not an entirely free and independent agent, but rather is influenced through his own past and history, the previous knowledge and concepts that guided this research project, research questions and the design of this research.

Fourthly, the researcher recognises that despite using a mixed methods approach to the gathering of data on the outset, extensive attention was given to the qualitative data, relative to the quantitative data. The quantitative data was meant to support or contrast the findings emanating from the qualitative data gathered.

Although the survey had been successfully applied to study values-based organisation in the past, in this case it did not offer the aspired insights. Given that the data did not offer a valuable tool for triangulating the qualitative material this was de-emphasised in the study but acknowledged in the spirit of intellectual honestly. The researcher recognises that the strategy and methods used for the qualitative data gathering did not compromise the usefulness of this data set.

Finally, from a process perspective, the researcher recognises that the research would have benefitted from further longitudinal data gathering. Specifically, this would have been valuable to investigate the dynamic change processes, the unfolding of values in practice, as well as the impact of the new product strategy and the interplay between organisational context, purpose, values, and practices.

8.2. Practical Implications

This thesis investigated the role of shared values as organising principles in complexity and suggested that shared values can act as schemata that guide behaviour and enhance an organisation's reflexivity and resilience in times of turbulence. Several implications can be delineated to help practitioners harness the proposed potential of shared values as hypothesised in this study.

The findings demonstrated that in complexity, both means and ends require contextualisation. They are benefited and made more innovation oriented by speaking to the relevant needs of the constituting sub and embedding macro systems. Abstract and generic organisational purpose, and values statements, for example, may be too broad, open for misuse or misinterpretation and therefore compromise the contextualisation of means and ends and the resultant emergence of systemic properties. Abstract and generic purpose and value statements may be more applicable for outward facing value communication. Internally, for the sake of the organisation's capacity to adapt and self-organise under conditions of complexity, values that are contextually sound for internal members of the system are vital and enable change dynamics, self-organisation, and resilience in times of turbulence and complexity. In addition, values that are co-crafted in an inclusive and participatory way are better at enabling the infusion of values in the day to day *how* of organising, as discussed in the previous sections of this chapter.

The following questions are examples of useful lines of inquiry that may encourage a capacity to adapt and encourage shared values as organising principles:

- Does the purpose and values statement really describe our fundamental beliefs?
- Do our espoused and enacted values capture the organisations' identity?
- What does the organisation stand for, and why?
- Who are the recipients or beneficiaries of the organisation's activities?
- How do we add value to society as a whole of which we are a part?

Furthermore, the thesis demonstrated that *one* set of shared values may be unattainable and not conducive to guiding behaviour across different hierarchies, functional units, and geographies. It may be beneficial to look beyond defining *one* overarching core purpose of the business along with *definite* values statements. It may be equally valuable to pay attention to co-crafting contextually relevant enacted values that help members of the system to live the purpose in the context for which they are responsible for and accountable to.

The processes of defining or crafting values and aligning worldviews are best seen as a continuous joint exploration of actors with different perspectives to create a shared understanding of the needs, approaches, and outcomes of the systems' activities. Considering that the alignment of worldviews and needs represents a 'wicked problem', systems approach such as Soft Systems Methodologies or Appreciative Inquiry, as examples, may lend themselves as tools to facilitating these processes. Other fields that deal with similar challenges of ambiguity, ill-defined problems and unclear goals have equally developed a range of practical approaches that can be used to explore the means and ends of organising. For example, Design Thinking, Human-Centered Design, Theory U and Lean Start-up Methodologies all represent promising methodologies that include tools and practical frameworks to collaboratively explore ambiguity and navigate uncertainty with an emergent values-based leadership approach (Tourish, 2018).

Finally, it is possible for an organisation to cultivate more resilient and effective internal schemata for organising in complexity by paying attention to the content and context of the values. This may involve the delicate practice of balancing the divergent requirements between being and becoming; stability and change; exploration and exploitation; as well as rationality and emotional needs. Ethics, organisational culture, harmony, caring, and

support are indispensable in today's work environment, and do not preclude tough conversations, efficiency, change dynamics and growth by cultivating dialectics and creative tensions in the organisation.

Mastering these trade-offs can be laden with confrontations and conflict, but values-based management is not a choice between teleological or deontological values. Rather, both are required and finding the balance between the two is not meant to be 'accomplished' or stable Instead the evolving narrative favours constant negotiation, evaluation, and reflection.

8.3. Future Research

As identified in the sections above, this study provides analytical cues for several directions of future research. The researcher believes that these cues are intriguing from both a theoretical and practical perspective and deserve further attention. The following section provides a cross-cutting analysis of research directions and further inquiry pertaining to several dimensions of the topics covered by this research project.

The theoretical framework and scholarship reviewed demonstrated that there is a scarcity of research addressing values-based leadership and management from a system thinking, and complexity perspective in general. This is an overall trend in management research and indicates that the field could benefit from future research along a range of avenues including the following, provided, and expanded on below.

First, there is a gap in terms of literature that investigates the process of values transference and adoption, or enactment, from a complexity perspective. If values act as 'strange attractors' that galvanise behaviour, complexity science suggests that strange attractors go through periods of instability and chaos before settling into a new equilibrium. This could posit a question worth further research endeavour.

During the analysis of values research, this study has reflected on the call for a Management by Values approach, in contrast to Management by Objectives or Instruction. This approach has been suggested as a means of managing in complexity (Baets & Oldenboom, 2013; Dolan & Garcia, 2002; Gharajedaghi, 2004). The researcher believes that it may be relevant to investigate and study the effects of a Management by Values (MOV) intervention within

a case study, such as the case of this study. Research is needed on the formulation of a values-driven intervention for management within a particular organisation, and the study of shared values' effect as organising principle in an organisation experiencing challenges from internal and external stressors. As a conceptual framework towards the engagement of this line of questioning, Kalliath, Bluedorn, & Strube's (1999) work on the contrasting between espoused values, attributed or actual values would be valuable; paying close attention to actual values - those values identified by members as a reflection of the organisation 'as a whole' - in practice and in transference.

Despite the emergence of 'systems' or 'complexity leadership' studies, there is almost no overlap between the bodies of literature examining leadership in relation to values and research investigating leadership in a complexity paradigm**.** This has been covered briefly in the theoretical framework sections. Scholarship on leadership regarding management may yet need to catch up with prevailing trends in organisational scholarship and management literature. This would provide a much-needed inclusion and appreciation for concepts and frames of thinking associated with complexity as a paradigm. This is likewise the case for systems thinking literature, where leadership and power in general is not acknowledged in accounts and theory of change.

As cautioned by Ashforth and Gibbs (1990), top management may espouse values to gain legitimacy from stakeholders, including customers, financial institutions and regulating bodies, without implementing and embedding structures and practices that enact the values of the organisation. In keeping with Dow's (1988, p. 60) suggestion that we ought to sustain a more nuanced and pluralistic perspective of values being translated into the everyday and strategic interactions that make up the organisation, it may be a valuable research direction to investigate the practical means of *how* to adopt the shared value approach. This could involve how to develop organising principles to enhance the capacity of non-management staff members of an organisation in enacting organisational values at multiple levels of the organisation.

Finally, in recognition of the limitations of a case study, and the limit in time, the researcher proposes that it may be useful to engage in studies that investigate the design and application of interventions that are directly associated with the propositions emanating from the synthesis.

I trust that my research in addressing the research question, "Can shared values act as organising principles in complex adaptive systems?" will open up other questions for other researchers so that we might live the answers.

