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**FIRM**

**LEADERSHIP**



**Creating understanding and acceptance.** Fear and insecurity spread in times of uncertainty, when organisational change generates a sense of loss. In conjunction with organisational changes, when facing new structures and demands, it is essential that leaders can also provide clarity and stability in the prevailing confusion and chaos. In such situations we must be able to handle and convert negative emotions and experiences based on fear – in other words, go from apprehension to hope.

### From apprehension to hope

- |                         |   |                                        |
|-------------------------|---|----------------------------------------|
| Powerlessness           | – | Participation                          |
| Fear of making mistakes | – | Encouragement to accept responsibility |
| Isolation               | – | Dialogue                               |
| Fear of being dismissed | – | Support for career development         |
| Fear of change          | – | Shared vision                          |
| Mistrust                | – | Trust, hope                            |

**Even you as a manager** may need to address your own apprehension or sense of loss. It is therefore vital that you deal with your emotions and talk about them. Important support groups for you as a leader include your own superior, other managers, close friends or a coach.

**The value of the individual** is not linked to performance as is the case with the functional value of an organisation (functional value tends to objectify people while the value of the individual sees the individual subjectively). It is important to allow people to retain their dignity, even in trying organisational situations, and to show respect. This demands humility, an ability to listen to others and acting with

integrity. It is vital to be careful and take people seriously during difficult conversations.

**In other words**, it is a question of how you deal with human encounters. Emotions play a prominent role in what happens and has happened in transition processes. They are the basis for how we address and interpret the next change or reorganisation we face. We therefore feel that the ability to create an understanding, to act with a consultative approach and possess emotional intelligence are a few important factors in being able to manage change.

### CREATING UNDERSTANDING

**Active communicative leadership** that conveys lucid information and si-

multaneously clarifies new roles and mandates that arise in conjunction with changes is essential. It is common to see a loss of purpose, which makes people cling to old patterns. Participation, mental support and arranging arenas where issues can be discussed and negotiated are important. The transition process is filled with major challenges when it comes to using planned measures to influence people's understanding.

**In our experience**, managers, through their strong roots in traditional thinking, often fall into the trap of wanting to realise new thinking via traditional communication. This is often done with repeated presentations of arguments, descriptions, preferably

*Provide clarity and stability.*

*Emotions are important.*

*Participation, mental support and arenas for dialogue are important.*

*Deal with and talk about your own emotions.*

*Show respect by listening and being human.*

*Start where your employees are.*

*People learn best if they are allowed to think for themselves first.*

*People act on their perceptions of the new rules, vision and values.*

*Understanding comes through dialogue.*

*It's about help to self-help.*

coupled with elegant overheads. Unfortunately, the result is often that the employees do not understand management's intentions. They continue to act from their present level of comprehension and no significant change occurs in the daily activities. Management may then interpret this as if the employees are obstinate and slow and lack the will to change and the ability to think in new ways. Managers do not realise that people act from their perception of the information and situation, or how people change their perception and what it takes for this to happen.

**Research shows that** our actions are not actually governed by external factors such as rules and instructions, defined visions or values, which is what is assumed in traditional leadership. Instead, our actions are governed by how we perceive these rules, visions and values. In other words, rules, visions or values per se are not central but how the people in the organisation interpret them given their understanding of their work and of the company.

**Understanding-based leadership demands** that leaders establish a trusting interaction with employees, where they together reflect on and create an understanding for what the work involves. In this way leadership assumes the nature of a dialogue and a social process, where people in interaction with each other expand their understanding instead of a person that tells others how things should be done. This approach can be threatening since it diminishes their formal position of power. The ability to use dialogue as an approach requires an inner security and self

confidence with the ability to be consultative in one's leadership.

## **CONSULTATIVE LEADERSHIP**

**It is unfortunately all too common** for leaders to adopt a control attitude and give immediate expert answers. Consultative leadership is instead aimed at trying to produce day-to-day knowledge and begins from the employees' position. It is a Socratic method based on the leader asking the employees questions and arriving at a solution to problems through dialogue with the leader providing help to self-help. People are helped to assume responsibility for their own life situation and their futures. In all teaching we know that people learn best if they are allowed to think for themselves and reflect on their answers, and that the greatest progress is made if motivation comes from within. We learn best if we are allowed to think for ourselves and find our own solutions and answers. Others can help us in the process, which is precisely the aim of consultative leadership.

**The consultation becomes a** problem-solving session during which a person is helped to see what they have missed so far. This means you always have to start from where the individual is and this demands both modesty and compassion.

**The purpose of the consultation is to** provide new ideas and support a direction of action for the employee. It has become more common nowadays to call this approach coaching. In principle, the two methods are based on the same teaching philosophies: help to self-help and that people accept

responsibility for their own life situation and future. In both consultation and coaching the employees are central and the discussion is geared towards creating an open dialogue based on trust and mutual confidence. Below are a few rules to consider when consulting or coaching:

- ask more questions than you give answers
- be supportive but also be bold enough to ask the difficult questions
- involve both the heart and the brain, thoughts and emotions
- work with both fact/content issues and with process issues
- have the courage to provide personal feedback at the end of the discussion

**Both consultative leadership and coaching** require emotional maturity on the part of the leader conducting the discussion. Without this maturity there is a risk that we avoid confronting the other person's apprehensions and that we misunderstand/misinterpret the emotions that surface in a discussion.

