TRANSFORM!

The leadership model in times of change.
Value-based, inspiring, lasting.

Meinrad Arnold

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TRANSFORM! The question is not whether we need to change our understanding of leadership but rather, how we master this change. There is certainly no shortage of consultants and checklists. Yet where is the overall picture which gives us a sense of orientation and guards against stand-alone solutions? "TRANSFORM!" provides exactly this – an integrated and coherent leadership model that inter-links all dimensions: thinking and feeling, values and objectives, past and future, business strategy and life concepts.
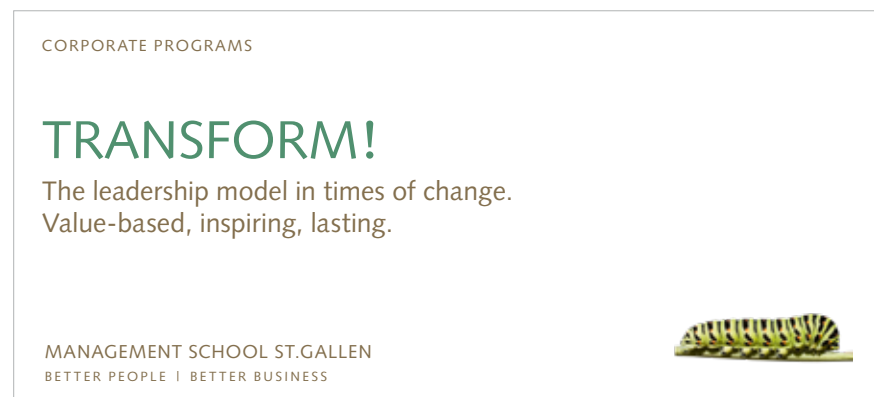
The author

Meinrad Arnold is a leadership expert who can look back on over 20 years' experience as a manager, leadership consultant and talent developer – and forwards into the future, with tried and tested expertise. In the "TRANSFORM!" leadership model, all his knowledge is condensed into a holistic system.

TRANSFORM!
A leadership model for a changing world

A preliminary note: every leadership approach needs to be measurable by its results. This is particularly true of approaches which focus on so-called "soft" factors, such as values, emotions of life concepts. Yet, hard facts prove that these approaches, rather than conflicting with commercial success, actually inspire it. The "TRANSFORM!" leadership model aims for this lasting impact.

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TRANSFORM!
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MANAGEMENT SCHOOL ST.GALLEN
BETTER PEOPLE I BETTER BUSINESS

Fast-track your journey from model to practice: you will find information about St Gallen's Leadership Program from page 48.

Successful businesses and ambitious staff have high and diverse expectations of their managers nowadays. Paramount among these is results orientation, both for management and team members, as the latter also value working in a successful company or sector.

In addition, they expect security, challenges and inspirational leadership. Interestingly, these attributes are also at the top of managers' lists of requirements for leaders. But what characterizes value-oriented, sustainable and inspiring management? And how can a leadership principle meet the needs of both parties – the business and the workforce?

Clearly, long-term economic success is important, particularly when the results contribute to the sustainability and viability of the organization. Where companies or managers pursue a short-term strategy of profit optimization, the leadership model described here will highlight gaps in their mindset and understanding of management. The model may also be met with immediate and widespread rejection!

Value-oriented, inspiring and sustainable business management requires a perspective which looks beyond facts and figures. It places people, with all their environmental and experiential backgrounds, firmly center-stage and focuses crucially on the leader themselves and their role. This approach to management embodies the belief that a manager who has found an inner equilibrium and their own place in the business and in society obtains better results and exerts a more powerful impact on others.

The TRANSFORM! leadership model thus depicts the difficult journey from leadership executive to leadership personality.

To start with, being a leader calls for realistic self-awareness. This reflectiveness includes individual values and a concept of human nature. They are the foundation of any authentic business which, firstly, reaches out to the right, potential employees and secondly, wants to be known by clients and partners for its particular qualities. There is an urgent need for management approaches that aim for value-oriented, inspiring and lasting leadership, to focus on training prospective managers.

The good news is that leadership can be learnt. Not everyone will do it equally well, but it is possible to acquire the tools needed to fulfill a management role in a meaningful and competent manner. This isn't sufficient to become an inspiring leadership personality, but it is a good foundation.

Fundamental management skills give you a solid basis for your first steps but don't make you a visionary.

Please don't misunderstand me! Not all managers can and must be great visionaries. Being authentic, committed and exemplifying a shared vision is already helpful.

On a business level, it requires profound strategic thinking, paired with the specialist ability to understand and implement your own business model. This is the necessary foundation to be able to recognize challenges and opportunities at strategic level in good time.

Changes and innovations in businesses produce feelings among the workforce, and managers should be able to guide these in parallel with their ability to manage the business model.

The TRANSFORM! leadership model

The business model described here builds on sustainability and viability. Cognitive factors, such as thinking and logic and emotional aspects like behavior and feeling are interlinked in a model which ranks them equally. On the horizontal axis, short-term and long-term mindsets, models or instruments are presented systematically. On the vertical axis, I display cognitive elements like "thinking and logic" as distinct from a more emotional level of "behavior and feeling".

The effective and authentic manager is at the centre of the model and inspires themselves and others by systematically laying down and embodying important basic conditions. Implementing a model such as this requires qualities and skills which today's trainee managers are only

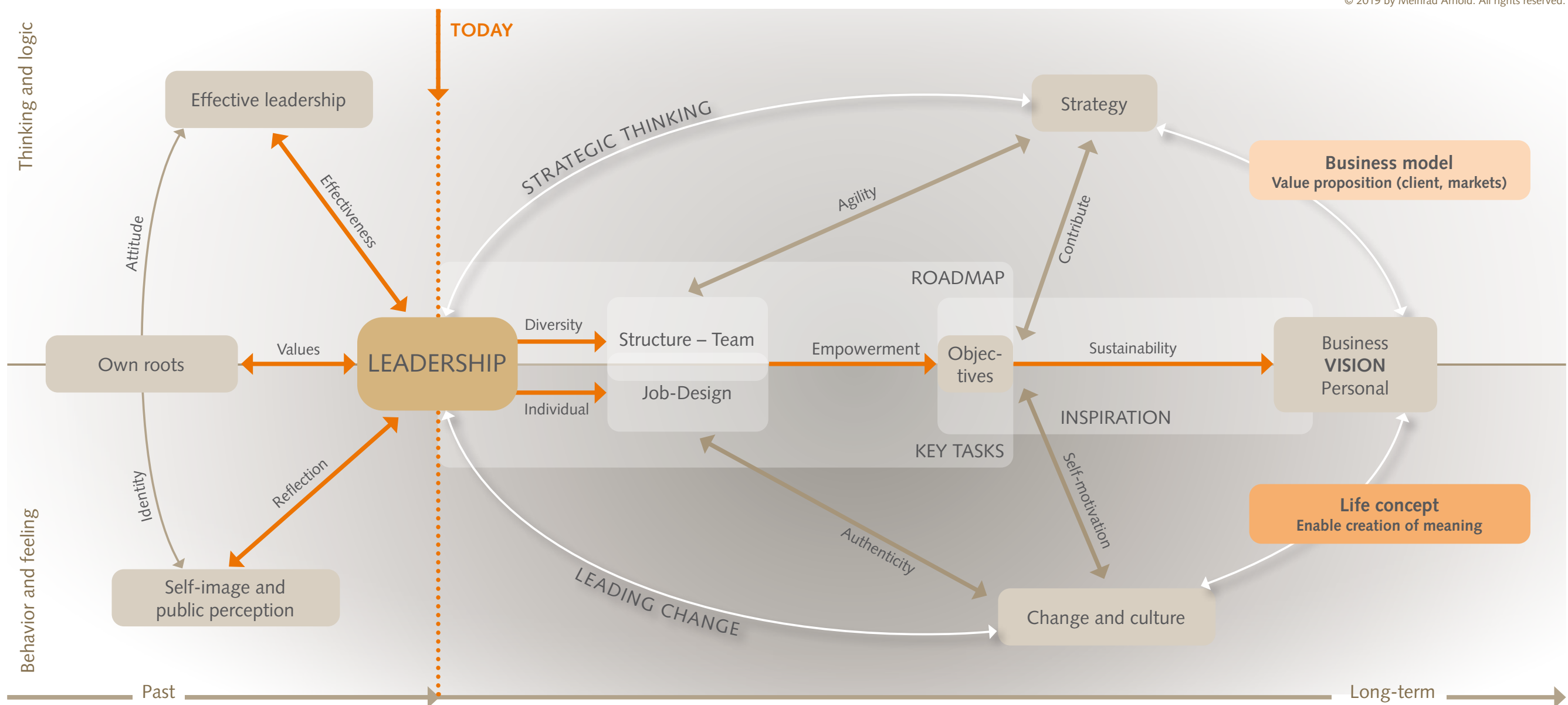**TRANSFORM!** The leadership model **–** Value-based, inspiring, lasting

Figure 1: The TRANSFORM! leadership model

taught to a limited extent: an authentic presence, inspiring behavior and leading with personality.

Only those who understand leadership in a holistic sense can be effective managers at the highest level. Fundamental to this is an important mindset which incorporates not just reason but also emotions and intuition in the process.

Models from St Gallen's programs also help to explain the connections between business and people. Instruments and tools will then aid implementation. However, a warning: using tools without integrating them into the overall context, together with the wrong mindset, can be painful for the workforce and the business. An example would be if managers keep losing their way or set objectives in isolation without taking account of individuals. The right mindset and an appropriate concept of human nature must work alongside processes and tools.

St Gallen's management courses provide managers with unique instruments to meet these complex challenges. Managers are at the core, where they control the interrelationships between strategy, structure[1] and culture.

Ultimately, we are all measured by sustainable results. For this reason, the implementation of the strategic roadmap and of individual key tasks in the model are particularly important. This implementation also relies on an agile structure and team to take on future challenges and organize itself effectively, according to its strengths.

Strategy – structure – culture
Prof. Dr. Fredmund Malik's management model

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Figure 2: Strategy – structure – culture

1 Effective leadership: discipline and technical skills are paramount

Real technical skills remain a prerequisite for participating at the highest management levels. Management is the art of effectiveness arising from the behavior and management skills and abilities of the leader. Intelligence, potential and a university education are desirable requirements. But without concrete results they are meaningless.

Prof. Dr. Fredmund Malik has described these amply in his books. The Malik Standard Model of Managerial Effectiveness®[2] (Malik Management Wheel®) describes how every job is characterized by four elements:

- tasks
- tools
- principles
- responsibility

First come the fundamental *management tasks*. It is the manager's role to fulfill these using acquired knowledge and deploying *tools*. To master these tasks requires continuous, tireless practice.

Malik gives an in-depth explanation of the tasks and tools – so, as principles and responsibility are my priority, I will now elaborate on those:

The *principles of effective leadership* determine its quality and effectiveness. It is important to view and understand all principles as a whole.

- Management is all about *outcomes*. Effective managers know their results and ensure that their employees focus on these. In doing so, it is important that results not only satisfy financial criteria but can also include qualitative or ethical objectives.
- One secret for success is to *use existing strengths*. In theory, the principle appears very easy. Logic dictates that playing to your strengths is more likely to lead to outstanding results than grappling laboriously with your weaknesses.
- By *contributing to the whole* you are a valued team member. Initially, it does not matter whether members fulfill their role in the team as generalists or specialists. The purpose and objective of the organization as a whole has to take precedence over the compilation of individual strengths and abilities.
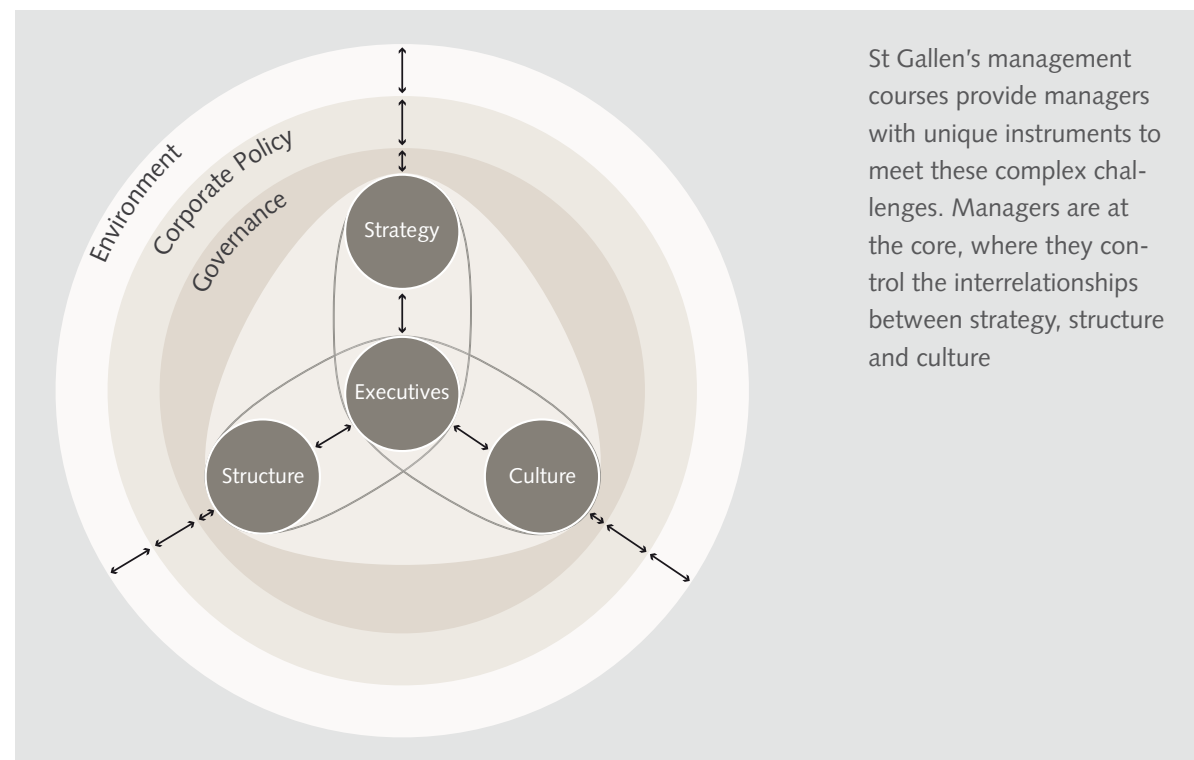
The Standard Model of Managerial Effectiveness (Malik Management Wheel)
Prof. Dr. Fredmund Malik – lead, achieve, live

