

HELSINKI UNIVERSITY OF TECHNOLOGY
Department of Industrial Management
Laboratory of Work Psychology and Leadership

**INTELLIGENT LEADERSHIP AND LEADERSHIP
COMPETENCIES**
**Developing a leadership framework for intelligent
organizations**

Pentti Sydänmaanlakka

Dissertation for the degree of Doctor of Philosophy to be presented with due permission of the Department of Industrial Management, for public examination and debate in Auditorium Luna, Spektri Duo Building, Metsänneidonkuja 6 at the Helsinki University of Technology on the 31st of January, 2003, at 12 o'clock noon.

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ABSTRACT

The purpose of this study was to develop a leadership framework for intelligent organizations. This was done by analyzing the future working environment of managers, leadership as a phenomenon and as a process and leadership competencies. How leadership is typically learned and trained and how we could improve these activities, was also studied. One of the contentions of this thesis is that as the world is shifting from an industrial paradigm to a post-industrial paradigm, it is necessary that we understand the consequences of this shift vis-à-vis leadership culture and practice.

In my study I have tried to apply a methodological approach, which I have termed as “science by doing”. It can be seen as belonging to a certain school of action research. In this approach, I have tried to combine a practical approach and a scientific approach. Moreover, through practical follow-up management development projects the idea has been to create new, personally experienced, tested and interpreted knowledge. This orientation is underpinned by a balance between direct personal experience and indirect intellectual abstraction. It is an approach that goes beyond fragmented theories and that could possibly point a way towards a new school of leadership.

I have used the research design with three layers: 1. personal skill map research; 2. leadership development in practice; and 3. the new framework for leadership.

1. The objective of personal skill map research was to apply and develop the method of analyzing and developing personal key skills. Personal key skills (e.g. decision making and stress management) are that kind of general skills (altogether 14 skills), which we need to be effective and to create a sense of well-being in our normal life. This research was my licentiate dissertation and has formed an important basis for this research in which I have continued the same theme but focused on leadership competencies.
2. Leadership development in practice means that I have documented five case studies concerning management development at Kone and Nokia during the nineties. All these cases are different kind of leadership development projects which give us a lot of practical experience about our topic.
3. The main purpose of this research has been to define the new framework for leadership. This has been done on the basis of my own experiences and extensive theoretical research in which I have tried to go through all the relevant leadership theories. I have grouped those

theories into 14 clusters and analyzed what they could give to leadership in the 21st century. I believe that we need a radical paradigm shift in our thinking about leadership; a move from an industrial to a postindustrial paradigm. We don't know exactly what this new paradigm will look like, but I have outlined ten cornerstones for this new framework

Based on this framework I have developed an **intelligent leadership** model. The model itself is based on the system theory and it tries to describe the leadership process as a whole with the ten key elements that belong to it. One of the main premises I make is that intelligent leadership is shared and collaborative and therefore significantly different from the way leadership has been addressed in mainstream models. Moreover, leadership is seen as a process, not a position. It therefore goes without saying that the proverbial followers are actively involved in this model and that they are also engaged in the phenomenon of leadership, not "followership". It is also important to state that purpose and vision give the justification for leadership. Leadership is always based on universal principles and values.

Future leaders are living in a turbulent and chaotic environment, where the real power to act comes from recognizing the pattern of change and sensing and seizing windows of opportunity. In this kind of environment they will need a lot of competencies to survive. I have defined a competence tree of a leader or leadership, which consists of six clusters and altogether 26 competencies. This is based on the personal skill map research (the skill tree of a life), a comprehensive summary of previous competence research in the leadership area and some examples from practice (e.g. Nokia, Ahlstrom and ITU). I have also developed a Leadership Self-Assessment Tool, which consists of 160 items.

The leadership competence framework and the self-assessment tool was tested with sixteen executives ("successful people managers") from Ahlstrom, Fortum, Kone and Nokia. This group considered the competence tree of a leader comprehensive, practical and useful. Also the self-assessment tool was considered useful, and it gave a lot of self-reflection impulses.

People usually learn leadership best by doing. Good self-reflection competencies and awareness about your own learning obstacles are needed for this. Also management and leadership training is useful when its timing is correct and it is tailored to the company's situation. It should always start with self-leadership.

