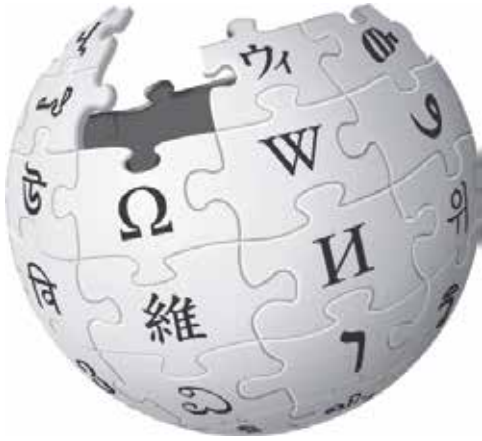


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**David Wagner** introduces the concept of 'community-centricity' - an inspirational idea for leaders and organizations to evolve their focus on customers to include economic and societal impact

# Like Wikipedia and Firefox, it's time to embrace the opportunity of community

Social scientists have grappled with the concept of community for at least 100 years, but it has gone through a renaissance recently. Community is about an individual's sense of belonging to a wider collective, which is fundamental for humans. Community matters for organizations, too, if they aspire to instill a sense of belonging in their employees, partners, and other stakeholders.

Henry Mintzberg, an influential management scholar and professor, has repeatedly called for the rebuilding of companies into communities where people feel they are contributing to something bigger than themselves. He advocates "communityship", a hybrid form of individual and collective leadership based on committed, distributed exchange between an organization's members.

The rise of social technologies has made interacting and organizing online easier. Some organizations have adopted unique community-based designs - think of Wikipedia, the online encyclopedia, or Mozilla, which created the free, open-source web browser Firefox - while others engage in virtual community building to tap into the wisdom of and coordinate action between multiple stakeholders, from employees to customers to crowds of problem solvers. Technology has become an enabler of community. »



However, there is a bigger societal shift underway that is more appreciative of the role of community. In the face of multiple crises – from the pandemic to climate change to armed conflicts – community has become vital to responding to “grand challenges”. Solving these requires a coordinated and distributed effort from multiple stakeholders toward a defined goal, which community can deliver. Through the lens of the UN Sustainable Development Goals, leaders are more likely to find themselves working toward “decent work and economic growth” (SDG 8) or “industry, innovation, and infrastructure” (SDG 10). Yet, SDG 11 explicitly acknowledges a community focus: making cities and communities more sustainable.

### From the customer to community

Many organizations claim to be customer-focused, if not customer-obsessed. Customer-centricity has emerged as a prominent strategic orientation through which organizations obtain information about the desires and needs of customers through their targeted involvement in developing new products and services and receiving feedback on their use. It's time for a recalibration.

The focus on customers is too narrow. It neglects important (f)actors that are linked to input and output. Stronger integration of other stakeholder groups is necessary to reconcile the multiple demands on decision-makers, such as sustainability or digitalization. Take the recently enacted EU Supply Chain Act as an example of including suppliers as an important stakeholder group. This emphasizes the sourcing of materials and labor as inputs for production. On the output side, many organizations continue to impose substantial environmental footprints on the communities where they operate, which are often merely treated as “externalities” (beyond the responsibility of individual organizations). In short, the focus is no longer just on individual customers but on the bigger picture – the communities in which organizations are embedded and which they affect. Let's call this community-centricity.

### Is yours a community-centric organization?

It can be argued that community thinking has come a long way already. Many organizations run their own communities and employ dedicated community managers. I have been involved with the German Association for Community Management, a professional association focused on advancing the community industry, for several years. We have conducted multiple studies with community management professionals. One thing that has consistently stood out is the strong rooting of community in the marketing and communication departments of organizations. This may seem natural: communicators are well-placed to connect the dots between various stakeholders. Marketing is often closest to the customer, thus resulting in a strong industry focus on customer or brand communities. While this has been a significant area of growth in the field of community in the past decade or so, it presents a substantial problem. It limits the broader application and diffusion of the concept of community within organizations. For example, few community teams have direct support or mandates from senior executives or the boards of directors.



