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EMPOWERING LEADERSHIP: EMBRACING ENDOGENOUS DYNAMICS

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Abstract

Purpose: The article introduces the kind of leadership that fosters bottom-up dynamics, empowering people, groups, teams and societies.

Approach: It is documented through literature analysis and case studies.

Findings: That this approach, called Empowering Leadership, can achieve success in business and, in the case of social entrepreneurship, a significant social impact. After reviewing the existing definitions of leadership, the complexity theory is delineated, with twelve core attributes defined. Next, case studies demonstrating a new kind of leadership enabling endogenous dynamics both in in the social arena as well as in business are presented and analyzed from the perspective of the complexity theory. Finally, a definition of Empowering Leadership is delineated.

Implications: The presented Empowering Leadership is becoming critical in the growing world of multiplicity and unpredictability. It also enables achieving high impact though low investments. The paper is introducing ways of implementing presented Empowering Leadership in practice through building pre-conditions for the process of empowerment. The article concludes with a review of possible future areas of research.

Value: The paper brings and in-depth analysis of the bottom-up approach to leadership with the premise of complexity theory, demonstrating that Empowering Leadership is focused on building preconditions for endogenous dynamics, rather than driving change from the top.

Keywords: leadership, complexity, social entrepreneurship, social change, social capital, empowerment

Paper type: Conceptual paper

1. Introduction

Some leaders encourage bottom-up processes that result in seemingly chaotic interactions but ultimately deliver success. This happens often with social entrepreneurs, i.e., individuals who are addressing pressing but seemingly insurmountable social problems and, even so, achieving an immense and durable impact with modest investment (Bornstein, 1998; Kouzes and Posner, 2008; Praszkier and Nowak, 2012). It was found that they pursue change by facilitating

a bottom-up process that empowers people, communities and societies; they find success by building and augmenting social capital (Praszkier and Nowak, 2012; Zablocka and Praszkier, 2012). Moreover, it was observed that this process leads to new (emergent) entities on a higher level, through interactions between agents on a lower level (dynamics that suggest *complexity theory* might be a suitable theoretical framework (Uhl-Bien and Russ, 2007; Uhl-Bien et al., 2007; Stacey, 2007). Two of these social entrepreneurs were even awarded the Nobel Peace Prize: Mohammad Yunus in 2006 (banking for the poor and microcredits [1]) and Kailash Satyarthi in 2014 (global movement against child labor [2]).

Similarly, we noticed opportunities for bottom-up processes while observing the business arena. Take for example R. Semler, leader of the multibillion-dollar Brazilian company Semco [3]. Semler said, "The purpose of work is not to make money. The purpose of work is to make the workers feel good about life". He introduced a working environment with no job titles, no written policies, no HR department, not even a headquarters. All employees are "associates" who vote for their managers, evaluate them, and publicly post their evaluations. Meetings are voluntary, and two seats on the board are open to the first employees who show up (Maresco and York, 2005; Zakomurnaya, 2007 [4]). With its unusual management style, annual revenue of more than $240 million and more than 3.000 workers, Semco is a company whose success is undeniably intriguing.

When we looked at Semco and the company Morning Star, the largest tomato processor on the planet with 400 full-time employees producing over $700 million a year in revenues, where no one has a boss, there are no titles and no promotions, employees negotiate responsibilities with their peers, and compensation decisions are peer-based (Hamel, 2011; Wartzman, 2012), we found certain similarities in leadership style.

We identified several characteristics of the kind of leadership that, operating in a complex environment, is initiating *endogenous processes* that empower individuals while harnessing bottom-up dynamics. These companies enable a blend of diverse causations, especially through *upward* (Tourish and Robson, 2003; Tourish, 2005) and *horizontal* communication (Talbot, 2004). They're introducing leadership as a collective practice (*leaderful organizations*, Raelin, 2003; 2011), and creating a culture of *distributed* (Gronn, 2002; Bolden, 2011) or *shared* (Carson et al., 2007) leadership.

We will document, through literature analysis and case studies, that these kinds of leaders are focused more on building preconditions for the change to become endogenous than on controlling the flow of activity. This approach, called Empowering Leadership (Ahearne et al., 2005; Arnold et al., 2000), is characterized by efforts to engage, endow and empower people ("associates") to take co-responsibility and co-ownership. It seems aligned with a saying attributed to Senge [5], which asserts that the way to success is to activate the self-energizing

commitment and energy of people around changes that they deeply care about (Senge, 1999).

The departure point will be an overview of traditional leadership definitions and styles. Next, we will characterize the phenomenon of complexity, and its twelve pivotal dimensions, followed by three diverse case studies. This will lead to a delineation of the Empowering Leadership style, which is based on endogenous processes, and to four exemplary preconditions that engender endogenous change. Finally, we will reflect on the potential areas for future research.

