People-Centric Management: Five prerequisites

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Five prerequisites are needed for a more humane workplace 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 the prerequisites:

Federalism

The focus of this book is on agile management more than organizational constructs. However, I'm making an assumption on structures, and that is that there's merit in the concept of federalism. In short, humans work best in small groups, where there is trust and where one can make a difference. But, the reality is that most corporate organizations employ thousands of people. The sheer size of these companies makes it hard to find purpose, build relationships, collaborate and learn as a means to grow. As a Swiss citizen, I favour the federal principle. That's the structure by which Switzerland is governed. Federalism is the opposite of centralization, and it is governed by the principle of subsidiarity. This means that the power is with the smallest unit, which then delegates to the centre only things that the centre can do better for all of them. Agile assumes that kind of structure. It's the small unit that allows the whole to grow.

Talent

Talent selection is crucial, and it's important to be rigorous about it. Talent selection is usually one of the weak points in any agile organization. It is not sufficient to look at one-year performance or trust so called scientific selection factors. Developing good

leaders is primarily a managerial job. Good leaders look for potential, and it's their responsibility to select and develop their leaders. In that sense, agile is not different from traditional. But in an agile organization, faulty leaders are more visible. People-Centric Management assumes that you get this right.

Teamwork

Agile builds on teamwork, self-responsibility and self-organization. They are the foundation of good teamwork. Agile amplifies the need for leaders to assemble teams that can shoulder responsibility. In teams, people need to complement each other. Therefore, you mustn't let your leaders pick their own teams – what you end up with is an inner circle around the boss. Simultaneously, you created a sort of disempowerment for those who are not in the inner circle. That creates toxic organizations. I know this is not what's done in most organizations, but experience has taught me the hard way. People-Centric Management demands that you care about the composition of your team.

Experience

It's often said that agile requires new leadership. Well, that's not truly new, and it has little to do with agile. Experience is important in most managerial contexts. People-Centric Management is not naive. A successful people-centric shift requires experience from those who have done it before.

Values and standards

There is much discussion about values. But values without standards are like talk without action. It is important to understand what values look like in practice. That's what standards do. People-Centric Management with the Leadership Scorecard offers questions that will help you get standards right. But, there are two factors you'll need to keep in mind:

It takes time

Agile is about small teams that take on responsibility and get things done. That requires trust, and trust takes time. The People-Centric Management transformation is an evolution, not another top-down project.

Partial fixes don’t stick

In agile organizations, the customer reigns. This is in contrast to traditional organizations where the manager is the boss and making money the goal. There is an inherent tension between agile and management. In agile, making money is the result, not the goal. If, as a leader, you assume agile, you will face traditional throughout the organization. It’s a conflict you cannot win. People-Centric Management promotes a shift in the entire organization.

This list of people-centric prerequisites is by no means complete. But, this introduction summarizes the main trends and issues I’ve observed over the years when organizations embark on people-centric initiatives.

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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