

Manifesto for Human(e) Leadership

**Six Theses for New Leadership in the Age of
Digitalization**

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To Marie, Ella and Valentin

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Things must change if they are to get better!

I cannot say whether things will get better if we change; what I can say is that they must change if they are to get better.

—Georg Christoph Lichtenberg

At a time when it is “normal that many things are changing and are changing more quickly than ever” (Karl-Heinz Geißler), the role of leadership must at least be discussed and, to a certain extent, even questioned.

Today, leadership is only legitimate if its goal is to allow employees to lead themselves (self-leadership). Leadership is about making *others* successful. This human(e) leadership is a question not of position but of attitude. This book describes this attitude and the values of this new, agile, digital, and above all, human(e) leadership in the form of the six theses of the Manifesto for Human(e) Leadership.

The Manifesto for Human(e)Leadership is the first attempt to answer the question of leadership in the context of the agile transformation of BMW Group IT. However, this journey towards more agility and self-organization in the face of volatility, uncertainty, complexity, and ambiguity (VUCA), digitalization, and disruption is merely the welcome opportunity to revive long-standing concepts such as *servant leadership*.

The manifesto is based on Peter F. Drucker’s research on knowledge work and the leadership of knowledge workers, as well as on the positive conception of mankind of the theory Y from Douglas McGregor’s pioneering book “The Human Side of Enterprise.” In this sense, the title of this manifesto may be understood as an allusion to McGregor’s book.

Things must change if they are to get better!

This connection to our agile transformation also explains the form of the Manifesto for Human(e) Leadership, which is deliberately kept close to the “Manifesto for Agile Software Development”¹ of 2001. In the same way as in this famous original, it is less a matter of dogmatically thinking in dichotomies and instead, thinking about areas of tension such as “individuals and interactions over processes and tools,” with the clear understanding that both sides are important but the former are to be valued higher here and now.

¹agilemanifesto.org

A Brief History of Digitalization

If you digitalize a crappy process, you have a crappy digital process.

—Thorsten Dirks

Digitalization: hardly any other buzzword has been used so much in recent years. And as so often with buzzwords, the frequency of their use is inversely proportional to the extent to which they are understood. Everything is somehow connected to digitalization, but it is not clear what this digitalization is all about.

Of course, it has something to do with computers and computing power. However, that cannot be the only aspect, as computers have been around for much longer than digitalization has been a buzzword. One decisive aspect of digitalization is networking. Smartphones made digital devices suitable for everyday use and made networking the standard. And this increasingly dense network of increasingly powerful and ubiquitous computers is the bedrock for platforms that will then eventually disrupt tried-and-tested business models that are primarily analog in form.

Moore's Law

Increasingly smaller, increasingly powerful computers are the basis for digitalization. As early as 1965, Gordon Moore put forward the thesis that computing power doubles every year, and Moore's law is still valid today. Even though observations show that computing power doubles every 18 months rather

than every year, this is clearly exponential growth.

Most people understand that rationally, but when it comes to imagining the future, we usually extrapolate linearly. We look back at what has changed over the last five years, for instance, and assume that developments will continue at a similar speed—but that is not the case.

This misconception can be quickly detected in a thought experiment. The film “Back to the Future” is about a journey through time between 1985 and 1955. Part of the funny story of the film is based on the fact that the world developed and changed technologically between 1955 and 1985. If we were to make the same leap in time of 30 years between 1985 and 2015, we would quickly recognize that the change in digitalization is not linear but is in fact much greater. In those 30 years, the first home computers (such as the C64) have evolved into a permanently networked smartphone that is a camera, navigation device, Walkman, portable TV, and much more.

There is a clear overlap between the world of 1955 and that of 1985, and a time traveler would still be able to find their way around. However, the technological advancement between 1985 and 2015 is much greater, and time travelers would probably be completely lost!

The Platform Makes the Difference

Computing power alone is not enough for digitalization. Computing power allows you to create all kinds of information in digital form, convert information into digital form, and edit information in digital form, but everything remains local and with local effects. The music industry has itself pushed ahead with digitalization and digitized music in the form of CDs.

And MP3 per se was no problem for the music industry—it only became a problem with the improved networking of computers and the resulting file-sharing platforms such as Napster. This made the locally available digital information accessible to everyone and everywhere. The music industry was trapped in its old business model, which was selling records, and had to

be rescued from this trap by visionaries like Steve Jobs with the iTunes Store and then streaming services such as Spotify. Networking the devices is the basis of digitalization, but platforms make the difference.

Both Nokia and RIM (with the Blackberry) had great products at the time that Apple introduced the iPhone. Looking purely at the hardware, with its isolated operating system, the iPhone had perhaps a slightly better design and was a little more usable, but its sweeping success cannot be explained by this narrow perspective. One major difference was that the iPhone focused rigorously on mobile Internet.

The former cell phones, which also featured some email and poor mobile Internet capabilities, became smartphones with a permanent Internet connection and an extensive range of features. However, that probably would not have been enough for digitalization either, because there were not enough use cases for mobile Internet besides email and surfing the web. The decisive difference was Apple's App Store (and at the same time, Google's equivalent for Android). Apple (and Google) made the smartphone a more or less open platform for third-party applications. In addition to Apple also making significant profits with the App Store, every new application on this platform led to an increase in the value of the iPhone.

Since then, on the basis of ubiquitous networking via smartphones, more and more new digital platforms have emerged on which suppliers and customers can find each other. Digitalization is thus also reaching into areas and markets that, initially do not appear to be digital. Uber is attacking the business model of taxi companies without a single taxi of its own—and thanks to digitalization, it is doing this worldwide. Airbnb is competing with established hotel groups without owning a single hotel—of course, also worldwide. This is the real digitalization.

The Human Factor

*Cooperation is the thorough conviction that
nobody can get there unless everybody gets there.*

—Virginia Burden

Digitalization neither replaces people nor can it do without them. In particular, digitalization means that the demand for the human factor is increasing. What matters most is our capability to find creative solutions *together* in teams and organizations and to work together effectively and efficiently. When we talk about the human factor in general, and human leadership in particular, we are always concerned with the question of how we can achieve something great together—especially in the face of highly complex problems such as global warming. We will only succeed in issues like this if we act together, in an interconnected way, and as a team, and success is much less the result of the performance of individual masterminds, top performers, and heroes than we generally believe.

Super Chickens

In her TED talk “Forget the pecking order at work”, Margaret Heffernan reports on the following experiment: William Muir from Purdue University (Indiana, USA) investigated the productivity of chickens (which can easily be measured by counting eggs). For one group, he selected only the “high performers,” and only the best of these *super chickens* were allowed to breed. The other group contained average chickens that were not selected or influenced further. After six generations, the chickens in this average group were well fed, fully feathered, and their productivity had increased significantly. Contrary to

naive expectations, the situation was slightly different in the super chicken group: all but three were dead—pecked to death by the others.