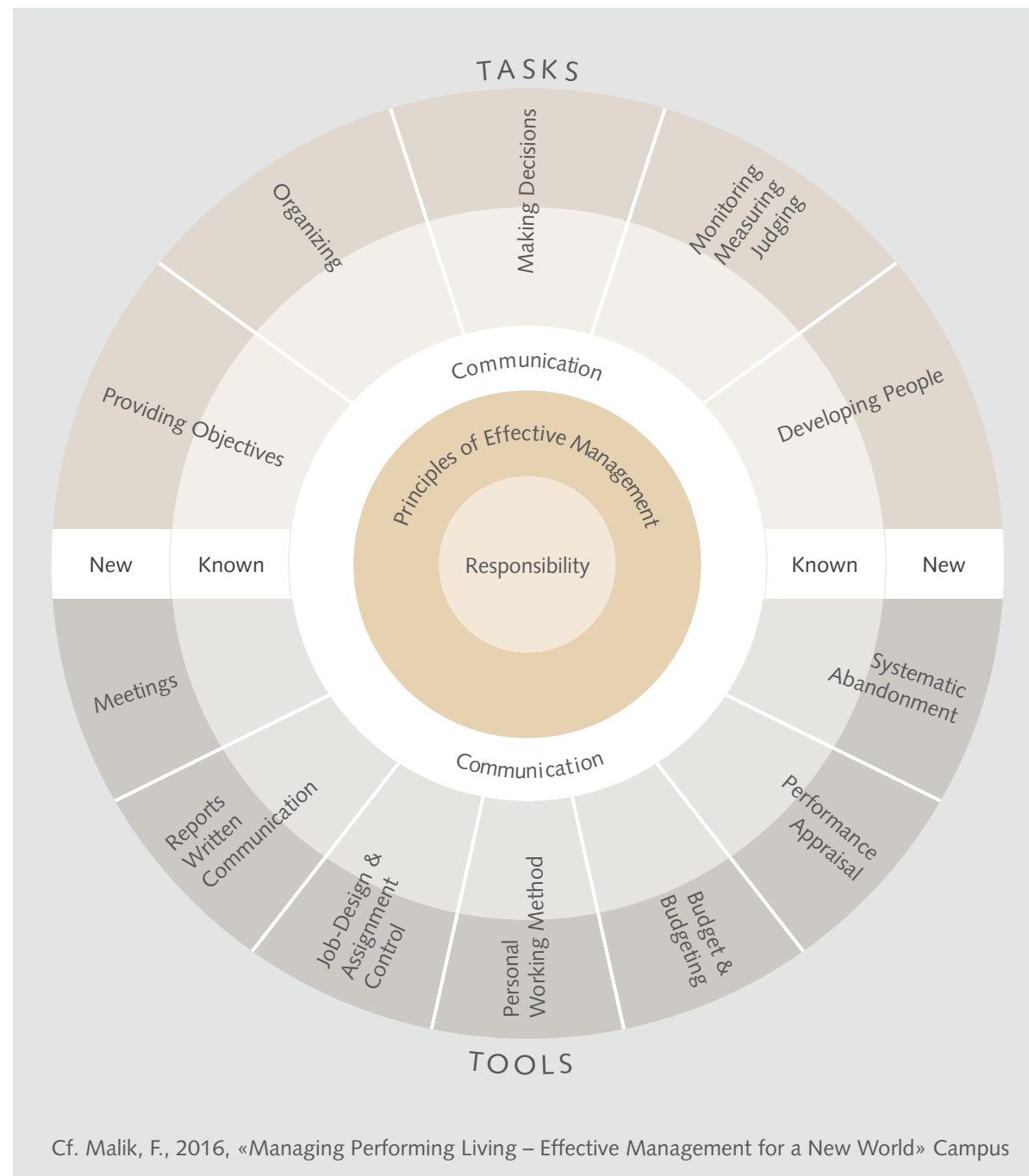Cf. Malik, F., 2016, «Managing Performing Living – Effective Management for a New World» Campus

Figure 3: The Standard Model of Managerial Effectiveness®³ (Malik Management Wheel®)

Effective and professional leaders understand the correlation between results, strengths and contributions to the whole. In management-speak, this is described as a magic triangle. In practice, it is implemented by using an effective job-design.

• *Trust* is the basis for collaboration. Respect, mutual appreciation and playing to people's strengths provide the foundation. Self-trust is equally important as trust in colleagues and superiors. Day-to-day, this often manifests itself in small issues.

• Positive self-confidence usually leads automatically to *positive and constructive thinking*. Managers should be authentic and honest. It is unhelpful to slip into unfamiliar roles and convert learnt management guidelines into dubious behavioral rituals.

In the case of the last two principles, the influence of the individual personality should be noted. Trust is especially valuable when, rather than being hard-earned, it is gained by a leap of faith.

• Focussing on *the essential and the few* is an important principle for effectiveness. For effectiveness to become noticeable, a 'policy of omission' should almost hurt. To illustrate this with a metaphor, we can imagine a juggler saying, "How many balls can I manage to keep in the air at once?" The answer can turn out to be very varied, as not everyone is good at multi-tasking. But it should be noted that large or important results usually stem from focussing, establishing priorities and playing to strengths.

Our world is more complex than ever, and resources in businesses are finite. Effective managers heed the *intelligent management of the three important resources* in business – capital, time and talent.

Responsibility and ethics

Unfortunately, ethically responsible managers seem to be rare or threatened with extinction, if we consider the scandals in large-scale companies from all types of sector which, time and again, are drawn to the public eye. Why do many companies experience such a huge gap between aspiration and reality? It appears that the pressure to be successful in business and/or greed for power lead to the truth or fundamental ethical values being forgotten.

In order to do justice to the topic of responsibility, I would like to include the concept of business ethics in the discussion. I do not mean to focus on a particular code of ethics but rather to take a broader view: businesses are obliged to incorporate purpose, a discussion on values and meaningfulness in their conversations about good leadership. Accordingly, it is legitimate to ask,"What is the actual purpose of a business?"

If one were to ask analysts at the stock exchange about the purpose of a business, they would most probably answer, "To generate profits and thereby increase the assets of shareholders or owners."

This attitude is by no means limited to the USA – every PLC is familiar with the short-termist view of a shareholder value concept.

I still have clear memories of family businesses which prioritized something else, namely the principle that the real purpose of a company is to create and safeguard jobs. A good company is one which creates as many jobs as possible. That is honorable, although unfortunately not always realistic nowadays.

For a long time, the principle of stakeholder value was extolled as the European answer to the American shareholder mindset. It was said that the balance between all interested parties (investors, employees, suppliers, banks and the public) formed the real purpose of a business. In reality, this is not an easy task – in fact, it is almost impossible.

Another theory places the client at the centre of the discussion. It says that the purpose of a business is to offer its clients the best possible benefit or value, or to solve their problems. This attitude is propagated mostly by businesses in a 'bottleneck strategy' milieu but also by management giants such as Peter Drucker[4], Fredmund Malik and others.

"The primary purpose of a business is to satisfy clients' needs." (Peter Drucker). That may not always appeal to investors and bankers on the one hand and social policymakers and unions on the other. But it does coincide with the findings of the most successful entrepreneurs and the most influential management experts like, for example, Wolfgang Mewes: if you concentrate primarily on the benefits for your clients, then profits and jobs will automatically follow on.

I will happily share these views on client benefits and stakeholder value, but I do think they will hardly suffice in the future to maintain the long-term viability of a business. The purpose of a business must be broadened to "make sense for people and ecology."

Meaning and ecology

We have an obligation to manage sustainably and work in harmonious symbiosis with humans, nature and our environment. As early as 2007, Muhammad Yunus posed these questions and made them the focus of his book, "Overcoming Poverty." Known as the "poor people's banker", Ökonom Muhammad Yunus[5] from Bangladesh was awarded the Nobel Peace Prize in 2006. Also honored was the Grameen Bank which was founded by Yunus in 1983 and gives micro-credits to poor people who would otherwise stand no chance at ordinary banks. These micro-loans are used by women in particular.

According to Yunus, "the structure of capitalism needs to be completed", namely by introducing social enterprises. The purpose of these businesses is not to maximize profits but to solve social and environmental problems. "By swapping a profit-maximizing lens for a social one, we see the world from a different perspective," he says. If a profit is made, it is reinvested into the company. The shareholders earn nothing but can recover their capital over time. He says that this kind of financial investment is attractive to people who want to do good, of whom, in his opinion, there are many.

Over 10 years after Yunus' Nobel Prize, it would be fair to say this idea has taken a back seat. In a world of total digitalization, we may need to assess this ethical question again and re-open our discussions.

Ethical and sustainable leadership and management models concentrate on the balance between all interested parties but also on the following three duties:
• benefit and value for the clients
• meaning and value for society and humanity
• ecological sustainability

Sustainable management and value-oriented leadership are commonplace in familyled medium-sized companies[6] and are deeply embedded in their culture.

"If we want to leave a better world to our children, we need to build more bridges and fewer walls." *Peter Pfeiffer, Radolfzell[7]*

Business ethics

The purpose of these businesses is not to maximize profits but to solve social and environmental problems.

"We have an obligation to manage sustainably and work in harmonious symbiosis with humans, nature and our environment." *Muhammad Yunus (2006)*
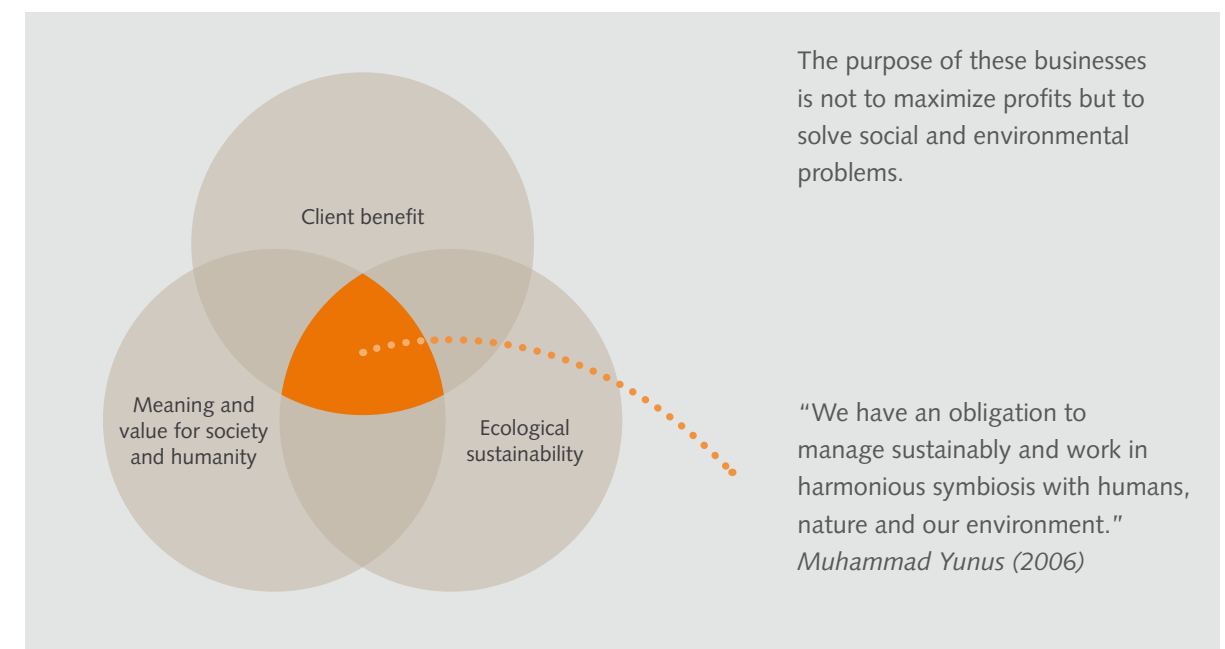
Figure 4: Business ethics

2 Own roots: source of values and image of humanity

If we want to know where we are going, we should know where we have come from! In a globalized, networked and hectic world, it is worth taking a more thorough look at our own roots. Our own set of values and concept of human nature are often to be found in these roots.

Leadership begins with a healthy concept of human nature. How do I perceive my fellow human beings in the business? How open am I to recognizing individual skills and needs?

A human being is an individual who also has the right to be perceived as such. Successful businesses utilize their employees' strengths rather than learnt half-knowledge which, at best, leads to average managers.

The perception of fellow humans as individuals requires a new mindset in the boardroom. What tends to happen in practice is that all employees are treated as though they were the same and are assessed by means of competency models. This meaningless alignment with an idealized image of leadership encourages the selection and development of an ideal management team which in reality does not exist. A positive concept of human nature respects diversity, looks for individual strengths and focuses on results orientation. Good managers understand that there can be various approaches to leadership.

To clarify: work duties are as varied as everyday life. To fulfill these, we need diverse talents, skills and strengths – the courage and decisiveness of a firefighter just as much as the patience and sustainable mindset of a gardener.

Values
Leadership starts with a healthy image of humanity

There is a good comparison to be made between a manager and a healthy tree. As well as a strong trunk, many-sided branches and magnificent blossom, a tree particularly needs strong roots.