2. Traditional delineation of leadership

2.1. Definitions

In the 20th Century the understanding of the role of the leaders was that they should have an ability to get participants in an organization to focus their attention on the problems that the leader considers significant (Cyert, 1990). Leadership was perceived as a process of arranging a situation so that various members of a group, including the leader, can achieve common goals with maximum economy and a minimum of time and work (Bellows, 1959). Also leadership was delineated as a influence relationship among leaders and followers who intend real changes that reflect their mutual purposes (Rost, 1993).

The more contemporary way of defining leadership is as "a *process* of *social influence*, in which one person can enlist the aid and support of others in the accomplishment of a common task" (Chemers, 2000); see also: Hersey et al., 2001; Northouse, 2010; Kruse, 2013.

A different approach delineates leadership as a process of creating a way for people to contribute to making something extraordinary happen (Kouzes and Posner, 2008). Firstly, by describing the process as one of "creating a way for people to contribute", rather than "influencing", these authors open the avenue for bottom-up processes. Secondly, they suggest that the purpose isn't simply to achieve a task but to "make something extraordinary to happen". This dynamic characterization is the gateway for our complexity-based definition of leadership. We will develop this definition further after introducing the concept of complex systems and reviewing the case studies.

2.2. Kinds of Leadership

Typically, we recognize three basic leadership styles (Lewin et al., 1939; Macionis, 2010):

- *Autocratic* or *authoritarian*: The leader makes decisions without consulting others; this style is probably the best match when high-level coordination with no space for debate is needed, e.g., in emergency, conflict or war.

- *Participative* or *democratic*: The leader includes and involves others in decision-making, although the process for making the final decision may range from an autocratic approach to deciding by consensus (applicable to most situations in business, education, social sector, parenting, etc.).
- *Laissez-faire*: minimal or no involvement of leader; this is seen as the most feeble style, though it's proved efficient in some exceptional situations related to therapy, e.g., the Summerhill school for problem children (Neil, 1977).

More recently, the first two were modified and the three styles of leadership were delineated as follows (Bono and Judge, 2003; Burns, 2003; Judge and Piccolo, 2004; Bass and Riggio, 2006):

- *Transactional* leaders elicit cooperation by establishing exchanges with followers and then monitoring the relationship; this may be a fit for production or short-term involvement.
- *Transformational* leaders garner support by inspiring followers to identify with a vision that reaches beyond their own immediate self-interest. They stimulate and inspire followers to achieve extraordinary outcomes and, in the process, develop their own leadership capacities; this is important in situations where the inspirational leader involves the employees in new ideas, e.g., business restructuring and the political arena. It was recently documented that transformational leaders create a psychological climate for organizational change readiness and organizational creativity (Allen et al., 2013).
- *Laissez-faire* is the avoidance or absence of leadership and is, by definition, most passive. According to nearly all researchers, it usually is the most ineffective style; Bass and Riggio, 2006); as mentioned, it may be applicable to some exceptional situations, e.g., therapy.

Where leadership exists, these traditional methods require leaders to continuously maintain their dominant position. More than that, some situations require the leader to be *charismatic*, gathering followers by dint of personality and charm (Conger and Kanungo, 1998). In the consideration of others, some assert that it's important to develop leadership in those "below" (Bass and Riggio, 2006), though this statement indicates that a structure in which there are those "above" and "below" exists and that, presumably, newly developed leaders will replicate the "below-above" structure as well.

3. Chaos into order: Complex Systems Characteristics

3.1. Enabling bottom-up processes

This traditional delineation of leadership seems embedded in a top-down model where the leader, in various ways, is a source of inspiration or control or

both. This approach doesn't cover cases in which the leader enables seemingly chaotic, bottom-up processes that are based, on the one hand, on individual potential and instilling a process of co-creation, and on the other hand, on successfully addressing unpredictability. We should consider a broader, more dynamic and more interactive process (Uhl-Bien and Marion, 2007), from which adaptive outcomes, e.g., learning, innovation and adaptability, emerge (Uhl-Bien et al., 2007) a non-linear kind of leadership, by which leaders dare to venture through chaos and unpredictability in order to grow successful businesses in unpredictable, chaotic and changing times (Collins and Hansen, 2011).

We need leaders able to harness chaos and succeed in complex environments.

What does "complex" mean in this context? It's worth taking a closer look at the cardinal characteristics of the term, in part because "complex" is often considered synonymous with "complicated" or "many elements," though it describes something completely different, as we will show.

3.2. Understanding complexity

Generally, complexity theory is defined as any of the various branches of mathematics, physics, computer science and other fields concerned with the emergence of order and structure in complex and apparently chaotic systems [6]. The narrowed definition fitting the business and social arena is that complexity science is the study of the phenomena that emerge from a collection of interacting objects (Johnson, 2009); this definition has several implications.

Firstly, a *collection of interacting objects* exists, as opposed to an orderly top-down structure. Secondly, certain phenomena emerge from these interactions. In other words, the results come from *upward causation*, instead of traditional downward flow. Thirdly, there is a discontinuous momentum of *emergence*, where a new phenomenon emerges on a higher level, caused by the interactions of elements on a lower level. Fourthly, "the emergent phenomena" typically arise in the "*absence of any sort of invisible hand or 'central controller'*" (Johnson, 2009). While it's already clear that facilitating such a process requires a completely different approach to leadership, it will be more obvious after we've had a closer look at complexity dynamics.

