Mind the Unmanged Gap - from Rhetoric to Reality

05.11.2025 08:07:54 | Management Insights, Lukas Michel | 0 Comments | Value creation

Leverage Mastery in Management as the Missing Link Between Ideals and Outcomes.

At a recent management summit in Lisbon, experts articulated three noble principles for the future of management:

1. Customer value creation over chasing short-term profits.
2. Autonomous networks over hierarchies of authority.
3. Adaptive mindsets over mechanistic processes.

It’s hard to disagree with any of this, and none of it is new. These approaches reflect the best intentions of management thinkers from Drucker to Hamel. The agenda of the Global Peter Drucker Forum in Vienna emphasizes the gospel by reaffirming these principles. Great intents – but their failure is largely predictable because they change neither attitudes nor behaviours. They are based on the same mindset and reinforce the status quo. Simply copying another “Hayer” practice does not create a turnaround – it has long since ceased to be enough. If feels like the agile movement searches with newly extended claims for its survival.

What organizations *do, how they act and function, has often become disconnected from* what leaders *say*. Behind each principle lies a paradox—a claim to progress overshadowed by a practice that reinforces as it is unable to break with the old logic.

From the perspective of *Unmanaged*, this is not hypocrisy but *path dependency*: management systems designed for stability continue to exist after stability has disappeared. The more leaders promise transformation, the more they resort to control

mechanisms that perpetuate stagnation.

Unmanaged and the Organization Twins were developed to bridge this very gap between rhetoric and reality. Instead of telling managers what to do, they show how management can evolve to restore coherence. They create the space for management to be effective again and put these principles into practice.

1. The Control Trap: The Failure of Mechanistic Management

The claim: *Customer value creation over chasing short-term profits.*

The reality: Instead of focusing on value creation, most organizations are preoccupied with customer churn. They look in the rearview mirror instead of keeping their eyes on the road and identifying the best route. “Churn” and “defection” dominate management dashboards, while current and future “value creation” remains an abstract ideal that is rarely considered in concrete terms.

This inversion reflects a mechanistic worldview rooted in classical economics and Taylorist management: the belief that performance can be optimized by controlling measurable outcomes. In this mindset, customers become data points, and service failures are deviations from standard processes. When churn rises, managers fix the metric—through discounts, loyalty campaigns, or customer service drives—rather than diagnosing the system that causes dissatisfaction.

Scientific insight from systems theory and cybernetics shows why this fails. In complex adaptive systems—such as modern organizations—results cannot be directly controlled. They emerge from *interactions* among people, processes, and contexts. Attempts to stabilize performance through control mechanisms often produce *countereffects*: more rigidity, less responsiveness, and declining trust.

In this sense, systemic churn is not a customer problem—it is a management symptom. It arises when the organization’s internal logic slows it down and destroys the very relationships it claims to nurture.

Unmanaged reframes this as a failure of *diagnostic capability*.

Managers measure symptoms (churn) instead of understanding causes (disengagement). Mastery in management begins with a diagnostic mindset: using data, reflection, and feedback loops to see how the system itself produces customer fatigue.

This is where Organization Twins offer a change in perspective. They create a *digital reflection* of the organization's actual behaviour—how decisions, communication, and collaboration actually work. By combining survey data, behavioural patterns, and benchmarking, the Twin makes visible where customer value is created or destroyed.

In one client case, an Organization Twin revealed that 70% of service delays stemmed not from front-line performance but from managerial bottlenecks—approvals, unclear accountability, and misaligned priorities. Fixing those structures reduced churn far more effectively than marketing campaigns ever could.

When leaders manage for *value creation* rather than churn prevention, competitive advantage follows naturally. The shift is from a mechanistic system of control to a living system of learning—the hallmark of mastery.

2. The Power Trap: The Persistence of Power and Control

The claim: *Autonomous networks over hierarchies of authority.*

The reality: Most organizations still depend on hierarchical power to "fix" decision-making. When networks falter, leaders centralize authority. When empowerment fails, they reintroduce control. Autonomy is preached but not practiced.

This contradiction has deep roots in organizational psychology. Humans evolved to seek security through structure. Under uncertainty, leaders fall back to what psychologist Daniel Kahneman calls *System 1 thinking*—fast, intuitive, and conservative. The illusion of control becomes comforting when complexity overwhelms comprehension.

Research in complexity leadership theory and organizational neuroscience confirms this reflex. Hierarchical control reduces cognitive load—it feels efficient—but suppresses the very diversity and adaptability that networks need to thrive and respond to changing (market) environments. Power becomes a

substitute for trust.

In *Unmanaged*, we call this the power trap—a state where leadership confuse authority for effectiveness. Hierarchies of authority appear to solve coordination problems but actually prevent *collective intelligence* from emerging. Decision-making slows, feedback loops close, and innovation dies at the top.

Mastery in management is based on a different mental model: power as distributed energy, not centralized authority. Systems theorist Stafford Beer argued that viability in complex environments depends on *requisite variety*—an organization's internal diversity must match the complexity of its external environment. Hierarchies reduce variety; networks increase it.

Organization Twins make this principle visible. By mapping decision flows, communication density, and trust patterns, the Twin shows where energy moves freely and where it gets trapped.