Familiarity with your own system of values helps to allow more visible space for important guiding principles in the leadership role, such as appreciation, client orientation, optimism, meaning and loyalty.
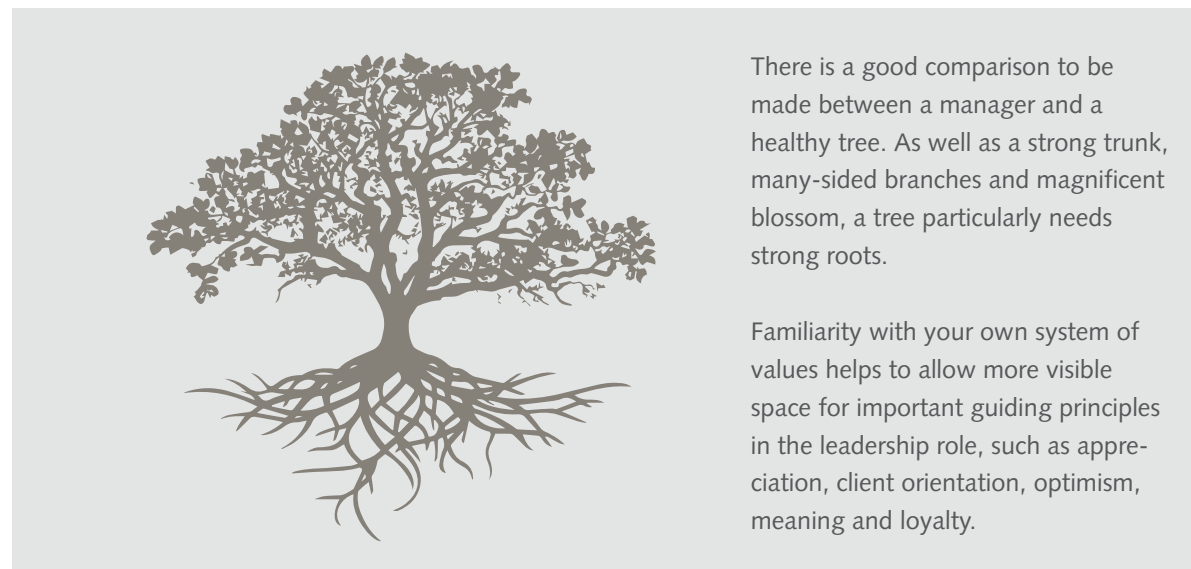
Figure 5: individual roots

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Why are values important?

Everyone needs values[8] in order to be able to orientate themselves and feel secure. Values determine the way we behave without us being aware of them. They tell us if something is good or bad, whether to accept or reject something.

Responsibility
Good leaders do not evade their responsibilities!

The ultimate measure of a person is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy".
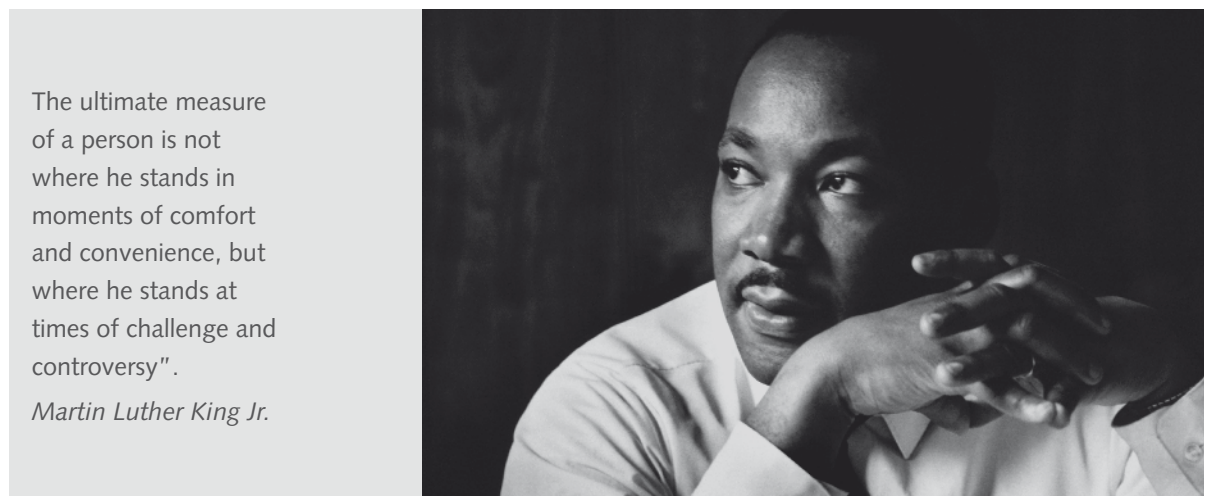
Martin Luther King Jr.

Figure 6: Responsibility

However, a system of values can also make us very uncomfortable. The subconscious prompts managers to answer the question, "Can I, with my value system, take on responsibility in this organization and be effective?"

The answer to the question is particularly important when an organization demands difficult decisions of its managers. Internalizing their own values and comparing them to company values enables managers to set important guidelines for their own moral compass: what will and won't I tolerate?

However, in doing so, many managers come up against their limits and do not know their own value system. Inevitably, this leads to avoidance during difficult management phases: they do not face up to their responsibilities. Often they then begin to feel powerless, meaningless and anxious. Consequently, neglecting your values leads to worse commercial outcomes.

3 Self-image and public perception: what kind of leader am I?

Self-image: perceiving ourselves

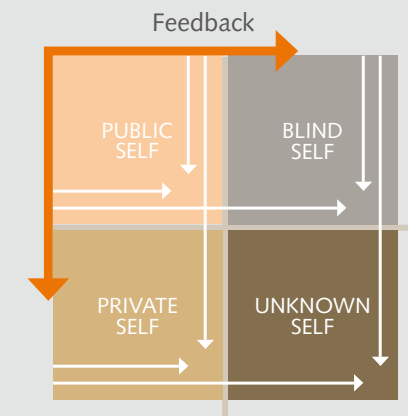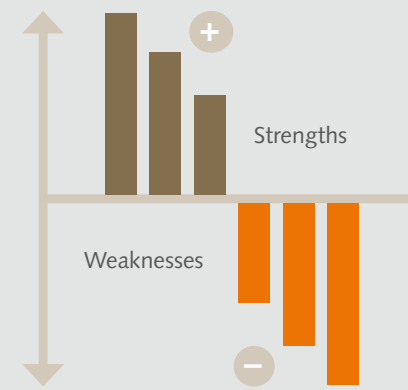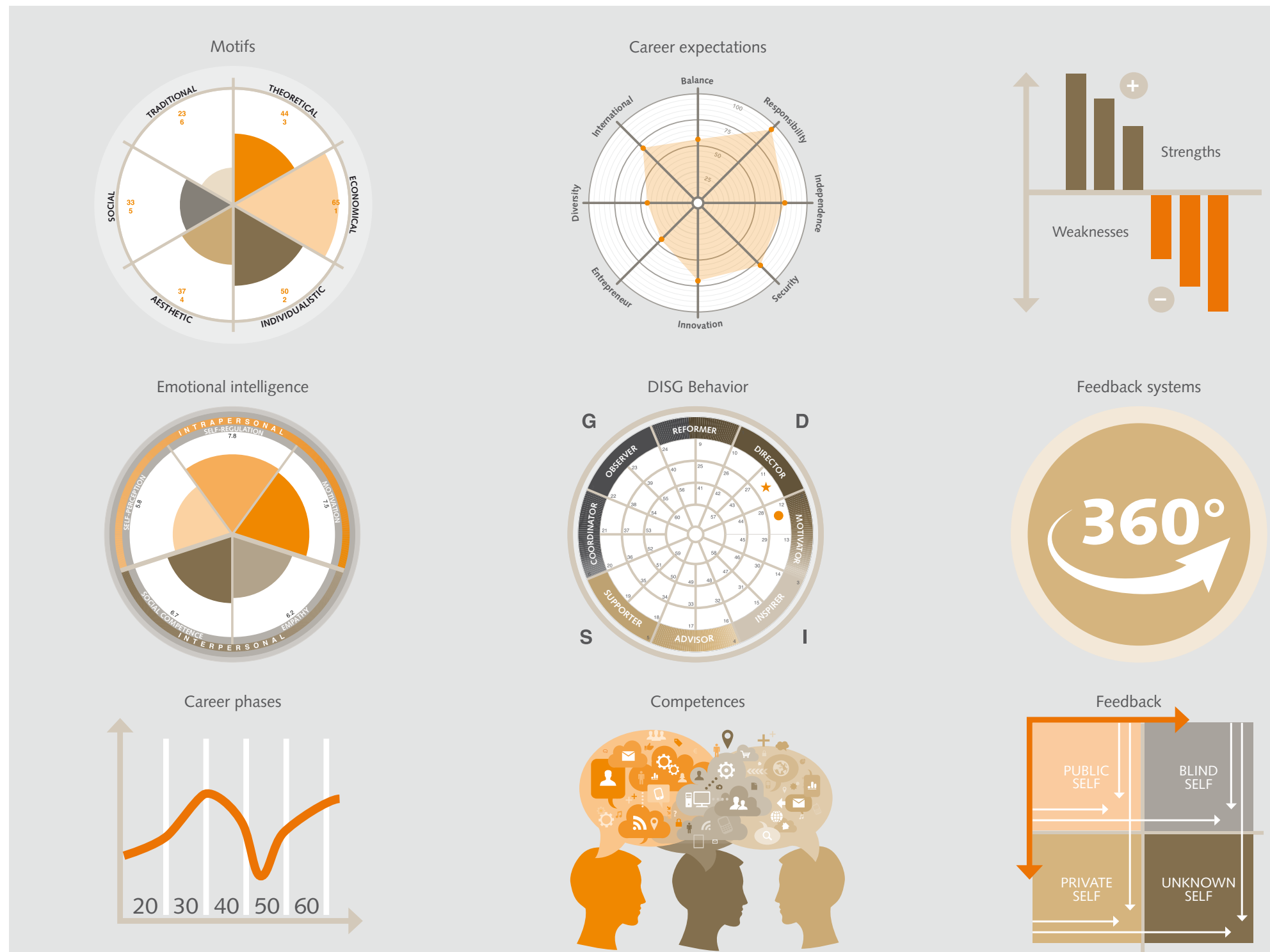By self-reflection, we mean observation of our own behavior, our own thoughts and feelings.

Effective self-reflection demands time and a little practice. For this, I recommend firstly a temporary break from your daily routine. Make a date with yourself. The self-reflection process usually works especially well if you can combine it with physical activity.

Long-distance runners are familiar with this phenomenon. After running for a certain length of time, their negative thoughts evaporate, have been worked through, and they experience a sensation of relaxed emptiness. The front part of our brain, which is responsible for memory and learning, is used less during running and can therefore recover. The motor part, which lies behind it, is more active during physical exercise.

In my experience, hiking in the mountains for several hours is also enough to switch off and let my thoughts roam. The physical exertion, elevation and distant views sharpen the senses.

The following leading questions often make the process of self-reflection easier:

- What distinguishes me; what am I really good at?
- What is lacking? What do I miss?
- What makes me happy and contented?
- What visions or dreams am I pursuing?
- How would I like to live and work?
- What is my concept of life?
- Which people are important to me?

Motifs

Career expectations

Strengths
Weaknesses

Emotional intelligence

DISG Behavior

Feedback systems

360°

Career phases

20 30 40 50 60

Competences

Feedback

PUBLIC SELF | BLIND SELF
PRIVATE SELF | UNKNOWN SELF

Only those who know themselves – who recognize their strengths, weaknesses, preferences and idiosyncrasies – are in a position to perceive their own behavior, to analyze and proactively make necessary behavioral changes.

Not everyone is open to this or is equally successful at putting it into practice. Inviting opinions on your public image, being open to feedback and reflecting on your own behavior are essential management competences.

Figure 7: Overview of instruments

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Public perception through systems and feedback

Figure 8
Emotional
intelligence

Those who find all of this too esoteric or laborious can also use tried and tested instruments and systems for reflection. Each of us is unique, with our profile compiled of values, behavior, competences and EQ (Emotional Quotient as an indicator of emotional intelligence).

Behavioral preferences, motifs and emotional intelligence can be measured and developed using web-based HR diagnostic tools[9] . They often include further tools for measuring competence and preventing stress.

But a word of warning! Exposing somebody's personality structure down to the last detail and aligning it to a knowledge-oriented job profile is laborious and also fairly pointless. People are many-faceted, unique and therefore cannot be 100% defined by a system. The primary aim of these systems is to produce an image of public perception in order to check their perception of themselves.

Knowing your own strengths and weaknesses

Figure 9
Strengths and
weaknesses

As already mentioned, focussing on strengths is an important principle with which you can achieve extraordinary results. Peter F. Drucker first presented this principle in his book "The Effective Executive" as early as 1967. Unfortunately, it has to be said that 50 years after Peter Drucker's book, this principle is not being implemented systematically in business.

A thorough analysis of results you have achieved is the best way to identify your own strengths. Which strengths did I deploy for this specific result, project or task?

As a rule, managers always use the same five to seven strengths to achieve results. It is important to be familiar with these, for the sake of your own job design and career.

And weaknesses? We leave these to "rest" and preferably try not to include them in the job design. Training weaknesses out of existence is hardly feasible, and therefore it is important that the company culture allows weaknesses to be dealt with openly. Weaknesses are often an important part of someone's personality and own identity. They are part of being human but in the workplace they should not be at the forefront, if possible.

In practice, there may be individual occasions when it makes sense to work on weaknesses in coaching or training sessions. However, the main aim here is to for the management to lose the target. A weakness will not turn into a strength.

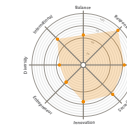### Career goals and interests: what is important to me?

Figure 10
Career goals

The sheer diversity of people is reflected in their varied career goals and interests. Effective managers know their own goals and can indicate career paths to their staff.

Traditionally, employees expect future prospects. Naturally, it is understandable that their desire for advancement should be met and that they should be shown a career path. However, in practice these are often just empty promises which, after prolonged waiting periods, produce frustration. A career path which is oriented towards a position only makes sense when the candidate is involved in succession planning.