9. Bibliography

Ackoff, R. L. (1971). Towards a System of Systems Concepts. *Management Science*, *17*(11), 661–671. http://doi.org/10.1287/mnsc.17.11.661

Ackoff, R. L. (1994). Systems thinking and thinking systems. *System Dynamics Review*, *10*(2-3), 175–188.

Adler, P. S. (2014). Capitalism in Question. *Journal of Management Inquiry*, *23*(2), 206–209. http://doi.org/10.1177/1056492613513405

Advanced Practical Thinking Training Inc. (2001).

Agle, B. R., Mitchell, R. K., & Sonnenfeld, J. A. (1999). Who matters to Ceos? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Academy of Management Journal*, *42*(5), 507–525.

Albert, S., & Whetten, D. A. (1985). Organisational Identity. *Research in Organisational Behavior*.

Alvesson, M., & Deetz, S. (1999). Critical theory and postmodernism: Approaches to organisational studies. *Studying Organisation: Theory and Method*, 185–211.

Alvesson, M., & Skoldberg, K. (2009). Positivism, social constructionism, critical realism: Three reference points in the philosophy of science. *Reflexive Methodology: New Vistas for Qualitative Research*, 15–52.

Alvesson, M., & Sveningsson, S. (2003). Managers doing leadership: The extra-ordinarization of the mundane. *Human Relations*, *56*(12), 1435–1459.

Amah, E., & Ahiauzu, A. (2014). Shared values and organisational effectiveness: A study of the Nigerian banking industry. *Journal of Management Development*, *33*(7), 694–708. http://doi.org/10.1108/JMD-09-2010-0065

Ameer, R., & Othman, R. (2012). Sustainability practices and corporate financial performance: A study based on the top global corporations. *Journal of Business Ethics*, *108*(1), 61–79. http://doi.org/10.1007/s10551-011-1063-y

Anderson, P. (1999). Complexity Theory and Organisation Science. *Organisational Science*, *10*(3), 216–232. http://doi.org/10.2307/2640328

Anderssen, S. (2015). Clothing Retailers: Winter is coming.

Ansoff, H. I. (1965). Corporate strategy: An analytic approach to business policy for growth and expansion. McGraw-Hill Companies.

Argyris, C., & Schon, D. (1978). Organisational learning: A theory of action approach. *Reading, MA: Addision Wesley*.

Ashby, W. R. (1957). An introduction to cybernetics.

Ashforth, B. E., & Gibbs, B. W. (1990). The double-edge of organisational legitimation. *Organisation Science*, *1*(2), 177–194.

Avolio, B. J., & Gardner, W. L. (2005). Authentic leadership development: Getting to the root of positive forms of leadership. *Leadership Quarterly*, *16*(3), 315–338. http://doi.org/10.1016/j.leaqua.2005.03.001

Baets, W., & Oldenboom, E. (2006). Complexity, learning and organisations: A quantum interpretation of business. Routledge.

Baets, W., & Oldenboom, E. (2009). Rethinking growth: social intrapreneurship for sustainable performance. Springer.

Baets, W., & Oldenboom, E. (2013). *Values Based Leadership in Business Innovation* (1st Edition). bookboon.com.

Baets, W., & Oldenboom, E. (2014). *Innovation road book*. Retrieved from http://www.innovationroadbook.com/default.asp

Baets, W., & Van der Linden, G. (2000). The Hybrid Business School Developing Knowledge Management Through Management Learning.

Banerjee, S. B. (2008). Corporate social responsibility: The good, the bad and the ugly. *Critical Sociology*, *34*(1), 51–79.

Bansal, P. (2003). From issues to actions: The importance of individual concerns and organisational values in responding to natural environmental issues. *Organisation Science*, *14*(5), 510–527.

Bardi, A., & Schwartz, S. H. (2003). Values and behavior: Strength and structure of relations. *Personality and Social Psychology Bulletin*, *29*(10), 1207–1220.

Barley, S. R., & Kunda, G. (1992). Design and Devotion: Surges of Rational and Normative Ideologies of Control in Managerial Discourse. *Administrative Science Quarterly*, *37*(3), 363. http://doi.org/10.2307/2393449

Barnard, C. (1938). The functions of the executive. *Harvard University Presse, Cambridge*.

Bass, B. M. (1985). Leadership: Good, better, best. *Organisational Dynamics*, *13*(3), 26–40.

Bass, B. M., & Steidlmeier, P. (1999). Ethics, character, and authentic transformational leadership behavior. *The Leadership Quarterly*, *10*(2), 181–217.

Batten, D. F. (2009). Fostering industrial symbiosis with agent-based simulation and participatory modeling. *Journal of Industrial Ecology*, *13*(2), 197–213. http://doi.org/10.1111/j.1530-9290.2009.00115.x

Bechara, J. P., & Van de Ven, A. H. (2007). Philosophy of science underlying engaged scholarship. In *Engaged Scholarship: A Guide for Organisational and Social Research* (pp. 36–70). http://doi.org/10.1080/13678860902764191

Beck, K., Beedle, M., van, A., Cockburn, A., Cunningham, W., Fowler, M., … Thomas, D. (2001). Manifesto for Agile Software Development. Retrieved from http://agilemanifesto.org/

Bennis, W. G. (1959). Leadership Theory and Administrative Behavior: The Problem of Authority. *Administrative Science Quarterly*, *4*(3), 259–301. http://doi.org/10.2307/2390911

Berry, R. J., & Jeeves, M. (2008). *The Nature of Human Nature. Science & Christian Belief* (Vol. 20). New York: Free Press. http://doi.org/Article

Blanchard, K. H., O'Connor, M. J., & Ballard, J. (1997). *Managing by values*. Berrett-Koehler Publishers.

Boal, K. B., & Schultz, P. L. (2007). Storytelling, time, and evolution: The role of strategic leadership in complex adaptive systems. *Leadership Quarterly*, *18*(4), 411–428. http://doi.org/10.1016/j.leaqua.2007.04.008

Bohm, D., & Lindsay, R. B. (1957). Causality and chance in modern physics. *Physics Today*, *10*, 30.

Boisot, M., & Child, J. (1999). Organisations as Adaptive Systems in Complex Environments: The Case of China. *Organisation Science*, *10*(3), 237–252. http://doi.org/10.1287/orsc.10.3.237

Boisot, M., & McKelvey, B. (2010). Integrating modernist and postmodernist perspectives on organisations: A complexity science bridge. *Academy of Management Review*, *35*(3), 415–433. http://doi.org/10.5465/AMR.2010.51142028

Boulding, K. E. (1956). General Systems Theory—The Skeleton of Science. *Management Science*, *2*(3), 197–208. http://doi.org/10.1287/mnsc.2.3.197

Bourne, H., & Jenkins, M. (2013). Organisational Values: A Dynamic Perspective. *Organisation Studies*, *34*(4), 495–514. http://doi.org/10.1177/0170840612467155

Bradbury, H. (2003). Sustaining inner and outer worlds: A whole-systems approach to developing sustainable business practices in management. *Journal of Management Education*, *27*(2), 172–187. http://doi.org/10.1177/1052562903251414

Bradbury, H., & Lichtenstein, B. B. (2006). Complexity leadership theory: An interactive perspective on leading in complex adaptive systems. *E:CO Emergence: Complexity and Organisation*, *8*(4), 2–12. http://doi.org/10.5465/AMR.1989.4308385

Brinberg, D., & McGrath, J. E. (1985). Validity and the research process. In *Validity and the Research Process*. Sage Publications.

Brown, M. E., & Mitchell, M. S. (2010). Ethical and Unethical Leadership: Exploring New Avenues for Future Research. *Business Ethics Quarterly*, *20*(04), 583–616. http://doi.org/10.5840/beq201020439

Brown, M. E., & Trevino, L. K. (2003). Is values based leadership ethical leadership? In *Emerging perspectives on values in organisations* (pp. 151–174).