The explanation for this unexpected outcome of the experiment is quite simple: the higher productivity of the super chickens was accompanied by their strengthened ability to prevail against others. The targeted selection of exactly these individuals intensified the aggression and the competitive behavior between them even more. However, those who fight against each other prevail as individuals but waste energy as a group. The focus on individual top performance thus promotes competition and dysfunctional teams. Unfortunately, companies, school systems, and ultimately entire societies are built on this very principle.

Five Characteristics of Effective Teams

Google also found out that superstars do not automatically become a team. As part of Project Aristotle¹, Google investigated what turns a group of people into an effective team. By far the most important element was *psychological safety*. In truly effective teams, there is a high level of safety, so members dare to express their opinions openly and take risks. This is the key ingredient that makes the whole more than the sum of its parts. It takes this feeling of safety and trust to produce really good ideas, as Margaret Heffernan explains with this beautiful analogy in her TED talk:

And that's how good ideas turn into great ideas, because no idea is born fully formed. It emerges a little bit as a child is born, kind of messy and confused, but full of possibilities. And it's only through the generous contribution, faith and challenge that they achieve their potential.

—Margaret Heffernan

¹rework.withgoogle.com/guides/understanding-team-effectiveness/steps/introduction/

This main principle of psychological safety is followed at some distance by *dependability* (can we be sure that everyone delivers quality work on time?), *structure and clarity* (are team members' goals, roles, and plans clear?), *meaning* (are we working on something that is important to everyone in the team?), and finally the *impact* (do we believe that the work makes a difference?).

Respect for People

We can learn a lot from the principle of lean management: understanding the value for the customer, then identifying the value stream and optimizing the flow to avoid unnecessary effort, and last but not least, ensuring continuous improvement. However, the focus should be not only on the application of different and better methods, but also on a different leadership culture. The second pillar of The Toyota Way², therefore, is respect for people. At the core of lean management are the people as its essential success factor. The motto of lean leadership is therefore “empowering not instructing.” This principle deserves to be disseminated at least as vigorously as the well-known concepts and methods of lean management.

The rise of Toyota after the Second World War is inextricably linked with the name Taiichi Ohno. He developed the Toyota Production System further and influenced it significantly. What is known today as lean manufacturing and more generally as lean management originates largely from him. As a result of his work, Toyota succeeded in significantly increasing productivity and not only catching up with the American competition from Detroit, but actually outperforming it. The concepts and methods spread not only in the manufacturing industry but also in many other industries—including IT, where the Agile Manifesto can be interpreted as an application of lean principles to the process of software development.

However, the invention and introduction of some groundbreaking concepts and methods by an ingenious engineer, as

²<https://www.toyota-europe.com/world-of-toyota/this-is-toyota/the-toyota-way>

this hero story might suggest at first glance, does not sufficiently explain this successful transformation of Toyota. The basis of this transformation was rather the change in leadership. The individual worker was no longer seen as a passively affected object; instead, they were seen as an actively involved subject of change.

*Standards should not be forced down from above
but rather set by the production workers
themselves.*

—Taiichi Ohno

In his book “The Toyota Mindset, The Ten Commandments of Taiichi Ohno,” Yoshihito Wakamatsu, who for many years worked directly under Taiichi Ohno, reports the following anecdote: during a visit to a Toyota plant, Ohno was accompanied by a manager. This manager noticed some misapplication of the Toyota Production System and asked Ohno why he had not corrected them immediately. His answer was:

I am being patient. I cannot use my authority to force them to do what I want them to do. It would not lead to good quality products. What we must do is to persistently seek understanding from the shop floor workers by persuading them of the true virtues of the Toyota System. After all, manufacturing is essentially a human development that depends heavily on how we teach our workers.

—Taiichi Ohno

This example illustrates the basic philosophy underlying lean leadership: instead of correcting or teaching, the aim is to *empower*. Correcting the processes from the outside would only tackle the symptoms in the short term and would not result in any sustainable change. The only way to achieve sustainable change is to improve the empowerment of the workers based on a deeper understanding of the principles.

This lean leadership philosophy enables the individual worker to actively contribute to change and continuous improvement—and the resulting broad impact makes the decisive difference in such a transformation. That should be remembered again today, where in many companies, agile transformation is reduced to the introduction of blueprints and frameworks and thus comes to a dead end.

Equality Not Subordination

*Leadership is the art of giving people a platform
for spreading ideas that work.*

—Seth Godin

Why new leadership? And why now? New and human(e) leadership is not a new phenomenon at all. It has been around for many decades now, but in the wake of digitalization, this paradigm shift is becoming urgent.

In the transition from the industrial age to the age of knowledge work, the relationship between employees and their organization is changing fundamentally. Dependent workers are increasingly becoming independent knowledge workers who carry their means of production in their heads. The organization is therefore more dependent on knowledge workers than vice versa. In this transition, the network is replacing the hierarchy as the leading organizational principle. Leadership is therefore no longer based on subordination and obedience and instead, the aim is now self-leadership of the people entrusted to the leadership.

For a long time, leadership aimed at obedience. At home and at school, children were (and unfortunately still are) educated with the aim of integrating them into society and its organizations. And this integration essentially meant and still means subordination. Although the impermeable estates of the realm of the Middle Ages are a thing of the past, the organizational principle of hierarchy has been preserved because of the possibility of ascending the hierarchy which accompanied the Enlightenment. There can be no ascent without hierarchical order. During the process of industrialization, with its large corporate structures, this principle experienced a significant expansion and differentiation. Hierarchy was and is the dominant

organizational principle of the industrial age.

Knowledge Work

Knowledge workers cannot be managed as subordinates; they are associates. They are seniors or juniors but not superiors and subordinates.

—Peter F. Drucker¹

As early as 1959, Peter F. Drucker coined the term “knowledge worker”: someone whose work essentially consists of thinking up and creating something entirely new. For this purpose, knowledge workers work with their knowledge and thereby generate new insights and new knowledge. These workers carry their means of production in their heads. Therefore, the organization they work for is more dependent on them than vice versa. At the time of Frederick Winslow Taylor, workers were unskilled and the manager was the expert who used the workers’ labor as productively as possible. In contrast, today’s knowledge workers are experts themselves and they rightly expect to be led as equals in a manner appropriate to the species.