But what do we do with all the other talented team members who do not aspire to a higher position or were not chosen for a succession? We give them the responsibility for their own development and save them from vague prognoses or empty promises. It makes particular sense for "high potentials" to take their career into their own hands. In this way, employees become self-developers[10] and are characterized by "learning agility".

Just at a time when stockpiling knowledge makes less and less sense, concepts which interlink learning and working are in demand. These are characterized by attributes such as "steady", "self" and "spontaneous".

Managers take on a moderating role and support individual development with leading questions:
• How interested are you in being a specialist or expert?
• Do you see yourself having a professional interest in leading people or a business operation?
• How important is it to you to work independently (medium- or long-term key tasks)?
• Would you like to have international and multicultural challenges at work?
• How important are security and stability to you?
• Are you looking for challenge and a strong identification with an idea?
• How important is autonomy to you?
• How important is job variety to you?

Empowerment and autonomy are important selection criteria when it comes to career planning. It makes absolute sense to start with these during initial career planning!

What am I very good at?

A focus on strengths is bound together with (professional) competences. A competence becomes effective at the point when knowledge and experience complement each other. The ability to recognize and evaluate our own competences is important for self-identity and our value system. This could be expressed as a formula: competences = knowledge × experience.

Integrating life and career phases

Career advancement is not a sedentary approach that appears overnight but rather an evolving process, faster for some and slower for others.
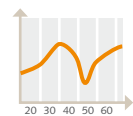
Figure 11
Career phases

In any case, a career path rarely follows a linear trajectory. It is rare that a career takes a constant, upward path; there are always crises and various highs and lows which can sometimes even resemble a roller coaster.

Although there is a limit to the way careers can be described as patterns, I would nevertheless consider the following career and life phases:

1. Start: throw yourself into working life
2. Discover: build up competences and know your own strengths
3. Perform: achieve effective results
4. Search: meaning and identity
   - early mid-life crisis
   - mid-life crisis – dealing with crises
   - stress and resilience
   - rebirth – strive for meaningful fulfillment
5. Reflect: look back
6. Orientate: move to new pastures with wisdom and experience

Good leadership takes account of career phases. Every life phase offers opportunities and risks. Recognizing and reacting to them for yourself and your team members: that is what makes managers strong.
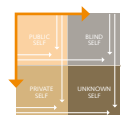
Giving and receiving feedback

"Giving and receiving feedback" appears in all management programs. Yet, the picture is not so rosy when we look at its practical implementation, even though feedback is one of the most effective tools of management development. Feedback is ideal for identifying the effects of individual personalities and behavior, and for scrutinizing the impact of a leadership style – on condition that it is used correctly.

Figure 12
Feedback

Feedback can help managers to discover from their employees how they and their leadership style are perceived. It is unusual for this kind of constructive criticism to be applied in businesses, as the participants generally find it embarrassing to articulate certain aspects of their counterparts' behavior.

Unless feedback adheres to certain rules, it remains ineffective and can even be counter-productive.

The golden rule is that feedback is always a gift – and as with all gifts, the recipient decides whether to accept it or not! Also important is the fact that the effective implementation of feedback depends on the culture within each company.

In contrast, companies are more likely to employ tools for 360-degree feedback, as the process is seen as more anonymous, more manageable and measurable. 360-degree feedback analysis can give a differentiated picture of management performance at work for HR development and particularly the development of managers. An evaluation process, usually online-based, gathers anonymous information about the participant from superiors, team members, colleagues and from self-evaluation.

Figure 13
360-degree
feedback-tools

Unfortunately, even these systems use "ideal competence models" which are dangerous in that they specify an idealized mode of behavior for a function or role. Often, an assessment then compares people to these models and judges them. But frequently this neglects to take into account that there can be various ways of fulfilling a role successfully. Ideal competence models often kill diversity as they only promote types that match, which in turn leads to all managers resembling one another.

For this reason, it is important that all those who take part are trained in how to analyze the information.

The results are immediately available and are presented as a clear evaluation report with graphics and text. The report supplements these with development proposals and specific measures, with recommendations on how to implement them.

4 Leadership: effective, authentic and balanced

In German, the word "Führung" includes both the idea of leadership and of management. This already presents a problem in many international companies. An incorrect understanding and misguided interpretation of leadership and management lead to confusion at all levels.

The question is not, "Do I need leadership or management for my role?", but rather, how to mix the two. A leader always has both functions, leadership and management. An effective manager has his or her own clear answer to the question, "How much leadership and how much management do I need in my current role or situation?" It is worth clarifying the two concepts.

Leadership versus management:
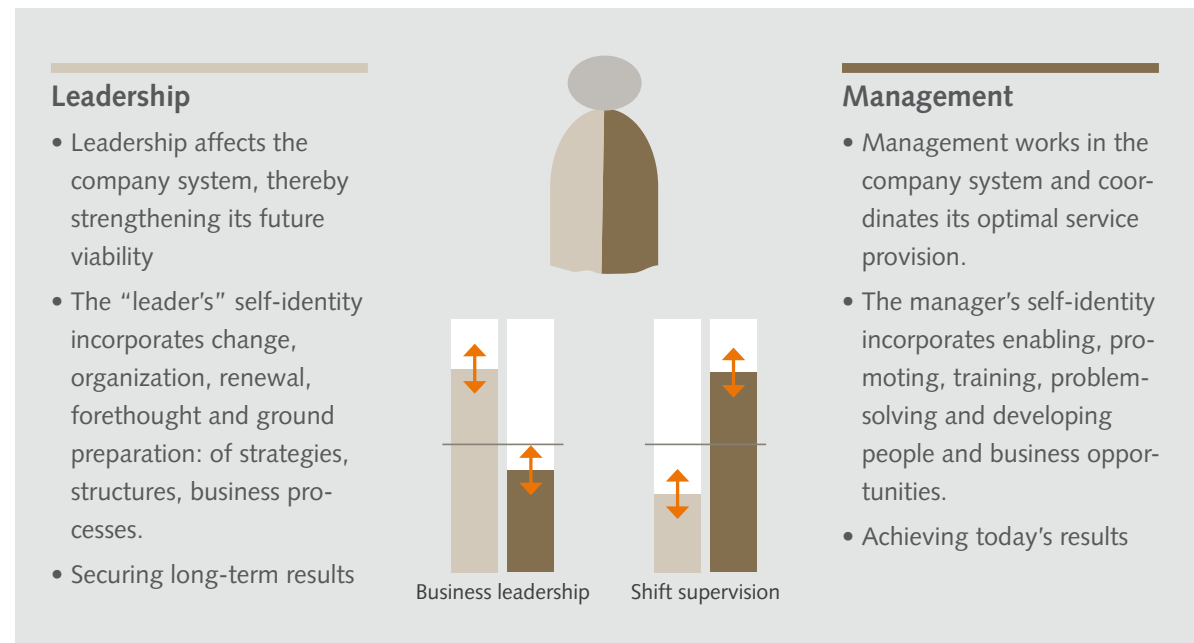Do I need leadership or management for my role?

Leadership
- Leadership affects the company system, thereby strengthening its future viability
- The "leader's" self-identity incorporates change, organization, renewal, forethought and ground preparation: of strategies, structures, business processes.
- Securing long-term results

Management
- Management works in the company system and coordinates its optimal service provision.
- The manager's self-identity incorporates enabling, promoting, training, problem-solving and developing people and business opportunities.
- Achieving today's results

Business leadership   Shift supervision

Figure 14: leadership versus management

Leadership[11]

- Leadership affects the company system, thereby strengthening its future viability. The "leader's" self-identity incorporates change, organization, renewal, forethought and ground preparation: of strategies, structures, business processes.
- The main aim is to discover new routes to success and put them into effect in company leadership. This gives the leadership a key role to play in the agility of the company, as lasting success relies on constant change.

Management[12]

- Management works in the company system and coordinates its optimal service provision.
- The manager's self-identity incorporates enabling, promoting, training, problem-solving and developing people and business opportunities.
- The main aim is to support staff in maximizing their potential. This gives the leadership a key role to play in the vitality of the company, as future success relies on today's efficiency and effectiveness.

Basically, a manager at a higher level (eg. on the executive board) should display a greater degree of leadership than a manager at production level (eg. shift supervision).

Important questions arising from this are:
- Which management role am I playing in my business, in my current position and setting?
- How many leadership and management skills do I need in order to be effective?

Leadership – effective, authentic and balanced
Inspiring managers that have an impact on others are, above all, balanced.

Managers who are in balance…
- …are authentic, true and characterized by personal integrity
- …are results-oriented, effective and seek sustainable viability for the business
- …find the right combination of leadership and management with regard to their role in the business
- …are familiar with their own roots, their value-system and have a positive concept of humanit nature
- …know themselves, reflect, give and receive feedback
- …reconcile private interests and family life with the demands of the working life
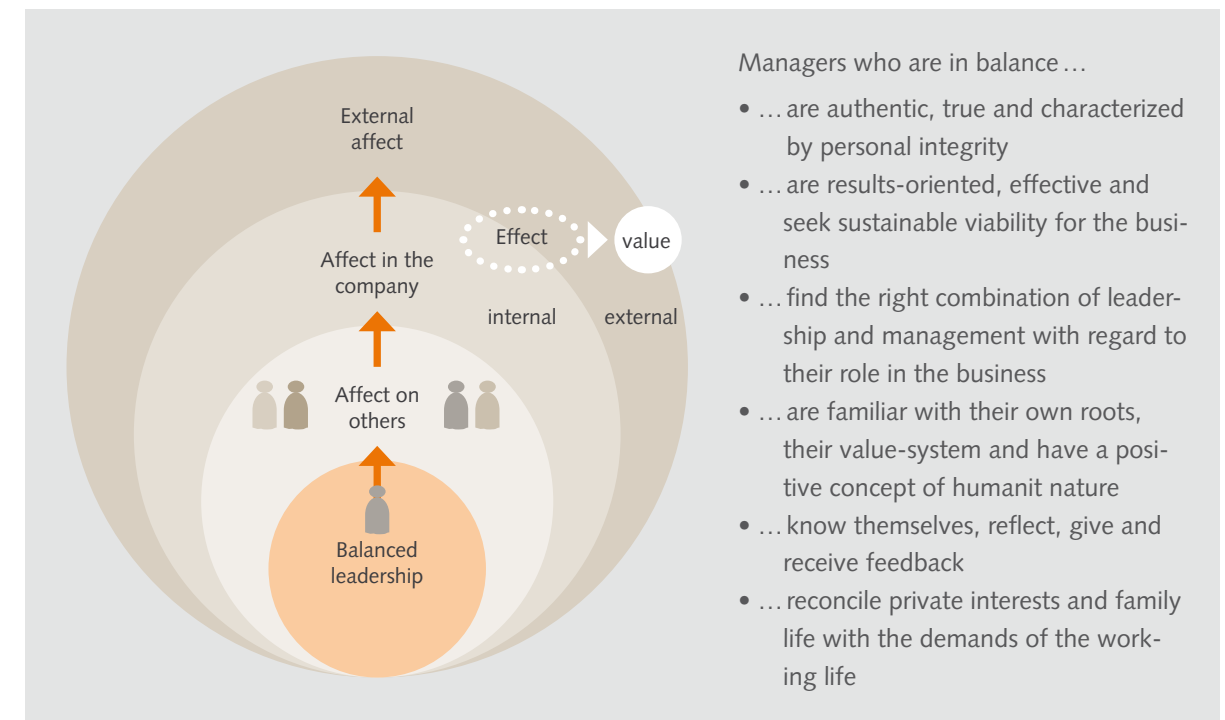
Figure 15: Leadership – effective, authentic and balanced

Managers stand at the centre of strategy, structure and culture. Inspiring managers that have an impact on others are, above all, balanced. Managers who are in balance…

- …are authentic, true and characterized by personal integrity
- …are results-oriented, effective and seek sustainable viability for the business
- …find the right combination of leadership and management with regard to their role in the business
- …are familiar with their own roots, their value-system and have a positive concept of humanit nature
- …know themselves, reflect, give and receive feedback
- …reconcile private interests and family life with the demands of the working life

"Living in balance" is individual and subjective. Each of us can only assess it for ourselves.

The work-life ratio does not account for everything. "Living in balance" can be categorized as four areas of life: performance/work, body, meaning and contacts. Each individual makes a contribution to their own life balance, success and fulfillment. Here, their individual view of human nature plays a role. A positive, open and diversified concept of human nature has an impact, in that it takes a person's career and life phase, career goals and interests, competences and effectiveness into consideration.

The term "resilience" has entered boardrooms in recent years. Managers who are resilient and balanced are more able to muster the mental and emotional strength to resist character-crushing crises, stress and unanticipated blows.

5 Vision: long-term professional and personal orientation

So we know about the effective, authentically balanced manager. Now we are going to incorporate company orientation, change and people management in the existing model.

"Corporate vision is a clear picture of the business in its future environment. It functions as a magnet for all company transactions. A good vision responds to the heart and creates meaning. Managing with vision demands open, transparent and credible thinking and action. A positive concept of human nature is simultaneously the basis and a part of the vision." *Heiner Kübler[13]*

Management personalities encompass a life concept which allows room for professional and private visions. Where effective "balanced managers" are also able to demonstrate and exemplify a vision, they will often find allies. Sharing and striving for a common view of the future is an important source of value-oriented leadership.

A long-term vision enables managers to create a space in which professional and personal opportunities can present themselves. A business model on the one hand, and a concept of life on the other, underlie this visionary space. The visionary space also includes the far-sightedness to see the whole model or system, as illustrated in the pyramid below.