Intelligent leadership widens the area of influence from individuals to teams, to organizations and to societies. Intelligent leadership should help individuals to develop themselves comprehensively as human beings. It should support working individuals in becoming self-directed teams. It should support organizations in becoming intelligent. And in addition to this, it should support us in building intelligent societies, where we can integrate economy, ethics and ecology. This is the ultimate goal of all leadership training.

During the last twenty years a huge amount of studies and books on leadership have been published both by academics and practitioners. I have a strong belief that today there is a momentum, and we have enough leadership knowledge that enables us to achieve the intellectual breakthrough and go beyond fragmented theories towards a new school of leadership; "a new scientific management" for the 21st century. I hope this research can support that progress in a tiny way.

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“If your everyday life seems poor to you, do not accuse it; accuse yourself; tell yourself you are not poet enough to summon up its riches since to the Creator there is no poverty and no poor or unimportant place.”

Rainer Maria Rilke

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Espoo

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1. Introduction

This research is about leadership. Its main objective is to analyze and outline what leadership is, in the context of the 21st century. It takes on the following questions: How has leadership changed during the last twenty years? What are the most crucial elements in leadership? What are the key leadership competencies? How can we develop leaders for the future? How we ourselves could become better leaders?

From the amount of literature and research that is coming out, it is clear that leadership will once again emerge as one of the pivotal areas in the coming years. Today we are already beginning to talk about the leadership deficit: there seems to be a clear lack of good leadership in our organizations. The correlation between good leadership and the efficiency of our organizations seems to be a key factor that is the subject of much research and debate. During the 90's we were mainly focusing on process management, re-engineering, company culture, quality and organizational learning. After having implemented all of those, it has come to our notice that something is still missing, because the organization is still far from functioning properly. Many a time the missing link is true leadership. There seems to be a lack of intelligent leaders, who are able to create and sustain an inspiring vision and implement the vision together with their teams. That is the reason why we at the moment are trying to find answers to the following kind of questions: What is leadership? What kind of a person is a good leader? How to become or grow to be an excellent leader? How to train leaders and how to do it with efficiency and speed? The purpose of this research is to find new intelligent answers for this kind of questions. Or even more: to find new questions concerning leadership.

I have myself been interested in leadership and studied it in theory and practice for more than twenty years. I have tried to follow the development of the management and leadership theory and have worked in many organizations as a developer of leaders and managers during these years. My background also gives me a good perspective to outline the long term trends in this field. I have personally experienced

- how the leadership theories have changed and improved
- how the working environment of leaders has dramatically changed
- how the leadership practices have changed and
- how the needed competencies have changed.

One important change is also that I myself have changed as an interpreter. I am able to perceive leadership activities and to better understand leadership phenomena based on my own personal experience as a leader. My view is that leadership as a competence needs a lot of practical experience; otherwise the deeper understanding of these phenomena is not possible.

Actually this research project started in the beginning of the 80's. In 1982 I started working with the personal skill map method. This approach was based on a method which was developed by Darwin B. Nelson and Gary R. Low in USA. This method includes the mapping of the personal key skills (244 items), results on the skill map (14 scales), an interpretive guide for the results and a workbook. This mapping method has become quite popular in Finland and so far more than 6000 people have used it. I have also used it in several management development programs myself (over 500 users).

In addition to using the method a lot, I have also done research on the topic during the 80's. In this research I developed the Finnish version of the personal skill map method, created a test analysis and the Finnish comparison material. I also collected a huge amount of research material pertaining to 995 people cases. With this material I studied the usefulness of the method in many ways. This research was ready at the end of the 80's. Because I moved at that time to Germany and worked there for four years, this research project was put aside for many years. It surfaced once again at the end of the 90's when I used the personal skill map method in many management programs and started considering creating a new and updated version of this map. This was the reason I finalized and updated my research and published it as my licentiate dissertation (Sydänmaanlakka 2001). This personal skill map research is a very important basis for my doctoral dissertation, where I have continued the same research theme, but focused it on leadership competencies.

Another basis for this research is my twenty years' experience in management development. It means both personal learning in the process of becoming a leader and especially, the different kind of activities in management training. I have worked in four global companies where I have been strongly involved in management training. This naturally gives me a good background to understand the studied phenomenon both comprehensively and deeply. Of course, it could also restrict and bias my perceptions about the topic in a way that my perception is colored by my own experiences. In order to balance the situation, I have also gone deep into the theory and read a lot about different approaches. Many of the basic research questions and assumptions have arisen from self-experienced practice.

