THE ANTHROPOCENTRIC PHILOSOPHY OF THE COMPANY AND THE MANAGEMENT

author:

JÁNOS VARGA
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ABSTRACT

"The most important work of the executive is to identify the need for changes. The important challenge is in society, economics, politics is to exploit the changes that have already occurred and to use them as opportunities. The important thing is to identify the future that has already happened, and to develop a methodology for perceiving and analyzing these changes." This is essentially important in such a dynamically changing environment, in which companies have to hold on these days.

A truly good leader realises what kind of resources can his company create a competitive edge with in the globalized business environment of the 21st century. Theories about what we consider strategically important resources or factors of production have significantly been altered by today. "According to Stan Davis and Christopher Mayer: nations were fighting for soil when it was the profitable resource, today they are killing each other for the talented people. Whether we like it or not, the success of every region and every organization depends on their ability to attract people who can generate changes."1

KNOWLEDGE-BASED LEADERSHIP AND THE CREATIVE MANAGEMENT

The change is constant and the organizations need more and more sophisticated abilities to continually be able to create values for their customers. The new ages have generated new challenges not only for management but for the employees as well. This very requirement is the knowledge-, expertise- and creativity-based leadership and work. The emphasis is on using the abilities maximally. The pure existence of knowledge and expertise is not enough, it’s not enough to say that the company has outstanding experts. You have to know how to turn the available expertise and abilities into company’s profit.

These manifest themselves in how well the management is able to realise the changes in time and find the most creative and most effective solutions for them. So it’s not enough to know the means of the management methodology, but you also need to have the ability to choose the most appropriate solution for a certain problem.

Business creativity

"Creativity - i.e. the skill to create something „new” and to make a change - is in connection with freedom. It is in connection with what kind of answers a man can give to questions that come up during a walk of life. These can be stereotyped and repeated conserve-answers or new and new solutions - optimal solutions for both himself and his environment - always adequate to the situation."3

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Creativity is ingenuity, the ability to create novel and original things. It makes it possible for us through the organization of the different abilities to establish connections between our isolated knowledge and experiences. Creativity includes the continuity and flexibility of the thinking, namely the operative and up-to-date usage of the existing cognitions. This is where knowledge and creativity influence each other. Within creativity there lies the redefinition, which is the amendment and review of the accustomed procedures. These things mean not only the product or the service, but the whole company process and management methods as well.

So management is not only a science, it is also an art: the art of creativity.

Creative management requires leaders with expertise and knowledge, who can give the best and quickest reactions to the recent changes while creating values by their extraordinary management solutions and accomplishing continuous innovations.

And there is only an opportunity for continuous innovation if we use the existing leadership skills and expertise as creative solutions when making decisions. This is how we will be new, unique, and this is how we secure a competitive edge for our company.

THE KNOWLEDGE WORKERS

“Only those organizations are viable that have up-to-date knowledge which they are able to use. Thus the organizations must become knowledge-based too in order to maintain their competitiveness.”

The possession of knowledge is not only desired for the leaders but for the employees as well to develop a knowledge-based company. Knowledge is indispensable in certain processes with strategic importance, such as for example innovation or research and development activity.

Today’s technologies or demands are changing faster and faster, so we have to constantly ensure the novelty for our consumers. But the question is: how? The competitiveness-forming role of knowledge and creativity applies here, since with these competences we are able to give a quick and effective answer to the question “how”. Those companies can be the first to satisfy the consumers’ existing and latent demands, who have leaders and employees with the ability to answer this question as fast as possible. Obviously this ability must be maintained consistently so improving the knowledge or keeping up creativity has to mean an eternal task for both the management and the employees. “Obviously material things also matter, but less and less. The intellectual capital is a scant resource. Value is created by knowledge.”

The company’s most valuable property: the people

“People are a resource and not just a cost. The most enlightened managers have started to understand what could be realised by managing people toward a desired end or goal. Management is so much more than exercising rank and privilege; it’s so much more than „making deals”. Management affects people and their lives, both in business and many other aspects as well.”