Strategic thinking requires the ability to look at the whole business model because many traditional supply chains have taken years to establish themselves. The large producers used to dominate the suppliers and also negotiation. Relations between the partners in the chain are often inflexible and usually focus only on one level up (client) or down (supplier). Because the focus is too narrow, changes are not recognized early enough.
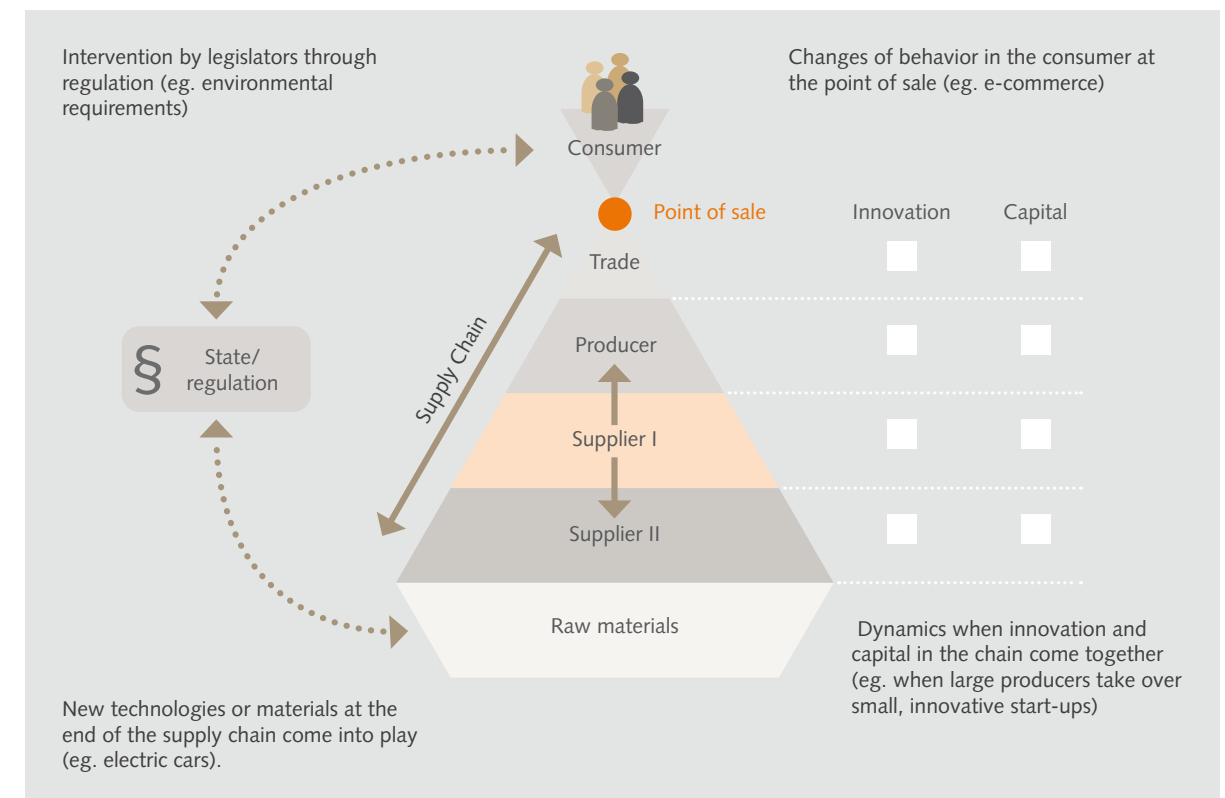
View of the whole business model

Figure 16: Pyramide – view of the whole business model

Strategic changes often emerge through the following constellations:
- changes of behavior in the consumer at the point of sale (eg. e-commerce)
- new technologies or materials at the end of the supply chain come into play (eg. electric cars).
- intervention by legislators through regulation (eg. environmental requirements)
- dynamics when innovation and capital in the chain come together (eg. when large producers take over small, innovative start-ups)

It is important for managers to think holistically and understand, by asking questions, how to incorporate changes in technology and in the zeitgeist into the process.

To do this requires the ability to think laterally and subject cherished processes to unsparing scrutiny.

6 Strategy: thinking strategically and asking the right questions

Every vision requires leadership to ensure that it is implemented effectively. A business only benefits when the vision is formulated in terms of a viable strategy and a dynamic leadership implements both vision and strategy[14].

Assessing viability

The success of a strategy must be measured and monitored by defined key indicators, whereby it is important that the focus is not merely on economic indicators.

Assessment values[15] for a healthy business could be:
1. Market position
2. Innovation performance
3. Productivity
4. Appeal to qualified professionals
5. Liquidity
6. Profitability

As explained above, managers need a diverse set of attributes and competences in order to be effective – a broad spectrum of social and intellectual skills. However, there is one competence which distinguishes long-term successful managers from others, namely, their ability to think strategically.
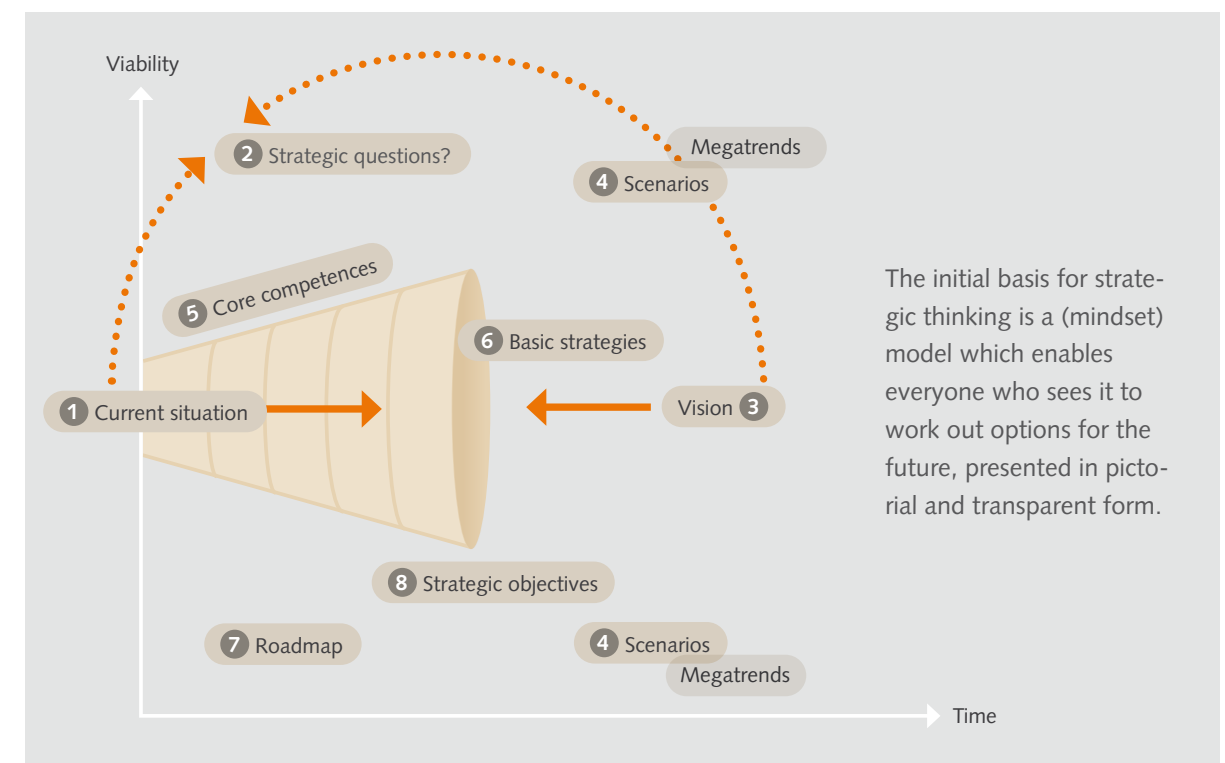
What is strategic thinking?

Strategic thinking is the art of forethought. Importantly, it involves pinpointing visions or scenarios of, for example, markets, competitors and technologies. The aim is to recognize opportune challenges and possibilities in trends. Usually, options are worked out and embedded in strategies.

An initial condition of strategic thinking is that managers have a good understanding of the existing business model and the strategic factors that influence it. This must be combined with an open mind and systematic and rational analysis. Strategic thinking is no art form, but rather a mindset which subjects its own business model to systematic and cybernetic scrutiny.

The initial basis for strategic thinking is a (mindset) model which enables everyone who sees it to work out options for the future, presented in pictorial and transparent form.

A mindset model like this links the strategic elements (1–8) and is the source of strategic questions.

Thinking strategically and asking the right questions

The initial basis for strategic thinking is a (mindset) model which enables everyone who sees it to work out options for the future, presented in pictorial and transparent form.

Figure 17: Strategic thinking, Dr. Heiner Kübler

1   Current situation and starting position – discussing challenges openly
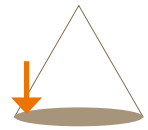
Entry into the strategy is by evaluating the starting position. Portfolio or SWOT analyses, as well as other models and instruments, provide an important internal and external perspective which firstly enable the viability of the business to be strategically assessed. Based on the analysis of the current situation, strategic questions can be systematically worked through and recorded. It is mainly the company's particular situation that determines the choice of questions. However, there is a risk that all strategic questions stem only from the past or from existing challenges. That is why external indicators or relevant benchmarks aid this process. *Example:* How can we improve our appeal to professionals in the engineering sector, in order to continue maintaining our competitive edge in terms of our innovative strength?

Figure 18
Current situation
(internal/external
perspective)

2   Strategic questions

Strategic questions are pooled and sorted into relevant categories. The questions arise from an analysis of the current situation and a long-term view of the business.
Example: Which strategic questions should be answered in order to ensure the short- and long-term viability of the business? Which category of questions should we focus on (eg. client segmentation, innovations, talent management etc.)?

3   Vision

The corporate vision is the company's long-term future image, and therefore fundamental issues regarding strategy are excellently served by the pool of questions provided by the vision.
Example: Is the business strategy with the realignment of markets and products consistent with our long-term company image?

4   Recognizing influencing factors for change

The visions and various scenarios in the model, which usually arise from megatrends, provide for a long-term view. Scenarios are given a timescale of five to ten years, depending on the sector. Every factor that may influence strategy contains various hypotheses, so that possible risks and opportunities can be recognized in good time.
Example: How will digitalization of public transport affect living and shopping in inner cities?

5   Core competences

The core competences are the company's strengths, its fundamental capabilities and formula for success that distinguish it from its competitors. These core competences need to be strategically evaluated and implemented in a way that plays to its strengths.
Example: How can we enhance our core competences compared to the competition and convey them to our customers?

6   Identifying and evaluating strategic options (basic strategies)

Both perspectives – the starting position and the long-term view – are important sources of strategic challenges. The challenges are usually articulated via questions which are the basis for working out strategic options. Evaluating these options is a delicate process and relies on good presentation, openness and professional expertise. First of all, the options and relevant scenarios need to be aligned so that their strategic relevance is clear. It is also important to remember to look at your own strengths, which will be vital when the strategy is implemented.

Figure 19
Evaluating
strategic
options

Strategy must never be viewed in isolation. The solution to strategic challenges often lies in the interplay between various factors in the company, regions or partners. The interconnections and causal networks of the basic strategies play a very significant role. All relevant managers must be included in this process. Often strategies commissioned by well-known consultancy firms are developed in isolation and written down in complicated presentations.

Figure 20
Causal
networks of
topcis

The company management then forward these on to the departments or regions and are subsequently surprised when they are not implemented.

7   Roadmap and masterplan: implementation makes all the difference

A roadmap personalizes the implementation of the strategy and tests its feasibility. Fundamental to strategic implementation is also the definition of clear responsibilities and clarification of resources and deadlines. Strategy work needs to be named as a key responsibility in the job design, as otherwise managers lose themselves in the constant, pressing day-to-day business.

Figure 21
Roadmap/
Transfer

Strategy nowadays means more than integrating clients and suppliers. Strategic thinking incorporates two important skills: firstly, the ability to ask the right strategic questions in order to influence the strategic direction of the company. The second ability in this context is listening. Active listening promotes the possibility of better understanding between colleagues or employees and the chance that they will bring their own views to the strategic discussion. Active listening allows managers to ask further-reaching questions in order to include strategic assessments made by experts in the process.

8   Strategic aims

A strategy's success must be measured and monitored by defined indicators. It is important when doing so not to focus exclusively on economic indicators.
Example: Which strategic activities do we need to raise our current market share in Europe from 12 to 25 per cent?

7 People and culture: mastering change

On the rational side (thinking and logic), strategic thinking and strategy work act as a bridge to the vision. However, from an emotional point of view (behavior and feeling) effective change is led by a good manager. The general term "change" encompasses transforming processes in the contexts of structure, people and culture, along with innovative progress in new technologies, products and services.

The underlying problem is that change is generally associated with fear and resistance. But change, defined as the renewed adaptation of structures and work, is an existential ability of any business. It is only through this change that an organization's sustainable and long-term viability is made possible.

Manager, what next?

For a start, "mastering change" is a mindset which must be embedded in the company. For this to happen, it needs a systematic radar system – a strategic process – to be able to recognize opportune changes and relationships in the strategic elements. This is the only way to guarantee a balance between structure, people and culture.

It requires the ability to evaluate the your own system, the company:

- How quickly does change need to be driven, to ensure the company's viability?
- What structure do I need in order to make the client the focus of business?
- How can I foster agility, responsibility and commitment?
- How can we use the existing culture for the change process?
- How much change will my culture tolerate?

Warning: Everything can be changed, except for the company's value-system!

Often change is associated with danger and risk which is why it requires professional leadership. This leadership quality is known as change management and is certainly not a new discipline but rather a high-level, challenging leadership task.

Leadership and change

So change management is a leadership role which cannot and must not be delegated. Unfortunately, managers readily hand it over to the HR department or to external consultants. They can do the groundwork for managers by introducing tools, processes or systems, but responsibility clearly rests with the leadership.

During times of change, leaders not only adopt the role of leader or manager but also often coach, trainer or mentor.

The question of whether good managers also have to be good coaches is often a contentious issue in the industry. But there is no doubt that managers should view the support and development of their staff as an important job which cannot be delegated. However, I do not much agree with diluting the term "Führung" (leadership and management)

with such terms as "Leadership through coaching" or "your boss, your mentor".

The definition of "Führung" described previously using the terms leadership and management incorporates the idea of supporting and developing staff. Professional coaching and mentoring duties are generally performed by other people.

