Abstract / Definition
Complexity theory provides an understanding of how systems, such as the economy and global corporations, grow, adapt and evolve. It explains how the relationships between members of these systems give rise to the collective behaviour and sheds light on how a system interacts with its environment. Complexity theory does not need to have a complex explanation. The principle of Occam’s razor encourages us to simplify complexity, where possible, for the study of organisational change.

The discussion can be simplified by delineating the difference between complicated and complex systems. Complicated requires attention to detail whereas complexity calls for attention to the behaviour of the whole system. Organisation move from a complicated mode of handling day-to-day matters to a more complex mode of operation that evolves and adapts with its internal divisions and its environment.

Complexity theory recognises that economic and organisational phenomena are similar to those observed in science and in nature. The best way to understand the similarity it is to look at the key components of complex systems: increasing returns, self-organising systems, continuous adaptation, sensitivity to initial conditions and non-linearity.

Keywords
Complexity theory, complex adaptive systems, self-organising systems

Reference this article

Link to publication