## **EMOTIONAL INTELLIGENCE**

**We can never understand anyone better than** we understand ourselves. That is why you must constantly develop your perception of your own feelings to better home in on and understand the feelings of others. This is a basic prerequisite if we are to comprehend and become aware of emotional group processes. Individuals, groups and organisations are living systems. The driving force behind living systems is energy. Emotions are energy. In order for you as a leader to achieve new goals and channel

people's energy you must first connect with their feelings.

**Emotional intelligence is based on** several factors that concern both personal and social competence. Personal competence determines how we behave towards others. Social competence governs how we handle relationships.

**Among the most important factors** on the personal level is self-insight, which includes emotional awareness, correct self-assessment and self-confidence, self-steering, which includes self control, reliability, thoroughness, adaptability and innovativeness, as well as motivation, which includes a will to perform, commitment, initiative and optimism. In social competence we find empathy, which is the ability to understand others, develop others, being service-minded, able to handle differences and having an awareness of power relationships in a group, as well as social capacity, which includes influencing, communication, leadership, teamwork, co-ordination and collaboration, building up a 'togetherness' and an ability to be a change catalyst.

## **VALUE-BASED LEADERSHIP**

**We all have inner convictions** and principles that govern us in everyday situations. These inner convictions are grouped into what we often refer to as our values. Our personal values steer our daily decisions and actions, both consciously and subconsciously. To open up and welcome change, every individual must have the chance to see how their individual values reason both with how the changes are implemented and with the desired 'new' that we face.

*To free energy you need to connect to people's feelings.*

*It is both about self knowledge and social competence.*

*You understand others by how you understand yourself.*

*Our values govern our decisions.*

*Allow time and arenas to reflect on our values.*

*Be open with your own values.*

*Be true to yourself.*

*Personal and organisational values must be in alignment to create meaning and direction.*

As leaders, we discuss and plan how we will handle a change by filtering our decisions through our values, which we then build on and argue for when we communicate our plan to those concerned. To succeed, you must allow time and place for continuous reflection and dialogue about the planned change in which those concerned have the chance to connect the desired change to their personal values and ambitions.

**To be perceived as an honest and credible leader** you must be open and clear about your own values and your actions must be persistently consistent with your expressed values. You must also try to free yourself from personal values governed by pronounced self-interest and fear. These can be difficult to see and it takes courage to address them with the help of people around you through active coaching and feedback.

### **CREATE BALANCE AND ENERGY**

**To create a sense of purpose and context**, our personal value system must coincide with the value system of the organisation and society. The result otherwise is a sense of imbalance and exclusion. Current value systems are often shaken in conjunction with change. As a change leader you must create an arena to discuss a new balance in the value system.

**Leadership that constantly welcomes** an open dialogue to create a common value foundation both for the implementation of the change and for the desired future situation is also based on the best conditions for every individual to feel both motivated and strong enough to welcome the change.

**Motivation and driving forces** come from circumstances where you feel your self-image and identity have room in the new situation and that the people around you validate this self-image. When these three conditions – self-image, other people's view of you and your personal value system – harmonise with our surroundings, we find a sense of purpose, a feeling of context and we have energy to deal with the challenges we face.

**Long-term successful leadership** is possible when we are in balance with ourselves and feel an inner harmony with our lives and relationships with others. The ability to be genuine and authentic in our leadership is based on an inner security and stability and that we are rooted in ourselves. Inner leadership is reflected in outer leadership. To be inspired in our work and lives is to be true to ourselves, our passions, our convictions and our courage. Leadership based on genuine self-esteem often instils respect and credibility. Genuine self-esteem comes from personal maturity and from reflecting on our experiences and through insight into our own values, perspectives and behaviour patterns.

**Managers are responsible for** dealing with both soft and hard parameters. The soft, which we have highlighted and emphasised in this document, are about being able to communicate and handle reactions that normally arise in change situations.

### **A HIGHLY EFFICIENT MANAGEMENT TEAM**

**Our experience underlines the** importance of not only having strong individual leaders but also a highly efficient and finely tuned management team.

A management team that also speaks with one voice and acts in the interests of the whole organisation.

**We see change patterns** on the individual level similar to those on the group and organisational level. In times of turbulent change, the focus and energy of the management team could easily be directed at the internal structure and with less focus and energy directed outwards, towards customers, the market and employees.

**In times of change**, when priorities conflict, anxiety and concern are easily generated among members of the management and internal conflicts and sub-optimisation could easily arise. In such a situation, we have seen that the management team can easily focus on, and put too much faith in, the structural side when in reality it is more important to strike a balance between the structural and cultural aspects.

**To make it easier for the management team** to act optimally in times of change the following are recommended:

- Have a clear, common vision and view of the totality (see **EXERCISE 10**), with a distinct gap between the present situation and the desired future situation.
- Have clear, consistent prioritisations regarding the way the change process should be led in practical terms (see **EXERCISE 7**). In some cases a specially appointed change team is required.
- Create time for reflection and learning in order to bring about individual and collective understanding and actions (see **EXERCISE 8**).
- Create a common view within the group of the forces working for and against the change and how these forces can be dealt with consistently (see **EXERCISE 5**).

## ISSUES FOR REFLECTION

A definition of leadership during transition:

*"To see what is happening in and around what you do and to have the ability and courage to act accordingly"*

Use this definition as your basis and consider the following statements about your own leadership and that of others during times of change.

*"You do not see what is happening and therefore cannot act"*

*"You see what is happening but lack the knowledge and courage to do what is needed"*

*"You do not understand what is happening, but act according to standard routines"*

*"You do not have enough levels in time and space to be able to judge the consequences of your actions"*

*"Imbalance in those around us prevents you from being competent"*

