



Summary of the Meta-Study

Future Skills for Leadership

Dynamic Challenges for Leadership in Dynamic Situations

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A summary of the meta-study of flow consulting gmbh on the requirements for leadership in the age of digital transformation

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Future Skills for Leadership Dynamic Challenges for Leadership in Dynamic Situations

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Future Skills for Leadership

Dynamic Challenges for Leadership in Dynamic Situations

The demands on leadership are changing. This is not in itself a new observation, as changing social, technical, organisational or economic circumstances usually lead to new requirements. But what are the requirements in the second decade? In a meta-study, flow consulting gmbh - starting from the developments of Industry 4.0 and Digital Transformation - has examined the consequences for organisation, employees and leadership. Seven requirements for the competences of a manager are the concrete and, through a test, measurable result of these studies.



4.0 and Digital Transformation

Everybody is talking about "4.0": Work 4.0, education 4.0, of course, consulting 4.0 and leadership 4.0 up to water 4.0 and even revolution 4.0. The origin of all 4.0 terms is "industry 4.0" - after the first (mechanical production plants thanks to water/steam power), the second (mass production based on the division of labour thanks to electricity) and the third (automation thanks to IT) industrial revolution, now the next phase. This differs from its three predecessors first of all in that it is not described as such in retrospect, but rather is approached programmatically in advance - through an initiative of the German government. Outside the German-speaking world, the term digital transformation is more commonly used to describe the process, but the core is in any case identical: production technology innovations should enable customer-specific products and services to be offered at mass production prices.

This development will be achieved through digital technologies that allow communication in a network of software-based data and electronic and mechanical devices (CPS: Cyber-physical systems).



Consequences for organisations

The effects of Industry 4.0 and especially of Digital Transformation go far beyond technical aspects: fields of activity and corresponding qualifications, business processes, forms of organisation, information management, leadership requirements, strategy, customer relations, product and service orientation, dealing with time pressure and with unforeseeable changes are some of the aspects that are subject to change. In short: The culture of an organisation will change, culture understood as the way an organisation deals with the requirements of its environment. And if the environment changes (again), then an organisation must respond to this in some way: Somewhere between ignorant fading out and startled actionism.

This is where the term "agility" comes into play - the ability of an organisation to deal with new, unknown situations in a structured and prepared way. Important: Classical methods and operating systems of planning retain their relevance - for plannable, known tasks.

	Classical manageme	New (agile) manageme	Agile mindsets
Methods	<ul style="list-style-type: none"> • Process management methods • lean management • Quality Management • Supply Chain Management 	<ul style="list-style-type: none"> • Scrum • Kanban • design thinking • Discovery Driven • Retrospectives • Consent 	<ul style="list-style-type: none"> • Dynamic Facilitation • Appreciative Inquiry • Effectuation • • Barcamp
Operating system	<ul style="list-style-type: none"> • Hierarchy-Organisation • Fixed objectives / strategic planning • Detailed reporting / controlling 	<ul style="list-style-type: none"> • Scrum-based organisation • Sociocracy • Holacracy 	

After: Aulinger

Consequences for employees

To be constantly agile, to adapt to new circumstances, to be able to accept nothing but halfway safely ... hardly anyone can stand it in the long run. "When change becomes too constant, it becomes difficult for anyone to understand what is happening and predict what will happen unless they are able to freeze, break out and reorder sections of that flow. (Weick) The Jena sociologist Hartmut Rosa offers three basic ways out of a constant situation of overstrain, whether psychological or physical:

- Alternative ways of life as various "exits" from the widespread ways of life;
- Seeking stability through consumption - which, however, is not really used and therefore seems to be
- Recognition and joint appropriation of the world as a jointly performed and experienced reassurance about situations, complications and appropriate actions.

Only the latter, called "resonance", proves to be a sustainable way out. Here, the necessary anchor of reliability is not an escapist or superficial one, but can be practised fruitfully and continuously. In organisations, reliability anchors are generated in the three moments of order: strategy, structure and culture (Rüegg-Stürm) - they serve as resonance spaces.