So understood complexity science relates both to inanimate matter as well as to animals, people, groups and societies. Consider for example how a pile of sand takes shape. As grains of sand are spilled on top of one another, the pile "automatically" forms a conical shape, which is our "emergent entity". New sand, even if spilled on the top in a chaotic way, slides down, building up the shape of a cone. The elegant sand cone is an emergent phenomenon that appears out of the interactions between grains of sand and gravity (Bedau and Humphreys, 2008).

Within the well-observed world of animals, collective behavior, e.g., intelligent swarms or v-shaped flocks of birds, often emerges from a set of simple rules for

causing the interaction between neighbors (Fisher, 2009). The complex, adaptive and efficient swarm is, in our understanding, the emergent phenomenon, which, "in the absence of any sort of invisible hand or central controller", appears out of chaotic interactions between, for example, ants.

This example reveals the fifth component of complexity: the power of *simple rules*. Many highly complex phenomena, such as self-organization and pattern formation, which are observed at the level of the system, can be explained by simple rules. Such simple rules, for example, can reproduce the shapes of plants and shells, which can be produced by the simple rules of interaction of nearby cells (Meinhart, 2003; Wolfram, 2002). Simple rules are thus the core of complexity theory (Waldrop, 1992; Holland, 1999; Kaufman, 1995; Johnson, 2002).

Complex properties that emerge from simple rules have been observed in cognitive (Port and Van Gelder, 1995) and social psychology (Nowak and Vallacher, 1998a, 1998b; Vallacher et al., 2002), as well as in the fields of sociology, political science (Jervis, 1998) and economics (Arthur, 1999).

This seems important for future leaders. To run complex processes one needs only simple rules. More than that, complicated rules may hinder the flow of necessary activity. Let's take the example of applause after a concert. If a leader wanted to organize clapping in unison, she or he could either impose a complicated procedure of top-down control (sections managed by section-officers who control whether everyone is clapping rhythmically, following a predetermined script) or enable a self-directed activity. However, without direction, the applause automatically becomes synchronized into rhythmic beats created by people adjusting their clapping to each other's. In the first case the rules and structures are complicated and lead to a total disorder, especially given the short timeframe. The rules controlling the latter are simple: be empathetic and synchronize with your neighbors (Praszkier, 2014). In seconds the entire audience finds and maintains its synchronized rhythm.

Clapping in unison appears abruptly after a few first trials; in seconds the new harmonious order emerges out of total disorder. This indicates yet another, sixth lead to understanding complexity: It takes into account *discontinuous* processes with sudden jumps from one state to another, similar to the phenomenon of *phase transitions* in physics (Nowak and Vallacher, 2005; Johnson, 2002; Érdi, 2008), as when water, at a temperature of 212ºF, transforms into gas or, at 32ºF, into ice.

One other (seventh) reflection drawn from these complexity examples is that *chaos may be the source of a new order* (Fisher, 2006; Érdi, 2008; Mitchel, 2009; Johnson, 2002; Strogatz, 2003) and, as such, may have a positive connotation. The chaotic sprinkling of sand turns into a perfect sand-cone; ants' anarchy transitions into a perfect swarm; initial audience disarray transforms into an ideal rhythm, etc. Chaos, previously understood as a threat, becomes a "primordial soup" of emerging bubbles of a new order. This is quite a challenge for future leaders:

to accept and harness chaos into order (see: Axelrod and Cohen, 2000; Eoyang and Holladay, 2013) and, in that way, to master *chaordic* [7] processes, which in business may mean, for example, unstructured interactions between employees.

One caveat: Not all chaos situations may become hotbeds for new-order creation, as sometimes the system may also drift into destruction. This bifurcation—chaos-into-order or chaos-into-destruction—is apparently determined by some specific control parameters. In the case of the sand cone, an example of a precondition could be the absence of wind. In the case of a business, it could be an attractive vision, trust in the team, or belief that the procedures hold promise for market success. In the case of the social field, some necessary preconditions may relate to passion and commitment to the mission and, as we found in our research, social capital (see the section "Preconditions for Empowering Leadership" below).

Let's consider one more chaos-into-order example: a chaotic and noisy group of birds, suddenly taking off, forming an elegant v-shaped flock and flying in that emergent order for thousands of miles. Chaos is not the only challenge; *unpredictability* (the eighth element of complexity) is also a factor. You can never predict exactly when the flock will take flight nor in what order will the birds take off from the tree. Another example is a disadvantaged, underfinanced community. At some point a group of young scouts starts cleaning the streets. Perhaps someone designates a clean space for a kindergarten, other young adults plan a baseball square, a group of women form a choir, and others open a gym. All those initiatives are isolated and chaotic. Eventually, the activists involved might consider ways to form a more nurturing and safer environment. Scout leaders might meet with the kindergarten principal and the baseball coach, inviting also the choir director and the fitness advocates. Deliberating on how to increase the safety and quality of their neighborhood, they create a club, which in turn attracts many other dwellers to various community actions and also promotes this new approach to community enhancement. People organize themselves, setting new safety, health and prosperity rules. At some point the community becomes a neat, desirable location with skyrocketing housing prices. Through a feedback loop, this compels the dwellers to maintain higher standards, affecting their mindsets, as they begin to identify with their new status.