These basic assumptions have been born during the years in practice. I have tried to understand something about people management as a theory and also as a practice. I have tested and verified these assumptions in the course of this research. Here are some of those key assumptions:

1. People management as a phenomenon and process has changed during the last twenty years.
2. The present leadership theories do not describe leadership as a phenomenon any more relevantly and comprehensively.
3. Leadership theories and practice could be clarified in describing leadership as a concrete set of competencies. Leadership is more art than science and it consists of very concrete small actions.
4. The basis for all leadership and management is good self-leadership.
5. The management and leadership training programs function usually very inefficiently.
6. The biggest obstacle for learning leadership is the leader herself/himself (the ability to change and develop).
7. The efficiency of the organization could be improved greatly by ensuring that people management is done well and with quality.
8. Becoming a good leader requires certain kind of values and principles.
9. One important feature of an excellent leader is that her/his subordinates are successful.
10. There is a great shortage of good leaders today.

The purpose of this research is to develop a new framework for leadership. I consider that the present leadership theories (most of them) do not describe the realities of people management comprehensively. The working environment of today's leaders and followers has changed and is changing rapidly and dramatically. This means that we also have to understand the leadership process in a new way. We are moving from an industrial paradigm to a postindustrial paradigm and we should realize the consequences for the leadership practice. To lead the 21st century **knowledge worker** or **intelligent worker** is probably something different than to lead the 20th century **industry worker**. That is at least one of the basic assumptions of this research (see Davenport 2001).

In chapter two the research questions are presented and the research methodology and process is explained. There are three basic methods used in this research: the survey method (self assessment tool for analyzing personal key skills and leadership competencies), the case study method and the theme interview –method. In chapter two I have also tried to outline a new kind of research approach which combines the traditional scientific research approach and a new practical research approach. This approach comes close to the constructivist approach and action research.

In chapter three I have summarized my own experiences in the leadership arena. I try to make visible some of those lessons learned in practice. I present cases about Kone management training, Nokia Navigator management learning process, performance management as a leadership process, mentoring as a management training tool and my own case to become a leader. Through these cases I have learned and understood something valuable about leadership.

In chapter four I have analyzed thoroughly what the phenomenon called leadership is and how it is described in literature and research so far. I start with a macro perspective by defining management as a wide and general concept. **Management is a general process of planning, organizing, controlling, problem solving and decision making.** Management can focus on different areas of organizations:

- yourself (self-leadership, “itsensä johtaminen”)
- people (leadership, “henkilöjohtaminen”)
- things and processes (management, “asioiden johtaminen”)
- technology (technology management, “teknologian johtaminen”)
- market (market management, “markkinoiden johtaminen”)
- strategy (strategy management, ”strateginen johtaminen”).

Then I go on to focus further on leadership and go through all the leadership theories and models which are available for research. I have grouped those in fourteen clusters or approaches. I have analyzed every approach considering the following issues: the main content, new features, strengths and weaknesses, application possibilities and lessons learned.

In chapter five I have introduced the new framework of leadership. Intelligent leadership means that we have to look at leadership with “new eyes”. Creative intelligence has three components, which are intellectual, emotional and spiritual. I have defined leadership as follows:

Intelligent leadership is a dialogue between leader(s) and followers where they try to influence each other in a certain situation in order to achieve shared vision (purpose) and objectives effectively. This process will take place in a certain team and organization in which the same values and culture are shared. The macro environment - industry and society - also affects this process.

The model of intelligent leadership that I have developed is based on this definition. There are altogether ten variables in this model.

In chapter six I have analyzed the working environment and roles of the 21st century leaders. Then I have analyzed what kind of competencies those leaders will need. The outcome is a model that I have described as a leadership competence tree. There are altogether 26 leadership competencies which are grouped in six clusters which are professional, interpersonal, efficiency, leadership, wellness and self-confidence competencies. **Competence consists of knowledge, skills, attitudes, experiences and contacts that enable good performance in a certain situation.** Also a self-assessment tool consisting of 160 items was developed for assessing leadership competencies.

In chapter seven I have tested the leadership competence tree -model and the self-assessment tool. I have had theme interviews with sixteen executives from four global companies. Themes were grouped around three areas, which were career related themes, self-assessment tool related themes (the doing) and themes connected to the roots (the being).