Paid subscriptions on Substack, a newsletter platform for creators, as an innovative approach to monetizing the community

Consequently, they lack a strategic foundation and orientation. A change in perspective is required – from “community as an extended marketing channel” to “community as a genuine, overarching corporate philosophy”.

How can we know if an organization has a genuine focus on community-centricity? The answer is: When community becomes its guiding principle and core resource. This must be visible in areas such as mission and vision, values, strategy, business model, finances, product development, personnel, and – last but not least – technology. Community-centricity will surface through the statements and actions of individuals (such as middle or senior management), collaboration within and between teams, and the involvement of external stakeholders. This comprehensive community thinking, while not widespread, has enormous potential.

### The enablers of community-centricity

If leaders want to build community-centric organizations, they must answer important – and sometimes challenging – questions. Here is a starting point:

**Mission and vision:** Who you are, what you do (i.e., the main focus of business), and where you want to go (i.e., an aspiration).

- Are there explicit references to a community orientation in your mission/vision statements (e.g., for self-concept, philosophy, public image, and goodwill)?
- Does a community orientation align with the purpose of your business?
- What kind of stakeholder orientation becomes obvious through these statements?
- What kind of future does your organization envision? What is its place in this future?

Building a sense of community is a common strategy in the missions of successful companies. In an analysis of high and low-performing Fortune 1000 companies, the high performers tended to include community and society in their mission statements more than the low performers (79% and 61%, respectively).

**Strategy:** The current set of capabilities and the pathway taken to achieve a desired future, including initiatives that help to shape this path.

- Are any internal and external community projects part of your strategic agenda?

- Are there strategic fields of action in which the development and expansion of communities play an explicit role?
- Are various stakeholder groups involved in strategy development and decision-making?

The concept of “open strategy” has become increasingly popular. This happens when stakeholders beyond the traditional senior management team are integrated into the process. Studies have shown that companies such as IBM, Daimler, Hypo Vereinsbank, and the Wikimedia Foundation have adopted open practices for transparent discourse, co-creation, and more democratic decision-making.

**Product management:** The entire product lifecycle, i.e., how products are developed, brought to market, and ultimately disposed of or re-used.

- To what extent are community members involved in the initial development of products?
- How is feedback gathered from the community of users once products are on the market?
- How do innovations from the community become integrated into products?
- How are relevant stakeholders addressed when products reach the end of the lifecycle? To what extent are they integrated into developing sustainability solutions, e.g., for circular business models?

Open innovation plays an important role here. In one research project, we observed how a new product at BMW came to life through an innovation community maintained for employees. Returning to the Firefox example, products developed exclusively by a community are also conceivable. Given the urgent need to develop more sustainable products or circular economy business models, community-centric thinking may prove particularly advantageous at the end of the product lifecycle.

**People and culture:** Processes such as recruiting and selection, development and learning, compensation, and management and leadership development.

- Does your organization create a sense of belonging for its members? If so, how?
- Do diverse employees/community members feel included and valued? Are diverse community members represented in recruiting and development processes?
- To what extent does management and leadership training include community-centric elements (e.g., self-leadership, distributed leadership, and servant leadership)?
- Does your organization develop internal and external community management capabilities? Is community-based and peer learning established?
- How are external stakeholders integrated into your organization? Are there formal policies for participation and promotion?

In my research, I have observed HR-run community initiatives with a clear mandate to establish community-based thinking and learning in an organization, such as the GUIDE Network at Continental AG. Much may also be learned by looking more closely at open-source technology

companies, such as Mozilla, where a few full-time employees work hand in hand with a community of volunteers (who create much of the value). In these circumstances, a coherent participation culture has to be developed across different layers of the community.

**Finances:** Revenue and costs, investments, and return on investment (ROI).

- Are there budgets for developing and activating communities (detached from the marketing budget)?
- Are these budgets substantial compared to other strategic investments/initiatives?
- Is the community being monetized? If so, what is the underlying revenue model?
- Is there an ROI for the community?