This blend of *upward, downward and horizontal causations* (the ninth complexity feature; see: Tourish, 2005; Talbot, 2004; Érdi, 2008; [---]), from unorganized interactions on the lower level to structural changes on the higher level that then have a reverse influence on the lower level, seems, indeed, unpredictable: When will the isolated activists put their heads together? How long will it take to transform a disaster area into an awesome community?

Unpredictability is especially apparent vis-à-vis the dynamics involved. Complexity is far from simply being A to B, B to C, and C to D planning. Rather,

it produces multiple *feedback loops* between A, B, and C (the tenth complexity characteristic; see: Miller and Page, 2007; Johnson, 2002). Those feedback loops may trigger an explosive chain of change, generating emergent and irreversible phenomena (similar to a sudden outburst of a new fashion or a disease).

Moreover, the environment of multiple feedback-loops may be prone to immense changes initiated by very *small impulses* (the eleventh trait of complexity). For example, inter-connected and inter-related people may become carriers of novelties that spread instantly, like a disease.

This is an important lead for future leaders. As with complexity, small impulses such as small investments may have an immense impact, while big changes, such as huge investments may produce minimal effect and may actually create jams.

Finally, most of the complex systems have their own characteristic equilibrium. In a natural way, over time, and independent of actions taken, the systems will have a tendency to drift back toward their initial state. This is called the *attractor* (the twelfth attribute of complexity), because it "attracts" the system (Vallacher and Nowak, 2007; Nowak and Vallacher, 1998a). Many actions that were successful in the short term fail in the long term. Because no matter what one does, the system tends to revert to its initial *attractor*. For example storms may repeatedly damage the anthill, yet the ants, without any control or driving force, will meticulously rebuild it. Within the social field short-term actions meant to enliven flagging communities often bring visible change only temporarily, as the embedded *attractor* eventually causes the community to revert to its initial state. Therefore, confronting the system's natural tendency usually fails. However, alternative paths stemming from complexity thinking are available, e.g., circumventing the conflict and building alternative attractors (Praszkier et al., 2010).

It's worth mentioning that the insight into complexity leadership started in the early 90s, when Waddock and Post (1991) noted that social entrepreneurs recognize the complexity of social problems and use their understanding to become catalysts in the change process—agents that engender significant changes with surprisingly limited resources.

The following case studies will illustrate how leaders used, often instinctively, complexity principles.

4. Case Studies: Empowering people

The case studies will be selected under the following criteria related to the definition of complexity:

- The subjects are freely (chaotically) interacting;
- There are upward causations, which, together with downward causations, form multiple feedback loops;
- From these interactions there emerges a new order or structures.

The three case studies below will represent diverse fields (social, social-business and business) and locations (Thailand, the Middle East and the U.S.). The first two cases are based upon the author's second-opinion interviews with candidates for the Fellowship of Ashoka, Innovators for the Public [8] Fellowship, and from the archives of Ashoka. The third is based on literature analysis.

Case study 1: Social

Wannakanok Pohitaedaoh [9], from Thailand's Deep South, an unrestful region facing frequent attacks by Muslim terrorists, was preoccupied with the growing number of child victims and orphans, often traumatized after seeing their family members killed. She was especially concerned that the victimized children, even if taken care of, remained disempowered and marginalized for life.

Thinking about the root causes she ruminated on bringing peace to the region. Her insight was that peace should be brought from within the community (*upward causation*), as the external conflict-resolution and peace-building initiatives (*downward causation*) usually failed or were short-lived. However, the predominantly Muslim community of the Deep South was passive, suffering atrocities in silence. She decided to make a U-turn and empower the orphan victims to become a strong taskforce campaigning for peace and civic engagement.

This insight gave her the enormous energy needed to empower, train and turn these children into peace and civic engagement ambassadors. The question, however, was, how should they do it? The answer was simple (*simple rules*): They should visit schools and tell their stories, which was also cathartic for them. They should visit victimized families and spend time sharing and supporting them. And they should publish and disseminate their objectives.

The next insight was that peace *per se* might not be sustainable without strong civic engagement in the stance against terror. The idea was to empower young ex-victims to participate in social and communal problem solving, setting the paradigm of civic engagement and demonstrating that the power is with the peace-oriented majority. Young people took action on many issues, such as building wells or roads, participating in local elections, solving local conflicts, etc. In that way they became role-models for the community, instigating and instilling civic activity (building an *alternative attractor*). The cumulative effect was an emergent social capital that engaged and empowered the community to stand up against the terrorists (often their own neighbors). This kind of peace process, based on bottom-up dynamics, is durable and sustainable, because it's supported by endogenous social capital.

