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**LEADERSHIP
CHALLENGES**

Leading people in change is a multi-dimensional process that involves opportunities, conflicts and challenges. It is usually not a question of either or, it is a question of both.

CHALLENGE 1: BEING A MANAGER AND A LEADER

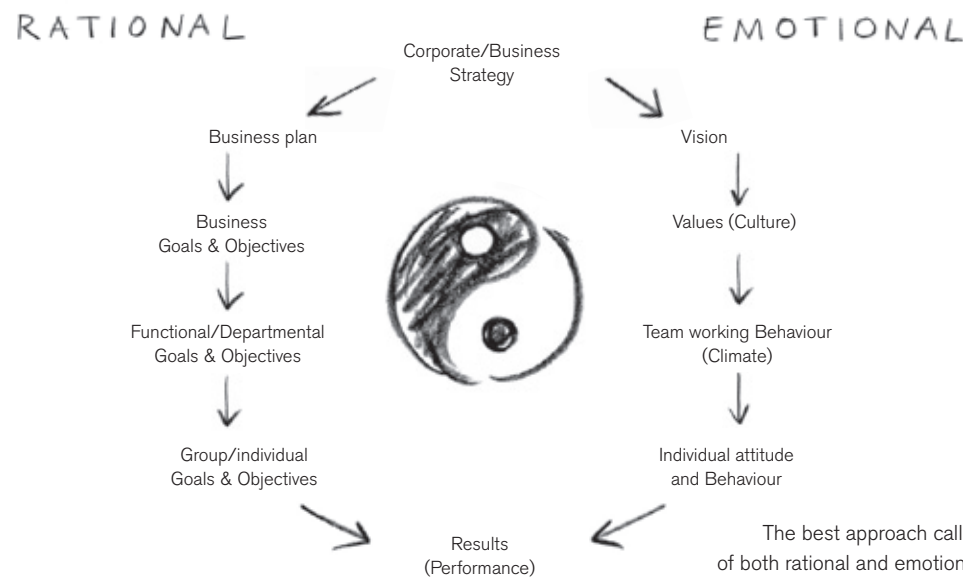
Management (business leadership) is based on governance and control in relation to budgets and planning with the objective of creating predictability and order. The basic objective is to maximise shareholder value and customer value. Key words are productivity, effectiveness and profitability. Motivation stems from financial incentives. Communication is strictly hierarchal from the top down.

Leadership is about visionary efforts, creating and defining directions for a future. This means coordinating employees to achieve a common goal. Motivate and inspire by trying to initiate commitment, acceptance and understanding. The main duties of leadership in the change process are to define the goals and objectives and to give purpose by answering the question why. Leadership also involves creating and providing the requisites by acting as role model and motor and adding trust, belief and energy. Leadership is about seeing, understanding and being available to the people being led.

Management and leadership require different skills and abilities. Business leadership is based on rational

Management and leadership require different skills.

Organisational Performance



Picture 5

The best approach calls for a balance of both rational and emotional approaches.

Source: J Kotter

*Management calls for brain.
Leadership calls for heart.*

*Work in all dimensions in order
to be successful.*

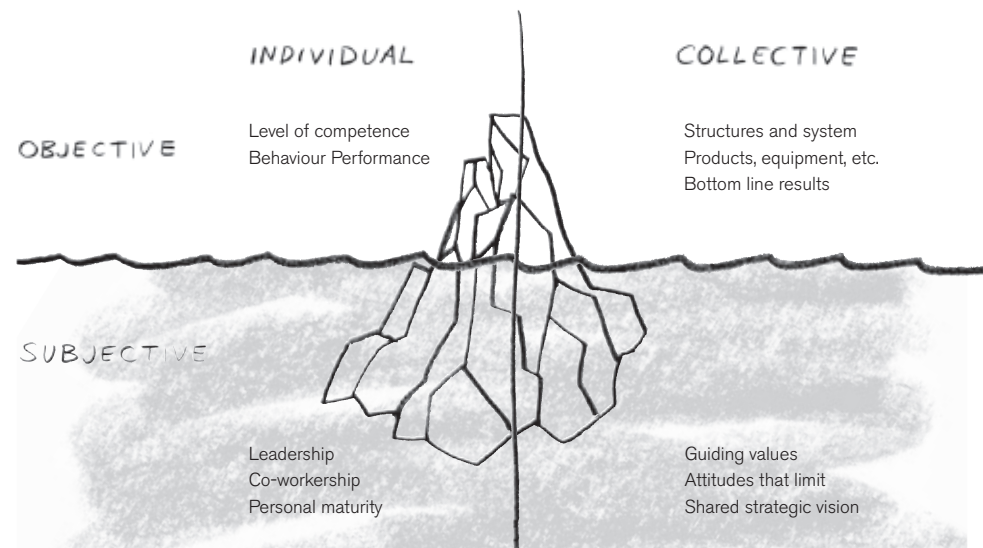
behaviour and considerations; what we call the properties of the brain. Leadership is driven by an emotional dimension and falls under the properties of the heart. Working with change is about creating a rational-emotional balance.