A credible community orientation can only be established through significant financial investment. Visions and strategies are often about aspirations – and words. The financials are where the rubber hits the road, and the aspirations become tangible strategic projects. For example, lucrative financial returns have been observed in the context of brand communities. Here, more connected and engaged community members (customers) tend to purchase more. Think of paid subscriptions on Substack, a newsletter platform for creators, as an innovative approach to monetizing the community. Of course, these calculations become more difficult the more complex the community approach.

**Technology:** Skills, resources, and infrastructure.

- Does your organization need technology infrastructure to support the community?
- Do you invest in technology and the development of technical platforms/expertise?
- Do you rely on cooperation with established software partners, or do you have your own (community) developments?

Community centricity need not always be tied to a specific technology. Mintzberg and other early community thinkers probably did not envision a community requiring technology. However, given the advancements of the last decades, it seems likely that technology will be part of the solution. If we look at an organization such as PatientsLikeMe, a community for patients with rare diseases, it becomes obvious that some digital innovations are closely intertwined with the technologies supporting their communities – indeed, they would not exist without them.

This list is not a checklist. Instead, it indicates where and how community-centricity becomes systematically visible at various points in an organization. Beyond individual components, community-centricity will come to life through integration. For example: Is a strategic community-orientation credibly communicated and implemented by senior management? Is it in harmony with operational processes and remuneration systems? Are personnel and technical resources committed to the development of community? The likelihood of community centricity increases the more indicators point in this direction. On the other hand, one or more of the components mentioned above may be more mature »

in terms of sophistication, whereas an overarching approach may be lacking. Here, work remains to be done.

### Community at the core?

When we hear and think about successful communities, we may think of the shiny community examples of Big Tech: the Trailblazer Community run by Salesforce, which connects software users; the Apple Support Community, which helps people tackle problems with their gadgets; or the Airbnb Community Center for travel hosts. While these organizations deserve praise for the professionalism and sophistication of their community solutions, they fall short in terms of community-centricity. All are platform companies at their core, serving as intermediaries for multi-sided markets in digital ecosystems. Yes, they connect stakeholders in communities, but they are not themselves community-driven and treat community as an extended marketing channel.

The stronger candidates for community-centric design are less well-known. They are organizations centered around the principles of community: Momunity, a community app for moms (an often-isolated social group); MOTOR-TALK, focused on automotive topics; or Avaaz, enabling collective action for pressing global or local issues. Connecting community members and solving their problems is the *raison d'être* for these organizations, while the community itself is the product. This is community-driven entrepreneurship, more aligned with community as a genuine, overarching corporate philosophy.

A community-centric approach to organizing and managing has the potential to contribute substantially to solving the grand challenges of our time. These solutions call for a coordinated and distributed effort by many people toward a common goal. This requires a shift in mindset. First, we must move from depicting community as a form of local or geographical organization to an underlying management philosophy. Then, more attention needs to be paid to how organizations interact with communities, and how this interaction shapes their identity, strategy, and agenda. Finally, we must acknowledge technology's critical role in providing the infrastructure for communities to operate and connecting stakeholder groups.

The relevance of communities in a more digital economy and the need for more organizations to become genuinely community-centric is only likely to grow. ■

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# Generations apart? From boomers to Gen Z, there is much to learn from each other

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Understanding generational differences is crucial to unlocking potential, retaining talent, and becoming a more effective leader, argues **Katharina Lange**

**J**ane is in her fifties and an experienced country manager at a global engineering company. She runs a large P&L and asks her team of 10 to report their results in a Monday morning meeting at the office over coffee and croissants. However, John, a new hire in his early twenties, asks to join the meetings virtually. He says the commute is a pain, and he could work more efficiently from home. Jane says no because she considers the meetings essential to building team culture and monitoring results. John resigns six weeks later.

Losing talented team members is costly, so could this culture clash be prevented? Conversations with executives worldwide indicate three key levers to mitigate (or at least alleviate) these tensions. First, we need to better understand the trans-generational dynamics.

### Different generations, different cultures

"Each of us is born into a moment in time that shapes us and our worldview more than we are aware," writes Robert Greene in his book *The Laws of Human Nature*. Our generation influences our values, as-