Brown, M. E., & Treviño, L. K. (2006). Ethical leadership: A review and future directions. *Leadership Quarterly*, *17*(6), 595–616. http://doi.org/10.1016/j.leaqua.2006.10.004

Brown, M. E., Treviño, L. K., & Harrison, D. A. (2005). Ethical leadership: A social learning perspective for construct development and testing. *Organisational Behavior and Human Decision Processes*, *97*(2), 117–134. http://doi.org/10.1016/j.obhdp.2005.03.002

Brown, S. L., & Eisenhardt, K. M. (1997). The Art of Continuous Change: Linking Complexity Theory and Time-Paced Evolution in Relentlessly Shifting Organisations. *Administrative Science Quarterly*, *42*(1), 1. http://doi.org/10.2307/2393807

Bryman, A. (2008). The end of the paradigm wars. *The SAGE Handbook of Social Research Methods*, 13–25.

Buchko, A. A. (2007). The effect of leadership on values-based management. *Leadership and Organisation Development Journal*, *28*(1), 36–50. http://doi.org/10.1108/01437730710718236

Cabrera, D. A. (2006). *Systems Thinking*.

Capra, F. (1996). The web of life: A new scientific understanding of living systems.

Cash, D. W., Adger, W. N., Berkes, F., Garden, P., Lebel, L., Olsson, P., … Young, O. (2006). Scale and cross-scale dynamics: governance and information in a multilevel world. *Ecology and Society*, *11*(2).

Cha, S. E., & Edmondson, A. C. (2006). When values backfire: Leadership, attribution, and disenchantment in a values-driven organisation. *Leadership Quarterly*, *17*(1), 57–78. http://doi.org/10.1016/j.leaqua.2005.10.006

Chaney, D., & Martin, D. (2017). The Role of Shared Values in Understanding Loyalty over Time. *Journal of Travel Research*, *56*(4), 507–520. http://doi.org/10.1177/0047287516643411

Chatman, J. A. (1989). Matching People and Organisations: Selection and Socialization in Public Accounting Firms. *Academy of Management Proceedings*, *1989*(1), 199–203. http://doi.org/10.5465/AMBPP.1989.4980837

Checkland, P. (2000). Soft Systems Methodology : A Thirty Year Retrospective, *58*, 11–58. http://doi.org/10.1002/1099-1743(200011)17:1

Checkland, P. (2012). Soft Systems Methodology: A Thirty Year Retrospective. *Systems Research and Behavioral Science*, *17*, 511–558. http://doi.org/10.1002/1099-1743(200011)17:1+<::AID-SRES374>3.0.CO;2-O

Checkland, P. B. (1978). The origins and nature of 'hard' systems thinking. *Journal of Applied Systems Analysis*, *5*(2), 99–110.

Checkland, P., & Scholes, J. (1990). *Soft systems methodology in action* (Vol. 7). Wiley Chichester.

Chopra, D. (1994). The Seven Laws of Spiritual Success. *San Rafael, CA: Amber-Allen*.

Churchman, C. W., Ackoff, R. L., & Arnoff, E. L. (1957). Introduction to operations research.

Cilliers, P. (1998). *Complexity and Postmodernism. Understanding Complex Systems*. London: Routledge. http://doi.org/10.4324/9780203012253

Clark, W. H., & Babson, E. K. (2012). How benefit corporations are redefining the purpose of business corporations. *William Mitchell Law Review*, *38*(2), 8.

Collins, J. C., & Porras, J. I. (1994). *Built to last: Successful habits of visionary companies*. Random House.

Copeland, M. K. (2014). The Emerging Significance of Values Based Leadership: A Literature Review. *International Journal of Leadership Studies*, *8*(2), 105–135.

Corbin, J., & Strauss, A. (2008). Basics of qualitative research: Techniques and procedures for developing grounded theory.

Crane, A., Palazzo, G., Spence, L. J., & Matten, D. (2014b). Contesting the Value of "Creating Shared Value." *California Management Review*, *56*(2), 130–153. http://doi.org/10.1525/cmr.2014.56.2.130

Creswell, J. W., & Creswell, J. D. (2017). Research design: Qualitative, quantitative, and mixed methods approaches. Sage publications.

Daft, R. L. (2001). *Essentials of organisation theory and design*. South Western Educational Publishing.

Davis, G. F., & Adam Cobb, J. (2010). Chapter 2 Resource dependence theory: Past and future. In *Stanford's organisation theory renaissance, 1970–2000* (pp. 21–42). Emerald Group Publishing Limited.

De Anca, C., & Vega, A. V. (2007). *Managing diversity in Global Organisations*. New York: Palgrave Macmillan.

Deal, T. E., & Kennedy, A. A. (1982). Corporate cultures: The rites and rituals of organisational life. Addison-Wesley.

Deloitte. (2016). Global Human Capital Trends 2016.

Denscombe, M. (2008). Communities of practice: A research paradigm for the mixed methods approach. *Journal of Mixed Methods Research*, *2*(3), 270–283.

Dent, E. B., & Umpleby, S. A. (1998). Underlying assumptions of several traditions in systems theory and cybernetics. *Austrian Society for Cybernetic Studies*, *98*, 513–518.

Detert, J. R., Schroeder, R. G., & Mauriel, J. J. (2000). A framework for linking culture and improvement initiatives in organisations. *Academy of Management Review*, *25*(4), 850–863. http://doi.org/10.5465/AMR.2000.3707740.

Dewey, J. (1931). The Development of American Pragmatism. *Philosophy and Civilization*.

DiMaggio, P., & Powell, W. W. (1983). The iron cage revisited: Collective rationality and institutional isomorphism in organisational fields. *American Sociological Review*, *48*(2), 147–160.

Dinh, J. E., Lord, R. G., Gardner, W. L., Meuser, J. D., Liden, R. C., & Hu, J. (2014). Leadership theory and research in the new millennium: Current theoretical trends and changing perspectives. *Leadership Quarterly*, *25*(1), 36–62. http://doi.org/10.1016/j.leaqua.2013.11.005.

Dolan, S. L., Auerbach, A., & Garcia, S. (2003). Understanding and managing chaos in organisation. *International Journal of Management*, *20*(1), 23–35. Retrieved from http://www2.ihis.aau.dk/~kvist/teaching/Dolanetal03.pdf.

Dolan, S. L., & Garcia, S. (2002). Managing by values: Cultural redesign for strategic organisational change at the dawn of the twenty-first century. *Journal of Management Development*. http://doi.org/10.1108/02621710210417411.

Donaldson, T., & Walsh, J. P. (2015). Research in Organisational Behavior Toward a theory of business, *35*, 181–207.

Dooley, K. J. (1997). A Complex Adaptive Systems Model of Organisation Change. *Nonlinear Dynamics, Psychology, and Life Sciences*, *1*(1), 69–97. http://doi.org/10.1023/A.

Dooley, K. J., Corman, S. R., McPhee, R. D., & Kuhn, T. (2003). Modeling high-resolution broadband discourse in complex adaptive systems. *Nonlinear Dynamics, Psychology, and Life Sciences*, *7*(1), 61–85.

Dooley, K. J., & Van de Ven, A. H. (1999). Explaining Complex Organisational Dynamics. *Organisation Science*, *10*(3), 358–372. http://doi.org/10.1287/orsc.10.3.358.

Dougherty, D., & Dunne, D. D. (2011). Organizing Ecologies of Complex Innovation. *Organisation Science*, *22*(5), 1214–1223. http://doi.org/10.1287/orsc.1100.0605.

