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Bridging Business,
Culture and Politics
Next Society‘s Systems Theory

Attend workshops with

| Prof Niels Åkerstrøm Andersen, PhD | CBS Denmark  
| Prof Dr Dirk Baecker | Zeppelin Universität  
| Prof Dr Elena Esposito | Università di Modena e Reggio Emilia  
| Prof Dr Alfred Kieser | Zeppelin Universität  
| Prof David Seidl, PhD | Universität Zürich  
| Prof Dr Helmut Willke | Zeppelin Universität  

at Zeppelin University in Friedrichshafen, Lake Constance, Germany.
## ZUGS PhD Summer School 2014

<table>
<thead>
<tr>
<th>Day</th>
<th>Monday</th>
<th>Tuesday</th>
<th>Wednesday</th>
<th>Thursday</th>
<th>Friday</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 12</td>
<td>9:00 – 16:00 Systemic Perspectives on Ignorance &amp; Systemic Risks</td>
<td>9:00 – 16:00 Systemic Perspectives on Theory &amp; Practice</td>
<td>9:00 – 16:00 Systemic Perspectives on Money &amp; Futures</td>
<td>9:00 – 12:00 Systemic Perspectives on a Culture of Complexities</td>
<td>9:00 – 16:00 Systemic Perspectives on Organizational Languages &amp; Power Plays</td>
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<td>University of Zurich</td>
<td>Università degli Studi di Modena e Reggio Emilia</td>
<td>Zeppelin University</td>
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</tbody>
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The seminar consists of three conjoining parts:

A systemic perspective on ignorance

Systemic risk and the role of systemic ignorance

Consequences for democracy in a systemic perspective

Within the context of an emerging knowledge society, ignorance becomes a major concern as the other part of the form of knowledge. Luhmann has argued that the only reason for communicating is a differential between knowledge and non-knowledge. The lead question for this part of the seminar is: which consequences derive from systemic ignorance for governing societies?

The global financial crisis has highlighted the role of systemic risk. Systemic risk has been hidden behind a veil of ignorance concerning systemic dynamics, and emergent properties of a hyper-complex financial system. Lead question: how can we analyze (and get a grip on) systems dynamics?

The inability even of professionals to detect and deal with ubiquitous ignorance and systemic risks puts democracy at risk. How can people (the median voter) decide on problems they do not understand? Are there any remedies?
An ongoing and central concern of management scholars and of management practitioners is that management research lacks practical relevance. This concern is especially significant considering that management studies is commonly understood as an “applied” science.

In our discussion we will first make an attempt to clarify the different meanings of ‘relevance’ that figure in the management–science discourse and the extent to which different relevance claims are justified. We will approach these questions from a perspective of system theory that provides us with a better understanding of the differentiation between science and other fields of society, in particular management practice.

Together we will make an attempt to argue that the relevance debate should be re-orientated from instrumentality towards conceptual forms. This discussion will also bring management education into the focus, where the ‘unresolvable dialectics between claims of experiential knowledge and the claims of academic knowledge’ (Augier and March 2007) might lead to the development of novel knowledge. The emphasis on direct utilisation, local knowledge and the model of instrumentality tends to limit the possibilities of such a dialectical process taking place. To some extent, this focus might even be dangerous, as Mintzberg (2004) pointed out: ‘The notion of being handed “relevance” on some sort of silver platter, with no obligation to think, probe, work, has been the cause of enormous amounts of managerial malpractice.’ A possible new focus of management education would have to give up “pseudo-professionalism” in favour of an entirely different orientation: breaking rather than following rules, rich observations rather than simplifications, an entrepreneurial rather than a managerial attitude.
In our times of financial turbulence we have to face with urgency the big (unsolved) problem of the interpretation of money and its function – in particular in connection with the problem of risk, which is the main reference of financial transactions (and of the relative calculations).

Referring also to G.L.S. Shackle’s proposals, systems theory focuses on the temporal aspect of money as “medium of deferment and of choice”. A sum of money represents an indeterminate future availability, and reassures against needs which may not yet be known (because they do not yet exist). We do not know and cannot know what we will need, but we know that money will allow us to satisfy our needs, and can use time to gather the necessary information. The dizzying financial trades, particularly in the context of structured finance and derivatives exchange, multiply enormously this function of manipulation and management of the future (in the form of risk). Portfolio management models have aroused the illusion to be able to neutralize future risks, often producing the opposite effect of multiplying risks.