We cannot succeed with change initiatives by using just one dimension. We must be able to use both. All one-sided efforts will lead us off track.

CHALLENGE 2: HANDLING THE VISIBLE AND INVISIBLE

Leading people in transition also requires the ability to work with the complexity of the following factors:

collective interests vs. individual interests, objective factors vs. subjective factors, meaning the visible vs. the invisible (see figure below). This complexity houses enormous potential to undo obstructive attitudes and values in connection with change and renewal initiatives. In the four-field matrix we must be able to work with all dimensions at the same time for change initiatives to be successful.



Picture 6

The key is to realise that this is a whole system approach that calls for actions in all four dimensions at the same time.

Source: K Wilber

The individual/objective field in the above figure refers to behaviour, performance levels and efficiency in terms of the individual's efforts. The objective/collective square refers to dimensions such as visions, goals, organisation, structure, systems, functions, people, buildings, equipment, products and money. We can call these objective factors, individually and collectively, "content dimensions", which refers to the tip of the iceberg, which is above the surface in the figure. When it comes to the subjective, individual dimensions, we mean the managers' and employees' personal level of maturity as well as individual attitudes, convictions and emotions. In the subjective/collective field we refer to cultural factors such as controlling values, obstructive attitudes and the level of strategic consensus. We call these subjective factors, individually and collectively, "the process level" and mean the iceberg under the surface in the iceberg metaphor. It can be difficult to differentiate between content and the process level at the same time. Managers today have a preference

for and skills in working with content issues. We need to develop a language and teaching methods to work with process issues – that which lies underneath the surface. Real learning and growth means that we have to be able to work on all four levels and include people physically, mentally and spiritually.

A new outlook on people emerges in which it becomes increasingly important to handle the processes (under the surface) rather than the products (above the surface).

CHALLENGE 3: HANDLING SHORT-TERM AND LONG-TERM MANAGEMENT

Being a manager and a leader often means being able to deal with two different types of leadership, both dealing with operative operations (short-term) as well as being able to develop and change the overall function (long-term). This creates a need for two different approaches, see figure below.

Two types of leadership	Day-to-day operations Everyday development Rationalisation Administration	Expand, coordinate holistic function Change Development
Time dimension	Limited goals	Long-term Undefined
Attitude	Decisive	Analysis Reflection Inquisitive
Leadership style	Concise According to plan	Difficult Open
Problem solving	Closed Goals Well defined Create full use of resources	Open Goals evolve Process oriented
Focus	Stimulate greater effectiveness	Promote conditions for learning/ development/change

Picture 7

Leader must be able to handle both short and long term perspectives.
Source: K Plank

Develop a shared language.

Short-term leadership is about execution. Long-term leadership is about reflection and connecting.

Shared ownership of the present situation and vision is vital.

Organise dialogue sessions to enable influence and participation.

The ability to handle the operative side of daily operations: everyday development, rationalisation, and administration. This involves a time dimension, including defined goals, outlook, drive, and speed. The leadership style here is to proceed according to plan, often short-term. Problem solving is characterised by distinct, well-defined goals that are closed by nature and aimed at improving how resources are used. Stimulating greater effectiveness is what distinguishes the focus of this approach. The other type of leadership is to develop and co-ordinate the overall function in connection with change, development and renewal. The time dimension here is more long-term and indefinite and requires more analysis work. The need for time to reflect and talk, dealing with questions and anxiety linked to change. The leadership style here is more open and consultative. Problem-solving is conducted more openly, where goals emerge between the leader and the employees. The focus is more on the direction of the process in order to create new conditions that are conducive to learning, development and change. In other words, the main focus is on the subjective, individual and collective process issues – the concealed iceberg under the surface. Here again the paradox is being able to deal with two different types of leadership. The important thing is to be able to answer What? How? and Why? and direct attention to the vision and future target images.