With minimal financial investment, Wannakanok triggered a bottom-up movement (*upward causations*) with *multiple interactions on the lower level*, which turned into social capital and an *emergent* peace process on the higher level. Facilitating this process was, for Wannakanok, giving power to the others while

she stayed behind the scenes (*the absence of controller*). She was not pushing or pulling people, nor did she attract followers through her charisma; instead, she demonstrated acumen for building leverage points that made the process autocatalytic.

Case study 2: Social / Business

Social entrepreneur Dr. Yehudah Paz [10] is building bubbles of peace in the conflicted Middle East, where distrust is the standard attitude in cross-ethnic relationships (creating a negative *attractor*).

Many traditional, peace-oriented initiatives have failed, especially when confronting peace/conflict issues directly. For example, a conflict-resolution and peace-building group arrived at a Palestinian school in Israel to work on its planned initiative. The group's mission was "to promote peaceful coexistence among Muslims, Christians, and Jews in Israel and Palestine" exclusively through an intensive educational program in peace and conflict resolution. It soon became clear that this intervention evoked negative feelings and attitudes among the local Palestinians. Some complained that the interveners simply did not have sufficient understanding of their circumstances; others expressed the opinion that by making the Palestinians the focus of the program, the interveners were implying that they, the Palestinians, were the source of the problem. Resentments built, and the result was that the school authorities were forced to terminate the program long before its completion. The *old attractor* made the system revert to the initial conflict.

Yehuda Paz's dream was to empower the communities in poverty, so that Arab, Beduin and Jewish families (*interaction of elements on the lower level*) would join forces and contribute to economic development and, as a result, to peace (*emergent phenomenon*).

His core conviction was that mere conflict resolution is not enough, given that peace leaves a void, which is very often difficult to bear for people used to war, especially if they see no other prospects. Based on this philosophy, he is involving partners, especially women, drawn from clashing groups, in profitable joint business ventures. Israelis and Arabs have benefitted greatly by joining forces and cooperating in these ventures.

In 1998 Yehudah Paz created the Negev Institute for Strategies of Peace and Development (NISPED) [11], an incubator of local initiatives and small and medium-sized business enterprises (SMEs). Dr. Paz's ideas for joint ventures result in a peace imbued with new prospects based on trust, cooperation (*social capital*) and success. Not only are new enterprises blossoming, but a secondary effect (*emergent phenomenon*) is the empowerment of women—unlikely entrepreneurs who are building a new economy for their families and their community. The joint Israeli–Arab approach is reflected in the structure of Paz's organization, co-led by Bedouin and Israeli women. The emerging bubbles of trust and cooperation

have improved living standards and economic growth and, through *multiple interactions*, have become the core taskforce advocating for peace, because it fosters a better life. Finally, the co-operative model has made a fundamental contribution to peace-making initiatives (MacPherson and Paz, 2015).

Dr. Yehudah Paz introduced several *leverage points* for igniting the process of cooperation, exchanging of new business ideas, strategizing, and initiating educational initiatives. This gave power to the people and led them to identify with the new paradigm of mutual profits from sustaining peace. *Free interactions* and cooperation of agents on the lower level aggregated into an *emergent quality* on the higher level, i.e., into peace as a wanted, profitable, sustained and spreading phenomenon.

Case study 3: Business

Gore-Tex (W. L. Gore & Associates) is a $2.3 billion high-tech firm [12] founded by Bill Gore in 1958. Currently the company has 9.000 "employees" (known as "associates") located in 30 countries worldwide. Each division has fewer than 150 employees, eliminating the need for "the usual layers of middle and upper management, because in groups that small, informal, personal relationships are more effective" (Gladwell, 2002), having no management levels and no organization charts (Hegar, 2012).

Associates experience a lot of freedom, but also a lot more responsibility in terms of having to be self-driven and self-initiated. *Chaos* becomes part of the firm's culture: "Some days things are chaotic. You have teams coming together, storming and forming and building relationships", (*free interactions*) says one of the associates (see: Hamel, 2010a). Associates choose what commitments to make. Every associate is constantly thinking about being viewed as making a big contribution to the enterprise, so they're continually looking for opportunities that will leverage their strengths and that they're passionate about (Hamel, 2010a).

There are no traditional organizational charts, no chains of command, nor predetermined channels of communication. Instead, associates communicate directly with each other and are accountable to fellow-members. Teams organize around opportunities and leaders *emerge*. Associates are encouraged to innovate and team-up for pursuing innovations (*upward causation*). This unique corporate structure has proven to be a significant contributor to associate satisfaction and retention. Leaders may be appointed, but they're defined by "followership". Most often, they're elected from within their own team, not appointed from above (Reingold, 2007). They *emerge naturally*, by demonstrating special knowledge, skill or experience that advances a business objective [13]. The leader doesn't make individual decisions, but rather acts as the representative of the team (typically 10 people comprise a basic management unit). Information flows freely in all directions, and personal communication is the norm. Individuals and self-

managed teams go directly to anyone in the organization to get what they need to be successful (Hamel, 2010b).