Can the theoretical tools of systems theory allow a more complex interpretation of financial risk and its management? Can we describe financial transactions taking as a starting point the temporal aspect, and what insights do we get?
There are tellingly many alternative notions of complexity. Naming some of them we pick Diophantus’ notion of a complex pair of numbers implicating each other while not being reducible to each other. Sounds like a definition of paradox, doesn't it? The most famous example indeed is \( \sqrt{-1} = \pm 1 \) or \([+1 \mid -1]\). Yet, there are other examples like [sign \mid signifier \mid signified], [information \mid utterance \mid understanding], [system \mid environment], [form \mid medium].

George Spencer-Brown’s Laws of Form presents us with a calculus of how to deal with complexities of this kind. Spencer-Brown indicates and distinguishes three ways to deal with, and thereby produce, complexity: to call a distinction, to cross a distinction, and to re-enter a distinction. Complexity is, here understood as [marked state \mid unmarked state], produced by all of them but revealed only by the third, re-entry. This means that you need another complexity to reveal complexity, viz. [first-order observer \mid second-order observer]. While the first-order observer is indicating, the second-order observer discovers (indicates) the distinction coming with the indication.

The seminar will look at some of these complexities, inquire into a possible culture of complexities, and discuss Spencer-Brown’s Laws of Form with respect to them. Systemic perspectives focus on how a complexity like [first-order observer \mid second-order observer] is able to differentiate and reproduce as a system. The seminar will briefly discuss examples of social systems.
This workshop will be about the way that membership as form changes with the emergence of the logic of transience. What form can membership take when the membership decision simultaneously desires a certain level of undecidability? With the logic of transience, organizations begin to concern themselves with the question of whether the decision's fixation of expectations and containment of uncertainty reduce the organization's possibilities. The result is decisions that do not want to limit possibilities, decisions that really don't want to be decisions. This challenges the form of membership and organizing as such. How is it possible for an organization to establish expectations for its employees according to which employees can self-manage when the organization expects to be continually moving in the direction of a new and unknown place? I believe that we are seeing the emergence of a problem, which may be boiled down to this: How to create expectations based on the expectation of the unexpected? How can organizations take responsibility for their members' taking responsibility for their inclusion in the organization? The membership criterion becomes the self-enrolled employee.

I show how self-enrolment takes place pedagogically, passionately, and playfully and describe the regime of expectations that they establish. In the semantic of pedagogy, one self-enrolls through continual self-development. One is recognized as a member because one strives to make oneself competently relevant for the emerging organization. In the semantic of passion, one self-enrolls by continually anticipating the needs of the organization. One is recognized as a member because one makes oneself lovable and has defined the organization as one's significant other. In the semantic of play, one self-enrolls by playing with the notion of membership and one is recognized as a member because one dedicates oneself fully to playing.
We are looking forward to welcoming you at Zeppelin University!

The number of seminar participants is limited. Please register no later than **31 March 2014** by contacting zugs@zu.de. Registration will be open from 7 January 2014.

The PhD Summer School fee amounts to **240,- Euro**, including seminar participation, course material, 5 days' lunch, seminar catering and a snack on your welcome evening. The fee has to be paid after contacting us via bank transfer. Please note: Your registration can only be confirmed bindingly with the seminar fee being paid.

- Doctoral candidates of the lecturers' chairs, who are regularly enrolled at Zeppelin University and paying tuition fees, are freed from these regulations.
- Cancellation until 31 March: 10 % deduction of the seminar fee
- Cancellation until 30 April: 50 % deduction of the seminar fee
- Cancellation after 30 April: 100 % deduction of the seminar fee
- In case of sudden sickness, you can send another person to the summer school without any deduction.

Travelling costs and accommodation in Friedrichshafen is not included in the fee and subject to individual arrangement. After registration, ZUGS helps you to find a place where to stay in Friedrichshafen, recommending hotels, youth hostels and other locations.
Where to find us
Am Seemooser Horn 20 | D-88045 Friedrichshafen

Directions:
http://www.zu.de/english/contact/dir.php