Summary and conclusions are presented in chapter eight. There I evaluate the results, discuss about the validity and reliability of the research, areas of further study and implications for leadership and management training and development.

Abraham Maslow has said that “Proper management of the work lives of human beings, of the way in which they earn their living, can improve them and improve the world and in this sense be a utopian or revolutionary technique”. Abraham Maslow (1908-1970) was –and is – one of the world’s most esteemed experts on human behavior and motivation. He is most famous for his work in the area of humanistic psychology but he has also an other kind of legacy for us. He translated the science of the mind into the art of management in “Eupsychian Management”, first published in 1962 and 37 years later as an updated version called “Maslow on Management”. He had quite radical thoughts about management which were far ahead of his own time. He wrote about enlightened management policy which assumes that all your people have the impulse to achieve; everyone prefers to be a prime mover rather than a passive helper; everyone wants to feel important, needed, useful, successful and proud; there is no dominance-subordination hierarchy. I have quoted Maslow in my dissertation in order to remind us that we still have a long way to go to reach intelligent leadership and in building intelligent organisations. The quotations are taken from the book “Maslow on Management”.

2. The purpose of the research

“Science can be the religion of the nonreligious, the poetry of the non-poet, the art of the man who cannot paint, the humour of the serious man, and the love making of inhibited and shy man. Not only does science begin in wonder, it also ends in wonder.”

Abraham Maslow

The purpose of my research is to define what is good leadership, the areas it includes and how people can grow and develop to be good leaders. I start from the big picture and describe what is management (“johtaminen”) and how we can divide it theoretically and in practice into relevant subareas. (In Finnish language we have the term “johtaminen”, which is a general concept for all kind of management.) One of those subareas certainly is **people management, leadership**. The second task then is to describe leadership. I have developed a new framework for leadership which should include all relevant elements in order to be able to explain the present leadership practice. Then I focus on the leader and take the **leadership competencies** into deeper examination. There the question is, is it possible to define a leadership competence model which is theoretically sound and simple enough to be used in practice? The last issue is how we develop leadership and how leaders learn the art of leading. We know from the practice that most management training programs and also other development methods are working inefficiently. But do we know why? We should be able to analyze these difficulties in order to improve our activities in developing future leaders.

2.1. The objectives of the research

The objectives of the research can be formulated to five research questions as follows:

1. What kind of **leadership theories** and models have been presented during the last century?
2. What kind of a model could best describe the **leadership phenomenon** in our future organizations?
3. Which are the main **leadership competencies** ?
4. How is leadership typically **learned and developed**?
5. How could we **improve leadership development and learning**?

When trying to develop a new framework for leadership, I focus on knowledge companies and knowledge workers. I try to go even a step further to intelligent companies and intelligent workers. I apply a postindustrial paradigm in my analysis. I will try to find out how to lead in an intelligent organization.

In this kind of wide research it is always problematic how to structure the research. Here I have used mainly the chronological order: e.g. how I have encountered these phenomena. I have first described my own practical leadership experiences (five cases). These cases form a background for the theoretical research. It is very useful to have some practical experience about the phenomenon you are studying; that experience opens the theories in a totally different way. Then I have looked at the big picture of management. Next I have studied the earlier leadership theories. Based on that I have developed a new framework for leadership. After that I have focused on leadership competencies and developed a competence tree of a leader. I have tested these ideas with a small sample of top executives and also tried to find out how they have actually learned these competencies. At last, I have summarized the key findings and presented some implications for management training and development.

2.2. Research methodology

Because I had focused more on statistical methods on my licentiate dissertation, there is more of a focus on theoretical approaches and quality methods in this work. The theoretical examination and analysis of management and leadership form the core of this research. I have then verified this theoretical examination against my own experiences. In the research I have also used thematic interviews as a method to study the opinions of “successful people managers” about leadership, how to become a leader and the key competencies of a leader. With this group I piloted the assessment method of the leadership competence model. I have also used the case-study method as a research method. Several cases were described and analyzed. In picture 1 I have shown the different methods used in either my licentiate or doctoral dissertation grouped according to two dimensions which are theory vs. practice and quality vs. quantity.