From the perspective of complexity theory, the Gore management structure enables the "*collection of interacting objects*" to freely communicate with certain "*phenomena emerging*" from these interactions, i.e., novel products and market innovations. This all happens in the "*absence of any sort of 'invisible hand' or central controller*". Moreover, there are *simple rules* of interactions between associates, leading to impressive, complex achievements. *Chaos* is accepted and may be a gateway to a new order. The multiple, horizontal interactions, accompanied by a blend of *upward* and *downward causations* creating a variety of *feedback loops*, may yield new results in an often *unpredictable* way. Managed that way the Gore-Tex firm remains successful in the market and on the lists of best companies to work for and best managed companies (Gladwell, 2002). It was also selected as the third 2015 World's Best Multinational Workplace.

5. Empowering Leadership

Observing the leadership style in the aforementioned cases, we first note that it seems to epitomize what Lewin (2010) and Macionis (2010) have characterized as *participative* and *democratic* respectively. It involves people in decision-making and draws on the ideas of all members to develop creative solutions.

Also, following Kouzes and Posner (2008), this leadership style paves the way for something extraordinary to happen, though (1) it's aiming at durable processes, not only at one single extraordinary "thing" or event, and (2) it's more than "a way for people to contribute" it's enabling them to identify with the idea and take co-ownership of it.

5.1. Participative approach

Participative leadership is beneficial mainly because it improves the quality of decisions, through sharing and cooperation and leads participants to identify with and accept those decisions while simultaneously improving their skills (Yukl, 2012). As stated, a leader traditionally has been seen as someone who continuously maintains her or his dominant position. A different approach is introduced by Raelin (2003, 2005, 2011), who characterizes *leaderful organizations* as those in which everyone participates in the leadership, both collectively and concurrently (2011), and where "practice challenges the conventional view of leadership as 'being out in front'. It offers a true mutual model that transforms leadership from an individual property into a new paradigm that redefines leadership as collective practice" (2003; 2005). This new approach is also characterized as *shared*, i.e., the leadership is distributed among team members rather than being held by a single designated leader (Carson et al., 2007). shared leadership is a critical factor that can improve team performance from the viewpoint of customers or end users

of a team's work. a team does well when it relies on leadership provided by the team as a whole rather than looking to a single individual to lead it (Carson et al., 2007). The contemporary social network approach provides a conceptual framework and methodological tools to support a shared leadership perspective (Mayo et al., 2003). Similarly, the *distributed* leadership is characterized as an emergent property of a group or network of interacting individuals, open to shifting the boundaries of leadership and with varieties of expertise distributed across the many instead of the few (Bennett et al., 2003; Bolden, 2011). Gronn (2002) holds that as the conventional constructs of leadership have difficulty accommodating changes and new patterns of interdependence and coordination, distributed leadership have assumed prominence in educational circles and the public sector, de-monopolizing the idea of solo leadership and decentering 'the' leader (Gronn, 2009).

5.2. Empowering Leaders' Behavior

Certain behaviors lead to empowerment. Arnold et al. (2000) have identified five factors managers need in order to lead effectively in an empowered team environment. They are coaching, informing, leading by example, showing concern/interacting with the team, and participative decision making.

Some studies indicated that those who especially benefit from leaders' empowering behaviors are employees with little product/industry knowledge or experience (Ahearne et al., 2005). Other researchers found that empowering leadership generally enhances knowledge sharing and team efficacy, both positively related to performance (Srivastava et al., 2006). Similarly, de Klerk and Stander (2014) documented that empowering leaders' behavior supports work engagement through psychological empowerment and reduces turnover.

5.3. Defining Empowering Leadership

Further modifying Kouzes and Posner's definition, this kind of participative approach, called Empowering Leadership, could therefore be defined as a process of affranchising the capabilities of groups, communities or societies and enabling them to identify and take co-ownership of the idea, pursue it and make something extraordinary, i.e., a durable change-process, happen.

Taking into consideration the presented cases, also that endogenous leadership is much more efficient than exogenously imposed leadership (Rivas and Suttery, 2009), the main focus of this kind of leadership is setting up the process of change and launching endogenous, self-perpetuating dynamics. In other words: *harnessing complexity* [14] and facilitating the process of *chaos-into-order emergence*. It's worth mentioning that the idea of leadership based on harnessing chaos was introduced as early as the 1990s by Youngblood (1997), who predicted a new breed of companies thriving on chaos [15].

If a leader merely sets a path for the autocatalytic change process to occur, neither charisma nor high visibility is necessarily involved. The empowering kind of leader may even operate from behind the scenes, and it's the "associates" who, by identifying with the process of change, should become visible spokespersons of their success.