The principle of hierarchy in the industrial age is now being followed by the principle of the network in the age of knowledge work. Leadership is no longer based on subordination and obedience, but rather on the self-leadership of the people entrusted to the leadership. Leadership provides orientation for the knowledge work and the knowledge workers. Leadership that goes beyond subordination and obedience is therefore more important than ever. The chess master is obsolete, but the gardener is in great demand today. Good leadership creates a framework in which people and their ideas can unfold in the pursuit of a common purpose.

¹Peter F. Drucker (1998): *Management’s New Paradigm*

Asking Questions Instead of Giving Answers

Il est encore plus facile de juger de l'esprit d'un homme par ses questions que par ses réponses. (It is easier to judge the mind of a man by his questions rather than his answers.)

—Pierre-Marc-Gaston, duc de Lévis

As already stated, leadership is about making *others* successful. This is the leadership philosophy of Sundar Pichai, CEO of Google. The founder of the German drugstore chain dm, Götz W. Werner, is even more direct, stating: “Leadership is nowadays only legitimate if it is aimed at the self-leadership of the people entrusted to it.” Leadership is therefore an equal function within and for a group of people and always an encounter between adults on a par with each other. In contrast to Taylor’s management, which is still too deeply rooted in our hierarchical organizations, leadership means first and foremost asking (the right) *questions* rather than giving (the right) *answers*.

In his very interesting book “Turn the Ship Around!”, David Marquet describes one of the key moments from his time as commander of the nuclear submarine USS Santa Fe. During a training exercise, a failure of the nuclear reactor was simulated and the crew had to switch from the steam powered main engine to a smaller, battery powered electric propulsion motor. As he was used to doing with other types of submarines, David Marquet gave the command to increase the speed of the electric propulsion motor from “one third ahead” to “two thirds ahead.” His officer on deck immediately passed that order on. What happened next was: nothing! Marquet asked the helmsman why he did not carry out the order, and the latter explained to him that for this type of submarine, there was no “two thirds ahead.” It then turned out that Marquet’s officer on deck of course knew this, but still gave the order because he thought that his commander—due to his training and position—had knowledge that he did not have.

This was a classic HIPPO moment: highest paid person's opinion. From that point on, David Marquet refused to give orders. Instead, he ensured that everyone was aware of the mission and its objectives and he empowered his officers to make their own decisions. Instead of asking for permission as before, or asking him for a decision as commander, the officers now had to explain what they intended to do ("I intend to..."). Ideally, the officer had already considered all aspects of the decision (for which, of course, he must have access to all information), and David Marquet only had to answer: "Very well." At first, he had to guide this process with some questions to ensure that all the different aspects of the decision were considered, but gradually the officers asked themselves the right questions and thought through all aspects in advance. From their previously dependent position, they were now empowered to think and act like the commander.

The leader-leader structure is fundamentally different from the leader-follower structure. At its core is the belief that we can all be leaders and, in fact, it's best when we all are leaders.

—David Marquet²

Leaders who only give answers and make decisions based on their position keep people dependent. People will always come to them with questions and expect answers. And the leader will of course give the best possible answers they can, which, as the striking example of David Marquet shows, are not always the best answers and are limited by the skills, knowledge, and experience of a single decision-maker. And who among us has not been in situations in which, at the lower levels of the hierarchy, we have questioned decisions from above and filed them under "higher-paid insights," just like the officer on deck of the USS Santa Fe. Though it is done with good intentions, giving answers tends to keep people small and dependent.

²David Marquet (2015): Turn The Ship Around!

Unleashing Potential

Those who are serious about new leadership in the sense of this Manifesto for Human(e) Leadership have to allow people to develop and unleash their potential. A simple and very effective way of doing this is to ask questions instead of giving answers. Good questions make you think. A question is always the explicit permission and invitation to think and an effective antidote to the institutionalized laziness of thinking and sluggish decision-making in hierarchical organizations.

Manifesto for Human(e) Leadership

We believe in the creativity and motivation of human beings. We consider human(e) leadership as pivotal in a highly networked and highly complex world. We understand the task of leadership as serving life and striving for conditions in which people, in their diversity, can contribute in the best possible way and in which they can develop themselves and work effectively together.

These values are important to us:

Unleashing human potential
over employing human resources

Diversity and dissent
over conformity and consensus

Purpose and trust
over command and control

Contributions to networks
over position in hierarchies

Growing leaders
over leading followers

Courageously exploring the new
over efficiently exploiting the old.

That is, while there is value in the items on the bottom line of each of the values stated above, we value the highlighted items on the top more.

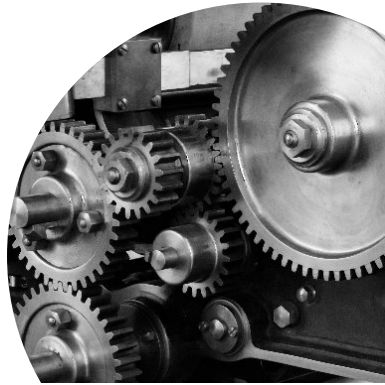


Figure 1: Sketchnote by Sabina Lammert



**unleashing
human
potential**

over employing
human resources



Unleashing Human Potential

Without people, no economy. Consequently, man is always the purpose and the economy is only a means - and not the other way around.

—Götz W. Werner

Anyone who sees organizations as machines and treats humans like cogwheels in the machine cannot complain that people only work to rule. Under these circumstances, more than working to rule cannot be expected. Wherever people are used as resources, this is how they behave. People then develop their

individual potential in their leisure time instead, or fall short of their capabilities. Leadership can make a decisive difference for all sides. That is why the first thesis of the Manifesto for Human(e) Leadership is: “Unleashing human potential over employing human resources.”

Clearly, organizations are about human resources. Effective and efficient use of physical and mental labor has always been and still is a significant value. That is why, at the very end of the Manifesto for Human(e) Leadership, there is also the following explanation: “That is, while there is value in the items on the bottom line of each of the values stated above, we value the highlighted items on the top more.” In the 20th century, this professional management of manpower led to an enormous increase in productivity in *manual* work. In this respect, this management of human resources has a value.

The most important, and indeed the truly unique, contribution of management in the 20th Century was the fifty-fold increase in the productivity of the manual worker in manufacturing. [...] The most important contribution of management in the 21st century will be to increase knowledge worker productivity—hopefully by the same percentage. [...] The methods, however, are totally different from those that increased the productivity of manual workers.

—Peter F. Drucker¹

However, it is no longer enough to simply manage human resources. Both people and activities have changed dramatically over the last 50 years. Manual work has been and is becoming increasingly automated, and the proportion of knowledge work is steadily increasing. And people are no longer unskilled or low-skilled workers, but increasingly highly trained knowledge workers. Their manpower must also be used effectively, but the only ones who can and should decide what this means are the knowledge workers themselves.

