



## Leading in motion

Great leadership calls for leaders in motion. Our society demands an increasing amount of specialisation, adaptation and efficiency, and it is getting more and more difficult to engage and keep the best employees. At the same time, we should still stick to what works. And so, we must strike a balance between old and new. On the following pages, we present what we see as the most important strategic challenges for leaders. At the same time, we introduce our take on how great leaders should keep in motion to practise great leadership.

**I**n most organisations leaders and employees are faced with strategic challenges created by general trends in society, and to survive in a competitive environment, organisations must pay careful attention to increase both specialisation and efficiency.

To succeed organisations must be increasingly aware of what organisational theorists J. Douglas Orton and Karl E. Weick refer to as ‘loosely coupled systems’.<sup>1</sup> In this concept, all parts of an organisation must be able to quickly adapt and *specialise* according to the constant changes they are presented with. This requires a level of informal but effective *decentralisation* that creates needed flexibility, but which can not be dependent on mandates from central command.

Additionally, two important trends in Western labour markets pose a significant challenge. Firstly, a typical career increasingly consists of several shorter periods of employment as opposed to ‘employment for life’. Secondly, demand exceeds supply when it comes to qualified labour. With this, the competition for human resources increases. Both trends require an increased focus on *individuals* when organisations seek to attract and retain the best talent.

In Mercuri Urval, we see best in class organisations placing their focus on specialisation, efficiency, decentralisation and individualisation as managerial and leadership necessities. While critical to future success in the face of the aforementioned trends, achieving an effective balance between the status quo and new initiatives should be pursued with the understanding that current boundaries and capabilities will be stretched in the pursuit of organizational success and long-term viability. The following are concepts based on recent research into leadership development and practical knowledge gained from real world

experiences. They may be applied regardless of industry or company size.

### The balancing act

To balance is to move. In order to keep the balance, we have identified three ways in which leaders should improve and perfect their behaviour to achieve successful business results.

#### From Micro Management to Micro Leadership

Firstly, we see an acute need for moving away from micro management’s one eyed and distorted focus on results. Results do not appear out of the blue, they come from thousands of daily actions – that is, everyday behaviour. As we see it, these actions come from the capabilities of individuals, namely their personality, motivation and skills.



Leaders must have an eye for, and on, all three elements in the process: Results, behaviour, and capabilities – and not least the connection between them. We refer to that type of leadership as *micro leadership*.

It requires leaders to be in a consistent and persistent dialogue with their staff members, centred on the three following questions:

- Which results does the leader require from the team member?
- Which behaviour do these results require?
- How does the leader develop the employee’s capabilities to promote this behaviour?

Traditional micro management focuses unilaterally on results and details. We recommend formulating a few overall requirements regarding not only results, but also behaviour, and we propose to increase the managerial focus on employee capabilities:

- **Personality.** Who we are. That is, personality traits, life history, experience and daily habits. Personality is quite stable and has great importance for behavioural patterns on the job.<sup>2</sup>
- **Motivational structures.** What drives us. Motivational structures can be defined as inner, outer and normative structures. Inner motivation is where carrying out a task has value in itself. Outer motivation is where tasks are carried out because of the compensation offered. And normative motivation is where the sense of a joint work effort is decisive for the tasks carried out. Individual motivational structures typically combine the three above and vary over a lifespan.<sup>3</sup>
- **Skills.** What we acquire. Skills can be technical, conceptual or interpersonal. Technical skills (or professional) could for instance be a finance employee's Excel or SAP competences. Conceptual skills are the knowledge and competences each employee has in relation to an organisation's decision making processes, stakeholder structures, organisational framework, strategy etc. Interpersonal skills have to do with each employee's knowledge about and ability to make use of concepts of organising and leading projects, personal interactions, cooperation, teamwork etc.<sup>4</sup>

### **From strategy to strategizing**

The second way of improving leadership behaviour requires leaders to move towards a strategic leadership competence, which is much more grounded in everyday leadership practice.

