People-Centric Management: Concerning issues

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There are several issues that managers should be concerned about in 21-century organisations.

People-Centric Management remembers important foundations, discusses current trends, shares some concerns, suggest paths that should be omitted and establish the prerequisites in the space between traditional and people-centric.

Here are some concerns:

Management or leadership

The conversation goes on, and thousands of articles are written every year about the difference. For me, leadership is fundamentally about people. Management deals with resources, buildings, IT systems and all other inanimate things. In practical terms, separating people leadership from day-to-day management of the business is a good practice, to deal with a dynamic context and embrace agility. That's what People-Centric Management is all about.

Digital

Today, 'digital' is used as an attribute for just about everything: work, business, leadership, management, organization and more. It implies modern, better and the future. People-Centric Management looks at digitalization as a technology that enables people to do meaningful work. It changes the way we work, manage and lead people.

New work

It's in fashion. Just about everybody writes about it and has an opinion. That's when I stop reading. Flexible and remote work, digital skills, collaboration, customer-focus, fast decision-making

and future-oriented task are attributes cited with ‘new work.’ Most are not new, and not widely researched in scientific management literature. People-Centric Management implies new work, and is specific on its implications for organization, management and leadership.

Employee engagement

The Gallup analytics organization tells us that 87% (Gallup 2020) of employees globally are disengaged at work. It’s no surprise. If efficiency, repeatability and scalability dominate – but managers hire diverse, talented individuals with new skillsets, and ask them to do the same job, follow the same metrics, and conform to drive productivity through incentives and punishment – you get disengagement and mediocrity. People would have to break rules to do something extraordinary. Regardless of what managers say, people feel isolated, standardized and uninformed. The disappointment about employee engagement initiatives aimed at wellbeing and new work is that they invariably fail unless the meaning of work is being addressed. People-Centric Management is about putting meaning back into work.

Ecosystems

The talk about ecosystems is in fashion, but it’s not new. Business ecosystems are groups of companies, platform providers, government agencies, independent contractors, co-creating customers and others whose contributions come together to create value. This is a trend that demands agile capabilities from its parts: small entrepreneurial teams dominate, and leaders become influencers with the ability to build communities and inspire alignment. Nothing new there. Ecosystems have long been part of management thinking and practices, especially with SMEs in Europe. What is new is that technologies enable networking and collaboration in ways we haven’t had in the past. This trend will change large organizations. Federal structures and agile management combine to accelerate the change. People-Centric Management starts with the team, expands to the organization, and extends to ecosystems. The principles and practices remain the same.

Bashing on the old

It’s fashionable to rebuke top-down management and bureaucratic processes. The popular leadership literature is full of

it. Old is bad, while new is great. But it's good practice to first work out what principles and processes are good for the stable functioning and consistency of an organization before getting rid of the old stuff. Sometimes, organizations throw out all the good stuff when they get rid of the old stuff. People-Centric Management will help you do a thoughtful 'spring cleaning' that preserves stability while enhancing agility.

Agile mindset

I cannot hear this anymore. It's often lauded as being the solution to becoming nimble and agile. Simultaneously, it means a mindset that is less formal, less rules-driven, more productive and more creative. One should simply encourage people to speak up and provide feedback, quickly adapt to meet changing customer needs, and maintain a healthy work-life balance. I've learned from many projects that such recipes and principles don't deliver the kind of capability development and culture change that organizations must pursue to fulfil these demands. Agile requires much more than a mindset shift to translate into People-Centric Management. Agile mindset is great, but the difference comes with the complete agile toolset, mindset and skillset.

The 70% Change-Failure Myth

"50-70% of organizations that undertake a reengineering effort do not achieve the dramatic results they intended." (Hammer and Champy, 1993). Since that historic statement, supported by change management guru John P Kotter (Kotter, 1996), many other prominent writers and consultants have kept quoting these numbers with little reflection on where the data is coming from and how far back it dates. It's time to challenge that myth. Change management has grown over the past 30 years to become the management tool and approach to help companies make changes in their business. The challenge comes from the fact that change management has been used as a fix for all sorts of problems. It delivers what it promises: change. Also, many users fail to recognize that contexts may have changed during the ongoing change, so they keep changing in a dynamic world. People-Centric Management builds on speed, agile and resilient capabilities, which belong to the category of dynamic capabilities. They're capabilities that help organizations permanently establish the capacity to anticipate and adapt to changes as they happen in the environment. Change approaches and tools become part of

everyday managerial practices. It’s now a practice that does not drain the energy of those involved. These capabilities establish a context where people can unlock their full talent and potential.

Lukas Michel, *People-Centric Management: How managers use four levers to bring out the greatness of others*. LID Publishing, London, 2020, ISBN: 9781912555994

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The research: Michel, L., Anzengruber, J., Wolfe, M., & Hixson, N. (2018). Under What Conditions do Rules-Based and Capability-Based Management Modes Dominate? *Special Issue Risks in Financial and Real Estate Markets Journal*, 6(32).

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