¹Peter F. Drucker (1999): Management Challenges for the 21st Century

Even if employed full-time, fewer and fewer people are “subordinates”—even in fairly low-level jobs. Increasingly they are “knowledge workers.” And knowledge workers are not subordinates; they are “associates.” For, once beyond the apprentice stage, knowledge workers must know more about their job than their boss does—or else they are no good at all.

—Peter F. Drucker²

In this sense, management is replaced by self-organization, and leadership becomes increasingly important, especially leadership with the purpose of self-leadership of the people entrusted to the leadership. The task of leadership is no longer to use standardized human resources profitably, but instead, to create and maintain an ecosystem like a gardener—an ecosystem in which people can develop their individual potential and use it for the purpose of the organization. “Leadership is service—not a privilege. The service for the employee is to offer him or her the opportunity to develop himself or herself.” Bodo Janssen’s slogan led to impressive success at Upstalsboom in terms of employee satisfaction (an increase of 80%) and sickness rate (a decrease from 8% to 3%) on the one hand, but also success for the bottom line with a doubling of revenues within three years and a simultaneous increase in productivity—value creation through valuing³.

²Peter F. Drucker (1998): Management’s New Paradigm

³www.der-upstalsboom-weg.de/der-upstalsboom-weg/die-geschichte



diversity and dissent

over conformity
and consensus



Diversity and Dissent

*May we never confuse honest dissent with disloyal
subversion.*

—Dwight D. Eisenhower

Diversity has its origins in the civil rights movement in the USA, which was concerned with the enforcement of civil rights for African Americans. Since then, diversity has been a highly recognized and controversial issue in many organizations and in society in general. It usually means the equal participation of people of different origin, gender, religion, age, etc. In this

respect, diversity is usually understood as equal opportunities and the absence of discrimination. This is just as desirable as it is self-evident but remains too superficial and possibly ineffective.

At the BMW Group, “diversity” and “equal opportunities” refer to a holistic concept for handling workforce diversity: employees’ uniqueness and individuality are important values and contain potential for the individual employee as well as for the company as a whole.

—BMW Group⁴

After all, what use is perfect diversity in the sense of the usual dimensions of age, gender, origin, etc. if the organizational culture is completely oriented towards conformity and consensus? Then there would be perhaps as many women as men in leadership positions (which would be desirable), but they would all fall into the same pattern regardless of gender, because culture and assessment systems can only promote this one type of manager.

Therefore, diversity is more about culture. It is about a culture in which the individuality of people, how they think, how they solve problems, which experiences they undergo, and which values they follow are considered important assets. Such a culture in which the individuality and uniqueness of human beings are valued—and with it the ensuing dissent and discourse—results in the classical sociological diversity in the above-mentioned and well-known dimensions. Diversity should therefore be seen more as a characteristic of such a culture or at the most as a necessary but not sufficient precondition. It all depends on what culture does with this heterogeneity: fighting and alignment or encouragement and utilization? This second thesis of the Manifesto for Human(e) Leadership, “Diversity and dissent more than conformity and consensus,” means therefore to strive for a supportive culture in which individuality is valued more

⁴www.bmwgroup.com/en/responsibility/employees.html

than conformity and in which constructive dissent is seen as a necessary part of the common decision-making processes.

For this reason, in his book *"The Effective Executive,"* the advice from Peter F. Drucker is not to make any decisions without prior dissent. He refers to Alfred P. Sloan as a prime example of this, a man who allegedly said at a meeting of his top management: "Gentlemen, I take it we are all in complete agreement on the decision here." Everyone around the table nodded assent. "Then," continued Mr. Sloan, "I propose we postpone further discussion of this matter until our next meeting to give ourselves time to develop disagreement and perhaps gain some understanding of what the decision is all about."



**purpose
and trust**

over command
and control



Leading with Purpose and Trust

Give people slightly more trust, freedom, and authority than you are comfortable giving them. If you're not nervous, you haven't given them enough.

—Laszlo Bock⁵

The very essence of leadership is to provide orientation. That is why leadership is crucial in agile organizations. Agility requires orientation to be effective. Without this orientation, agility becomes arbitrary. It misses the alignment towards a

⁵Laszlo Bock (2016): Work Rules!

common goal. This raises the question of *how* leadership should provide orientation today.

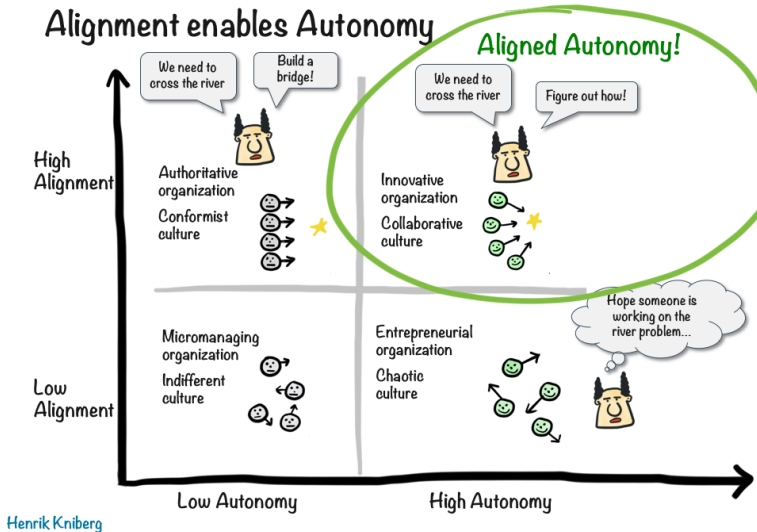


Figure 2: Alignment enables autonomy

On the one hand, leadership can provide orientation by means of steering precisely with command and control, or on the other hand, by providing direction with vision and purpose and relying on the best possible contributions from the teams. "Purpose and trust over command and control" is therefore the third thesis of this Manifesto for Human(e) Leadership.

Autonomous teams are a core element of agility. The flexibility and customer orientation for which agile organizations are so highly admired result from the speed with which decisions are made in decentralized self-organized teams. However, as Henrik Kniberg beautifully depicts in Fig 2, autonomy requires orientation. This orientation is therefore important in making teams become effective in the sense of the common goal. Exactly this, however, is the essence of leadership: making others successful.

Peter F. Drucker recognized quite early that knowledge workers must be managed differently. Knowledge work is characterized in particular by the fact that the knowledge worker is the expert and owns his means of production in the sense of his ability and knowledge. Therefore, the knowledge worker must be treated and led as an associate (cf. Chapter “Knowledge Work”).