Strategy can fundamentally be described through three competing perspectives:

1. A focus on the surroundings of the organisation. Herein, strategy is an analytical exercise to ensure the best possible positioning of the organisation in relation to its surroundings, as presented by Michael Porters<sup>5</sup> among others. The underlying idea is that if analyses are solid and carried out frequently, the organisation prospers and grows. A straight line leads from A to B, and if the organisation follows this line, the desired strategy is realised.
2. A focus on the gap between intended and realised strategy, and surprise that this gap exists. The organisation therefore often ends up with a great amount of unrealised strategy. From this strategy perspective, the conscious and unconscious decision making processes that lead the organisation to stray from the intended strategy become focal points in our understanding of what strategy really is.
3. A focus on the possibilities and limitations that the thousands of daily employee actions present to the successful implementation of strategy. The most recent perspective on strategy is best demonstrated through Ralph Stacey's work, which among other things takes its point of departure in chaos theory.<sup>6</sup> The organisation's future strategic potential lies in everyday life and in employee behaviour, and it is here that the true innovative force is created.

All three perspectives are important, and in our opinion they must be combined. Therefore, leaders must start translating the desired strategy into local conditions and circumstances. The leader (and employees) should also pay attention to elements in the strategy that, due to local conditions, will *not* be realised. Finally, the leader, in dialogue with the employees, must constantly be aware of ideas that are created through everyday actions in relation to the organisation's core tasks.

We call it *strategizing* when the leader makes use of all three strategic perspectives that together demonstrate how the realised strategy is created.

### From innovative initiatives to organising innovation

2500 years have passed since Heraclitus' alleged claim that 'change is the only constant', and since then, both the extent and speed of change has reached a level, which even the old Greek must be struggling to follow.

By now, many organisations have acknowledged change as a constant and are in the process of looking into how rigid organisational structures, originally created to ensure production quality and efficiency, could be opened up to create the required innovation and development. In our experience, organisations often go for teams or projects as the organising method to increase innovation.

#### *Teams*

A mismatch exists between the modern use of teams and how our caveman brain perceives team work. Leadership and followership in teams is so fundamental that it is practically encoded in our genes, as stressed by professor and evolutionary psychologist Van Vugt.<sup>7</sup> Our ancestors lived in small kinship and equality based groups for thousands of years. Back then, leadership was informal, consensus seeking, and distributed among many, depending on the problem at hand.

In many ways, our context today is different, and in modern organisations team leadership has been made formal, based on the appointed decision making authority of one person; the team leader. In spite of this mismatch, we can in fact succeed with effective teams. Leadership scholar Eduardo Salas has provided a number of concrete suggestions as to how this can be achieved.<sup>8</sup>

Firstly, he points to the importance of organisational culture as a driver for team organising. If we are open and acknowledge the need for teams and concrete team tasks, the probability of successful team organising is much higher.

Secondly, he introduces the conceptual couple *team task* and *team work*. Team task focuses on why the team exists: What is the team's main purpose? A common understanding and clarification of the overall goal, the team task, must prevail among all team members. Without it an assessment of team work, that is, whether the team works efficiently, becomes impossible. The team task should and must be redefined over and over again in a dynamic and changeable world, such as the one in which we live. Doing it only once is not enough.

#### *Projects*

Projects are often used to support crosscutting cooperation and to execute larger one-off tasks. But according to scholars Søren Christensen and Kristian Kreiner<sup>9</sup>, the perspective should be broadened to include projects as a natural part of innovative organising.

Instead of considering projects as reliable, targeted, and linear, leaders should look at them as dynamic, changeable and innovative. It takes patience and trust; more specifically, project leaders and owners must accept that project goals can (and should) change along the way, that not only one, but several truths exists, and that project participants should be allowed to formulate their own truths. Furthermore, the project leader is his or her own most important tool alongside the emerging dialogue. Chaos is not to be feared, as it is from 'chaos' that new solutions arise.

And so, in order for leaders to balance the challenges of increased specialisation, efficiency, decentralisation, and individualisation, they must be able to 1) exercise *micro leadership*, 2) deliver *strategizing*, and 3) appropriately handle the *organisation of innovation* in teams and projects.

But what is good leadership in relation to these three? Which demands do they place on the everyday behaviour of each leader? In what follows, we offer our perspective on this.

### Good leadership

Based on existing leadership research, we define good leadership as one with a simultaneous focus on *changes, tasks, and relations*.<sup>10</sup>

Naturally, good leadership differs depending on the organisation and the management level as well as the situation, each individual leader, and the team members in question. That said, across contextual challenges, we have defined 12 central behavioural traits we see as decisive for good leadership.

#### Leading change

- Sets direction: Formulates a meaningful, motivational vision and direction for her/his organisation.
- Aligns: Clarifies her/his own leadership role and space for action by leading and seeking information upwards and in relation to stakeholders.
- Inspires Change: Challenges habits and introduces new perspectives and methods when solving tasks and in shared learning processes.
- Innovative: Stimulates organisational and employee understanding of change and development.