Dow, G. K. (1988). Configurational and coactivational views of organisational structure. *Academy of Management Review*, *13*(1), 53–64.

Dowling, J., & Pfeffer, J. (1975). Organisational legitimacy: Social values and organisational behavior. *Pacific Sociological Review*, *18*(1), 122–136.

Drath, W. H. (2001). *The deep blue sea: rethinking the source of leadership*. *Jossey-Bass business & management series CN - HD57.7 .D73 2001*. San Francisco: Jossey-Bass and Center for Creative Leadership. Retrieved from http://media.johnwiley.com.au/product_data/excerpt/29/07879493/0787949329.pdf.

Drath, W. H., McCauley, C. D., Palus, C. J., Van Velsor, E., O'Connor, P. M. G., & McGuire, J. B. (2008). Direction, alignment, commitment: Toward a more integrative ontology of leadership. *Leadership Quarterly*, *19*(6), 635–653. http://doi.org/10.1016/j.leaqua.2008.09.003.

Drucker, P. F. (1954). Management by objectives and self-control. *Practice of Management*.

Dubois, A., & Gadde, L. E. (2002). Systematic combining: an abductive approach to case research. *Journal of business research*, *55*(7), 553-560.

Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organisational processes and performance (No. 12-035). Management Science (Vol. 60).

Edvardsson, B., Enquist, B., & Hay, M. (2006). Values-based service brands: Narratives from IKEA. *Managing Service Quality: An International Journal*, *16*(3), 230–246. http://doi.org/10.1108/09604520610663471.

Edwards, J. R., & Cable, D. M. (2009). The Value of Value Congruence. *Journal of Applied Psychology*, *94*(3), 654–677. http://doi.org/10.1037/a0014891.

Ehrenfeld, D. (2005). Sustainability: Living with the imperfections. *Conservation Biology*, *19*(1), 33–35. http://doi.org/10.1111/j.1523-1739.2005.0456a.x.

Eisenhardt, K. M. (1989). Building Theories from Case. *Academy of Management Review*, *14*(No: 4), 532–550.

Eisenhardt, K. M., & Bhatia, M. M. (2017). Organisational complexity and computation. *The Blackwell Companion to Organisations*, 442–466.

Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *The Academy of Management Journal*, *50*(1), 25–32.

Eoyang, G. H., & Berkas, T. (1999). Evaluation in a complex adaptive system. In M. R. Lissak & H. P. Gunz (Eds.), *Managing complexity in organisations* (pp. 313–335). Westport, CT: Quorum Books.

Etzioni, A. (1965). Organisational control structure. *Handbook of Organisations*, *650*, 677.

Feather, N. T. (1996). Values, deservingness, and attitudes toward high achievers: Research on tall poppies.

Fitzgerald, G. A., & Desjardins, N. M. (2004). Organisational Values and Their Relation to Organisational Performance Outcomes. *Atlantic Journal of Communication*, *12*(3), 121–145. http://doi.org/10.1207/s15456889ajc1203_1.

Fitzgerald, L. A., & van Eijnatten, F. M. (2002). Chaos speak: a glossary of chaordic terms and phrases. *Journal of Organisational Change Management*, *15*(4), 412–423.

Fitzpatrick, R. L. (2007). A literature review exploring values alignment as a proactive approach to conflict management. *International Journal of Conflict Management*, *18*(3), 280–305. http://doi.org/10.1108/10444060710826007.

Flood, R. L., & Carson, E. R. (2013). Dealing with complexity: an introduction to the theory and application of systems science. Springer Science & Business Media.

Flyvbjerg, B. (2006). Five misunderstandings about case-study research. *Qualitative Inquiry*, *12*(2), 219–245. http://doi.org/10.1177/1077800405284363.

Forrester, J. W. (1994). System dynamics, systems thinking, and soft OR. *System Dynamics Review*, *10*(2-3), 245–256.

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Boston: Pitman.

Freeman, R. E., & Parmar, B. L. (2017). Managing for Stakeholders and the Purpose of Business.

Friedman, M. (1970). The Social Responsibility of Business Is to Increase Its Profits. *Corporate Ethics and Corporate Governance*, 173–178. http://doi.org/10.1007/978-3-540-70818-6_14.

Fritzsche, D., & Oz, E. (2007). Personal values' influence on the ethical dimension of decision making. *Journal of Business Ethics*, *75*(4), 335–343.

Thomas, G. (2010). Doing case study: Abduction not induction, phronesis not theory. *Qualitative inquiry*, *16*(7), 575-582.

Gehman, J., Grimes, M., & Cao, K. (2018). Why We Care About Certified B Corporations: From Valuing Growth to Certifying Values.

Gehman, J., Treviño, L. K., & Garud, R. (2013). Values work: A process study of the emergence and performance of organisational values practices. *Academy of Management Journal*, *56*(1), 84–112. http://doi.org/10.5465/amj.2010.0628.

Gharajedaghi, J. (2004). Systems Thinking, Managing Chaos and Complexity , A platform for Designing Business Architecture PART I : System philosophy : The name of the devil. Burlington, MA: Elsevier.

Gharajedaghi, J. (2011). Systems thinking: Managing chaos and complexity: A platform for designing business architecture. Elsevier.

Ghoshal, S. (2005). Bad management theories are destroying good management practices. *Academy of Management Learning & Education*, *4*(1), 75–91.

Gillespie, N. A., & Mann, L. (2004). Transformational leadership and shared values: The building blocks of trust. *Journal of Managerial Psychology*, *19*(6), 588–607. http://doi.org/10.1108/02683940410551507

Gladwin, T. N., Kennelly, J. J., & Krause, T.-S. (1995). Shifting Paradigms for Sustainable Development: Implications for Management Theory and Research. *Academy of Management Review*, *20*(4), 874–907. http://doi.org/10.5465/AMR.1995.9512280024.

Goldkuhl, G. (2004). Meanings of pragmatism: Ways to conduct information systems research. *Action in Language, Organisations and Information Systems*.

Goodman, S. A., & Svyantek, D. J. (1999). Person-organisation fit and contextual performance: Do shared values matter? *Journal of Vocational Behavior*, *55*(2), 254–275.

Graber, D. R., & Kilpatrick, A. O. (2008). Establishing values-based leadership and value systems in healthcare organisations. *Journal of Health & Human Services Administration*, *31*(2), 179–197. http://doi.org/10.1017/CBO9781107415324.004

Grojean, M. W., Resick, C. J., Dickson, M. W., & Smith, D. B. (2004). Leaders, values, and organisational climate: Examining leadership strategies for establishing an organisational climate regarding ethics. *Journal of Business Ethics*, *55*(3), 223–241. http://doi.org/10.1007/s10551-004-1275-5.

Groves, K. S., & LaRocca, M. A. (2011). An empirical study of leader ethical values, transformational and transactional leadership, and follower attitudes toward corporate social responsibility. *Journal of Business Ethics*, *103*(4), 511–528.

Hassard, J. (1999). Postmodernism, philosophy and management: concepts and controversies. *International Journal of Management Reviews*, *1*(2), 171–195.

Hazy, J. K. (2006). Measuring leadership effectiveness in complex sociotechnical systems. *E:CO Emergence: Complexity and Organisation*, *8*(3), 58–77.

Hazy, J. K., & Uhl-Bien, M. (2012). Changing the rules : The implications of complexity science for leadership research and practice Please do not quote prior to publication . Cite as : Changing the rules : The implications of complexity science for leadership research and practice, 1–64.

Hester, J. P. (2012). Values-Based Leadership : A Shift in Attitude Values-Based Leadership : A Shift in Attitude. *The Journal of Values Based Leadership*, *5*(1), 1–15.