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The modern leader shall recognise the fact that the most important resource for the company is not the money or the raw material. The most effective resource for the management of changes is the man itself, and the knowledge he’s possessing. This is what the most mobile and most flexible is: the human mind, the wit, the problem solving ability, the creativity, and the expertise. You can build on these first when it’s about making changes at the company. **Peter Drucker** thought that “the basic economic resource - the means of production - is no longer capital, nor natural resources, nor labour. It is and will be knowledge.”

**With knowledge you can create everything else.**

The effective management of our colleagues with knowledge can bring the performance of the enterprise forward. New solutions and ideas might be born continuously; the knowledge-based organization is leading in innovation and development. Intense creativity and inventiveness are the characteristics of a company like that, and the whole organization is pervaded by new thoughts and intellectuality. The creative management not only gives the most appropriate and most novel reactions to the challenges coming from the outer environment, but it is also trying to increase efficiency inside the organization. During this you have to build upon the abilities of the employees, urge the forms of cooperation, build the relationships and significantly improve the level of trust. **Lynda Gratton** said that: “everyone knows that good people management enhances corporate performance.”

**The innovative and value-creating company**

Only the motivated, voluntarily and enthusiastically cooperative workers are able to achieve innovative and creative results. We can enhance the satisfaction of our customers by making new things and we can constantly create values only by developing new things. This value-creating way of thinking has to appear on the levels of both the management and the employees. „The opportunity to choose is buyable by the long standing money or by the possession of the appropriate abilities. Our life is more and more affected by the lack of expertise. Investing into knowledge brings the most secure and often the highest interests." It’s not enough only constantly monitoring the changes, but we also have to approach the problems in a different way, so in other words we have to think differently than others. „Thinking differently, greatness is not achieved by doing like everybody else. By thinking differently, you can make a difference.” The realization of the difference is only possible if we persistently search for newer and better solutions, if we keep creating new ideas, and if the whole organization is characterized by an innovative and value-creating intention. This cannot happen without knowledge and without our people, regardless of having tens of thousands of Euros on our bank account.

**Knowledge is the resource of value creation and innovation.**

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8 Lynda Gratton - Catherine Truss: The three-dimensional people strategy: Putting human resources policies into action, Academy of Management Executive, 2003, Vol. 17, No. 3
THE PILLARS OF THE MODERN MANAGEMENT

The management of the truly successful companies relies on three basic pillars.

- The first pillar is creativity and knowledge. In the possession of professional knowledge the creative management can determine not only what management tool is needed in a certain situation (so they are possessing a management-related knowledge), but they are even able to integrate innovation into the management tools, with which they are using unique solutions (creatively using and applying their knowledge). They can ensure diversity compared to competitors with this as well. This type of management always makes unexpected moves and searches for other solutions than the competitors. They rely on their people as widely as possible: creating the “new” and the “value” means a constant task for them.

- The second pillar is agility, i.e. the ability to adapt and alter quickly. This is a basic requirement for the companies in such a turbulent environment where changes occur every other day and the consumer needs are altering minute by minute. Under circumstances like these the enterprises can not ignore managing the changes. The modern leader makes changes because he wants to make changes, and he doesn’t do that of necessity. In the agile approach the management realizes that changes can open new opportunities and new markets, which can help the company’s growth even more. “People, companies, nations can minimize their risks and can become a „me too” version of an original idea, or they can create the classics of the future by taking risks.”

The agile companies do not afraid of the new things, their avoidance of the uncertainty is lower, and they undertake risks more bravely because they understand that without taking risks you can not achieve considerable results. In business life you can not win without taking at least a minimal level of risk. That is what makes you a real entrepreneur and that is what makes you a real businessman. For making changes we need knowledge, innovation and information, which only our experts, employees and well-trained leaders can ensure.

Knowledge is also a resource of making changes.

- The third pillar is anthropocentricity. Today the management realizes more and more that the workers of the company are the most important competitiveness factors. Their ideas, commitment and knowledge are what really represent value today. That is why managers have to do everything in order to secure the appropriate conditions for the employees. They must help developing cooperation and establish an excellent corporate culture. In a harmonic corporate culture people gladly share their ideas with each other, they gladly work together in groups, and the trust and the feeling of belonging to the community is bigger. The employees must be made aware of that they are the most important values for the company. Their abilities and knowledge must be built on, they have to be part of the decision making process and certain tasks need to be delegated. The principle of subsidiarity means that the problems must be solved at their place of origin if possible and the intervention of the higher levels must be confined to the necessary minimum, but they have to give the needed help. At a well-operating company

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subsidiary prevails in a maximum rate. With this the unnecessary bureaucracy can be lessened, the lead times can be reduced and at the same time efficiency will grow.