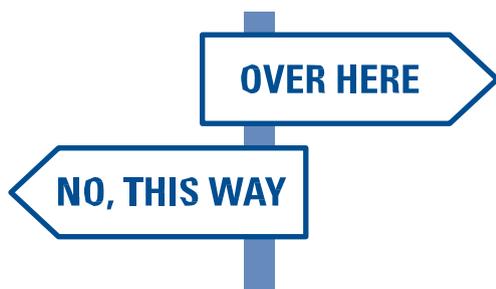
Consequences for strategy, structure and culture

Strategy does not claim to be a guaranteed long-term plan in dynamic situations. Rather, strategy is "a point of view on the future" (McGrath): everyone knows that this(!) strategy will not(!) be realised in this way - but it serves as a common point of orientation and framework for action, as a provisional, but for this very reason all the more relevant. The present situation with a foreseeable near future is more decisive than a master plan. In such a situation, the "joint appropriation of the world" called for above takes place. It is not only for a child that the person who is currently leading them across the street (or a foreign city) is more important than godmother, grandfather and paediatrician together - subjectively and objectively!

This "urgency of the temporary" (Luhmann) also applies to organisational structures. Agile approaches like Scrum or Holacracy are neither arbitrary nor anarchic, they are characterised by very clear and strict attributions of roles/functions and procedures/processes. It is in these clear and reliable attributions that the "joint appropriation of the world" takes place.

The third moment of order, culture, is central, because it is here that the convictions of each individual come together with those of the entire organisation. This is where leadership is required - strategy and structure, on the other hand, can do without this

clash: "The management functions of planning, organisation and personnel deployment that precede leadership are almost autistic, but in any case can be successfully realised without direct contact with the (non-dispatching) members of the organisation. (Lührmann)



First, the convictions of each individual: In the Values Worlds study commissioned by the Federal Ministry of Labour and Social Affairs, two fundamentally different clusters of convictions are identified:

- the world of values of "demarcated working hours": plannability, regulated working hours and a carefree life play the main role here;
- the world of values of "individualisation of working hours": Here, individual initiative, freer time management and high flexibility are valued.

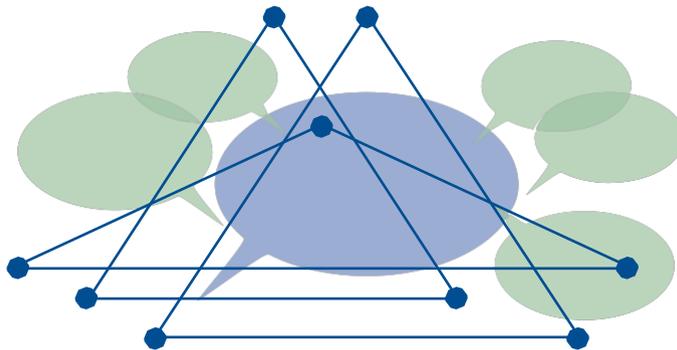
In most cases, a manager in his or her own area of responsibility will encounter representatives of both value worlds - with the task of leading in the sense and on behalf of the organisation.

Consequences for leadership

Leadership is less and less legitimised by hierarchy. The number of stripes on the sleeve or on the epaulette, the number of windows in the study or other symbols of institutionalised power are becoming less and less important, especially in dynamic situations. After all, the supposed subordinate usually has not only an information and experience advantage, but also an (at least implicit) knowledge of how "wrong" orders can be circumvented tactically and tactfully in practice.

Leadership rather emerges in interaction with those being led and is potentially redefined and changed between them in every situation. Leadership is therefore "an open project which has to prove itself anew in changing social environments again and again" (Lührmann) It is precisely the coordination of the different - sometimes contradictory - identities which arise and are in demand in various interactions (employees, tasks, goals, etc.) which represents one of the main tasks of a leader in

terms of himself/herself. This is where the opportunities are created to enable the "joint appropriation of the world". And for this, on the one hand, there can be no *passé-partout*, because the interactions in leadership situations are too different. And on the other hand, there can be no reliable advice on how to deal with a leadership situation that follows immediately, because this is exactly the situation that will change during the interaction - at least that cannot be ruled out.



Requirements for leadership skills

Fifteen empirical studies on the requirements for leadership in a dynamic environment form the basis for the work on the "new" leadership competencies (see appendix for list). The studies come from four different countries (Germany, Switzerland, France, USA) and cover the years 2014 to 2016, focusing on what managers should do in the situations listed above:

- Mobility combined with reliability
- Flexibility and planning at the same time
- Situational reference with simultaneous consistency

It is precisely in enduring and dealing with such supposed dilemmas that leadership consists: "Leadership is the ability to make wise decisions and act responsibly when one has nothing more than an idea of direction and appropriate values." (Hock) And to cope with this, managers need the "good old" skills, as summarised in the Future Skills for Leadership.