Hieronymi, A. (2013). Understanding System Science: A Visual and Integrative Approach. *Systems Research and Behavioral Science*, *30*(30), 580–595. http://doi.org/10.1002/sres.

Hiller, J. S. (2013). The benefit corporation and corporate social responsibility. *Journal of Business Ethics*, *118*(2), 287–301.

Hitt, M. A. (1998). Twenty-first-century organisations: Business firms, business schools, and the academy. *Academy of Management Review*, *23*(2), 218–224.

Hoffman, B. J., Bynum, B. H., Piccolo, R. F., & Sutton, A. W. (2011). Person-organisation value congruence: How transformational leaders influence work group effectiveness. *Academy of Management Journal*, *54*(4), 779–796. http://doi.org/10.5465/AMJ.2011.64870139.

Hofstede, G. (1998). Attitudes, Values and Organisational Culture: Disentangling the Concepts Introduction: Researchers' and Respondents' Minds. *Organisation Studies*, *19*(3), 477–492. http://doi.org/10.1177/017084069801900305.

Hofstede, G., Hofstede, G. J., & Minkov, M. (2010). Cultures and Organisations: Software of the Mind. Intercultural Cooperation and Its Importance for Survival.

Hollensbe, E., Wookey, C., Hickey, L., & George, G. (2014). Organisations with purpose. *Academy of Management Journal*, *57*(5), 1227–1234. http://doi.org/10.5465/amj.2014.4005.

Holling, C. S. (2001). Understanding the complexity of economic, ecological, and social systems. *Ecosystems*, *4*(5), 390–405.

Holloway, S. S., van Eijnatten, F. M., & van Loon, M. (2011). Value crafting: A tool to develop sustainable work based on organisational values. *Emergence: Complexity and Organisation*, *13*(4), 18–36.

Hopf, C. (2004). Qualitative interviews: An overview. *A Companion to Qualitative Research*, 203–208.

Huberman, A. M., & Miles, M. B. (1994). Data management and analysis methods.

Humphrey, A. (2005). SWOT analysis for management consulting. *SRI Alumni Newsletter*, *1*, 7–8.

Ilinitch, A. Y., D'Aveni, R. A., & Lewin, A. Y. (1996). New organisational forms and strategies for managing in hypercompetitive environments. *Organisation Science*, *7*(3), 211–220.

Ison, R. (2007). Systems Thinking and Practice for Action Research. In P. W. Reason & H. Bradbury (Eds.), *The Sage Handbook of Action Research, Participative Inquiry, and Practice* (2nd ed., p. 21). London, UK: Sage Publications.

Jaakson, K. (2010). Management by values: Are some values better than others? *Journal of Management Development*, *29*(9), 795–806. http://doi.org/10.1108/02621711011072504.

Jackson, M. C. (2003). Systems thinking: Creative holism for managers. Citeseer.

Järvensivu, T. (2006). Values-driven management in strategic networks : A Case Study of the Influence of Organisational Values on Cooperation. Acta Universitatis Oeconomicae Helsingiensis.

Joas, H. (2000). *The genesis of values*. University of Chicago Press.

Jones, E. E., & Gerard, H. (1967). Foundations of social psychology.

Jones, T. M., Donaldson, T., Freeman, R. E., Harrison, J. S., Leana, C. R., Mahoney, J. T., & Pearce, J. L. (2016). Management theory and social welfare: Contributions and challenges. *Academy of Management Review*, *41*(2), 216–228.

Kabanoff, B., & Daly, J. (2002). Espoused values of organisations. *Australian Journal of Management*, *27*(1 Suppl), 89–104. http://doi.org/10.1177/031289620202701S10.

Kahneman, D. (2003). A psychological perspective on economics. *American Economic Review*, *93*(2), 162–168.

Kalliath, T. J., Bluedorn, A. C., & Strube, M. J. (1999). A test of value congruence e ects {. *Journal of Organisational Behavior*, *1198*(May 1998), 1175–1199.

Karp, T., & Helgø, T. I. t. (2008). Leadership as identity construction: The act of leading people in organisations: A perspective from the complexity sciences. *Journal of Management Development*, *28*(10), 880–896. http://doi.org/10.1108/02621710911000659

Katz, D., & Kahn, R. L. (1978). Organisations and the system concept. *Classics of Organisation Theory*, 161–172.

Kauffman, S. (1996). At Home in the Universe:The Search for the Laws of Self-Organisation and Complexity: The Search for the Laws of Self-Organisation and Complexity.

Khazanchi, S., Lewis, M. W., & Boyer, K. K. (2007). Innovation-supportive culture: The impact of organisational values on process innovation. *Journal of Operations Management*, *25*(4), 871–884. http://doi.org/10.1016/j.jom.2006.08.003.

Khoo, H. S., & Burch, G. S. J. (2008). The 'dark side' of leadership personality and transformational leadership: An exploratory study. *Personality and Individual Differences*, *44*(1), 86–97.

Klir, G. J. (1965). The general system as a methodological tool. *General Systems*, *10*, 29–42.

Kluckhohn, C. (1951). Values and value-orientation in the theory of action: An exploration in definition and classification. In T. Parsons & E. Shils (Eds.), *Toward a General Theory of Action* (pp. 388–433). Cambridge: Harvard University Press. http://doi.org/10.4159/harvard.9780674863507.c8.

Koestler, A. (1968). The ghost in the machine.

Koestler, A. (1989). *The ghost in the machine*. *Arkana, London*. London: Arkana.

Kotter, J. P. (1990). What Leaders Really Do - John P Kotter.pdf. *Harvard Business Review*, *68*(3), 85–86. http://doi.org/10.1109/EMR.2009.5235494.

Krishnan, V. R. (2002). Transformational Leadership and Value System Congruence, (1978), 19–33.

Kuhn, T. S. (1970). The structure of scientific revolutions, 2nd. *Chicago: Univ. of Chicago Pr*.

Kuhn, T. S. (2012). *The structure of scientific revolutions*. University of Chicago press.

Kupers, R. (2000). What organisational leaders should know about the new science of complexity. *Complexity*, *6*(1), 14–19.

Lages, C. R., Piercy, N. F., Malhotra, N., & Simões, C. (2018). Understanding the mechanisms of the relationship between shared values and service delivery performance of frontline employees. *The International Journal of Human Resource Management*, 1–24.

Langley, A., Smallman, C., Tsoukas, H., & Van De Ven, A. H. (2013). Process studies of change in organisation and management: Unveiling temporality, activity, and flow. *Academy of Management Journal*, *56*(1), 1–13. http://doi.org/10.5465/amj.2013.4001.

Laszlo, A., & Krippner, S. (1998). Chapter 3 Systems theories: Their origins, foundations, and development. *Advances in Psychology*, *126*(C), 47–74. http://doi.org/10.1016/S0166-4115(98)80017-4.

Laszlo, K. C. (2012). From systems thinking to systems being: The embodiment of evolutionary leadership. *Journal of Organisational Transformation and Social Change*, *9*(2).

Lawrence, P. R., & Lorsch, J. W. (1967). Differentiation and integration in complex organisations. *Administrative Science Quarterly*, 1–47.

Leung, S.-O. (2011). A comparison of psychometric properties and normality in 4-, 5-, 6-, and 11-point Likert scales. *Journal of Social Service Research*, *37*(4), 412–421.

Lewin, K. (1952). Field theory in social science.

Lichtenstein, B. B., & Plowman, D. A. (2009). The leadership of emergence: A complex systems leadership theory of emergence at successive organisational levels. *Leadership Quarterly*, *20*(4), 617–630. http://doi.org/10.1016/j.leaqua.2009.04.006.