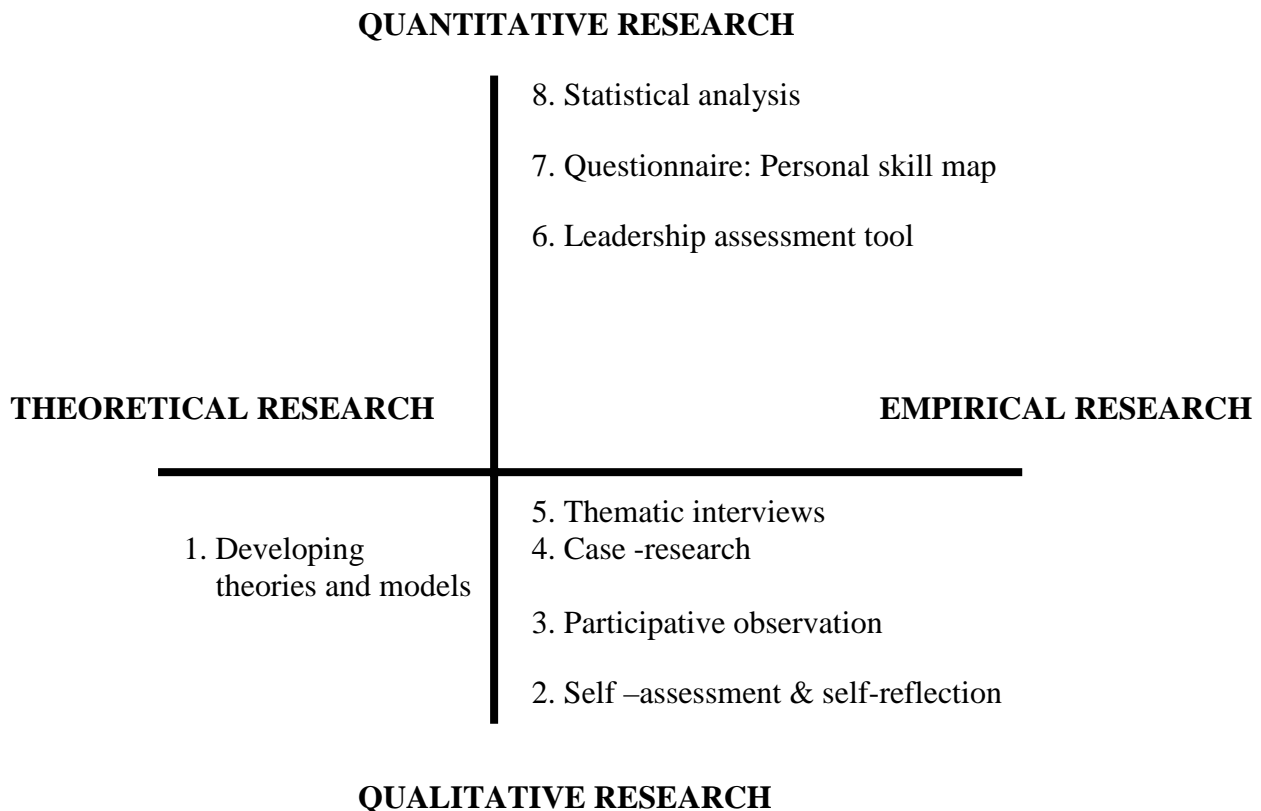


Figure 1. Research methods used

I have approached this topic on the one hand, very widely with that theoretical knowledge and practical experience that I have collected during the last twenty years when I have tried to understand leadership practice and theory. On the other hand, I have also tried to go very deep into the leadership model and the leadership competence framework and hopefully was able to find something new. Research methodology represents a new way to do science, "**science by doing**", where practice, theory and long practical follow-up projects create new, personally experienced, tested and interpreted knowledge. Kurt Lewin has said that "Nothing is so practical than a good theory". I totally agree and would like to add that good practices are always based on deep understanding and sound theories (many times these theories can be intuitive). This kind of new practical theories often get verified later in the future and get the label of scientific theory.

What is the relationship between theory and practice in contemporary leadership science? I believe that there is a need for an assessment of the present scientific paradigm. Kuhn has described in his book "The Structure of Scientific Revolution" (1962) that in the development of science there are three different kinds of phases which are the pre-paradigm phase, normal science and period of crisis science. Popper (1975) has gone still further by saying that in science we should have "continuous revolution". Are there a lot of revolutionists in today's behavioral and leadership sciences?

First, we could ask what is **science**? According to Niiniluoto (1983, 6) science is at first hand information and knowledge about the reality collected in a systematical and critical way. Truth is

the main objective of science. The other objectives of science are practicality and usefulness; you should be able to use the results of science. Niiniluoto (1980, 60-74) thinks that if science is able to fulfill its first objective (truth), it can also take care of its second objective (practicality).