One does not “manage” people. The task is to lead people. And the goal is to make productive the specific strengths and knowledge of each individual.

—Peter F. Drucker⁶

Agile teams are therefore only a special case of this more general question of how to lead knowledge workers. Peter F. Drucker’s answer is also relatively simple: Knowledge workers must be led as if they were working on a voluntary basis (otherwise financially secured). If, however, the usual means of coercion are eliminated, all that remains is to offer a purpose and a vision to which as many people as possible want to make a voluntary contribution, because it matters to them.

Therefore, the third thesis of the Manifesto for Human(e) Leadership places more emphasis on purpose and trust than on command and control. At the same time, at the very end of the Manifesto, we see the following explanation: “That is, while there is value in the items on the bottom line of each of the values stated above, we value the highlighted items on the top more.” But does *command and control* really have any value today in light of the considerations above? In its pure form in the sense of my boss giving me an instruction without further context, it certainly has less and less value.

However, besides the ideal of a completely purpose-driven, visionary leadership and a mature culture of trust, in which everyone is doing their best to make the vision a reality, there will certainly be some gradations that are more in the direction of command and control. A contemporary interpretation of command and control is provided by the military’s well-known

⁶Peter F. Drucker (1998): Management’s New Paradigm

mission-type tactics (leading by mission), in which the goal of the mission and the boundary conditions are specified, but the actual execution is left to those operating at the frontline. Control takes place rather in the sense of a common evaluation of success or failure of the result, in order to thereby learn for the next steps.



contributions to networks

over positions in
hierarchies



Network and Hierarchy

Leadership is not a rank or a position, it is a choice – a choice to look after the person to the left of us and the person to the right of us.

—Simon Sinek

Today, a manager must be able to do more than just climb the career ladder as far as possible. The hierarchy is without question an appropriate form of organization for efficiently managing *today's, well-known* business. However, when it comes to responding adequately to the ever-increasing pressure of

change in an ever-shorter period of time, the hierarchy and classic change programs reach their limits. John P. Kotter therefore argues that change should be understood as the new normal and he therefore suggests the network as a second operating system⁷ for organizations.

This network extends across hierarchies and is organized as loosely coupled initiatives of intrinsically motivated volunteers. Building it up, maintaining it, and making contributions to it is a very important task of leadership in order to create sustainable organizations in times of change. That is precisely why the fourth thesis in the Manifesto for Human(e) Leadership is called “Contributions to networks over position in hierarchies.”

The hierarchy has its justification and its advantages when it comes to organizing the *known* business model according to defined processes and roles as efficiently as possible. However, this is not enough to ensure long-term and sustainable success. In addition to this hierarchy, which is designed for stability and efficiency for today’s business, organizations also require a component which is responsible for change, improvement, and tomorrow’s business.

This role traditionally falls to strategy departments, change programs, task forces, and so on. The change is thus a (temporary) part of the hierarchy and is controlled with the familiar methods of management. For major changes with a known goal, such as the introduction of a new enterprise resource planning system, a new compensation model, etc., the familiar change management techniques work quite well. The basic assumption, however, is that change is the exception rather than the rule, and strategy and strategic decisions are the responsibility of a few strategists and top management.

But what if the world becomes so volatile and the markets so fast that change becomes the rule? In that situation, these hierarchical processes—starting with identification and evaluation of opportunities to setting up a strategic change project—fail because of their cumbersome nature caused by the hierarchical decision-making processes. In order to be successful in such a

⁷hbr.org/2012/11/accelerate

world, change—in addition to the hierarchy for efficient organization of today's business—must become the second nature of the organization, the second operating system, as John P. Kotter describes in his book "Accelerate":

We cannot ignore the daily demands of running a company, which traditional hierarchies and managerial processes can still do very well. What they do not do well is identify the most important hazards and opportunities early enough, formulate creative strategic initiatives nimbly enough, and implement them fast enough.

—John P. Kotter⁸

The idea behind this network as a second and equal operating system is to recruit an *army of volunteers* across the hierarchy. The task of this network is to work constantly on change and advancement in small, loosely linked initiatives. This network of intrinsically motivated people is guided by a strong common purpose and a common sense of urgency. This strategic alignment provides orientation for these volunteers who are constantly driving change.

The managers of the hierarchy, as the first operating system, play an important role in this game. In addition to their main job as day-to-day managers, they must ensure that the network, as the second operating system, thrives and that contributions to it are seen as equivalent and important. This calls for leadership with purpose and trust.

First of all, orientation is needed through a common purpose and a common vision to which people can say yes wholeheartedly and to which they would like to contribute voluntarily. Permission is then required, alongside the freedom to become active in this network. The only other factor required is faith in the creativity of this army of volunteers. Without hierarchical power, only trust can hold this network together and make collaboration productive and effective. And trust results from

⁸John P. Kotter (2011): Accelerate! in Harvard Business Review, November 2011

generous contributions to the network. Therefore, the fourth thesis in the Manifesto for Human(e) Leadership is, “Contributions to networks over position in hierarchies.”



**growing
leaders**

over leading
followers



Encounter between Adults on a Par with Each Other

Leaders don't create followers, they create more leaders.

—Tom Peters

Leadership is a matter of stance. Unfortunately, leadership is still defined in terms of power and subordination. The relationship between leaders and those being led is usually asymmetrical: the boss has more experience, more information, and

more power than his staff. The employees are therefore more dependent on their boss than, conversely, the boss is on them.

Historically, this attitude stems from Taylorism, where the manager was actually the one who understood the workflows best and could structure them into simple steps for his mostly unskilled workers. However, these times are long gone. Since then, the nature of work and the educational level of employees have changed radically. What has remained in many cases is the familiar dependency between boss and employee. Peter F. Drucker coined the term knowledge work for this changed world of work as early as 1959 (far ahead of his time)⁹. He recognized the fundamental differences early on and called for leadership to be understood as a cooperation between adults on a par with each other. That is precisely why the fifth thesis of the Manifesto for Human(e) Leadership is: “Growing leaders over leading followers.”

conductor of an orchestra and the instrumentalist than it is like the traditional superior-subordinate relationship. The superior in an organization employing knowledge workers cannot, as a rule, do the work of the supposed subordinate any more than the conductor of an orchestra can play the tuba.

—Peter F. Drucker¹⁰

The relationship between leader and knowledge worker is more like that between conductor and musician in an orchestra—obviously in terms of skills, but also in terms of power and dependency: the balance of power between the knowledge workers and their leaders is completely different to that between the readily interchangeable worker and his boss in the age of Taylorism. A knowledge worker can sabotage his superior just as easily and effectively as a musician can sabotage an autocratic conductor.