Future Skills for Leadership (FSL classic)

- | | |
|------------------------------|----------------------------------|
| 1 Goal Orientation | 2 Ability to Innovate |
| 3 Ability to Motivate Others | 4 Openness to dialogue |
| 5 Persuasive power | 6 Cross-departmental cooperation |
| 7 Conflict moderation | 8 Success control |

In addition, there are another seven leadership competencies. These are the result of both a clustering of 92 requirements identified in the fifteen studies mentioned above and a comparison with two other meta-studies (see appendix): from "agility" to "being able to let go" to "promoting cooperation".

The seven Future Skills for Leadership - dynamic

The background and characteristics of these seven leadership skills for dynamic situations - Future Skills for Leadership - dynamic - are presented in the following profiles.

Agile Leadership (FSL dynamic)

- | | |
|------------------------|------------------------------|
| → 1 Widen perspectives | → 2 Drive innovation forward |
| → 3 Foster networks | → 4 Provide orientation |
| → 5 Promote autonomy | → 6 Care for employees |
| → 7 Use digital tools | |

WIDEN PERSPECTIVES

This refers to the ability to ...

**allow, enable and appreciate unclear situations,
new and different 'things'.**



In dynamic situations, there is no clear "solution", not even an obvious one. A "one-size-fits-all" is inappropriate, one cannot build on one's own experience, because even an apparently familiar situation will turn out completely different in a few moments. For a manager, this leads to the task of constantly switching on his own radar and being open to new information, impulses and perceptions. Especially when these new impressions contradict the previous concept, it is important for the management to see opportunities in this "chaos of facts", to accept contradictions and alternatives as positive. The constructive handling of cognitive insecurity is the entry into continuous learning for people with high competence in "Broadening perspectives".

Progress is only possible if one intelligently breaks the rules.

Boleslaw Barlog (theatre director, 1906-1999)

DRIVE INNOVATION FORWARD

This refers to the ability to ...

to be open to innovations, to experiment and to always be ready to welcome the unknown outcome of the new.



Product cycles are becoming shorter and shorter, innovation rates are rising - as is well known, today's news will be old tomorrow. But innovations do not fall from the sky, waiting for a flash of inspiration is not enough. Leadership is therefore increasingly being given the task, in addition to a creative and error-friendly climate, of ensuring that ideas are actually implemented. The formula is: Exploration + Exploitation = Innovation. To achieve this, leadership must show a willingness to take risks, initiate experiments and renew what is already in existence in a way that is open to results. This also includes dealing with setbacks, taking them into account both mentally and in terms of relevant resources such as time or budget. Managers with a high level of competence in "driving innovation forward" do not necessarily have the best ideas - but they do have the courage and the urge to try something new.

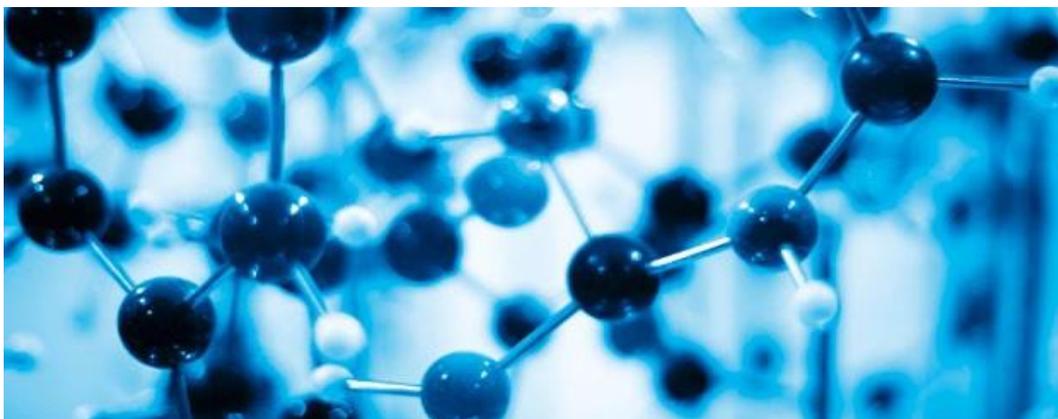
innovation distinguishes between a leader and a follower

Steve Jobs (entrepreneur, 1955 – 2011)

FOSTER NETWORKS

This refers to the ability to ...

social contacts within and outside your own organisation even without actively expanding the directly usable benefits.