Every employee has to consider the company subsidiarity in which he is working as it was a little his own. The committed employee performs beyond his strength and does his best to create values for his company and its environment too.

**Invest into your own people!**

Today the company’s property is not really dominated by how many manufacturing machines or equipments it has and the company won’t be rich as such by the quoted value of its securities. It will depend on what knowledge capital the company has and how the management can transform this capital into a corporate knowledge. **Lynda Gratton** said: „People are our most important assets.” **Theodor Lewitt** has a similar opinion about the role of the human element: *our most important assets – our people, reputation and brands – don’t appear in our bookkeeping.* And **Deepta Prahalad** said: „*If we look at company valuations, an increasing portion of a firm's value resides in intangibles.*”

As we know the means developed by the intellectual capital are considered to be part of our intangible assets.

In such an economic environment where the role of the people is upgraded like this the management too has to more and more adopt an anthropocentric philosophy. *If we ask a manager what his company’s most valuable asset is, who would almost certainly answer: my people.*

The successful company relies on its workers the most – on people who have a constituent, creative approach and effective ideas, and who show commitment to creating values and to their company.

In the 21st century the biggest task and challenge for the management will be to develop a knowledge-based company, while the employees’ most important duty will be the constant learning and to improve their skills.

**THE ROLE OF THE KNOWLEDGE WORKERS**

„Knowledge workers own the means of production. Because knowledge workers own their means of production, they are mobile. Management’s duty is to preserve the assets of the institution in its care.”

According to **Leif Edvinson** we need to ask the following questions: „*How can the brain of the people work the best? How can we plan the work conditions just as well as we plan our towns? And do the executives have to pay attention to creating the work environment that provides self-confidence and intellectual satisfaction for the people?*”

**Eric Hoffer** said that it the end a county’s productivity is determined by how much it can evolve the powers hidden in the individuals. The statement is true for the companies as well. This is where the new dimension and the most important task of the management starts, how

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12 Deepta Prahalad: Why trust matters more than ever for brands, HBR Blog Network, December 8, 2011.
they can form the individual knowledge and the skills of the individuals into a corporate knowledge.

**MANAGEMENT**
- creative management with expertise
- agile leadership
- anthropocentric management

They can be transformed into corporate knowledge.

**Why the individuals with knowledge and expertise become the most important participants and resources of the company?** First of all because knowledge is the base for innovation.

"The companies who think that innovation only applies to the products and activities inside the organization will be always hit by the future like a surprise. Companies like that will be exposed to the attack of the competitors who are trying to give surprises and joy to their customers by using the whole available palette. They need the innovation of the innovation."

**Lynda Gratton** said: "Innovative capacity arises from the intelligence, insights, and wisdom of people working together."  

Knowledge is able to establish the innovative skill, it creates agility and creativity, it requires cooperation, so it creates all the sources that today are the real conditions of increasing competitiveness. "This is a symptom of the shift in the meaning of knowledge from an end in itself to a resource, that is, a means to some result. Knowledge as the central energy of a modern society exists altogether in application and when it is put to work."

**Possessing the information**

Apart from knowledge these days the information is more and more considered to be among the basic corporate resources too. "Expertise is a cipher key, with which we can break the code of the information. Without interpretation the information won’t provide any kind of advantage for us. And if in a more and more meritocratic society the ability of decoding is given for a handful of chosen people, then the power will be in their hands too." So knowledge is also necessary for processing the information. Without the appropriate information we cannot make the right decisions in our strategy. In our rapidly changing world it is much harder to stay on the market without having a strategy. That is why the modern management has to turn not only the knowledge but the information as well into corporate knowledge.

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17 Lynda Gratton on Creating Performance Driven Innovation within your Organization, on Linkage (linkageinc.com) - 2010.
A man can only be a real knowledge worker if in addition to the acquirable and necessary expert knowledge he is able to put his abilities and skills into the service of the company in a creative way. We may say that there is a new generation of such employees who are ahead in making values and are constantly able to create new ideas and solutions by using their knowledge.

