



# WHY THE VIENNA CENTER FOR MANAGEMENT INNOVATION

Richard Straub

Societies around the world are now experiencing an intensely frustrating gap between their aspirations for change and their abilities to draw up and put into practice workable solutions. This anxiety in the face of mounting global problems translates to a widespread *institutional* challenge, with profound implications for private, public, and civic life.

Advances in human progress and prosperity depend on value creation – economic, social, political, cultural, and spiritual – by societal institutions. Among these necessary conditions, the economic value that businesses produce ranks high because it funds so many of the institutional and infrastructural underpinnings of modern societies. And like all these realms of value-creation, it is deeply human. Science and technology have essential contributions to make, but are not sufficient to solve problems on their own.

What else is needed to achieve value creation at scale? It is *management* – a “social technology,” as some have called it, that is key to collective human achievement. Peter Drucker, known today as the “father of modern management,” laid the foundations of the discipline over half a century ago. Now, more than two decades into the twenty-first century, daunting new problems – even existential challenges – suggest that we need a step change in productivity and innovation. In turn, this demands that we step up to the challenge of reimagining our organizations and institutions.

*We must ask of ourselves: How can we advance the social technology of management – in practice as well as theory – to do more to solve the problems and overcome the challenges of our fast-changing world?*

Because management is, in Drucker’s words, “the central resource, the generic, distinctive, the constitutive organ [on which] the very survival of society is dependent,” its renewal and further development is of critical importance to society. And this is where the Vienna Center for Management Innovation comes in. Its ambition is to serve as a global platform, a meeting place both virtual and physical, a form of think tank, and a center for dialogue and research by the most creative thinkers and practitioners.

Attempts to recast the theory and practice of management for today’s conditions have had only limited success. Because “Management 1.0” has so thoroughly taken hold, it has proved hard to loosen the grip of its hierarchical, command and control structures and bureaucratic tendencies – now exacerbated by digital technology.

In the spirit of Peter and Doris Drucker, the Vienna Center for Management Innovation is founded as an institution dedicated to making progress toward a new management paradigm – and one that is, unlike the technology-led and even “transhuman” approaches being put forward in some quarters, a firmly human-centered paradigm.

As a **nonprofit** association for the common good registered in Austria, the Vienna Center will provide a broad **institutional umbrella** for existing programs (such as the the Drucker Challenge Essay Contest, and its membership/community program). At the same time, it will provide the **springboard for new initiatives** undertaken to advance the theory and practice of management:

With today’s inauguration of the Vienna Center for Management Innovation, we launch the following new initiatives:

- A **management research center** in partnership with leading institutions, the first part of which is the establishment of Topic Leadership Circles. Each TLC will launch with a multiyear remit to scan and explore promising topic areas related to management, potentially leading to more in-depth research projects. Two TLCs are being launched today (on Digital Humanism and Risk & Uncertainty). Further ones will be announced over the next six months.
- A new **High-Level Scientific Council** complementing our existing International Advisory Board.
- The **Vienna Salons**, reviving a Viennese institution dedicated to informal, cross-disciplinary exchange of ideas between a select group of thought leaders at the turn of last century. Salons will alternate in format between in-person and online gatherings.
- **Drucker Forum Learning on Demand** – using the full recordings from all Drucker Forums since 2009 and making them available for individualization and customization with the most advanced video search technology provided by our partner Soar.

In addition, the Vienna Center for Management Innovation will roll out three flagship initiatives over the next three years:

- The **Vienna Medal for Management Innovation** will be a global prize, beginning in 2025 and awarded every other year thereafter, with a twofold focus: young researchers carrying out groundbreaking work on innovative management practices, and companies that have successfully implemented and tested innovative approaches over a period sufficient to prove their practical value.
- **The Vienna Connection:** Vienna, with its unique intellectual and cultural legacy, has made lasting contributions in many fields, advancing economics, sociology, arts, political science, mathematics, philosophy, psychology, medicine, and natural sciences. Less recognized is the mark it left on the emerging field of management through Peter Drucker, who grew up in Vienna and was shaped by the city’s intellectual and social ferment. Through the “Vienna Connection” the Vienna Center for Management Innovation will draw on the work of past formative thinkers – including Joseph Schumpeter, Karl Polanyi, Friedrich Hayek, and Karl Popper – to shed light on today’s important challenges.
- The **Young Management Practitioners Network** – to be rolled out in partnership with business schools, corporations and public sector institutions. It will be focusing on a new generation of business and institutional leaders that are engaging in renewing and innovating the practice of management.

Details and timelines of these new initiatives will be elaborated with founding partners of the Vienna Center for Management Innovation by June 2023.

Meanwhile, the **Global Peter Drucker Forum** will continue as the crystallizing annual event – a global meeting place and platform for exchange and discussion, its position reinforced by its unique status as the heart of a dynamic new ecosystem for management development and innovation. The Forum will benefit from the new initiatives and serve as a channel to amplify insights surfaced through the Vienna Center for Management Innovation.

Management, as humanity's social technology for collective achievement, will be a key factor in addressing the challenges the coming decades can be expected to bring. With the Vienna Center for Management Innovation we build on Peter Drucker's foundational idea that, far more than a business-specific skill set, greater management capacity is needed throughout society. With human values at its core management is nothing less than a noble calling.