

# The New Drivers of Management Success

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In the knowledge society, organizations are becoming less hierarchical with fewer levels of management, emphasizing more on fluidity, adaptability and quick response; in turn, there is less focus on rigidity and bureaucracy. Knowledge and expertise will compromise the main sources of influence on behavior. Multibusinesses (complex organizations) out of necessity will exhibit more decentralization and local autonomy with management responsibilities diffused throughout the organization.

The future points toward a network of relationships that integrates the best-of-class practices and processes in order to achieve success in an intensive, competitive world. A single organization will be incapable of responding to all the needs of the customers; in addition, alliances, partnerships and networks are going to be the order of the day. Networks will be the result of outsourcing, management will be characterized by prudent distance (rather than direct control), and managers will embrace with more focus the crucial tasks of recruitment, selection, development and

intelligent reward of human capital. Managing brains is already and will continue to be a fundamental venture.

In the performance (individual) and execution (organization) management, there must be as much emphasis on how results are achieved as there is on the results themselves. Rewards systems must reflect their reality.

The organizational value will become more and more dependent on tangible assets; thus, managers will have to stress formal education and high standards while acting and making decisions with wisdom but also with sincere humanity and sensibility. It is well known that declining organizations often decline over extended periods of time, as if managers are frozen into immobility. They may perceive the need of change, but they seem unable to make soundable decisions.

For years, I have researched and lectured on how the market capitalization of the businesses is increasingly dependent on intangible assets. This concept is difficult to understand for people with traditional mid-sets, especially when conceptualizing and approaching the task of strategic management. Very often I encounter managers stressing tangible assets, and overlooking the intangible ones as mastering the management of human capital internally and customer and supplier relationships externally.

To most organizations, the tools or the capabilities for managing intangible assets are nowhere as highly developed as those for managing tangible assets. My point is the following: **THE SUCCESS OF THE ORGANIZATION OF THE FUTURE WILL DEPEND ON HOW WELL IT MANAGES ITS INTANGIBLE ASSETS.**

It is vital that the organization contains a diversity of views, voices and disciplines in order to get new ideas, new frameworks and new knowledge sets. The organization will need to encourage and protect those individuals who constructively challenge the existing orthodoxy.

If managers are living fast-changing and turbulent realities, they should be constantly learning how to handle these new conditions. If change is unpredictable, managers must make organizations more resilient, flexible and agile. They must attract, maintain and develop people who can live with constant change and can tolerate the ambiguities that accompany turbulence.

The manager of the future has to become more astute, practical and business savvy at managing risks, unless they lose the organization that employs them to the savage swims of the fast-changing market and customer requirements. This signifies that managers must not only nurture existing competencies, but they should also develop the competencies required to create and exploit future opportunities.

Building and keeping intangible assets or human capabilities is one of the fundamental tasks for the managers of the future. However, there is a warning: the social contract that used to exist between the organization and its human capital no longer exists. Organizations battling turbulence by hiring and then firing, and by expanding and then refocusing, quickly find that the loyalty of their people is atrophying. Knowledge staff will usually take responsibility for their own careers, behaving more like short-term contractors than long-term loyal professionals. Marshaling, building, and retaining competencies will be very important but difficult of doing; therefore, it will undoubtedly rise.

Managers will have to assure that the organization creates value for the future, and the only way to do so is through innovation. This is about exploring new opportunities, deploying creativity, cultivating different voices and disciplines, and displaying willingness to engage in experimentation.

The managers of the organizations of the future are determined to take a lead into the future. Their instinct should be to act, perform and execute without any fear of being wrong. These new professionals have a higher sense of purpose for the institution (they love the institution and love their work) that goes even further beyond the commercial success. It is about

management intensity, meaning full immersion in the business strategic and operational details. They acknowledge that a scarce resource is never an excuse for inaction. So they go far and deep with their commitment to make a difference; they are completely open; they embrace knowledge to enable change and transitions; they act whenever opportunities emerge; they accept vulnerability and risk as a way of life; they embrace uncertainty and anxiety.

In the past, management was about creating certainty. However, in the present and in the future, it is about muddling through uncertainty, and anxiety has become its constant companion. The way managers use these conditions will make all the differences. If managers get overwhelmed with these new realities, they will panic. As the alpinist have instructed, those who panic in the mountain die in the mountain. Nevertheless, if they use anxiety in a positive way, they will turn it into a powerful force and a hidden driver of personal and organizational success.

For the future, managers should cultivate realistic optimism, embracing the truth about present reality while thinking hard about the future. They should practice confident humility, learning to lead with power and generosity. They should also evoke constructive impatience in engaging people and making it psychologically safe for them to take risks while challenging them to give the extra mile by giving higher levels of

performance. Management is and will be about discovering the hidden drivers of business success.

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