Lin, Y., Duan, X., Zhao, C., & Da Xu, L. (2012). *Systems science: methodological approaches*. CRC press.

Lincoln, Y. S., Lynham, S. A., & Guba, E. G. (2011). Paradigmatic controversies, contradictions, and emerging confluences, revisited. *The Sage Handbook of Qualitative Research*, *4*, 97–128.

Lissack, M. R., & Richardson, K. A. (2001). When Modeling Social Systems, Models≠ the Modeled: Reacting to Wolfram's A New Kind of Science. *Emergence, A Journal of Complexity Issues in Organisations and Management*, *3*(4), 95–111.

Liu, D., Liao, H., & Loi, R. (2012). The dark side of leadership: A three-level investigation of the cascading effect of abusive supervision on employee creativity. *Academy of Management Journal*, *55*(5), 1187–1212.

March, J. G., Schulz, M., & Zhou, X. (2000). *The dynamics of rules: Change in written organisational codes*. Stanford University Press.

March, J. G., & Simon, H. A. (1958). Organisations.

Marcus, J., Kurucz, E. C., & Colbert, B. A. (2010). Conceptions of the business-society-nature interface: Implications for management scholarship. Business and Society (Vol. 49). http://doi.org/10.1177/0007650310368827.

Margolis, J. D., & Walsh, J. P. (2003). Misery Loves Companies: Rethinking Social Initiatives by Business. *Administrative Science Quarterly*, *48*(2), 268. http://doi.org/10.2307/3556659.

Marion, R., & Uhl-Bien, M. (2001). Leadership in complex organisations. *The Leadership Quarterly*, *12*(4), 389–418.

Martin, J. (2002). *Organisational Culture: Mapping the Terrain*. Thousand Oaks, CA: Sage Publications. http://doi.org/10.4135/9781483328478.

Maslow, A. H. (1943). A Theory of Human Motivation. *Psychological Review*, *50*(4), 370–396. http://doi.org/10.1037/h0054346.

Masuch, M. (1985). Vicious circles in organisations. *Administrative Science Quarterly*, 14–33.

Mathews, K. M., White, M. C., & Long, R. G. (1999). Why study the complexity sciences in the social sciences? *Human Relations*, *52*(4), 439–462.

Maturana, H. R., & Varela, F. J. (1987). *The tree of knowledge: The biological roots of human understanding.* New Science Library/Shambhala Publications.

Maxwell, J. A. (2012). *Qualitative research design: An interactive approach* (Vol. 41). Sage publications.

McKelvey, B. (1999a). Avoiding Complexity Catastrophe in Coevolutionary Pockets: Strategies for Rugged Landscapes. *Organisation Science*, *10*(3), 294–321. http://doi.org/10.1287/orsc.10.3.294.

McKelvey, B. (1999b). Complexity theory in organisation science: Seizing the promise or becoming a fad? *Emergence*, *1*(1), 5–32.

McKelvey, B., & Boisot, M. (2009). Redefining Strategic Foresight: 'Fast' and 'Far' Sight via Complexity Science. *Handbook of research on strategy and foresight*, 15-47.

Mead, G. H. (1938). The philosophy of the act (CW Morris, Ed.). Chicago: University of Chicago Press.

Meadows, D. H. (2008). *Thinking in systems: A primer*. chelsea green publishing.

Meglino, B. M., & Ravlin, E. C. (1998). Individual Values in Organisations: Concepts , Controversies , and Research. *Journal of Management*, *24*(3), 351–389. http://doi.org/10.1177/014920639802400304.

Merali, Y., & Allen, P. (2011). Complexity and systems thinking. *The SAGE Handbook of Complexity and Management*, 31–52.

Metcalf, L., & Benn, S. (2012). The Corporation is Ailing Social Technology: Creating a "Fit for Purpose" Design for Sustainability. *Journal of Business Ethics*, *111*(2), 195–210. http://doi.org/10.1007/s10551-012-1201-1.

Miles, M. B., & Huberman, A. M. (2006). *Qualitative data analysis: An expanded sourcebook* (3rd ed.). Sage Publications Sage CA: Thousand Oaks, CA.

Mingers, J. (1995). *Self-Producing Systems: Implications and Applications of Autopoiesis*. *Contemporary Systems Thinking*. Springer Science & Business Media. http://doi.org/10.1007/978-1-4899-1022-6 ISBN.

Mingers, J., & White, L. (2009). Working Paper Series A Review of the Recent Contribution of Systems Thinking to Management Science, *7595*(197), 1–50.

Mingers, J., & White, L. (2010). A review of the recent contribution of systems thinking to operational research and management science. *European Journal of Operational Research*, *207*(3), 1147–1161.

Mintzberg, H. (1994). The fall and rise of strategic planning. *Harvard Business Review*, (January-February), 107–114.

Mol, E. a P. (2011). The Values-Based Organisation : How Ethical Leadership Affects Work-Related Outcomes, (August), 1–62.

Morel, B., & Ramanujam, R. (1999). Through the Looking Glass of Complexity: The Dynamics of Organisations as Adaptive and Evolving Systems. *Organisation Science*, *10*(3), 278–293. http://doi.org/10.1287/orsc.10.3.278.

Morrison, H., & Mujtaba, B. G. (2010). Strategic philanthropy and maximization of shareholder investment through ethical and values-based leadership in a post Enron/Anderson debacle. *Journal of Business Studies Quarterly*, *1*(4), 94–109. Retrieved from http://jbsq.org/wp-content/uploads/2010/10/JBSQ_4G.pdf.

Mowles, C. (2008). Values in international development organisations: Negotiating non-negotiables. *Development in Practice*, *18*(1), 5–16. http://doi.org/10.1080/09614520701778306.

Mowles, C., Stacey, R., & Griffin, D. (2008). What contribution can insights from the complexity sciences make to the theory and practice of development management? *Journal of International Development*, *20*(6), 804–820.

MrPrice. (2015). Mr Price Integrated Report.

Murphy, J., Rhodes, M. L., Meek, J. W., & Denyer, D. (2017). Managing the entanglement: complexity leadership in public sector systems. *Public Administration Review*, *77*(5), 692–704.

Naidu, K. (2018). The Role of Consciousness in Organisations (Part I). *Journal of Consciousness Exploration & Research*, *9*(6).

Nierenberg, R. (1999). *Music for Money*. *BBC TV*.

Nohria, N., & Ghoshal, S. (1994). Differentiated Fit and Shared Values: Alternatives for Managing Headquarters-Subsidiary Relations. *Strategic Management Journal*, *15*(6), 491–502. http://doi.org/10.2307/2486763.

Norton, B. G. (1994). *Toward unity among environmentalists*. Oxford University Press.

O'Reilly, C. A., & Chatman, J. A. (1996). Culture as social control: Corporations, cults, and commitment.

O'Reilly, C. A., Chatman, J., & Caldwell, D. F. (1991). People and organisational culture: A profile comparison approach to assessing person-organisation fit. *Academy of Management Journal*, *34*(3), 487–516.

O'Toole, J. (2008). Notes toward a definition of values-based leadership. *The Journal of Values-Based Leadership*, *1*(1), 10.

OECD. (2017). Economic Surveys South Africa.

Osborn, R., Hunt, J., & Jauch, L. (2002). Toward a contextual theory of leadership. *The Leadership Quarterly*.

Ouchi, W. (1981). Theory Z: How American business can meet the Japanese challenge. *Business Horizons*, *24*(6), 82–83.