A Twin analysis for a European mid-sized enterprise revealed that 80% of strategic decisions passed through only three executives—creating delays and frustration across the system.

When the executives saw this, they redesigned decision rights based on competence, rather than position. Within a few months, collaboration scores and customer satisfaction both improved. The power hierarchy was replaced by a network of autonomous accountability—a living example of distributed management.

The Systemic and Interactive attributes of mastery—two of the nine described in *Unmanaged*—summarize this transformation. Systemic leaders manage interdependencies, not individuals. Interactive leaders cultivate conversations that replace control with coordination.

Autonomous networks are not built by declaration—they are *designed through awareness*. Organization Twins provide leaders with the necessary evidence to safely let go of power.

3. The Efficiency Trap: Lack of Flexibility

The claim: A*daptive mindsets over mechanistic processes.*

The reality: Despite the call for adaptive mindsets, management

practice remains dominated by efficiency and cost reduction. Lean, Six Sigma, and process automation promise precision—but often deliver brittleness. Organizations efficiently perform familiar tasks without being able to focus on future work.

This obsession with efficiency reflects a misunderstanding of thermodynamics and evolutionary science as applied to management. Living systems—biological or organizational—survive by maintaining a balance between stability and adaptability. When energy is overly optimized, the system loses its capacity to evolve.

The physicist Ilya Prigogine called this the edge of chaos—the zone where order and disorder coexist, enabling creativity and adaptation. Organizations trapped in the efficiency mindset retreat from this edge; they seek equilibrium at the cost of evolution.

Unmanaged identifies this as the efficiency trap: a managerial addiction to predictability that suppresses the emergence of the new. Adaptive mindsets require tolerance for uncertainty, experimentation, and feedback—all of which mechanistic processes minimize.

Holistic and Regenerative management—two more attributes of mastery—offer the alternative. Holistic management treats the organization as a living ecosystem. Regenerative management focuses on restoring and renewing energy rather than consuming it. Efficiency may save cost, but regeneration creates value.

Organization Twins translate this philosophy into practice. They measure not just productivity but Dynamic capabilities—how fast the organization learns, shares knowledge, and adapts to change. By visualizing these patterns, leaders can manage not only performance, but also adaptability. When introducing Organization Twins to a manufacturing firm, the data showed that cost-focused departments scored lowest on learning and collaboration. By shifting management attention from cost KPIs to capability growth indicators, the firm increased innovation output without adding resources. Efficiency became a *byproduct* of adaptation, not its replacement.

This is the essence of mastery: when management no longer constrains evolution but enables it.

The Science of Unmanaged: Why Management Itself Must Evolve

The three paradoxes share a common root: the persistence of mechanistic *management logic* in a *complex world*. Classical management evolved under Newtonian assumptions—linearity, predictability, control. The scientific revolutions of the 20th century—systems theory, quantum mechanics, cybernetics, and complexity science—have revealed the limits of this worldview and transcended them.

In a quantum world, relationships, not objects, determine behaviour. In a complex system, feedback, not control, drives stability. In social systems, meaning, not measurement, generates motivation.

Nevertheless, management education, metrics, and incentives still reflect the industrial paradigm. Leaders trained to optimize machines now try to manage living systems. The result is what *Unmanaged* calls muddling through—a state of reactive management that cannot see, learn, or evolve fast enough.

The transition to mastery demands a conscious shift in attention—from control to awareness. This insight draws on the *Inner Game* principles that underpin *Unmanaged*: focus, choice, trust, and awareness. Leaders cannot manage complexity by commanding it; they must engage with it diagnostically.

From Unmanaged → Organization Twins → Mastery

The path from assertion to reality proceeds in three stages:

1. Unmanaged reveals the gap. It diagnoses the systemic failures of traditional management: the persistence of control, the illusion of authority, the cult of efficiency. It provides the conceptual framework for mastery—nine attributes that define better management.
2. Organization Twins make the gap visible. They create a living model of how management actually works—data-driven,

interactive, and comparative. The Twin is the *mirror* in which management sees itself clearly for the first time.

3. Mastery closes the gap. Through diagnostic insight and systemic learning, organizations evolve management itself as their source of competitive advantage. Mastery is not an endpoint; it is a state of continuous renewal.

Conclusion: From Principles to Practice

The three demands of the Lisbon summit are not wrong—they are necessary. But they remain wishful thinking until management itself evolves.

- Customer value cannot flourish in systems designed around churn.
- Networks cannot thrive under the weight of authority.
- Adaptation cannot emerge from efficiency obsession.

The way forward is not another reform initiative—it is a redefinition of management. *Unmanaged* provides the theory; Organization Twins provide the evidence. Together, they turn rhetoric into reality and lead organizations from muddling through to mastery in management.

When management becomes self-aware—diagnostic, systemic, human, holistic, regenerative, integrated, distributed, unique, and interactive—it no longer needed to strive for value, control power, or enforce efficiency. Value, trust, and performance emerge naturally.

That is the essence of mastery. That is the future of management.

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About Management Insights

Founded by Lukas Michel, Management Insights draws on more

than 25 years of research and practice to help people understand how their organizations work. The Organization Twin brings organizational patterns into view for reflection, dialogue, and informed choice.

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