Information, experience and ideas are not only widely scattered. It is also often unclear which of these inputs could become relevant and when. It is therefore important for a manager to maintain relationships and networks so that he or she can fall back on them if necessary. In this way, they can base their decisions on a broader basis. This precautionary collaboration with the distributed knowledge resources ideally takes place both inside and outside the organisation, and takes place both through traditional forms of exchange (meetings, conferences, etc.) and through social networks (Facebook, LinkedIn, etc.). Leaders with high competence in "networking" share their knowledge and promote collaboration with others in a comprehensive way, even without immediate benefits.

Fortune smiles on those who are prepared.

Louis Pasteur (mikrobiologist, 1822-1895)

PROVIDE ORIENTATION

This refers to the ability to ...

especially in ambiguous situations, positive ideas about to communicate common goals and activities.



Despite all the dynamics and the resulting uncertainties - leadership has the task of repeatedly naming the rough direction, of always reminding us of it. With this rough direction the "goal of the journey" of the organisation is meant and demanded, not a small-scale three-year plan. Linking a clear vision of the organisation's future with positive images and concepts, while emphasising the meaning and benefits of the products and services, gives orientation to others and inspires for future tasks and difficulties. Especially under uncertain conditions, a leadership is needed that is understandably confident and thus creates a positively charged reality. A manager with high competence in "providing orientation" is therefore able to arrange and classify events and decisions plausibly for all.

Reality is an ongoing accomplishment that emerges from efforts to create order and make retrospective sense of what occurs.

*Karl E. Weick (organisational researcher, *1936)*

PROMOTE AUTONOMY

This refers to the ability to ...

involve others in decisions and ensure that they are able to complete tasks independently and competently.



Unclear dynamic situations are characterised by the fact that centralised management is hardly possible any more. The information and possibilities for action are too distributed for one authority to be able to make all decisions. Self-organising persons or groups must not only be able to act alone - they must first be authorised and trained to do so. The necessary flexibility of hierarchies thus requires the leadership to have the will and ability to let go. And it requires employees to have the will and ability to take responsibility. The open exchange of experiences and suggestions, participation in decisions and a largely free hand in their implementation are activities of a manager with high competence in "promoting independence".

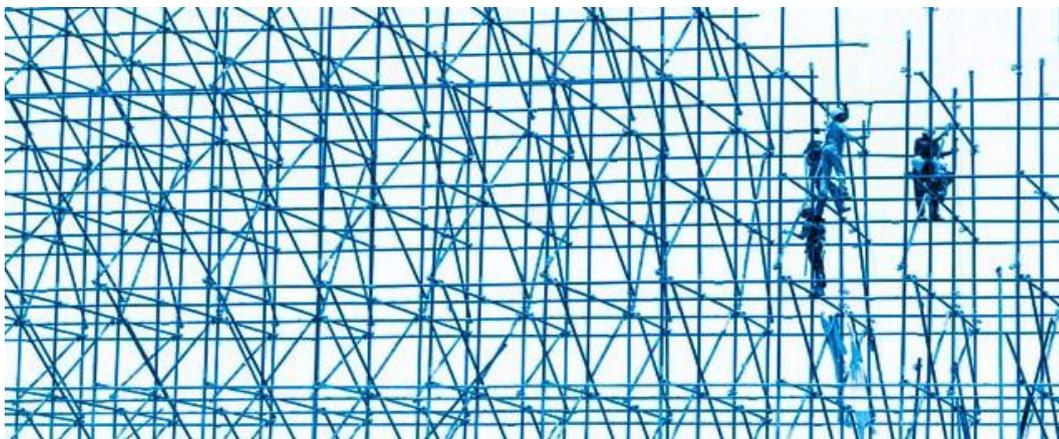
Trust is realised in action.

*Martin Hartmann (philosopher, *1968)*

CARE FOR EMPLOYEES

This refers to the ability to ...

**back up and empower employees in insecure situations,
deal with contradictions and surprises.**



Employees deal with unclear and uncertain situations in different ways - from high uncertainty to committed overwork. The task of management is to ensure that employees master contradictory demands without falling into one of the two extremes mentioned above. An open ear for their concerns and the recognition of performance and success are part of this. In addition to these direct feedback mechanisms, structures must be created by the manager in which the personal development of employees is promoted, feedback without sanctions (on mistakes, personal limits, etc.) is made possible or personal differences are used productively (team compositions, task reallocation, etc.). A high level of competence in "supporting employees" is characterised by both individual-relationship-related and structural-organisational work by the manager.

Who makes the others next to him small gets never big.