CHALLENGE 4: LEADING THROUGH CONTROL AND SELF-INITIATIVE

Mobilise your employees' participation in times of change. Corporate management's and the management group's initiative and commitment are impor-

tant in carrying out the change process. But it is not enough. To achieve the results we want we must mobilise all the forces in the organisation and exploit the total effect that arises when as many employees as possible are part of the change process and take the initiative and responsibility for achieving the desired results. Insight into the change gained through shared and owned present-situation mapping and defined future positions are necessary to get the process started. Commitment is the impetus that keeps the process in motion. An inspirational vision is therefore an essential tool for enlisting employees. When those involved share a vision and agree on both the overall as well as short-term and concrete goals, the employees do not need much steering but take more personal initiative.

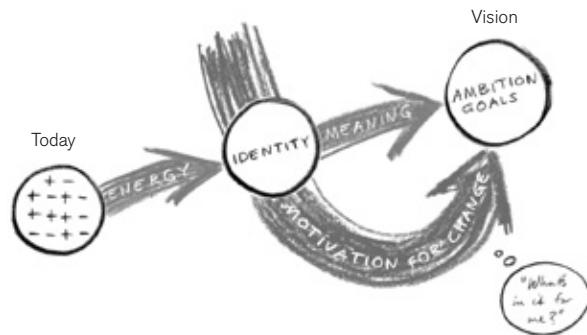
One common recurring mistake that leaders often make in the change processes is that they believe the rest of the organisation's members are on the same level of comprehension and acceptance as themselves. This contributes to our easily losing focus, providing less information and an inability to guide the change processes to the finish.

It is easier to create understanding and acceptance by arranging dialogues where people have the chance to participate and influence. We have emphasised the importance of vision. The question of why some things need to be realised in the future must be answerable since this gives a sense of purpose.

Among the most important leadership qualities are flexibility and the ability to adjust your leadership to

the situations that arise. There is one question that everyone wants an answer to in order to be part of the change process, namely: What's in it for me?

Change of Individual level



Picture 8

There is one question everybody wants an answer to in order to participate in the process of change, namely: "What's in it for me?"
Source: K Plank

The key to success lies in whether you have your employees' confidence. As a leader it is your duty to convey your vision so that it speaks to your employees' inner motivation and values. It is then you can instil the confidence in the future that is needed to embark on the change process.

CHALLENGE 5: HANDLING TIME "FASTER" AND "THINGS TAKE TIME"

Running change processes is something more managers and employees need to be more capable of. Changes may involve reorganisations, something that is becoming more common, but also different duties and the ability to handle new work processes.

In a time when demands for greater efficiency and productivity speed things up, there is an exaggerated belief that reorganisation will solve the problem and produce the desired changes at a quicker rate. We can see our clock time – chrono – as the "outer time", the time in the world that is a system we all follow. At the same time, we also live in an existential time, an inner time – kairos – time in the soul. When we try to change and influence people we cannot disregard kairos time. At the same time the organisation demands rapid, flexible adjustment.

We want to emphasise a few key words for change initiatives: Things take time. Those of you running the change processes must be distinct and patient. It is easy to find yourself in a vicious circle where a sense of powerlessness, fear of dismissal or being reassigned new tasks generates mistrust and fear of change. The manager's task is to instil hope, create participation, support and trust. To do so takes courage, tolerance and self-motivation.

CHALLENGE 6: BUILDING TRUST AND MINIMISING MISTRUST

Conflicting forces often surface and you must be able to handle them while leading the process. You should be able to justify a course of action without merely safeguarding your own interests. Leadership means that you create and lay the conditions for changes. You can instil trust and energy in your employees if you are also a credible role model. Your words and actions must concur when you initiate changes. Being genuine and authentic means that your inner leadership must reflect your external actions.

Help to answer: What's in it for me?

Chronos time: rational, logical and system time.

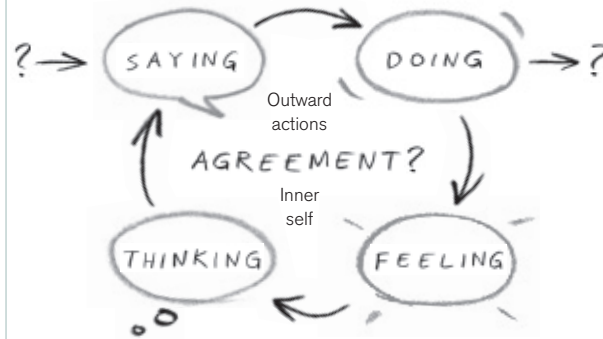
Kairos time: Time to connect and time for our soul.

Being genuine means being in agreement with your inner and outer self – to walk your talk.

Creating TRUST is a key.

Trust is built on integrity, concern and delivering results.

Being genuine



Picture 9

Trust comes from a consistent and persistent way of acting.

