



# Complexity Leadership Theory: Shifting from Human Capital to Social Capital

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**F**or the past decade or more, HR professionals have dedicated much of their efforts to optimizing human capital strategies in an effort to win the war on talent—building out comprehensive talent management systems, validating leadership competency models, and designing the best possible leadership development programs. In more recent years, emphasis has turned to enhancing employee engagement, refining performance management systems, and leveraging people analytics. While it is hard to argue against the need for these human-capital-centric strategies, new research raises questions about whether they are as effective as currently believed. In particular, research suggests that HR professionals need to more strongly consider social capital strategies in driving both performance and innovation within complex organizations.

By definition, social capital refers to the competitive advantage that is created based on the way an individual is connected to others. Two primary aspects of social capital—group cohesion and brokerage—are particularly relevant to