Painter-Morland, M. (2008). Systemic leadership and the emergence of ethical responsiveness. *Journal of Business Ethics*, *82*(2), 509–524. http://doi.org/10.1007/s10551-008-9900-3.

Pandey, A., & Gupta, R. K. (2008). A perspective of collective consciousness of business organisations. *Journal of Business Ethics*, *80*(4), 889–898. http://doi.org/10.1007/s10551-007-9475-4.

Peirce, C. S., Hartshorne, C., & Weiss, P. (1931). *Collected papers of Charles Sanders Peirce. Vol. 1, Principles of philosophy*. Belknap Press of Harvard University Press.

Perkins, D. (2003). King Arthur's round table: How collaborative conversations create smart organisations. John Wiley & Sons.

Peteraf, M. A. (1993). The cornerstones of competitive advantage: a resource-based view. *Strategic Management Journal*, *14*(3), 179–191.

Peters, T. J., & Waterman, R. H. (1982). In search of excellence: Lessons from America's best-run companies. *New York: Warner*.

Pfeffer, J., & Salancik, G. R. (1978). The external control of organisations: A resource dependence approach. *NY: Harper and Row Publishers*.

Pidd, M. (2004). Complementarity in systems modelling. *Systems Modelling: Theory and Practice*, *1*, 20.

Pinto Leis, R., Vargas, L. M., & Baets, W. (2008). Evidências empíricas do impacto das capacidades organizacionais de conhecimento no desempenho organizacional de redes interorganizacionais. In *The 5th CONTECSI – International Conference on Information Systems and Technology Management*. São Paulo.

Plowman, D. A., Baker, L. T., Beck, T. E., Kulkarni, M., Solansky, S. T., & Travis, D. V. (2007). Radical change accidentally: The emergence and amplification of small change. *Academy of Management Journal*, *50*(3), 515–543. http://doi.org/10.5465/AMJ.2007.25525647.

Porter, M. E. (1985). Competitive advantage: creating and sustaining superior performance. 1985. *New York: FreePress*, *43*, 214.

Porter, M. E., & Kramer, M. R. (2011). The big idea: Creating shared value.

Posner, B. Z. (2010). Another Look at the Impact of Personal and Organisational Values Congruency. *Journal of Business Ethics*, *97*(4), 535–541. http://doi.org/10.1007/s10551-010-0530-1.

Prigogine, I., & Stengers, I. (1997). *The end of certainty [Order Out of Chaos]*. New York: Free Press.

Promozione, V. (2013). Overview of the South African Retail Market.

Pruzan, P. (1998). From control to values-based management and accountability. *Journal of Business Ethics*, *17*(13), 1379–1394. http://doi.org/10.1023/a:1006079110633.

Pruzan, P. (2001). The Question of Organisational Consciousness : Can Organisations Have Values , Virtues and Visions ? 1. *Journal of Business Ethics*, *29*(3), 271–284. http://doi.org/10.2307/25074460.

Purser, R. E., Park, C., & Montuori, A. (1995). Limits to Anthropocentrism: Toward an Ecocentric Organisation Paradigm? *The Academy of Management Review*, *20*(4), 1053. http://doi.org/10.2307/258965.

PWC. (2012). South African retail and consumer product outlook 2012-2016.

PWC. (2016). So much in store: Prospects in the retail and consumer goods sector in ten sub-Saharan countries.

Rabin, M. (1998). Psychology and economics. *Journal of Economic Literature*, *36*(1), 11–46.

Ragin, C. C., & Becker, H. S. (1992). *What is a case?: exploring the foundations of social inquiry*. Cambridge university press.

Ramarajan, L., & Reid, E. (2013). Shattering the myth of separate worlds: Negotiating nonwork identities at work. *Academy of Management Review*, *38*(4), 621–644.

Reilly, A. H., & Ehlinger, S. (2007). Choosing a values-based leader: An experiential exercise. *Journal of Management Education*, *31*(2), 245–262.

Richards, L., & Morse, J. M. (2007). Readme first for an introduction to qualitative methods. Newbury Park, CA: Sage.

Ries, E. (2011). The lean startup: How today's entrepreneurs use continuous innovation to create radically successful businesses. Crown Books.

Roe, R., & Ester, P. (1999). Values and Word: Empirical Findings and Theoretical Perspective. *Applied Psychology: An International Review*, *48*(1), 1–21. http://doi.org/10.1111/j.1464-0597.1999.tb00046.x.

Rohan, M. J. (2000). A Rose by Any Name ? The Values Construct. *Personality and Social Psychology Review*, *4*(3), 255–277.

Rokeach, M. (1979). From individual to institutional values: With special reference to the values of science. *Understanding Human Values*, *47*, 70.

Rosenhead, J. (1998). Complexity theory and management practice. *Science as Culture*, *19*.

Rubin, H. J., & Rubin, I. S. (2011). Qualitative interviewing: The art of hearing data. Sage.

Sai Manohar, S., & Pandit, S. R. (2013). Core Values and Beliefs: A Study of Leading Innovative Organisations. *Journal of Business Ethics*, *125*(4), 667–680. http://doi.org/10.1007/s10551-013-1926-5.

Saldaña, J. (2015). The coding manual for qualitative researchers. Sage.

Schein, E. (2007). Organisational Culture and Leadership Organisational Culture and Leadership. Culture (3rd ed.). San Francisco: Jossey-Bass.

Schein, E. H. (1985). Organisational culture and leadership: A dynamic view. *San Francisco*.

Schneider, M., & Somers, M. (2006). Organisations as complex adaptive systems: Implications of Complexity Theory for leadership research. *Leadership Quarterly*, *17*(4), 351–365. http://doi.org/10.1016/j.leaqua.2006.04.006.

Schreyögg, G., & Sydow, J. (2010). CROSSROADS—Organizing for Fluidity? Dilemmas of New Organisational Forms. *Organisation Science*, *21*(6), 1251–1262. http://doi.org/10.1287/orsc.1100.0561.

Schroeder, M. (2016). Value Theory. In *Stanford Encyclopedia of Philosophy* (Fall 2016). Metaphysics Research Lab, Stanford University.

Schwartz, S. H. (1994). Are There Universal Aspects in the Structure and Contents of Human Values? *Journal of Social Issues*, *50*(4), 19–45. http://doi.org/10.1111/j.1540-4560.1994.tb01196.x.

Schwartz, S. H. (1999). A theory of cultural values and some implications for work. *Applied Psychology*, *48*(1), 23–47.

Schwartz, S. H. (2006). Article Basic Human Values.

Schwartz, S. H., & Bilsky, W. (1990). Toward a theory of the universal content and structure of values:extensions and cross -cultural replications. Journal of Personality and. *Social Psychology*, *58*(5), 878–893.

Scott, W. R. (1998). *Organisations: Natural, rational and open systems*. Upper Saddle River, NJ: Prentice-Hall.

Scott, W. R., & Davis, G. F. (2015). Organisations and organizing: Rational, natural and open systems perspectives. Routledge.

Selznick, P. (1957). Leadership in administration: A sociological interpretation. Berkeley.

Senge, P. (1990). The fifth discipline: The art and science of the learning organisation. *New York: Currency Doubleday*.

Senge, P. M. (2010). *Die fünfte Disziplin*.

Sharma, S., & Vredenburg, H. (1998). Proactive corporate environmental strategy and the development of competitively valuable organisational capabilities. *Strategic Management Journal*, *19*(8), 729–753. http://doi.org/10.1002/(SICI)1097-0266(199808)19:8<729::AID-SMJ967>3.3.CO;2-W

Siggelkow, N. (2007). Persuasion with case studies. *Academy of Management Journal*, *50*(1), 20–24. http://doi.org/10.5465/AMJ.2007.24160882.