Training impacts on people from the "outside in": it brings knowledge in from the outside. It makes no difference whether this takes the form of classroom training, online training or learning by doing.

Coaching on the other hand, impacts on people from the "inside out": it releases inner blockages. The person at the centre of the process may have the expected competence but its outward effect is indiscernible or inadequate. Coaching is usually undertaken by external experts who work in a targeted way on the weak effect. Coaching is time-limited and results-oriented.

Classic *leadership* mentoring is often performed by someone internal. The idea of mentoring is that an experienced manager partners a colleague through a particular life phase. They convey professional knowledge and related experience to the mentee. This tool for staff development has proven especially effective during those career phases when the mentee faces new challenges.

Less common is vice-versa mentoring in which the mentor swaps roles with the mentee. Thus, an agile candidate from generation Y can

Types of staff development
Supporting and developing people
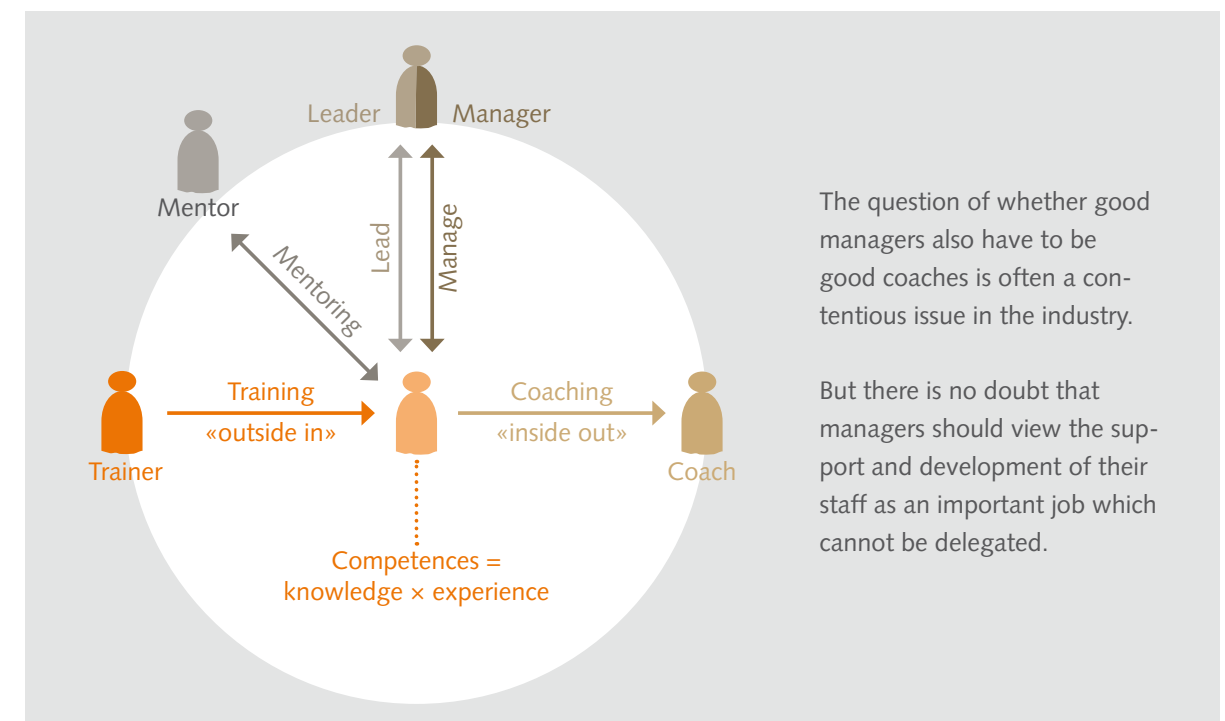
Figure 22: Staff development

The question of whether good managers also have to be good coaches is often a contentious issue in the industry.

But there is no doubt that managers should view the support and development of their staff as an important job which cannot be delegated.

open a door to new horizons for a baby-boomer, in areas such as social media, communication or public discourse.

Cultural changeability

It is difficult to change culture as there is something fundamental or cumulative about it. Because culture usually grows historically over a long period of time, it possesses an absolute character which is difficult to question. Basically, rather than randomly altering culture we can really only use it!

When differences arise in cultural values, attitudes, norms, roles etc., then either sub-cultures emerge or else they are integrated into a body of "corporate culture", despite their differences.

Being familiar with people's behavioral patterns in periods of change

Everyone who is confronted with a situation of change passes through seven phases[16]. There are no exceptions to this: people go through every individual phase. The way they perceive their own competence changes during these phases, as shown on the vertical axis.

At the start of change, people tend to be surprised rather than aware of their competence and confidence. This is followed by defiant denial and rejection of change. Over time, they become more open and acknowledge the necessity of changes, and finally, by passing through the various development stages, they adapt. Often they think about being able to skip a phase and are under the illusion that they are progressing at speed. However, no phase can be accelerated or skipped at random. It is important to have enough time reserves and to be patient. Top-level leaders, change managers or even change agents often assume

that their own understanding of the change process is identical to that of the staff. But usually employees affected by the process are still in a different phase of change and therefore have different needs. This, in turn, can slow down the change process.

Defining and managing "good people"

The success of change always depends on the participants. Stakeholders and "good people" play an important role in this. A stakeholder has an interest in and influence on change. But the analysis is not that simple. Stakeholders often have completely diverse interests, and it is important to identify these. Particular attention should be paid to especially critical stakeholders who still wield a lot of influence, and targeted measures should be implemented for these, if necessary.

However, it is equally important to show the impact on the target group of "good people". By "good people", I mean particularly suitable employees who demonstrate specific performance and potential and integrate themselves especially well into the company culture. They are to be found not only among young, prospective managers, for example, but right across all hierarchical levels, age groups and lengths of service. It is best to actively involve this target group in the change process and let them help shape it.

The stakeholder matrix instrument is an easy way to support and visualize this process. All stakeholders, whether groups or individuals, are recorded on the matrix based on "influence/power" and "supporting change" criteria. An additional representation of the relationship level between each stakeholder often opens up strategies for individual change support or leads to initial communication strategies.

**Curve of change according to Prof. Dr. Richard Streich**
Being familiar with people's behavioral patterns in periods of change

Everyone who is confronted with a situation of change passes through seven phases16. There are no exceptions to this: people go through every individual phase. The way they perceive their own competence changes during these phases, as shown on the vertical axis.

Figure 23: Curve of change according to Prof. Dr. Richard Streich

Stakeholder matrix
Defining and managing "good people"
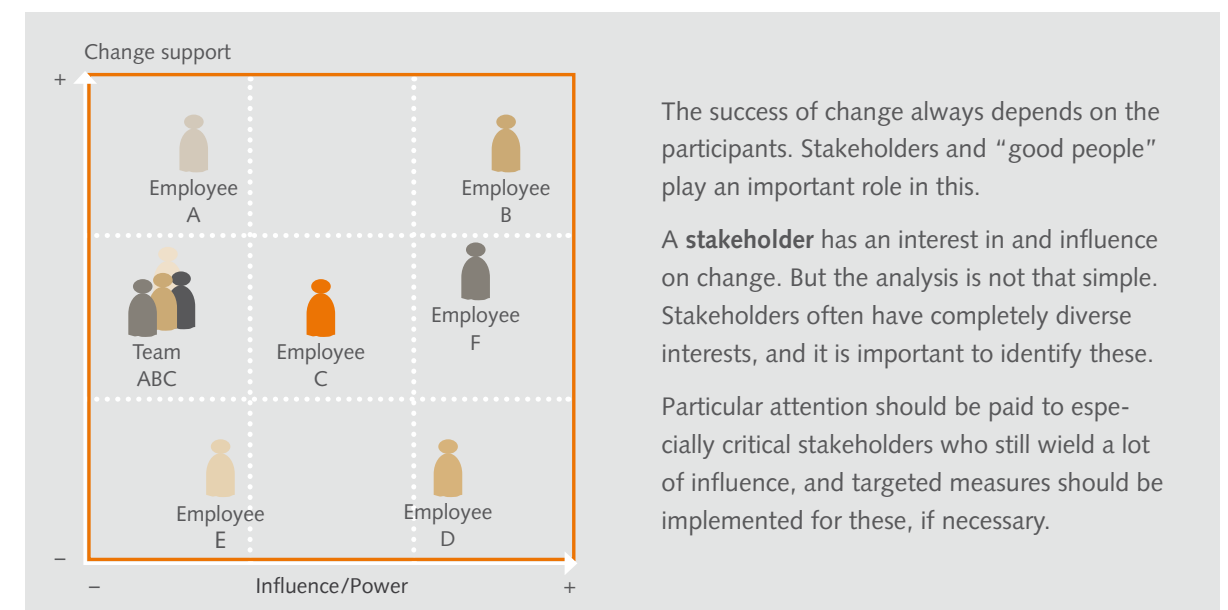
The success of change always depends on the participants. Stakeholders and "good people" play an important role in this.

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Figure 24: Stakeholder matrix

Figure 25: Culture zone

Communication as defined by a transmitter and receiver model only becomes effective when both parties move in a common culture zone.

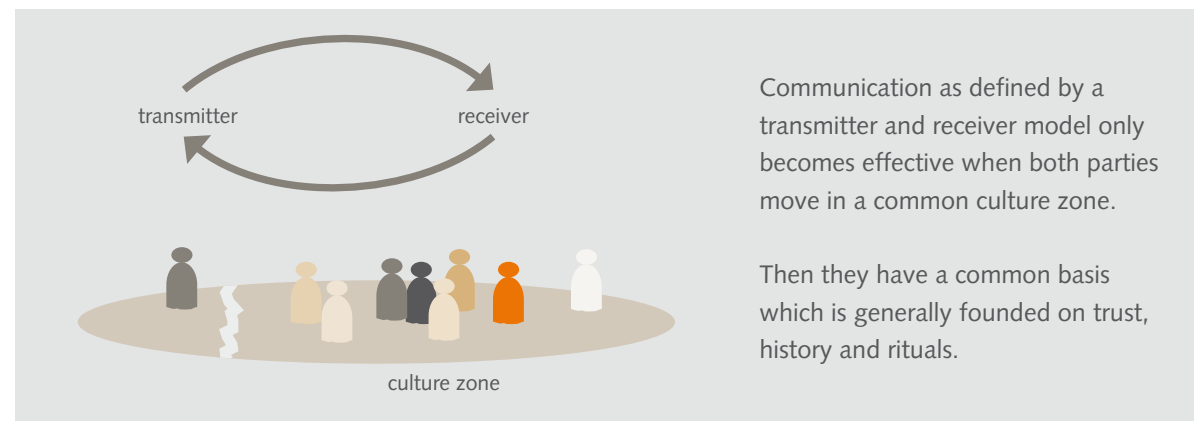Then they have a common basis which is generally founded on trust, history and rituals.

Culture zones enable secure communication

Nowadays, the value of communication in change processes has become firmly established. Unfortunately, in practice it gets confused with pure information.

Communication has two poles: transmitter and receiver. Transmitted information only becomes communication when the transmitter actively solicits replies, feelings or reactions from the receiver.

Newsletters, mailing campaigns or posted notices are important media for conveying information. Yet without dialogue, responses or awareness of reactions they do not constitute meaningful communication.

Communication as defined by a transmitter and receiver model only becomes effective when both parties move in a common culture zone.

Then they have a common basis which is generally founded on trust, history and rituals. In difficult change situations, the extent of acceptance and authenticity of the manager (transmitter) within the target group (receiver) is a significant success factor for open dialogue.

Monitoring the change process

During the process, the subjective perception of our own competence changes. Each phase of change requires management intervention relevant to the situation, in order to steer the individual through the highs and lows. To do this, managers need to be discerning but also able to exert influence on individuals and situations. In more complex cases, the person in charge of change – generally known as the change agent – can support this process.

In global change projects, which are usually complex M & A, transformation or structural projects, interpersonal awareness alone will not suffice. In these cases, web-based monitoring systems can be an effective way to support timely and preventative action.

Gathering stakeholders' subjective perceptions makes change processes visual. Representing and evaluating these processes enables cooperative feedback on the process and data-based process management.

Digital surveys ask questions at regular intervals relating to the self-assessment and external assessment of the participant. These are then analyzed via the platform during the process.

8 Structure and team: diversity and individual strengths

Once managers know themselves, have shared their vision and pinpointed a strategy and change, they then need fellow activists with whom to achieve the all-important results.

What "game" are we playing?

Which skills do teams or departments need in order tackle the challenges? I would like to illustrate this with a sporting analogy. Before managers can work out in detail the contribution their team will make, they need to clarify both which game is being played and their ideal team formation.

Staying with the sporting analogy, a manager needs different team members for a relay race of 4 × 100 meters than for a game of handball.

Therefore, the following questions should be resolved:
• Which skills does the team need to have? How much diversity should be considered?
• What complexities will confront the team? Complexity is often affected by the number of interfaces or options.
• How important is communication and exchange between the team members?
• How important is the management role (trainer, coach) in practice?

The comparison with sport is meant to show that even teams have to be assessed and selected in an individual and purpose-driven way.

Thus, managers should ask themselves:
• What "game" are we playing?
• What are the purpose and objectives of the team?
• What are the necessary skills, roles and interactions?

