A Word from the Editor

It is my great pleasure to announce the launch of the on-line peer-review journal *The Theory and Practice of Socio-Economic Management*. The purpose of this journal is to promote knowledge, research, and the practice of the Socio-Economic Approach to Management (SEAM) or any other approach to organizational change and/or management that focuses not only on the bottom line and profit, or economic aspects, but also on the human side of organizations.

The idea of the journal came after holding several SEAM conferences, during which scholars and practitioners from the US and Europe shared their ideas, research, and experiences from practice. There was a need to publicize this knowledge. The materials of the first two SEAM conferences were published as books. However considering the contemporary trends of reading, in which more people like to read periodic materials and in electronic format, it was clear that an e-journal would be a better venue to share the rich knowledge from socio-economic practitioners in the US and abroad. This journal aims at two audiences. One audience is scholar-practitioners, or in the language of the socio-economic theory, interveners-researchers, who improve their practice through research, and inform their research by practice. The other audience is people who are interested in the fields of management, change management, and organization development.

To give a quick historical note about origins, the Socio-Economic Approach to Management was developed by Dr. Henri Savall and colleagues in Lyon, France, starting in 1973. This approach is based on a theory of organizations that has been tested over 40 years in over 1800 cases, and proved itself to be one of the most sustainable change efforts that leads to a healthier and more efficient organization. The socio-economic theory consolidates rigorous analysis of organizational functions in the best accounting sense (*economic*) and respect for all employees and their engagement in the best Organization Development sense (*socio*). Socio and economic are the two sides of a coin. To be effective and successful, an organization should not put an emphasis on either side, but operate with a coin holistically.

The distinct features of the socio-economic method are calculating hidden costs and developing human potential. A system-wide change effort begins with examining what does not work in organizations and how much this costs, in other words calculating hidden costs. The nature of hidden costs is that they do not show on financial sheets and as a result, leaders do not
have an accurate information when they make important decisions. The practice shows that the hidden costs may range from $20,000 to $60,000 per employee per year, depending on the complexity of operations and amount of high technology in the organization.

In terms of human potential, the socio-economic theory posits that the value-added comes from people, not from capital or labor (which are the premises of neo-classical and Marxist economics respectively). People, and holistically speaking, their mind, body and spirit, all together, make the organization thrive. In order to thrive, an organization has to unleash the human potential by providing the environment and conditions, in which people’s creativity, talent, and skills are valued and supported.

Once a Zen Master was asked, “What did you do before you became Enlightened?”
“I chopped wood and carried water from a well.”
“What do you do now, after you’ve become Enlightened?”
“I chop wood and carry water from a well,” answered the Master.
The person asking the questions was baffled, “So you did this before the enlightenment and now you do the same after the enlightenment. What is the difference?”
The Master said, “The difference is huge. Before I was told to do this job. This job was my duty, and I had to make an effort to perform these tasks in order to obey my Teacher. I was doing this job, yet while doing it, inside I felt angry and resistant. Now, when I chop wood, I see beauty, when I carry water, I feel joy. It is not a duty anymore. I love my Teacher, who is getting older and older every day. The wood will keep him warm. The water and food, I cook with it, will keep him healthy. Now I do this because of love. I am enlightened.”

This Zen parable conveys the essence of human potential. When employees are told to do something, they may obey, but inside they feel resistant. When they see beauty in their job, and when they do their job because of love, they will be engaged and enlightened, they will be using more of their potential.

In the spirit of valuing human potential, the journal will use original artwork to brighten its pages. Why cannot a peer-review journal be aesthetic or pleasant to one’s eye? Therefore, each issue, along with peer-review papers, will present artwork of people, be it paintings or photos. Who knows, perhaps this artwork will evoke joy, inspire readers to create, prompt them to ponder and reflect and thus assist in developing their human potential.

So, welcome to the new journal! I believe that everyone will find in it something of interest, something that is near and dear to one’s heart, be it academic insight, practitioner experience, words of wisdom, or a piece of art.

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