Secondly, we could ask what is **knowledge**? If we follow the Western epistemological tradition we could say that knowledge is “justified true belief”. This concept was first introduced by Plato. He developed his knowledge theory of an idea, where the physical world is only a shadow of the perfect world of ideas. On the contrary, Aristotle thought that knowledge is always occasioned by sensory perception and he stressed the importance of observation and verification of individual perception. In a way the same distinction is seen in the thoughts of Rene Descartes (Continental Rationalism) and John Locke (British Empiricism). Maybe we can blame these philosophers for the fact that our thinking and concept of knowledge is so **rational** and **dualistic** (subject vs. object, body vs. mind).

But during the last decade and even earlier many interesting concepts of knowledge have been presented which should very much widen our thinking. The most interesting of these “knowledge management theorists” are Michael Polanyi (1958), Nonaka and Takeuchi (1995), Karl Erik Sveiby (1997) and Davenport and Prusak (1998). Michael Polanyi was the first one who made the distinction between tacit and explicit knowledge. Nonaka and Takeuchi introduced the concept of the “whole personality” as opposed to our dualistic view of mind and body. For the Japanese knowledge means wisdom that is acquired from the perspective of the entire personality (Nonaka and Takeuchi 1995, 29). Both Sveiby and Davenport and Prusak have emphasized that true knowledge is action-oriented. Sveiby (1997, 37) has even defined **knowledge as capacity to act**. This kind of findings in epistemology should also affect in our scientific paradigms some way and they are very relevant in understanding of the leadership phenomenon. There is an old Buddhist saying which states that “to know something, but not to use it, is not knowing”.

According to Sveiby we could say that leadership knowledge is a capacity to act. Leadership knowledge is only partly explicit, a lot of it is tacit. In leadership behavior the “whole personality” affects the way we lead.

At the beginning of this decade we are facing certain trends which are also affecting the course of leadership science. These trends include e.g.

- continuous change
- subjectivity of opinions
- need for speed
- amount of knowledge is huge and continuously growing.

We are living in a turbulent environment where it is very difficult to predict anything and explain things rationally and causally. We are moving from rational, linear thinking to more intuitive, non-linear thinking. How should science respond to this new situation? Maybe we should develop a new “practical everyday research approach” compared to the old “scientific research approach”. In figure 2 I have tried to describe how **practical research** and **scientific research** could try to learn from each other.