Spitzeck, H., & Hansen, E. G. (2010). Stakeholder governance: How stakeholders influence corporate decision making. *Corporate Governance*, *10*(4), 378–391. http://doi.org/10.1108/14720701011069623.

Stacey, R. D. (1996). *Complexity and creativity in organisations*. Berrett-Koehler Publishers.

Stacey, R. D. (2007). Strategic management and organisational dynamics: The challenge of complexity to ways of thinking about organisations. Pearson education.

Stackman, R. W., Pinder, C. C., & Connor, P. E. (2000). Values lost: Redirecting research on values in the workplace. *Handbook of Organisational Culture and Climate*, 37–54.

Stacy, R. D. (2000). Strategic management and organisational dynamics: The Challenge of Complexity. Prentice Hall.

Starik, M., & Kanashiro, P. (2013). Toward a Theory of Sustainability Management: Uncovering and Integrating the Nearly Obvious. *Organisation and Environment*, *26*(1), 7–30. http://doi.org/10.1177/1086026612474958.

Starik, M., & Rands, G. P. (1995). Weaving an Integrated Web: Multilevel and Multisystem Perspectives of Ecologically Sustainable Organisations. *Academy of Management Review*, *20*(4), 908–935. http://doi.org/10.5465/AMR.1995.9512280025.

Stavru, S. (2013). What do we know about Organisational Values ? – A Systematic Review.

Sterman, J. D. (2001). System dynamics modeling: tools for learning in a complex world. *California Management Review*, *43*(4), 8–25.

Stevenson, B. W. (2012). Developing An Awareness And Understanding Of Self-Organisation As It Relates To Organisational Development And Leadership Issues. *Emergence: Complexity & Organisation*, *14*(2).

Stone, D. (1999). Understanding Accounting, In your own words.

Suddaby, R. (2006). From the editors: What grounded theory is not. Academy of Management Briarcliff Manor, NY 10510.

Sundaram, A. K., & Inkpen, A. C. (2004). The corporate objective revisited. *Organisation Science*, *15*(3), 350–363.

Taylor, W. F. (1910). The principles of Scientific Management. Harper.

The Broll Report 2014/2015. (2015).

Tourish, D. (2018). Is complexity leadership theory complex enough? A critical appraisal, some modifications and suggestions for further research. *Organisation Studies*.

Troncale, L. (2006). ResearchArticle Towards a Science of Systems. *Systems Research and Behavioral Science*, *321*(3), 301–321.

Tsoukas, H. (1998). Introduction: chaos, complexity and organisation theory. Sage Publications Sage CA: Thousand Oaks, CA.

Tsoukas, H., & Hatch, M. J. (2001). Complex thinking , complex practice : The case for a narrative approach to organisational complexity. *Human Relations*, *54*(8), 979–1013.

Uhl-Bien, M. (2008). *Complexity Leadership*. *Leadership Horizons*. Charlotte NC. http://doi.org/10.1016/j.orgdyn.2016.12.001.

Uhl-Bien, M., Marion, R., & McKelvey, B. (2007). Complexity Leadership Theory: Shifting leadership from the industrial age to the knowledge era. *Leadership Quarterly*, *18*(4), 298–318. http://doi.org/10.1016/j.leaqua.2007.04.002.

UNCTAD. (2014). Trade and Development Report. Geneva.

Values. (2011). In *Oxford English Dictionary* (3rd Edition). Oxford University Press. Retrieved from http://www.oed.com/view/Entry/221253.

Van de Ven, A. H. (2006). Engaged Scholarship: Creating Knowledge for Science and Practice. In *Engaged Scholarship* (p. 41).

Varela, F. G., Maturana, H. R., & Uribe, R. (1974). Autopoiesis: the organisation of living systems, its characterization and a model. *Biosystems*, *5*(4), 187–196.

Viinamäki, O.-P. (2012). Why Leaders Fail in Introducing Values-Based Leadership? An Elaboration of Feasible Steps, Challenges, and Suggestions for Practitioners. *International Journal of Business and Management*, *7*(9), 28–39. http://doi.org/10.5539/ijbm.v7n9p28.

Vinkhuyzen, O. M., & Karlsson-Vinkhuyzen, S. I. (2014). The role of moral leadership for sustainable production and consumption. *Journal of Cleaner Production*, *63*, 102–113. http://doi.org/10.1016/j.jclepro.2013.06.045.

Von Bertalanffy, L. (1968). General system theory. *New York*, *41973*(1968), 40.

Walker, B., Salt, D., & Reid, W. (2006). Resilience thinking: sustaining people and ecosystems in a changing world. Washington DC: Island Press.

Wang, H., Tong, L., Takeuchi, R., & George, G. (2016). Corporate social responsibility: An overview and new research directions: Thematic issue on corporate social responsibility. Academy of Management Briarcliff Manor, NY.

Warfield, J. N. (2003). A proposal for systems science. Systems Research and Behavioral Science: The Official Journal of the International Federation for Systems Research, 20(6), 507–520.

Weber, M. (1947). The Theory of Social and Economic Organisation. AM Henderson and Talcott Parsons (New York, 1947). Simon and Schuster.

Wheatley, M. J. (1994). *Leadership and the new science*. San Francisco: Berrett-Koehler.

Whetten, D. A. (2006). Albert and Whetten revisited: Strengthening the concept of organisational identity. *Journal of Management Inquiry*, *15*(3), 219–234.

Whiteman, G., Walker, B., & Perego, P. (2013). Planetary Boundaries: Ecological Foundations for Corporate Sustainability. *Journal of Management Studies*, *50*(2), 307–336. http://doi.org/10.1111/j.1467-6486.2012.01073.x.

Wiek, A., Withycombe, L., & Redman, C. L. (2011). Key competencies in sustainability: A reference framework for academic program development. *Sustainability Science*, *6*(2), 203–218. http://doi.org/10.1007/s11625-011-0132-6.

Wiener, N. (1954). Cybernetics in history. Theorizing in Communication: Readings across Traditions, 267–273.

Wiener, Y. (1988). Forms of value systems: Focus on organisational effectiveness and cultural change and maintenance. *Academy of Management Review*, *13*(4), 534–545.

Wilber, K. (1995). Sex, Ecology, Spirituality: The Spirit of Evolution. Shambhala Publications.

Wilber, K. (2000). Integral psychology: Consciousness, spirit, psychology, therapy. Shambhala Publications.

Williams, A., Kennedy, S., Philipp, F., & Whiteman, G. (2017). Systems thinking: A review of sustainability management research. *Journal of Cleaner Production*, *148*, 866–881.

Williamson, O. E. (1979). Transaction-cost economics: the governance of contractual relations. *The Journal of Law and Economics*, *22*(2), 233–261.

Wren, D. A., Ross, D., Emeritus, B., Bass, H. W., History, B., Bedeian, A. G., & Breeze, J. D. (2012). The foundations of Henri Fayol ' s administrative theory. *Management Decision*, *40*(9), 906–918. http://doi.org/10.1108/0025174021044110.

Yin, R. K. (1994). Case study: design and methods. *Newbury Park, Sage Publications*.

Youngblood, M. D. (2000). Winning cultures for the new economy. *Strategy & Leadership*, *28*(6), 4–9. http://doi.org/10.1108/10878570010380002.

Yukl, G. (2001). Leadership in Organisations. In *Leadership in Organisations*. Prentice Hall.

Zammuto, R. F., Gifford, B., & Goodman, E. A. (2000). Managerial ideologies, organisation culture and the outcomes of innovation: A competing values perspective. *Handbook of Organisational Culture and Climate*, 261–278.