Homo Faber - the creative man

This is the kind of people the successful companies need today: the creative and value-making people, i.e. the Homo Faber. Deepa Prahalad emphasizes: „It's important that clients and partners believe that we're intelligent and trustworthy. Business is about relationships and dialogues, not mere transactions.“

All this imply to us that the company must be able to show to its outer environment how truly professional and competent the people are it is working with. The organization is trying to draw attention to the fact that it has a reliable and high expertise, with which it wishes to create trust and a more favourable picture of itself.

Peter Drucker already stressed the role of the knowledge workers in the economy decades ago. The more intense and gradual the change becomes in the 21st century, the bigger the need will be for the experts with knowledge. When there are such a lot of companies on the markets, the most important question will be: who can create something else, something new and different? The diversity, the creation of the “different” feature is what can really give a competitive edge, but this is unimaginable without expertise and creativity. Its role in the world of changes is even more significant, since the change and alteration can only be started by the partial or complete creation of diversity. So the demand will be quite big for the people possessing knowledge in the future too.

There will be a change on the supply side as well. More and more people will realize that knowledge carries a serious livelihood opportunity; in fact it can actually mean a breakout point to the individuals.

„Not having a qualification equals an economical death sentence, but a rare talent can mean a global passport. The nomads of knowledge can get to know anything, get to anywhere, do anything and be whoever they want to be. The way Manuel Castells says: the members of the elite are cosmopolitans - the ordinary people are local. First we had aristocrats, then bureaucrats. Now we have cosmocrats - they are the members of the new elite, the possessors of money, expertise, or both.“

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The conformity between the change and the improvement of knowledge

The extent of the changes can often be so wide that the currently up-to-date cognition or information can become obsolete and useless by tomorrow. This is where the most important requirement for the knowledge workers conceives, since without improving their knowledge and skills they might not be able to serve effectively the operation of the company at a later time. The company will have an effective management in vain if there won’t be such individual skills anymore that can be turned into corporate knowledge.

Peter Drucker declares about the lifelong-learning approach: „knowledge and skill differ in a fundamental characteristic - skills change very, very slowly. Knowledge, however, changes itself. It makes itself obsolete, and very rapidly. A knowledge worker becomes obsolescent if he or she does not go back to school every three or four years.”

What is the role of the knowledge workers for the future?

We still have to improve our existing cognitions or acquire new ones. We have to strain after submitting this knowledge in the most useful way possible to our company. The management also must help in this.

Who is considered to be a really effective leader?

If the company is led in an agile, professional and creative way, while our people’s knowledge and the existing and obtainable information is used so we achieve the most optimal operation of the company.

Peter Drucker stated the responsibility of the management: „the management’s role in reaching the mutual performance is to mobilize the skills of the colleagues by setting aside their weaknesses and exploiting their strengths.”

Similarly to Drucker, Lynda Gratton also emphasizes the human resources centred approach and says: „The only route to improved performance is by placing your human resource at the centre of your strategic decision-making. People have to understand strategy, and strategy makers have to understand people.”

„Talented people are mobile monopolies – they have a world passport. The key of competitiveness – the rarest resource – is in their hands, and it’s no other but competence. Economics and business are the sciences of the rare resources. Today the rarest resource is not the investable money, it is the imagination. Expertise is power in the hands of the individuals. Power against politicians, employers and capitalists. The only viable strategy for a person is to become a rarity. Regardless of the industry success always depends on the intellectual and not the material.”

Though we have to stress that not every knowledge can create values. It is emphasized by Lynda Gratton too. According to her opinion the truly decisive competences are difficult to imitate and these are the ones that can have an affect on our careers the most.

Obviously the responsibility of the management is not the only thing we need to highlight by the improvement of the knowledge level. It is up to the knowledge workers as well to find the best opportunities to improve their existing cognitions and skills. A knowledge worker can also work organically for the improvement of his key competences through self-management and self-training without assistance, with which he can make himself to be much more in demand on the labour market. If we are aware of what the market needs, we can make

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accordingly the appropriate steps for the improvement of ourselves and our knowledge. We have to ask similar questions about the knowledge workers as we did with regards of the companies. In which way am I better and how much do I know more than others? What more can I do for my company?