Types of team
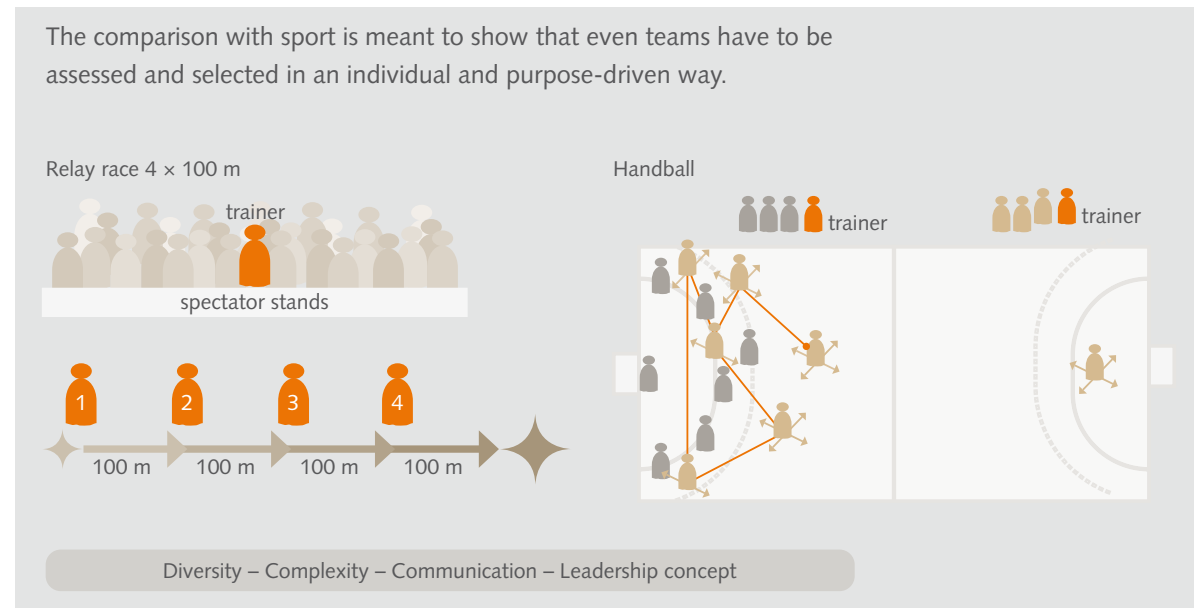What "game" are we playing?

The comparison with sport is meant to show that even teams have to be assessed and selected in an individual and purpose-driven way.

Relay race 4 × 100 m   Handball

trainer

spectator stands

1   2   3   4

100 m   100 m   100 m   100 m

trainer   trainer

Diversity – Complexity – Communication – Leadership concept

Figure 26: Types of team

Attributes	Relay race 4 × 100 meters	Handball
skills and diversity	• run fast, hand over the baton • little diversity needed, would even be a disadvantage, team members should have the same skills	• greater range: run, throw, pass, rotate…
complexity	• little • few options	• high • many options during course of play
communication	• little, only handover of baton	• a lot • coordinate via variety of tactics • influence of opponent
leadership	• lasts less than 40 seconds, therefore little influence on competition	• trainer can substitute in and out • tactics can change during match • strength-oriented options (defender versus offensive player)

In practice, you have to put together a team capable of facing the challenge from the people you already have, with all their strengths and weaknesses. This is why it is already important to address future competences in the strategy and systematically pursue and develop these in talent management.

Team development is primarily the process of change and growth in a group of individuals oriented towards a common goal or common task. The self-perception and performance of a group can undergo significant change by a process of targeted team development.

Teams consist of individuals – firefighter or gardener?
Managers tend to choose a carbon copy of themselves when they recruit employees. This leads to a situation where people in a department are often similar in terms of behavior or motives. Consequently, there is frequently only one or similar approaches and mindsets to choose from. This works until a change of strategy or other changes demand diversity or different options.

Lack of perception and insufficient promotion of diversity when it comes to developing staff or selecting external candidates is often the underlying cause of crises at a later date.

9 Job design: fostering and training exceptional people

Developing and fostering people is a plea against changing their personalities.

For this reason, one of the most important roles of managers is to accept people as they are – to identify their strengths and bring these in line with their work duties. They can only play an active role when they achieve the best results through their strengths.

Weaknesses feature in every personality type. It is the job design's role to ignore them as much as possible.

Everything else is morally and economically unjustifiable. It is hardly possible to turn a gardener into a firefighter. That is why a gardener is expected to patiently tend the garden; we would not criticize him for refusing to race up a ladder to fight a fire.

Empowerment with the right job design
The term "job design" means the best match of an individual person to the strategic or current challenges of the organization. The aim is to use the person's individual strengths and self-motivation to achieve effective results.

For this to work, managers firstly need to know their own skills and strengths and relate them to their employees' skills. In most companies,

this happens on the basis of the job description. Yet this is not suffi-cient, as the classic job description merely describes the job framework. Additionally, the job description is standardized and does not include the individual strengths of the job-holder. When the jobholder is replaced, the job description is not adjusted.

Job design
Fostering and developing exceptional people

The term "job design" means the best match of an individual person to the strategic or current challenges of the organi-zation.

The aim is to use the per-son's individual strengths and self-motivation to achieve effective results.
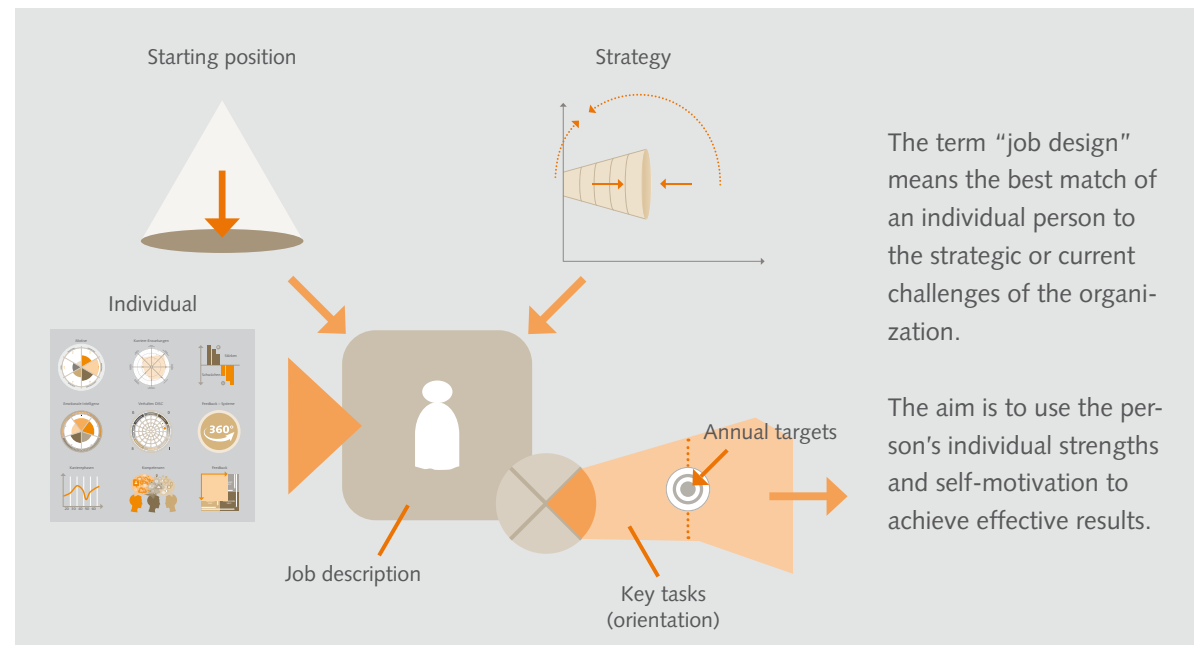
Figure 27: Job design model

An additional process is required which takes into account not only individual strengths but also different challenges brought about by the market or internal circumstances. The central question is: what are the key duties to be performed by the jobholder?

At the base of this process lie trust and a culture that knows how to deal professionally with strengths and weaknesses. Essentially, managers determine key duties using three sources: firstly, the company's strate-gic challenges; secondly, the current situation in which the organization finds itself and thirdly, the main duties involved in the job.

To create a good job design, managers must answer the following fun-damental questions:
• What does my department contribute to company strategy? Which key tasks (assignments) can be derived from those contributions?
• Which key tasks arise from the current situation in the sector or com-pany?
• Which key tasks correspond to my strengths and interests? I will per-form these myself, as manager.
• What are the management tasks that I must not delegate?

Using the dialogue to devise the key tasks gives people clear focus and orientation. It is not uncommon for key tasks to extend over a time period of 24 months.

Management are responsible for job design. The HR department sup-ports the process with systems, training and documents:
• job description
• individual key tasks (assignments)
• agreeing objectives

It is recommended that managers create their own job design first. That may sound egoistic but results-orientation based on individual strengths is particularly important for managers.

HR portfolio as preparation
Once managers have carved out an appropriate piece of the pie for themselves, it is time to ask the next question: "How can I divide the remaining key tasks among my team?"
The HR portfolio method constitutes one of the most important instruments for the job design of teams. The portfolio analysis is con-structed in the shape of a nine-box matrix. The horizontal axis represents an evaluation of competence, based on levels of knowledge and experi-ence. The vertical axis shows self-motivation or drive. All team members are then positioned on the matrix.

HR Portfolio
Individual and situative leadership

The portfolio method thereby pro-vides information about self-moti-vation, as well as the competences in question which are measured by knowledge and experience.

From a leadership perspective, both aspects are relevant when entering into a discussion about individual job design.
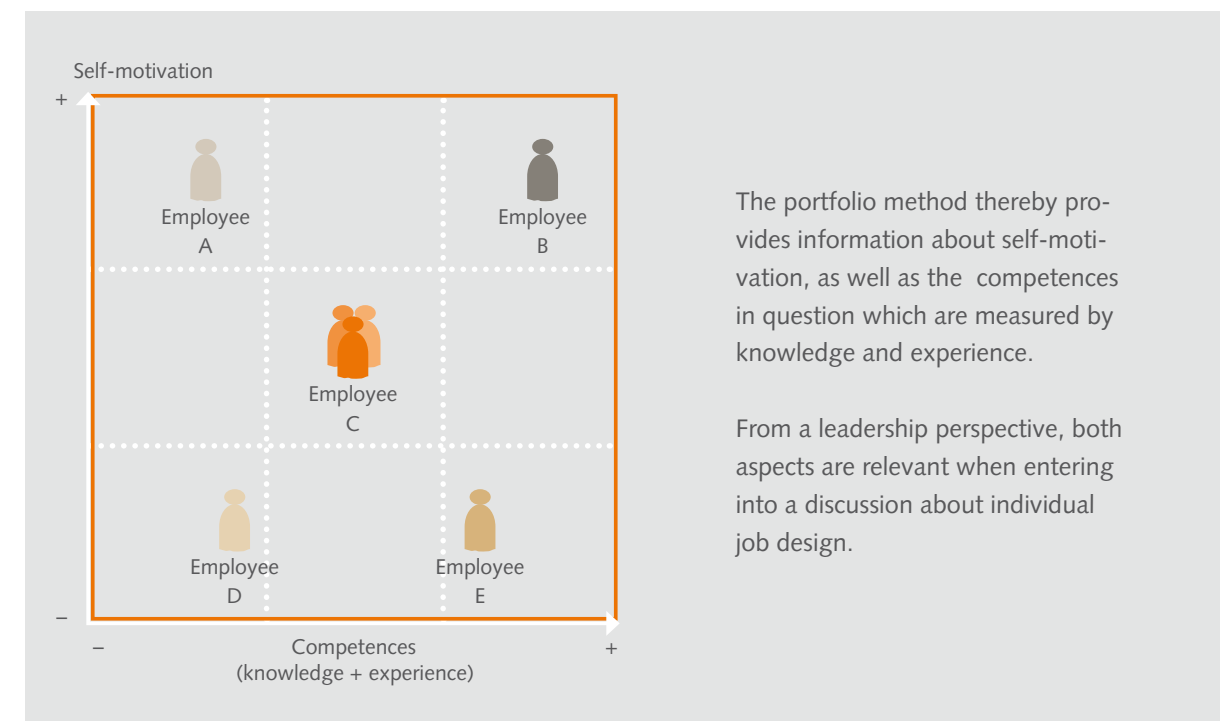
Figure 28: HR Portfolio – individual and situative leadership

The portfolio method thereby provides information about self-motivation, as well as the competences in question which are measured by knowledge and experience. From a leadership perspective, both aspects are relevant when entering into a discussion about individual job design.

The HR portfolio instrument is a simple way to present important facts in a condensed form, in order to create a good job design.

Example A

This represents an employee with a high level of drive but with some deficits in their current competence evaluation. A differentiated cause analysis will be the basis on which a manager decides whether their knowledge needs to be extended using targeted personal development and intensified or enhanced through practical application.

Example B

Success and results rule his or her life. This target group seeks and needs challenges, acknowledgement and appreciation. Here, the manager is in clear demand. There are two fundamental options for career development. Succession planning is one, since performance and results can justify a career like this. But often such career shifts can have some disadvantages, as the best performer is not necessarily the best manager. Alternatively, plenty of space, appreciation and further big challenges can certainly be enough for some people. Experts such as these are difficult to manage but they make an important contribution to the team and bring results.

Example C

Larger teams often include several people like this. Their knowledge and experience are perfectly good and they are even motivated. This target group makes an important contribution to the business, even though they do not consistently pursue larger career goals. A career position does not appear to be their primary goal. There can be various reasons for this:
• They do not have enough personal potential.
• They are not especially interested in a career.
• Their predominant goal is balance.
• They are motivated to support others rather than take on management responsibility themselves.

This group is extremely important, as they often shape company culture. Leaders frequently pay too little attention to this target group.

Example D

Nobody wants to be perceived in this way, and therefore this situation is often plagued by problems or past history. The question to ask is, "What led to this person finding themselves in this situation?" There can be many reasons:
• This employee has been forgotten or displaced by changes in the company.

• personal reasons, such as illness or private worries
• feeling of job insecurity because of wrong leadership
• wrong job design which, long-term, leads someone into a situation like this

Here, only openness, trust and patience will help to institute a long and difficult process of change. Sometimes separation is unavoidable!

Example E

This employee definitely requires more intense analysis as to why they have not performed as expected, despite having the competences, knowledge and experience. The root cause is a low level of self-motivation.

We should also ask whether this is a permanent situation for the employee or just a temporary phase (for example, because of private circumstances). In the latter case, coaching can provide a solution, restoring the employee to their expected performance level.

The HR portfolio demonstrates the variety and complexity of leadership. Leadership is individual and situative.