Source: M Buber

View yourself as a bridge between levels, a junction for cross-contacts that makes you a co-ordinating force in the organisation.

Part of your role as leader is your ability to constantly alternate perspectives, from the close and everyday to the overall intentions for the future; from the inner world to the outer; from human to system; from individual to group; from the organisation's needs to customers' needs.

The golden rule is to create a climate for learning and involving the employees. Various ways of developing and diagnosing your own team can be found in your compendium.

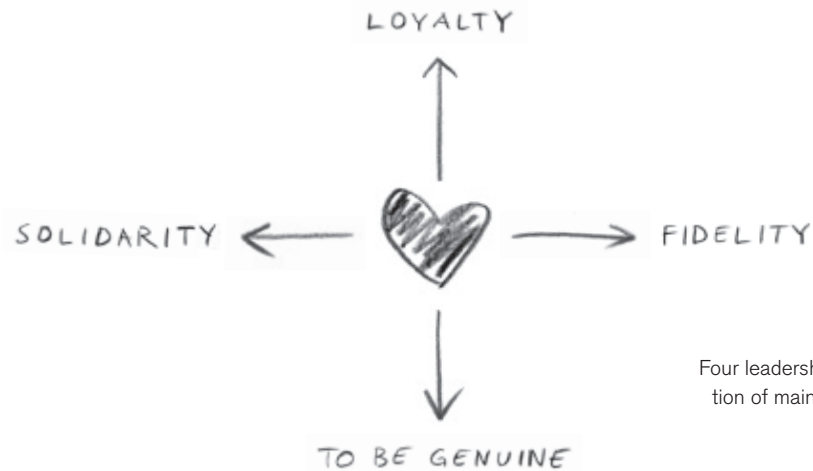
To succeed with the change initiatives, we know from experience that trust is the key to success. Trust is about predictability. Trust is also about

having shared values that remain firm even when circumstances in the organisation change.

Building trust is about achieving results related to business agreements and following these agreements. It is also about acting with integrity and behaving in a consistent and genuine manner. Building trust and confidence is also about demonstrating empathy by respecting the well-being of others. We also know that trust is built up through a concurrence of word and deed. You keep your promises. You share vital information. You keep information confidential. You are loyal and committed to your task. Your behaviour is honest, fair and ethical. You are interested in and seek out other people's opinions. You respect and accept different opinions and deviations. You dare to speak openly about your own weaknesses and strengths and you are able to show your own vulnerability.

CHALLENGE 7: HANDLING CONFLICTING EXPECTATIONS

As a leader you are always leading in a cross-fire of expectations. You are forced to make choices and act at the break-off point of varying interests where there is generally no distinct right or wrong. This could give rise to various dilemmas, which are accentuated during major change events and crises. As manager you are expected to show: *hierarchical loyalty* to your superiors and principal; *solidarity* towards the organisation and colleagues; *fidelity* outwardly, to customers and clients, while at the same time being true to yourself, in other words, to feel *genuine*.



Picture 10
 Four leadership dilemmas - it is a question of maintaining a balance between the different expectations.
 Source: L Svedberg

Try and remain in the centre of the heart and look beyond all the individual special interests. This is easier said than done since your own values will be pitted against those of others. An illustrative dilemma might be when you are expected to act loyally under pressure while at the same time you are receiving ambiguous directives from your principal. Moreover, you are expected to cement the decision with your employees and generate a sense of democratic participation. This is when the dilemma arises of being credible in both the eyes of your principal and your employees.

When we have the courage to meet and confront the challenges of leadership, we can more easily live with the opportunities and limitations when we try to renew and change our organisations.

SURVIVAL STRATEGIES

When psychological (invisible) contracts are out of balance and the situation does not allow a win-

win relationship between the needs of the individual and the organisation, an energy leak and value conflicts arise. Three different survival strategies usually crystallise from this:

Loyalty

You are there, you persevere and continue to work loyally even if you do not agree 100% with what is happening.

Voice

You express in various ways your own values and needs and direct attention at the adjustment problems that arise and that must be resolved in order to progress in the change process.

Exit

You may have tried both routes earlier but find the situation unbearable and consequently change jobs or leave the organisation.

*Try to be at the centre of the heart
 – but don't lose yourself.*

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The Dynamics of Change

ISSUES FOR REFLECTION

1. Which of the seven challenges do you find most difficult to handle?
2. Which of the challenges are you good at handling? Why?
3. What do you need to change, develop or improve in order to accept the challenges?
4. Which of the seven challenges will be most important for you to handle in your present change initiative?