5.4. Preconditions for the empowering dynamics

It seems obvious that Empowering Leadership requires a specific approach and certain acumen. Moreover, building an environment that supports a chaos-to-order process (as opposed to chaos-to-destruction) requires specific initial conditions. In that way, EL is focused on building initial conditions for processes to become autocatalytic more than on controlling and facilitating resulting dynamics. From the aforementioned and many other cases [16] some core leads for practicing this kind of EL can be identified:

5.4.1. Precondition 1: "Complexity as a way of thinking" [17]

We are trained to think simplistically: A leads to B, B leads to C, org charts clearly delineate a team's structure, forming tidy boxes with arrows to illustrate hierarchy, etc. Entering the world of complexity we must completely change our approach, envisioning multiple formal and informal connections, hidden potentials, latent tendencies, leverage points for initiating the chain-of-change, ways of empowering others, etc.

It's a tall order to make such a drastic shift. To do so, we must be willing to predict how an idea could possibly evolve, avoiding simple causation. In the world of complexity it's much more about playing and considering various simulations than it is about linear A to B planning. It's important that simulations of future scenarios may be done not only virtually, e.g., Shelling's simulations (2006), but also in real life. This sort of "future theater" would, on the one hand, allow the team to experience possible consequences and consequences of those consequences (Rogers, 2003); on the other hand, it would serve as a powerful creativity-training, team-building and team-empowering technique.

However, perceiving chaos as a potential source of higher order is often limited by our culture, which trains us to avoid chaos, being understood as a source of disintegration and a synonym for "mess".

5.4.2. Precondition 2: Mastering social capital

The essential component for triggering the process of change through empowerment is building social capital. Social capital is considered to be a critical factor in the ability to sustain bottom-up mechanisms (Woolcock, 1998; Fredette and Bradshaw, 2012).

Trust, a pivotal variable for building social capital (Bourdieu, 2003; Coleman, 2000; Fukuyama, 1996), mutually reinforces societal development. Namely: Higher trust yields better results, which in turn raises the trust level and, in a feedback loop, influences further results (Putnam, 1993). Trust, and more general - social capital empowers people and societies to take matters into their own hands, becoming strong assets in the leadership arena (Brass, 2001).

Social capital becomes an important lever for business or social ventures: it influences career success (Burt, 1992; Podolny and Baron, 1997; Gabbay and Zuckerman, 1998), reduces turnover rates (Krackhardt and Hanson, 1993), facilitates entrepreneurship (Chong and Gibbons, 1997) and the formation of start-up companies (Walker et al., 1997). Moreover, social capital stimulates the intellectual capital and knowledge management (Glinska-Newes, 2014) and contributes to the Positive Organizations' Potential which, in turn, contributes to the development and higher performance (Haffer, 2013).

Not willing to be confronted by old attractors (seated around insurmountable, intractable problems), the new kind of Empowering Leaders usually find alternative attractors "somewhere else," and build social capital around those new attractors. This social capital becomes pivotal in creating a supportive environment for introducing and spreading change.

5.4.3. Precondition 3: Building a creativity-enabling milieu

Creativity, seen as the ability to generate ideas/artifacts that are new, surprising and valuable (Boden, 2004, 2013), or as the ability to generate and explore multiple solutions to a problem (Guilford, 1950; Runco, 2007), is a desirable lever, not only in business (Heunks, 1998) but also in the social arena (Drayton, 2002).

Businesses in today's Age of Ecosystems need to be creative. Firms need to constantly reinvent how they create, deliver and capture value, especially vis-à-vis the growing importance of increasing added value (Satell, 2014) [18]. Moreover, individuals whose work environments complemented the creative requirements of their jobs displayed higher job satisfaction and reduced intention to leave (Shalley et al., 2000). Research showed that leader–member exchange (LMX) was positively related to employees' Job satisfaction (Rowold et al., 2014) and feelings of energy; this, in turn, was related to a more creative approach to work (Atwater and Carmeli, 2009).

Focusing on novelty and creativity requires a radical shift of management thinking in the direction of complexity (Stacey, 2000). For example serendipity, an important aptitude for making desirable discoveries by accident [19]. manifests better when team members have the opportunity to discuss in unstructured or random groups (Foster and Ford, 2003; Lindsay, 2015). It was documented that empowering leadership positively affects creative process engagement (Zhang and

Bartol, 2010); hence, the Empowering Leaders' natural challenge is to unleash creativity in the environment in which they operate.

5.4.4. Precondition 4: Social empathy

Social empathy enables leaders to tune in to the groups they work with ("associates") or to target groups for introducing novelties (new products or social ideas) and identify various types of embedded potentials (sometimes latent). The ability to "tune into" may become a highway for understanding the hidden dreams and desires, as well as the pains, needs and frustrations, of their partners. There also may be various dormant tendencies, easy to unleash, if only the leader had an "inner detector".

Social empathy is also a key to identifying potential leverage points (alternative attractors), i.e., areas in which groups/societies would eagerly cooperate and where the likelihood of success around the alternative attractor is relatively high. The first success is critical for triggering the chain of change. Therefore it seems crucial to identify areas of motivation by responding to important needs, some of which may be dormant and invisible at the first glance. As such, social empathy becomes an important factor for the growth and success in business (Boyers, 2013; Dillon, 2014; Hanisian and Turner, 2015).