#### Leading tasks

- Planning: Ensures planning and prioritisation and establishes allocation of responsibility and resources.
- Results focused: Ensures organisational focus on results and clarifies corresponding demands for each employee.
- Problem solving: Competently supervises problem solving and actively contributes her

self/himself, when the situation calls for it. Addresses inadequate efforts and behaviours.

- Follows up: Systematically follows up on tasks, result creation and quality.

#### Leading relations

- Developing: Motivates and contributes to the development of professionalism, motivation, competences and a belief in each individual's abilities and possibilities.
- Supportive: Recognises, assists and provides feedback on performance and contributions to result creation.
- Delegating: Delegates and involves others and their contributions in development and decision making processes.
- Networking: Proactively establishes cooperative relations and hereby actively contributes to knowledge sharing and knowledge collection across the organisation.

### Leadership capabilities

Now, which leadership capabilities support good leadership behaviour? Looking at statistical leadership research, the probability of exercising good leadership increases with the presence of the following:

- A leader should possess a good level of intelligence, good analytical and linguistic abilities as well as great mental flexibility.
- A leader should be able to demonstrate skill in adaptability, extraversion, empathy, risk management, goal orientation, openness, amiability, restraint, and robustness.
- A good leader will possess the desire to and the need for executing, leading, impacting, and influencing his/her surroundings.<sup>11</sup>

It is self-evident that the significance of the above can differ depending on the organisation in question, the concrete leadership level, and the concrete leadership tasks at hand. But there must be something to it, right?

In addition to capabilities come of course the leader's three-fold focus on *changes, tasks, and relations*. This is 'Leading in motion'. Each leader has different preconditions for success in each of these three 'moves' to be balanced. Therefore, it is very important, if not decisive, for the joint leadership of an organisation to stand strong in relation to all three. Given the very individual practice of leadership on a day to day basis, securing the collective strength of an organisation's leadership places great demands on unified recruitment practices, leadership development programs, and succession planning.

### To sum up

Most organisations will at one point or the other have to deal with the strategic challenges of specialisation, decentralisation, efficiency, and individualisation. In order to do so, an organisation must succeed in micro leadership, strategizing, and the organisation of innovation through the optimal use of teams and projects. These three form the basis of everyday good leadership for each individual leader. A single leader lacking strength in any of the three facets will struggle to achieve sustained success. Intensification of leader and leadership development to secure needed changes in leadership behaviour towards micro leadership, strategizing, and innovative organising is an investment that will pay dividends across the organisation and ensure long term competitiveness.

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<sup>1</sup> Orton & Weick (1990), *Loosely Coupled Systems: A Reconceptualization*

<sup>2</sup> McAdams & Pals (2006), *A New Big Five – Fundamental Principles for an Integrative Science of Personality*; Westh (2010) *Om personligheden*

<sup>3</sup> Pink (2011), *Drive: The Surprising Truth About What Motivates Us*

<sup>4</sup> Katz (1955), *Skills of an Effective Administrator*

<sup>5</sup> Porter (1980), *Competitive Strategy*

<sup>6</sup> Stacey (1993), *Strategic Management and Organizational Dynamics: The Challenge of Complexity*

<sup>7</sup> Van Vugt et. al. (2008), *Leadership, Followership, & Evolution*

<sup>8</sup> Salas et. al. (2014), *Understanding and Improving Teamwork in Organizations: A Scientifically Based Practical Guide*

<sup>9</sup> Christensen og Kreiner (1991), *Projektledelse i løst koblede systemer*

<sup>10</sup> Derue et. al. (2011), *Trait and Behavioral Theories of Leadership: An Integration and Meta-analytic Test of Their Relative Validity*; Kaiser & Overfield (2010), *The Leadership Value Chain*; Yukl (2014), *Effective Leadership Behavior: What We Know and What Questions Need More Attention*; Van Vugt et. al. (2008), *Leadership, Followership, & Evolution*

<sup>11</sup> Chamorro-Premuzic & Furnham (2010), *The psychology of personnel selection*; Zaccaro (2007), *Trait-Based Perspectives of Leadership*; Derue et. al. (2011), *Trait and Behavioral Theories of Leadership: An Integration and Meta-analytic Test of Their Relative Validity*; Kaiser & Overfield (2010), *The Leadership Value Chain*