Johann Gottfried Seume (Schriftsteller, 1763-1810)

USE DIGITAL TOOLS

This refers to the ability to ...

use new digital tools for collaboration for your own work and for work with others and assess the risks



Digital means of communication such as video conferences or chats, tools such as cloud computing or sharepoints ... it is not only a question of efficiency to use digital tools in the age of digital transformation. It is also a question of credibility; after all, a manager does not necessarily lead by his or her own behaviour. In addition to their own use, a leader also has to ensure that they support and encourage others to "digitise" the way they work - and at the same time point out the risks of the digital world. The activities of a leader with a high level of digital competence are characterised by trying out new digital tools together, actively supporting employees who want to enter new territory and a "digital policy" that is coordinated up and down.

Everyone gets smarter because of this technology ... and the empowerment of people is the secret to technological progress.

*Eric Schmidt (manager, *1955)*

The interaction of the seven skills

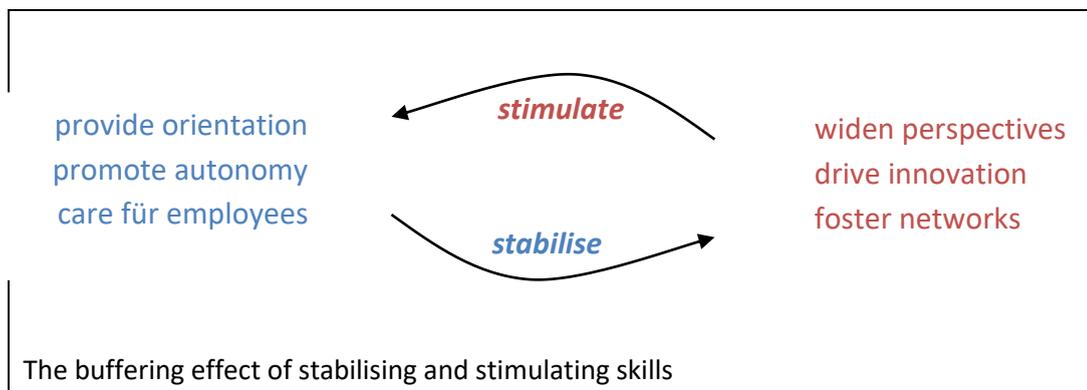
Three of the seven skills form the "inner life":

- providing orientation,
- supporting employees and
- promoting autonomy.

While the three inner skills are directed into the organisation, three other skills form the interfaces to the environment of an organisation:

- informative by broadening perspectives
- socially through the maintenance of networks and
- evolutionary through the promotion of innovation.

The seventh skill (use of digital tools) has internal and external impacts – for the following argumentation, this skill is neutral.



The above-mentioned dilemmas of a manager in dynamic situations – on one hand reliability, predictability and consistency ... on the other hand agility, flexibility and situational awareness – are represented by the internal and external skills:

- Focusing on orientation, support and independence - they serve to reassure and stabilise employees;
- perspectives, networks and innovation drive - they serve to open up and increase the flexibility of the employees

If the stabilising skills of a manager dominate, employees increasingly hold back and settle down in the productive calm created and secured by the manager. If a manager's stimulating skills dominate, employees get confused and possibly outdo each other with

the manager in creating unproductive unrest. Only the two worlds of inward and outwardly directed skills make leadership in change possible: "to integrate, build, and reconfigure internal and external skills to address rapidly changing environments" (Teece).

The leadership ideal in the age of digital transformation is not the equally static 50:50 balance of stabilising and stimulating skills, but juggling and balancing with them on a case-by-case basis - outside of any efforts to achieve balance, because:

**One can move forward,
if you do not go to areas,
which are far from states of equilibrium?**

(Gilles Deleuze)

The test "Future Skills for Leadership - dynamic" has been available since March 2017. It can be used as a self-assessment or up to a 360° feedback and is available in German, English and French.



Requests to: mail@flow.de

Appendix

Books

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Meta-Studies

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flow consulting: Our profile

flow consulting gmbh accompanies companies on topics of organisational and human resources development. The focus is on the following fields of work:

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The flow consultants and trainers have comprehensive process know-how and contribute their interdisciplinary expert knowledge to the consulting projects. Their focus is on the successful implementation and long-term effectiveness of the measures.

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Complexity and iterative consulting

Complexity is not controllable. This is why the current consulting and training approaches are reaching their limits. Changes are often dynamic and diverse. Unforeseen developments and surprises are not rare. Therefore flow consulting has developed the iterative consulting approach (flow change®) in cooperation with researchers and practitioners.

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