Even fifty years after Peter F. Drucker invented the concept of knowledge work, this insight has still not arrived in practice.

⁹Peter F. Drucker (1959): *The Landmarks of Tomorrow*

¹⁰Peter F. Drucker (1998): *Management's New Paradigm*

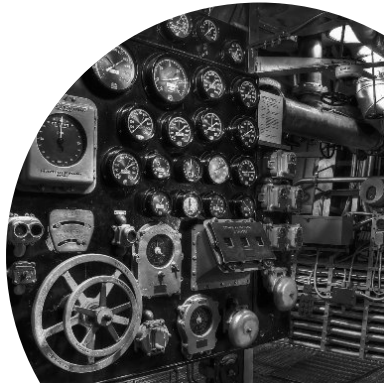
This means that rather than a problem of perception, we have a problem of implementation. Admittedly, the relationship between management and employees has changed significantly in recent decades. Many managers have now adopted a more parental attitude towards their employees. The tendency is thus correct, but the relationship of dependence has so far remained mostly unaffected. Employees remain dependent on their managers like children remain dependent on their parents. And while children in different phases more or less fervently claim their independence and equivalence, employees remain well-protected children forever.

Leadership today is only legitimate if it is aimed at the self-leadership of the employees entrusted to it. Götz W. Werner has thus summed up what an appropriate relationship between leaders and those being led should look like: it is not about being superior or subordinate, it is about working together on a par as adults. Leadership is an equivalently important function that makes others successful. That is why the fifth thesis of the Manifesto for Human(e) Leadership, alluding to Tom Peters' quotation, is: "Growing leaders over leading followers." Leading dependent employees is one thing and certainly still an important skill today; but the other and much more important thing is the underlying stance, which must be to lead the employees out of their dependence and make them leaders—at least of their own lives and their entire capabilities.



**courageously
exploring
the new**

over efficiently
exploiting the old



The Art of Ambidexterity

Clients do not come first. Employees come first. If you take care of your employees, they will take care of the clients.

—Richard Branson

We are experiencing a world in which it is “normal that many things are changing and are changing more quickly than ever,” as Karl-Heinz Geißler so aptly put it. The perceived or real speed of life is increasing daily, driven by fascinating and sometimes frightening technological developments, from artificial

intelligence to blockchain. This is exerting enormous pressure on companies to change and innovate. The half-life of products and business models is becoming shorter and shorter. This means that companies have to reinvent themselves over and over again and at ever shorter intervals in order to survive. In addition to the efficiency and profitability that are always the focus of today's business, it must become the second nature of long-term viable companies to boldly explore new opportunities and constantly test new business models. But precisely because today's urgent business tends to displace the important exploration of tomorrow's business, the sixth and final thesis in the Manifesto for Human(e) Leadership is: "Courageously exploring the new over efficiently exploiting the old."

Building a company around *one* product or *one* product family with *one single* business model and operating it profitably is a tremendous achievement. Most companies therefore do not survive this startup phase at all. And those who do actually succeed are busy expanding their business and improving and enhancing their products.

For some, it works as well as it did for Xerox with copiers, Kodak with films, or IBM with mainframes. Steve Jobs¹¹ describes very well what happens in this phase of success: while in the initial phase, the company is managed and driven by the products and the passion for great products, marketing and sales gradually take over. On the one hand, this makes sense in order to utilize existing products and business models as well as possible. On the other hand, this is also the root of decline because the focus shifts from new and innovative products and business models to profitability in today's business. To prevent this, companies set up research laboratories or research departments.

At Xerox, this was the well-known Xerox Palo Alto Research Center (PARC) in this phase of success. Xerox PARC's list of inventions is compelling: "Xerox PARC has been the inventor and incubator of many elements of modern computing in the contemporary office work place: laser printers, computer-generated

¹¹youtu.be/_1rXqD6M614

bitmap graphics, the graphical user interface, featuring windows and icons, operated with a mouse, the WYSIWYG text editor, [...], Ethernet as a local-area computer network, fully formed object-oriented programming in the Smalltalk programming language [...].”(cf. Wikipedia¹²). The only flaw in this apparent success story is that Xerox was not able to turn these ideas into new business. Apart from the laser printer, which has been used successfully in laser copiers, not many of the great innovations of Xerox PARC have been used at Xerox.

For real *ambidexterity*, i.e., the ability to exploit and explore at the same time, it is therefore not enough to place two organizational units next to each other. The skill lies in the seamless integration of efficiency of the here and now with innovation for tomorrow. Xerox was very successful in its former business model with copiers and Xerox PARC was extremely innovative in its research. The problem was the transfer of ideas into new products and business models. Xerox was so focused on its well-known copier business that many of Xerox PARC’s breakthrough innovations were simply too far away. Conversely, Xerox PARC focused on technology and innovation and paid little attention to implementing this innovation in real business models at Xerox.

Amazon, for instance, is a better example of this ambidexterity. Initially, Jeff Bezos expanded the online bookseller’s product range into an online department store in the classic way of exploitation. But then new business models were developed and Amazon became a platform with its Marketplace, a logistics service provider by also offering its logistics centers and services to other merchants, the leading cloud service provider with AWS by also offering its existing cloud services for its own platform to customers, a hardware manufacturer, and much more.

Despite its size and despite its core operational business, it is essential for Amazon’s long-term success in an extremely competitive and fast-moving industry to think and act like a startup and constantly experiment with new business models and services, some of which involve substantial investments.

¹²[en.wikipedia.org/wiki/PARC_\(company\)](https://en.wikipedia.org/wiki/PARC_(company))

The right balance and the seamless integration of optimizing the existing business model on the one hand, and inventing new business models on the other, is certainly not an easy leadership task but it is a crucial one in a VUCA world. That is why the sixth and final thesis in the Manifesto for Human(e) Leadership is: “Courageously exploring the new over efficiently exploiting the old.”

Get to Work!

It's easier to ask forgiveness than it is to get permission.

—Grace Hopper

So, if these insights into new leadership are not new, what is stopping us from implementing them? And what do we have to work on to do it? Let us start with fear. We must fight and overcome this fear—for ourselves and for all affected employees—with courage through our own example.

Drive Out Fear

Fear is the path to the dark side . . . fear leads to anger . . . anger leads to hate . . . hate leads to suffering.

—Yoda

The Roman Emperor Caligula became the epitome of the autocratic tyrant with his motto *oderint, dum metuant* (“let them hate, so long as they fear”). Fortunately, there are not so many of this species today in economics and politics—although current nationalist and right-wing tendencies do not bode well. Yet fear in a more or less subtle form is the unspoken leitmotif in the hierarchical structures of so many organizations that lend absolutist power to their protagonists. This goes against our better knowledge of the detrimental effect of fear on creativity and productivity.

