



THE INDUSTRIAL REVOLUTION REVISITED: PEOPLE-POWERED ORGANIZATIONS AND THE FUTURE OF WORK

A feeling of déjà vu

The last decade has been tumultuous for enterprises as they grapple with changes in the business environment, technology advances, workforce demographics, and epidemic-induced pressures. Yet, as companies twist and turn out of these difficult times, one trend is starkly clear - it's the era of people powered organizations now.

In some sense, it is like a return to practices of yesteryears. Flashback to the 18th century - people supported by a combination of economic, political, and social factors were the driving force behind the Industrial Revolution. Businesses founded on the principles of democracy - "of the people, by the people, and for the people" emerged to fulfill community needs. Organizations thus evolved firmly grounded on these principles and remained people-centric.

However, over time processes and technology exerted greater influence with their promise of higher efficiencies and better business results. Adopting new technologies and management systems, such as automation, lean manufacturing, and Six Sigma, streamlined their operations and reduced costs, increasing competitiveness and growth. Gradually, a focus on processes and technology supplanted the people-centric approach and led to the dehumanization of the workplace.

In recent years, companies are again veering towards a people-centered approach to achieve long-term success. This involves re-inserting the workforce at the center of their business strategy, and creating a culture that values their contributions, fosters their development, and supports their well-being.

More power to the workforce

The concept of participatory democracy is worth considering now. Simply put, it allows individuals to have a direct say in the decisions that affect them rather than rely on intermediaries to make decisions on their behalf. In the organizational context, participatory democracy implies people's involvement through its lifecycle. It can take several forms, but it usually means giving the workforce a greater voice in company decision-making, more representation of their interests, and perhaps a stake in the company.

While these are not new ideas, it's important to understand the changes that must occur, from the business model level to processes and culture. The cruciality of these changes cannot be over emphasized and are a critical success factor.

Examples abound.

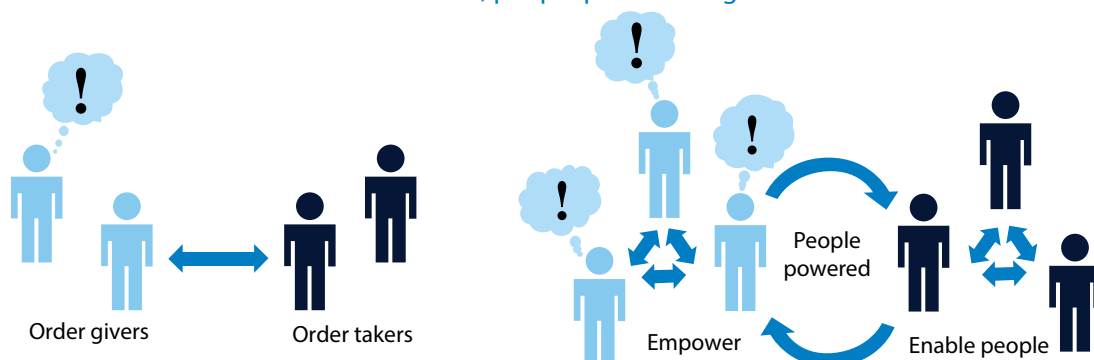
Red Hat¹ has forged success on the foundations of participatory democracy. The company's open-source software solutions were developed collaboratively by a community of developers worldwide. Their "open decision framework" encourages the

workforce to freely discuss decisions and collaborate on solutions to find the best outcome for the company and its customers. This approach empowers them to take ownership of their work and actively contribute to the company's success. The company's unique culture has been the secret sauce for its success.

Other famous examples include Uber and the Brazilian company Semco. Similarly, Infosys practices active participation across the enterprise value chain.

Contrast this with the traditional control and command structure, a top-down management approach where decisions are made by a few at the top and communicated to the lower levels, who are expected to follow orders. This approach is characterized by a strict chain of command, with little input or feedback from lower-level workers. While the control and command structure works in mission-critical defense setups or highly regulated industries, it is no longer relevant in a generic or consumer-oriented enterprise today. As management guru Rosabeth Moss Kanter says: "Companies used to be able to function with autocratic bosses. We don't live in that world anymore?"