Team job design
Fostering and developing exceptional people in a team
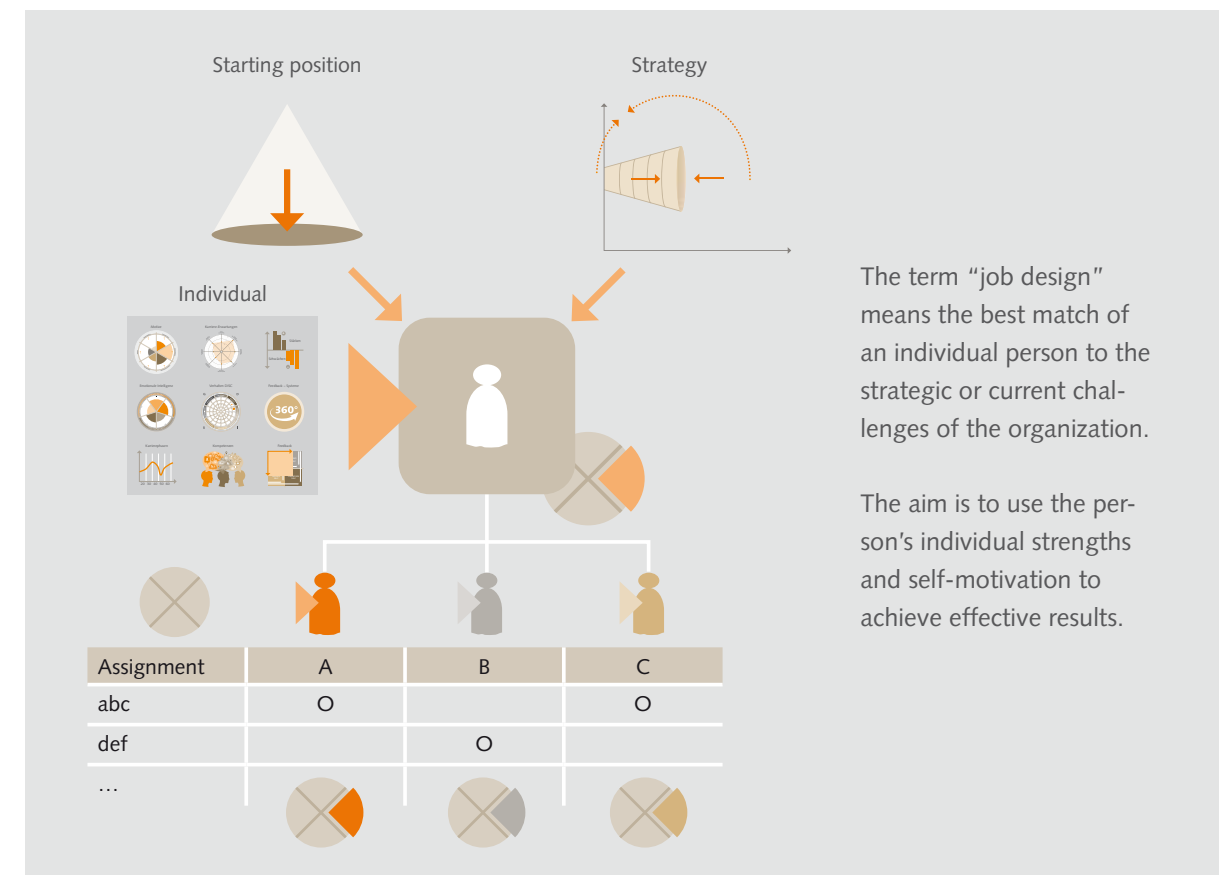
The term "job design" means the best match of an individual person to the strategic or current challenges of the organization.

The aim is to use the person's individual strengths and self-motivation to achieve effective results.

Figure 29: Development process of key tasks in the team

Determining key tasks – individually and in the team

Assignments can be identified in two different ways. The first is by breaking down the methodology recursively, by employee. The process should be viewed as a dialogue.

First of all, we need to identify the all-important *self-image and public perception (feedback)* of employees and managers. This forms the basis for the assignment process discussed above.

- What contribution does the employee make to departmental objectives? Which key tasks (assignments) can be derived from this contribution?
- Which key tasks for employees arise as a result of the present situation that the department or company finds itself in?
- Which key tasks match individual strengths and interests?

Alternatively, assignments can be determined by all team members attending a workshop. This should follow the schema below:

1. Present the company's strategic direction and break down the strategy by department or team.
2. Present or work on the current situation in the sector/team with a simple SWOT analysis. An important consideration is Key Performance Indicators (KPIs) or benchmarks in comparison with other companies.
3. Initial questions:
   - What does our department contribute to the strategic direction of the company
   - Which current challenge do we need to address? (utilizing strengths, recognizing and evaluating risks…)
4. Brainstorm activities such as projects, measures, investments etc.
5. Evaluate the importance and urgency of all actions, thereby producing a list of priorities and removing "nice to have" proposals.
6. Rank the contributions made by individual team members on the matrix:
   - Everyone ranks their own position on the matrix.
   - Everyone is assigned another team member.
7. Develop the assignment, based on the matrix results.
8. Discuss and approve

This orientation serves as excellent preparation for the continuing leadership process: leading with objectives. Working with the key tasks, measurable goals can be defined that gauge the degree of implementation and success of the orientation process.

The next step is to develop annual targets, based on the established key tasks.

10 The gap between theory and practice: implementation is simply abandoned

My experience of over 30 years in various companies (also confirmed by surveys) has shown that over 50% of companies lack the necessary skills to implement their strategy successfully. This may be a good thing for some firms, as there is nothing worse than "successfully" implementing the wrong strategy.

This finding is shocking nevertheless, and demands a radical change in companies at higher level. Let's try looking behind the scenes for a better understanding of the situation

In my opinion, the problems can be categorized as five themes:

- Strategy implementation requires *acceptance and understanding*. Strategy is a leadership role and needs time! Many top-level agendas are filled with urgent management tasks. This may be because many managers are barely familiar with their own strategy or at least were not involved themselves in its development. Methods or workshop formats are required, that integrate all relevant experts and managers in the process. This is in stark contrast to the out-sourcing of strategies to consultancy firms so that, to some extent, managers can avoid taking the blame and afterwards dispense the often unpleasant findings and consequences for internal implementation. Of course, external experts or facilitators can be consulted. But strategy is a key leadership task and the responsibility for it cannot be delegated.
- Strategy implementation is based on a *culture of trust, on personal responsibility and clarity* about responsibility. Often, lack of responsibility already spells failure for the implementation process.
- Strategy implementation requires *concentration and focus* on the core competences and the company's identity.
- Nowadays, for a strategic roadmap to be implemented successfully requires more *integration and coordination* between the sectors or regions. Larger and global companies in particular lack a culture of open collaboration. Resistance in the form of wrong, silo thinking or self-interest in the various cultural zones will undermine a consistent implementation of strategy.
- *Working methods and systems* in management have barely changed over the last 20 years. Strategies are developed, managed and dispensed in a predominantly local and unconnected fashion. This explains why it is often the case that differing versions of glossy presentations are distributed by email. In an age of digitalization, real-time, web-based and cooperative implementation is appropriate, desirable and necessary.

Implementation is a task which needs planning, discipline and perseverance. It is only when a roadmap breaks down the strategic direction that a strategy becomes operationally feasible.

Roadmap

The roadmap puts strategic statements into practice (aims, projects) and allocates these to individuals. It is essential to look at the entire strategic direction overall, for the purpose of implementation. Viability, chronological order, means and resources must be openly discussed during this phase. The roadmap phase is a precursor for project management, budgeting and company-wide change management. We come full circle: strategy – structure – culture!

Management by objectives

One of the most important leadership instruments for managers is agreeing objectives. However, many managers struggle to use this instrument effectively.

The concept originates from Peter Drucker[17] who wrote a detailed description of "Management by Objectives" in 1954. Yet managers often confuse objectives with actions. An objective describes a desirable situation in the future. The key tasks provide the team member with the necessary direction of travel. And the actions serve to meet the objectives, whose attainment will be measured at the end.

The usual procedure is as follows:
• Manager and employee, independently of each other, identify initial sub-targets derived from the company objectives and assignments.
• Each formulates initial sub-targets from their own perspective.
• They then hold a target-setting meeting to agree the objectives together.
• The employee develops their own action plan and implements it.
• The manager regularly assesses how far the objectives have been met and gives the employee feedback.
• At the end of the year, the attainment of objectives is evaluated using a performance appraisal.

Generally, participants in the target-setting meeting distinguish between three types of objective:
• quantitative objectives, such as turnover, assets and profitability
• qualitative objectives, such as market position, image, work satisfaction and working conditions
• personal objectives, such as development targets, language or technical skills

Summary: "Where there is a demand for results, opportunities to develop meaning need to be offered."[18]

Numerous surveys and studies confirm this connection. Young people in particular are no longer impressed simply by career perspectives, bonuses and status, nor are these enough to retain them in the company.

Increasingly, people want to see *personal meaning in their daily work,* not least because loss of meaning can lead directly to burnout and existential crises even more than stress and overwork.

"It doesn't depend on the specific job as such but on each of us as to whether that personal and specific feature which constitutes the uniqueness of our existence is effective in our working life and therefore makes life meaningful or not." *Viktor Frankl*

The impact of the leadership model is not achieved through the hierarchical role of managers but through trust, respect and esteem. The model links cognitive and human aspects, alongside short-term and long-term mindsets, to form a procedural model. At the centre are effective and authentic managers.

Creating and living a common vision and life concept, integrating strategies and culture – this is what establishes the direction and basic conditions for responsibility and performance.

Ultimately, empowerment and trust create a space which enables people to find inspiration and meaning.

More is not possible!

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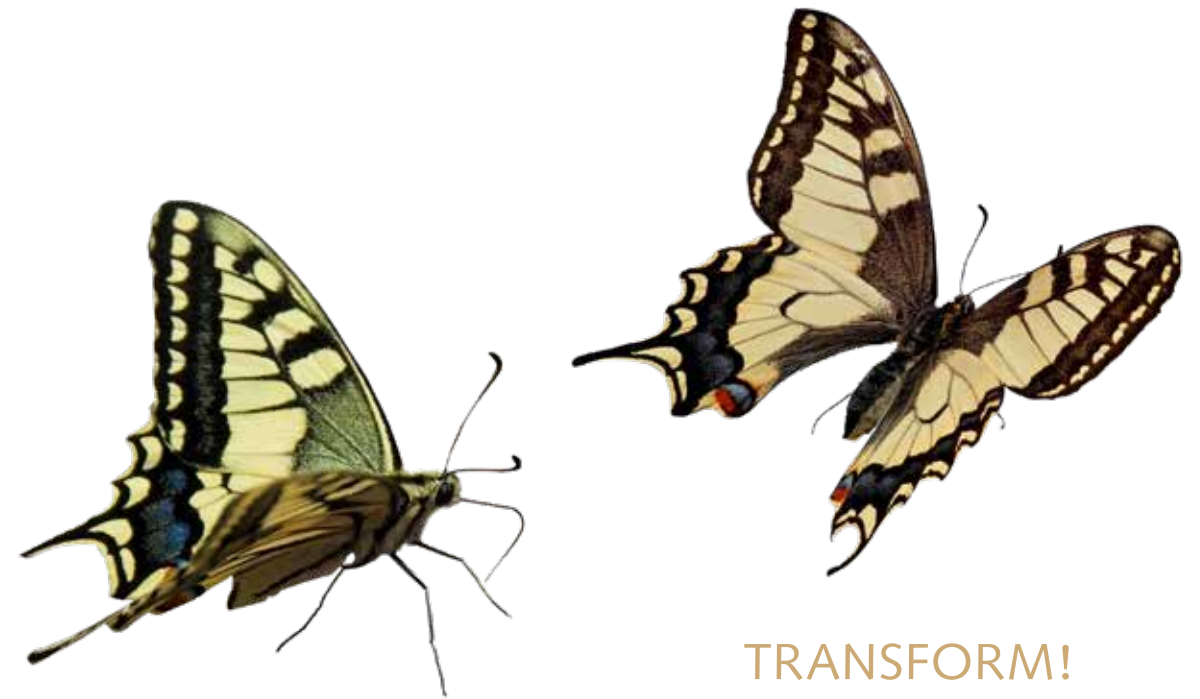
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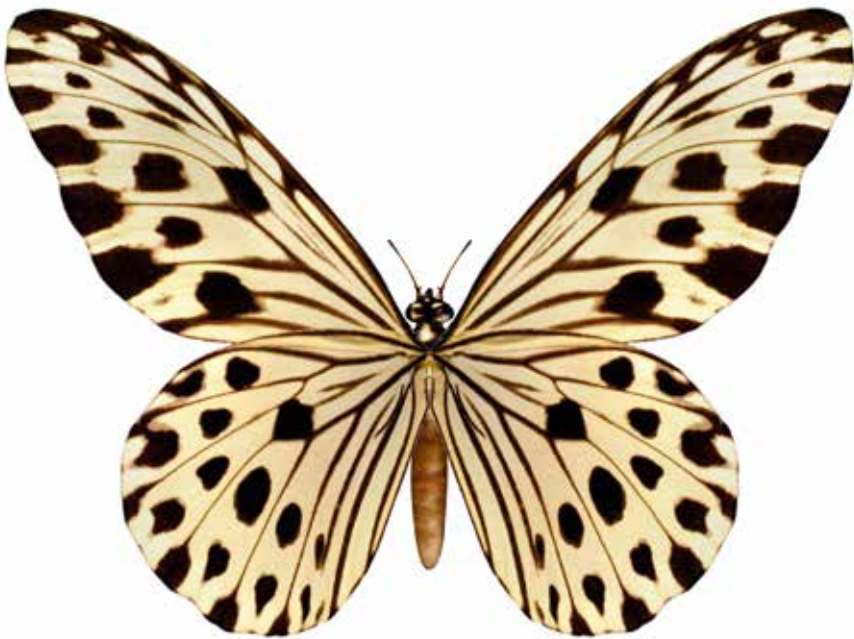
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