6. Conclusions

Keeping in mind that all the aforementioned styles of leadership are important and useful depending on the context, we documented the appearance of a new kind of leadership, which is applicable to a complex environment and is focused on building preconditions for endogenous dynamics. It arises in both the social and business sectors. However, it's important to emphasize that Empowering Leadership is not being presented as a (better) alternative to other kinds of leadership; it's being positioned as one more option in the palette of styles. A question for further exploration is whether professional leadership may require encompassing the whole spectrum of leadership styles, e.g., the concept of *versatile leadership* (Kaplan and Kaiser, 2006), including EL.

The characteristics of the Empowering Leadership were initially identified through observing and analyzing the ways in which social entrepreneurs address apparently insurmountable and pressing social problems, introducing durable and irreversible change. The key insight was that instead of directly pushing for change, they build preconditions that become leavers for endogenous and autocatalytic dynamics (Praszkier and Nowak, 2012). Further analysis demonstrated that Empowering Leadership also appeared to be essential in a complex business milieu and seems applicable as well to various other human environments a lead for further exploration.

We seem only to have scratched the surface of leadership in the complexity era. There are still theoretical as well as practical issues worth further exploration. As for the theory, there is an increasing demand to understand what properties of networks may augment the resilience, creativity and performance of teams and groups. For example, there are indications that more connectivity inside and outside the basic business and social environment results in better performance (Burt, 2001). On the other hand, individual social capital seems to increase with the network's density up to a certain threshold, after which it drops (Borgatti et al., 1998). This is worth further investigation to find the parameters that determine the best balance of connectivity (density) for a given milieu. Also, the structure of social networks seems to determine their robustness, e.g., the most robust structure seems to be the *scale-free* type (Barabasi, 2003). This kind of structure encompasses strongly connected hubs and weak ties between those hubs. This opens another avenue for future research: What is the optimal balance between strong and weak ties—especially if we take into account Granovetter's "Strength of Weak Ties" concept (Granovetter, 1973; Brass, 2001; Praszkier, 2012). It seems that the future leader should have an instinct for and good understanding of network intricacies.

Another open avenue for research relates to the psychology of Empowering Leaders: Are there some specific personality traits associated with this style? If so, what are the characteristics of someone who believes in delegating responsibility to "associates" and is convinced that chaos can create bubbles of a new order? This individual also believes that horizontal networks do not threaten vertical communication and control, and moreover, is ready to operate more from behind the scenes, setting in motion autocatalytic processes empowering others?

As for the practical side, there seems to be a growing need for guidelines for practitioners; especially because some researchers conclude their studies with a recommendation to include empowering leadership in leaders' training curriculum (de Klerk and Stander, 2014). For example, some insist that we must all learn to embrace uncertainty, find ways of managing the unexpected, and make that part of our operating reality (Weick and Sutcliffe, 2007; Maznevski, 2009). Although there are some related conceptual publications [20], a market niche and a dearth of simple guidelines still exist. In "Six Simple Rules: How to Manage Complexity without Getting Complicated" Morieux and Tollman (2014) ask leaders to stop trying to manage complexity with traditional tools and, instead, to better leverage employees' intelligence. However, looking at the spectrum of attributes related the new kind of Empowering Leadership, one might conclude that leaders would benefit from a more comprehensive guidebook on how to manage and take advantage of complexity.

Notes

[1] Ashoka's Global Academy Member, see: https://www.ashoka.org/press/3798.
[2] Ashoka Fellow, see: https://www.ashoka.org/fellow/kailash-satyarthi.
[3] Semco offers a broad range of products and services from air-conditioning components to inventory management and environmental planning.
[4] See also: www.freibergs.com/resources/articles/leadership/semco-insanity-that-works.
[5] Director of the Center for Organizational Learning at the MIT Sloan School of Management; author of *The Fifth Discipline*.
[6] See: http://dictionary.reference.com/browse/complexity+theory; according to The American Heritage Science Dictionary, 2002.
[7] A term coined by Hock (2000), the founder and long-term CEO of Visa International.
[8] www.ashoka.org.
[9] See: www.ashoka.org/fellow/wannakanok-pohitaedaoh.
[10] See: http://www.ashoka.org/fellow/yehudah-paz.
[11] http://www.nisped.org.il/.
[12] See: http://www.gore-tex.com/remote/Satellite/home.
[13] From Gore website: http://www.gore.com/en_xx/aboutus/culture/.
[14] Citation from the title of Axelrod & Cohen's book (2000).
[15] These companies, which Youngblood called Quantum Organizations, operate on an organic model that closely mirrors the functioning of natural systems.
[16] From the author's professional experience: author was a second opinion reviewer for over 100 candidates, from many countries and continents, to Ashoka fellowship.
[17] Quoted from a chapter's name in Axelrod & Cohen (2000, p. 28).
[18] Some even say that creativity is the most basic human need, see: http://www.mindreality.com/creativity-is-the-most-basic-of-all-human-needs.
[19] Dictionary.com.
[20] E.g. "Harnessing Complexity" (Axelrod and Cohen, 2000) or "Adaptive Action" (Eoyang & Holladay, 2013).

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