In the second half of the last century, Peter F. Drucker and W. Edwards Deming both played key roles in defining the perception of organization and management. Although they approached these issues from very different angles, in the end,

they were astonishingly unanimous on many points. Unfortunately, many of their findings were disregarded or misinterpreted.

For example, management by objectives and self-control has degenerated to the dictate of objectives from above, reinforced by (evidently counterproductive) monetary rewards for achieving them. The resulting fear of missing those imposed objectives contributes significantly to an anxiety culture, which prevents or at least hinders effective cooperation. In W. Edwards Deming's famous 14 points of management, one of the central challenges therefore is to eliminate fear:

Drive out fear, so that everyone may work effectively for the company.

—W. Edwards Deming

Peter F. Drucker came to a very similar conclusion. However, he also made a distinction between the fear of a threat from *outside* the group and the harmful fear *between* the people in a group. The former can motivate people, focus the activities, and weld the group together, while the latter separates the group and causes people to work against each other rather than with each other.

Fear of a threat to the community unites; there is no greater stimulus to effort than common peril, as Britain proved after Dunkirk. But fear of someone within the community divides and corrodes. It corrupts both him who uses fear and him who fears.

—Peter F. Drucker¹

One possible form of leadership, which we are unfortunately seeing in many places as nationalism is raising its ugly head again, is therefore actually to incite fear of the *other* or the *others*. Unfortunately, the history of National Socialism in Germany has shown very clearly the destructive extent to which this can lead. In a much more subtle form, however, this us-against-them

¹Peter F. Drucker (1954): *The Practice of Management*

pattern can also be found *within* many organizations, leading to all sorts of battles of justification and defense. This is why David Marquet, on the nuclear submarine USS Santa Fe, had this rule: “There is no ‘they’ on USS Santa Fe!”²

Both Peter F. Drucker and W. Edward Deming emphasized another form of leadership. For them, the purpose of the organization, the *Why*, is the basis of effective leadership. Accordingly, they considered the communication of this purpose to be one of the most essential management tasks. For Deming, therefore, the “lack of constancy of purpose” is the first of his seven deadly diseases of management.

Leading by Example

*Example is not the main thing in influencing others;
it is the only thing.*

—Albert Schweitzer

Genuine authority is not a question of rank, but rather of exemplary behavior, for leadership is based more on imitation than on subordination. We could save ourselves a lot of resistance, struggle, and suffering in our daily life in organizations and families if we ourselves authentically represented the change we want to see in our environment. Only those who can lead themselves so sincerely can lead others by their example.

There is a story about Mahatma Gandhi and although it is not verified, it is no less inspiring: a woman came from far away with her son to see Gandhi. She was deeply worried about her son because he ate too much sugar and although he got sick from it, he could not stop eating it.

So, she waited patiently for many hours and when it was her turn, she said: “Please Master, tell my son to stop eating sugar.” Gandhi looked deep into the boy’s eyes and then replied to the mother: “Bring him back in two weeks.”

She went home disappointed and came back after two weeks. When they stepped in front of Gandhi this time, he said, “Boy,

²David Marquet (2015): Turn The Ship Around!

you have to stop eating sugar.” With respect for Gandhi and his wisdom, the boy promised to stop eating sugar and led a healthy life from that point on.

But the mother was confused and asked Gandhi, “Why didn’t you tell my son this two weeks ago?” Gandhi answered: “Two weeks ago I ate a lot of sugar myself. I had to stop eating it first.”

Who would have acted like Gandhi in this story? Who would not have simply succumbed to the wish of this mother without consciously reflecting on their own behavior? Who would not thus have given the demanded but not very authentic and therefore weak advice immediately? How do we behave every day in meetings, committees, or towards our children? And how does this behavior match our intentions and words?

What you are speaks so loudly, I can’t hear what you are saying.

—Ralph Waldo Emerson

This age of digitalization is characterized by major changes. In order for these transformations not to evaporate as ineffective change theater, leading by example is required. No one should pretend that this is about changing *others*—and especially *employees*—while their own role and position will remain unaffected.

The agile transformation in particular, i.e., the change towards more agility through decentralized decision-making structures in the form of self-organizing teams, is first and foremost a massive leadership transformation. Agility is not just some sort of concentrated feed with which employees can do their work faster and more flexibly, while everything else stays the same. In fact, quite the opposite is true—agility is about taking a holistic view of the organization and optimizing the entire value stream. And in doing so, leadership is split into self-organization, product management, and human(e) leadership in the sense of this Manifesto for Human(e) Leadership.

Courage—The Underestimated Virtue

Without courage all virtues lose their meaning.

—Winston Churchill

For Winston Churchill, it was evident that without courage, all other virtues would become meaningless. It is not only in society and politics that we need courage more urgently today than we have in a long time; more courage would also benefit our companies and their employees. We need courage to make traditional organizations fit for the future. The current absolutist-hierarchical building principle has finally served its purpose. In the age of digitalization and knowledge work, our companies require a new enlightenment with a more consistent separation of powers. Immanuel Kant's motto for the Enlightenment should therefore stand above every gate: "Dare to know! Have the courage to use your own intelligence!"³

In 2009, Patty McCord published³ Netflix's Culture Statement as former Chief Talent (sic!) Officer. The 125(!) slides describing Netflix's culture have since been viewed an incredible 18 million times and Facebook's COO Sheryl Sandberg has described them as "the most important document ever to come out of the Valley."

Even after the update last year, the statement in its current version⁴ has retained its original strength. Still, in Churchill's sense, courage is not merely one of nine other (very captivatingly formulated) values in Netflix; it has a special position in that it explicitly includes the courage to openly address inconsistencies between those values and how people live them.

This explicit permission to courageously address deviations from the ideal culture gives all employees precisely that "fool's freedom" that court jesters used in the Middle Ages to address moral misconduct. And this makes the decisive difference to the equally polished statements of values of many other organizations, which are often perceived as empty or out of touch with reality.

³<https://www.slideshare.net/reed2001/culture-1798664>

⁴<https://jobs.netflix.com/culture>

In the absence of such permission, it is still possible to use our intellect in the spirit of Immanuel Kant's guiding principle, based on the concept of civil disobedience, as many corporate rebels already do. They identify themselves with the organization and the *actual* purpose of the organization, but not necessarily with all of its inconsistent rules or an organizational culture that is perceived as a detrimental factor. They do not work *against* the organization, but always aim to improve the organization. Their dissenting thinking and different ways of working are therefore the decisive disturbance in protecting an organization against complacency and inertia.

