

What This Is All About

There are many ways to systematically solve problems - but only one way to systematically avoid them: the cybernetic way. The design of a system to avoid problems must begin with the permanent realities at the core of all beings and things - their function. At the same time, it needs to integrate today's perception of the problem if it is to be understood at all. This is why I gave this book a title relevant to most top managers' world view: Corporate Policy and Governance. Only a few such managers, however, will be familiar with its content: the constants of how complex systems work - how general systems policy and its Master Controls can be used to organize organizations in such a way that whatever needs to be organized in them will organize itself.

Every organization, and indeed every human being, senses the effects of the profound change we have been undergoing ever since the age of complexity dawned. Almost everybody senses that rapid change is increasingly part of everyday life. Many people today - in particular those carrying great responsibility - find they can only fulfill their tasks at the expense of their personal lives. Hardly anybody would doubt that we need new foundations for management that are better suited to meet the new challenges than those still in use.

With this volume of my series Management: Mastering Complexity, I am presenting the key element of what general management needs in this age of complexity: the chief prerequisite for the organizations of the future, organizations that will work autodynamically. However, the concept will only unfold its elementary power, as it were, in conjunction with both the entire book series and the Malik Management System. Only when all other parts of the system work together can it achieve its maximum impact. This is why I start by explaining the concept and the logic of the series on the following pages.

Everything to be said about the subject of this book is much easier to express (and even easier to implement) in models than to put in succinct words without exceeding the scope of a book. Some of the paragraphs may therefore seem superfluous to one reader while another will find them to be precisely what he needs to understand the subject matter well. That is the price of rigorous management writing: it needs to use a language suited for everybody yet sometimes requires newly invented terms.

The questions as to what exactly needs to be done in corporate policy and governance can only be answered individually for each organization. With this book, I am making available a fully equipped toolbox, so to speak, along with the operating in-

structions for each of the tools, so that top managers will be able to perform the necessary craftsmanship in their organizations.

Directions regarding this volume and the entire series are given before Part I. That part then describes the key premises to be observed in order to master complexity. It also contains a roadmap for developing a corporate policy as I understand it. The roadmap explains how the remaining three parts of the book are structured. Part II explains the concept of a Master Control in complex systems: what it is, how it works and what it is needed for. The modules of Master Control will be presented in Part III. In Part IV, I will address top executives in charge of developing a corporate policy, explaining what needs to be done in order to achieve the system behavior required and what Master Controls managers need to apply to themselves. The appendix provides some concise information on the Malik Management System.

At this point I want to thank Maria Pruckner for her invaluable help in structuring and formulating this manuscript. As a student of Heinz von Foerster and an experienced management practitioner, and with her profound knowledge about the cybernetics of complex systems, she has helped me to better sort out my own thoughts and their cybernetics. The interaction of speech and thinking is one of her specialties. There is hardly anything that could be more important for an author and his readers.

Further, my thanks go to the members of the Board of Directors and the Group Management Board at Malik Management, in particular to Elisabeth Roth, Walter Krieg, and Peter Stadelmann for relieving me of some of my management tasks while I was writing this book.

It is a principle of mine not to publish any of my books until their content has proven valid in years of cooperation with hundreds of managers - including clients as well as colleagues in various top management bodies - and after both critical discussions and field tests have been passed. I owe my sincerest thanks to all of them.