Characteristics of command and control structure, people powered organizations



It's time to change

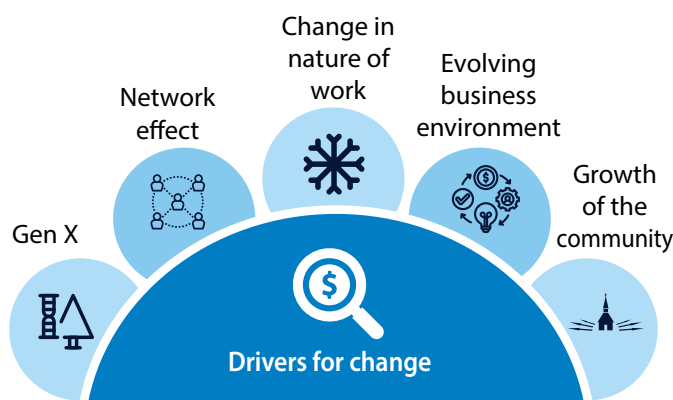
Five chief reasons to adopt participatory democracy -

- **It's the age of Gen Xers** - As the workforce becomes younger, they look for more choice, freedom, and flexibility in the workplace. They expect their employer to involve them at every stage of the journey and not just execute orders.
- **The network effect** - In an online and social media driven world, sharing information has become much easier. By creating platforms encouraging participation and collaboration, businesses can harness the power of collective action to create value and innovation.
- **The nature of work has changed** - The traditional linear processes with multiple work chains have given way to a more agile, fluid, and collaborative style. As a result, work flows seamlessly from one stage to another, making it difficult to break it down into sequential steps. The subtle differences between the traditional waterfall method in software

development and the agile and sprint models illustrate how the construct of work has changed.

- **The evolving business environment** - Be it changes in customer behavior, regulations, supply chain, workforce expectations or technologies, organizations are learning to embrace it. For example, the previous capital-intensive business models are giving way to more process intensive service models to cope with changes in the supply-demand ecosystem.
- **The growth of the community** - While today's consumers demand personalized and memorable experiences, at the same time, there is also the growth of the community backed by technology as people collaborate in the virtual or physical world towards a common purpose.

For these reasons, participatory democracy is the way for organizations to thrive.



The road ahead for organizations

What must organizations do to embrace participatory democracy and stay with the times?

Start at the top - Any important initiative with company-wide ramifications must always start with changes at the top by shifting to an active inquiry or servant leadership model where the leader now serves their team, organization, or community. Here, the leader prioritizes their followers' needs, empowering and enabling them to grow and develop. In effect, leaders become coaches, a big shift from the prescriptive styles of traditional models. For them, this means a quick mindset switch to effectively manage a people powered organization model, being vocal about it and acting on it.

Harness technology in the workspace for the workforce -

Organizations typically possess basic information on their people and communities, such as their nature and years of experience. But what's vital today is the ability to discern a worker's thinking process, core capabilities, skills, intents, and behavior to determine their work preferences. Unfortunately, this information does not exist today, making correlating work requirements with a worker's skills and preferences difficult. As a result, they must invest in people analytics to understand the deeper behavior and other aspects of their workforce and the larger community. In other words, treat your workforce and communities as consumers and gather as much cognitive intelligence as possible to ensure a fruitful work lifecycle. The goal is to not only support the capability of each individual but also amplify it.

Fine tune processes - When there are changes at the leadership level combined with technology, it automatically implies process and policy changes as well to redefine the way of working. Organizations must be tuned to operate in an agile model and change tracks to focus on today's needs and priorities. In addition, suitable workspace and security technologies must be harnessed to integrate processes and policies to enable flexibility and choice for people. While there are sophisticated technology tools for the hybrid work models of today, there is much ground to be covered to enhance field working models.

Communicate clearly - Companies must extract relevant information from communities to create a clear vision that must be reviewed periodically. Internal marketing efforts will be significant in a people powered organization to engage the workforce meaningfully and create a cohesive community.



Concluding thoughts

People powered organizations are a watershed moment in the business environment. By utilizing the power and creativity of the collective, such organizations can achieve greater impact and success than traditional top-down models. However, to realize this goal, many things need to come together - leadership styles must change, technology must be employed as a catalyst to empower people and the community, and processes and policies must adapt. Going by the way business conditions are evolving, organizations have little choice but to make the change swiftly.

About the Authors



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Lax is an innovative, versatile executive with innate ability to successfully transform businesses to continuously reach their highest potential by implementing leading edge technologies paired with creative business models for scale able and sustained solutions to deliver growth. He has a stellar record at leading businesses from strategy to execution in multiple markets and global geographies and possesses an uncanny ability to lead and inspire teams to achieve best-in-class results.

Lax is an active evangelist, speaker, investor and a blogger on disruptive innovation, business models, future ready enterprises leveraging modern technologies and actively mentor startups and ventures.

References

- 1 [Book of Red Hat](#)

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