The question of how to lead rebels or simply knowledge workers in a "species-appropriate" manner in the sense of the necessary self-organization is brought to this simple formula at Netflix: context not control. The most important leadership task is to shape the conditions for employees in such a way that they can make their own decisions. And unlike many other top managers, Reed Hastings prides himself on making as few decisions as possible at Netflix. A courageous attitude that leads to courageous employees and hopefully finds many followers!

Let's do it!

Appendix

The Manifesto as Workshop

The Manifesto for Human(e) Leadership is on the one hand a useful stimulus for personal reflection on one's own leadership qualities, especially in the form of the recently published e-book. On the other hand, its theses also provide a useful framework for an interactive workshop in which leaders can reflect and discuss those theses and their respective stances. Exclusively for my readers I offer for free this brand-new workshop format.

Setup

Six *movable walls* or similar are required, on which the six theses of the Manifesto (printed in DIN A1 size as shown in Figure 4) can be attached. *Adhesive dots* and *sticky notes* in two colors (green / yellow) serve as further working materials. The workshop lasts about three hours and is suited for up to 40 people.

The complete template is available as PowerPoint in German¹ and English² and may be freely used provided the source is acknowledged.

Course of the Workshop

In its simplest form, the workshop is aimed at a group of up to seven people. The workshop starts with the preamble of the Manifesto for Human(e) Leadership as shown in Figure 3.

¹fuehrung-erfahren.de/workshop-human-leadership-manifesto-de

²fuehrung-erfahren.de/workshop-human-leadership-manifesto-en

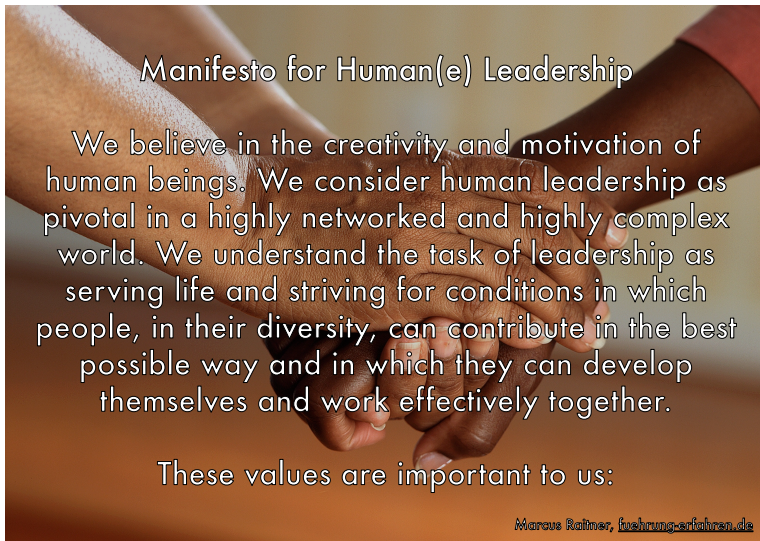


Figure 3: Preamble of the Manifesto for Human(e) Leadership

The group then proceeds to the first thesis (cf. Figure 4). There each person receives an adhesive dot and sticky notes in two colors (green and yellow). First, each person silently reflects on the thesis and determines where he or she sees himself or herself on a scale of 1 to 10. In addition, each person writes on the green sticky notes what has brought them to this level (practices, methods, books, coaching, etc.). On the yellow notes each person writes down what is missing or what they could do to get one step further up. It is explicitly not about what is missing for a 10, but only about the next tangible step.

After this phase of reflection, the people introduce each other to their positioning and explain what brought them there (green notes) and what could move them one step further (yellow notes). This should take a maximum of five minutes per person. As with brainstorming, only questions of understanding are allowed. It is not about right or wrong or about a ranking, but about seeing what is already there and which steps could be taken next.

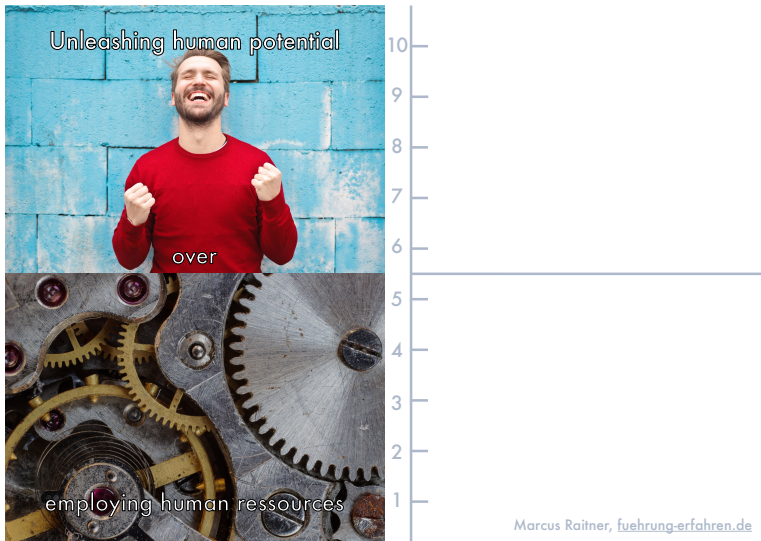


Figure 4: The first thesis of the Manifesto in the format of the workshop

The group then switches to the next thesis and repeats the procedure there. The workshop ends after the sixth thesis with a short feedback round where each person describes the most important insight (“What have I learned today?”).

Variations

The workshop can also be conducted in parallel with up to six groups. The room must then be large enough so that the six groups can discuss in parallel without disturbing each other. When the groups move on to the next thesis, a facilitator can either replace the poster of the previous group with a new one or briefly summarize the results of the previous group like in a world café³.

³en.wikipedia.org/wiki/World_café

About the Author



Marcus is convinced that elephants can dance. Therefore, he escorts organizations on their journey to more agility as an Agile Coach. After receiving his doctorate in computer science at the University of Passau, Marcus formerly worked as a Project Manager at msg systems, a large IT service provider. In 2010, he started from scratch and became one Managing Director of esc Solutions, a small start-up with its main focus on project management and coaching. From 2015, he accompanied the BMW Group IT as an Agile Transformation Agent on its agile journey. In 2021, Marcus joined Infineon Technologies as an Agile Coach focusing on agile transformation and leadership and since April 2022, he is with Allianz Consulting since April 2022 and heading the Agile@Allianz team there. Marcus has been writing about leadership, digitalization, new work, agility,

About the Author

and much more in his blog since 2010. In 2019, he summarized his thoughts on new leadership in the age of digitalization in this “Manifesto for Human(e) Leadership.”