We need to answer the “how” question again and if we have the right answer then we really are in the possession of the key competence. The knowledge workers - or the ones that want to become knowledge workers - have to walk with open eyes all the time and have to be the first to grab the opportunities.

MANAGING THE FUTURE

The companies of the future will more and more build on the soft factors of the competitiveness. To them keeping up with changes is an operative job, it is part of the weekdays. To them people are essential elements of the company, who represent values and whom they are trying to rely on in the widest possible range.

Obviously we mustn’t say that only the knowledge workers matter in the company’s life. Besides the people’s intellectual capital their physical capital is just as important for the company, since nothing can substitute the manual creative labour.

For the companies of the future changing their point of view is inevitable. They have to move from the capital-centeredness towards people-centeredness. The biggest tasks for the management will be the effective management of the people and the development of the knowledge-based company. By the improvement of the technology and by the changes becoming regular the demand for the more effective ways of processing the information will increase. The significance of the strategic planning will continue to grow and the responsibility of the management will be directly proportional to the more and more rapidly changing business environment.

„The work is fun” - said the German philosopher Friedrich Nietzsche, but it will only be true in places where the conditions are appropriately prepared. The leaders of the future companies know that the employees will only be adequately effective if the conditions are suitable. The possessors of the knowledge can be appealed to a company that offers the best conditions to its employees. This doesn’t only mean the income, but the headway, the self-realization and the feeling of belonging to a community too. That is why a good management shall aim to develop a harmonious business culture and help to develop relationships and cooperation. They shall increase the commitment of the employees, support the headway and the individual improvement opportunities maximally, and they shall be able to motivate and inspire well.

Apart from being the art of creativity, management is also the art of dealing with people.

In this the most important role of the management is how it can draw the interests of the two parties as close to each other as possible. The interests of the employees must be taken into consideration, and the company’s interests must be realized as well. So the management is also the science of approximation. The leadership is good if the born interests and expectations are materialized for everyone. In this process knowledge and creativity will represent a key competence, both on the side of the management and the employees.

The truly significant investments shall be made into the improvement of the human mind and the modernization of the knowledge instead of into buildings and equipments. The human brain, the imagination and creativity have always been the factors that moved the development of humanity forward. It’s no different with regards of a company. We have to invest into our people and we have to continuously improve our whole company.
Keeping an eye on the future is essentially important for both the management and the knowledge worker. In the case of the former it is required by the creation of the strategy, while for the latter it means a necessary task to maintain the competence. The role of knowledge will be intensified further on because only the possessors of the knowledge will really be able to influence the outcome of the processes, so in short they might be able to affect the change, in fact they can even generate them. The ones that don’t possess knowledge will only be constantly accommodating and will always be in an eternal arrears comparing to the ones with knowledge and information. Since more and more people have begun to realize this connection thus they are trying to become knowledge-based too, the knowledge-based economy and society is gradually being developed. In which the possessors of the information, knowledge and cognitions will have majority and they are going to influence the processes happening on the markets.

AFTERWORD

In my study I have been trying to outline my opinions about the role of humanity in the economic and social life.

Only people can create values and performance by their intellectual capital and their manual, physical work.

I convincingly believe that we cannot be successful without the right people, even if we are in the possession of money-capital. The change cannot be managed by money but by people, their ideas and by new thoughts. By lending colour to my essay through the thoughts of some authors well known in the management business, I have been willing to draw attention to the fact that today more and more people are thinking in a similar way and are lifting the human being to the centre of the economic and management way of thinking. The company’s real limit is nothing else but its workers and the skills they are possessing. The border-effectiveness of the human factor is the index that is though difficult to define numerically, but it shows how well the better and more effective management of the people improves the performance of the company. Obviously if the management provides more favourable conditions, the corporate culture will be motivating and stimulating, and the individuals will more willingly share their knowledge, they will be able to identify themselves better with the company, which will increase their commitment. The organization will be characterized by more willingness to sacrifice, more intensive work, team work, etc., so it will have all the advantages that can derive from the effective management of the competitiveness’ soft factors. And most of these are related to our people.

The knowledge of our people is the progress of our company!
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