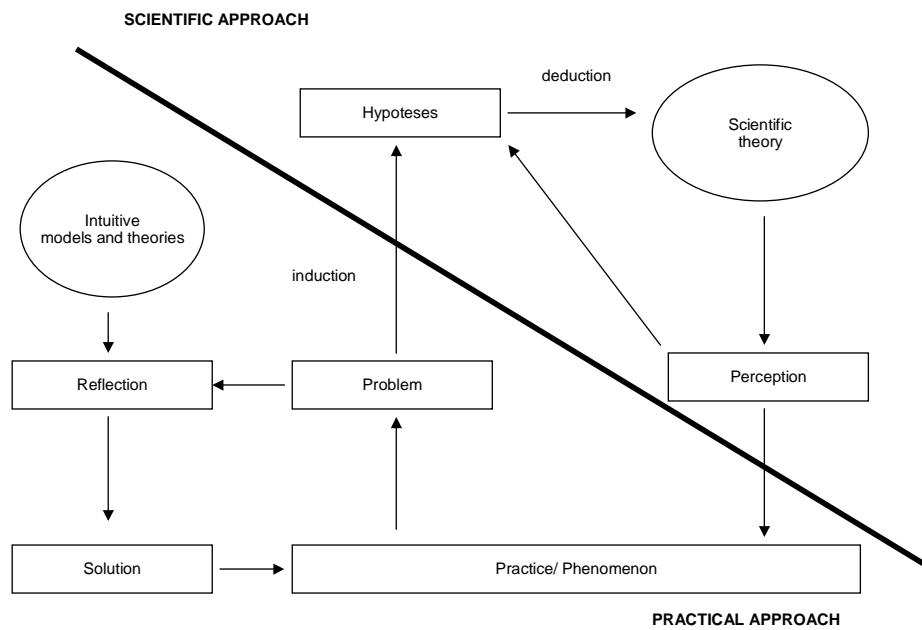


Figure 2. Practical reasoning and hypotheses–deductive –method

A practical approach is also based on some kind of theories and models which can often be intuitive or tacit. The criteria for these theories are usefulness and practicality. Speed is also very important here which means that the time taken to proceed from the problem to the solution should not be too long. In a traditional scientific approach the lead times between concept development and practical application are long. The scientific approach is based on other kind of theories. The criterion for these theories is truth. Here the approach is very systematic and involves the critical accumulation of new knowledge. Often this kind of approach takes a lot of time and there is a danger that when the theory is ready, the reality (practice/the phenomenon) has already changed. The speed is also a challenge for our scientific method. The other great challenge is the integration of system thinking and our scientific approach. We know that we are living in open systems where everything affects everything else in a causal and interdependent way, and in this environment the traditional casual reasoning is not enough. So perhaps the next revolution in **leadership science** could be to integrate the practical and scientific approach.

One way ahead is to point out the weaknesses of the practical approach and try to improve those without losing the speed. The right kind of reflection is needed here. We can see that there are certain kind of weaknesses in our practical reasoning and also ways to improve this reasoning as shown in the following (applied from Uusitalo, 1991, 18). This list has been used systematically in order to improve the reasoning in my research.

Table 1. The basic weaknesses of a practical approach and the ways to improve the situation

WEAKNESSES OF PRACTICAL APPROACH	IMPROVEMENT MECHANISM
Unreliable perceptions	Systematization of perceptions and techniques, discussion about the validity and reliability of perception
Selective perceptions	Critical discussion about our basic assumptions and how they affect our perceptions
Too much generalization	Methods of generalization
Inefficient reasoning	Critical discussion about reasoning, logical and statistical tools
Short-termness	Open and critical discussion, seeing the obvious also as a problem
Seeing things out of their context	Differentiating what is really essential

The research approach of mine is close to the **constructivist approach**. The constructive approach means problem solving through the construction of models, frameworks, diagrams, plans etc. Kasanen et al. (1993) divide the constructive research process into the following phases:

1. find a practically relevant problem which also has research potential
2. obtain a general and comprehensive understanding of the topic
3. innovate, i.e. construct a solution idea
4. demonstrate that the solution works
5. show the theoretical connections and the research contributions of the solution concepts
6. examine the scope of applicability of the solution.

They also argue that a successful constructive study is apt to fulfill the most significant general characteristics of science (i.e., objectivity, criticalness, autonomy and progressiveness).

Part of this research (five cases) is also action research which aims at actively improving both practice and knowledge (Buhanist 2000, 8). Action research means developing new knowledge and theories from practice. Kurt Lewin (1948) was the first one who used the term action research and this approach has a long tradition after that (see Argyris 1970, French and Bell 1973, Argyris et al. 1985). Action research was not so popular any more at the end of the fifties and during the sixties, but it became popular once again during the seventies especially in England. One of the main places there was the Tavistock Institute. (Heikkinen et al 1999, 26-32). Cunningham (1993, 4) has defined action research as follows: "Action research is a term for describing a spectrum of activities that focus on research, planning, theorizing, learning and development. It describes a continuous process

of research and learning in the researcher's longterm relationship with a problem... This process is as much an act of scientific research as an act of engagement with people experiencing the problem".

In my research I have tried to combine in a new way this practical and theoretical approach. I have tried to reflect about leadership and find something which is really essential and these essentials are based on

- my own long experience as a leader
- my experience in management training
- participative and other kind of observation how leaders behave in practice and
- previous research and theories.

The end result could be something which is "beyond theory". It tries to integrate the different theories and extract their best features. It is a description of a phenomenon in a simple and truthful way. This description will be simple but not simplistic. Quinn (2000) has beautifully described the vast chasm between being simple and being simplistic. He believes that in any activity there are many novices, a few experts and very occasionally there is an extraordinary master. "If you ask a novice about a topic, the novice will give you a very simple (simplistic) explanation that will be of little value. If you ask an expert the same question, the expert will give you a complex explanation that will also be of little value. If you ask a master the same question, the master's explanation may be simple, breathtakingly elegant and, remarkably effective." So there are big differences concerning simplicity that lie on one side of complexity and the other. In figure three I have described how we could try to find simple answers to our question what is leadership. These answers are beyond the normal fragmented theories.

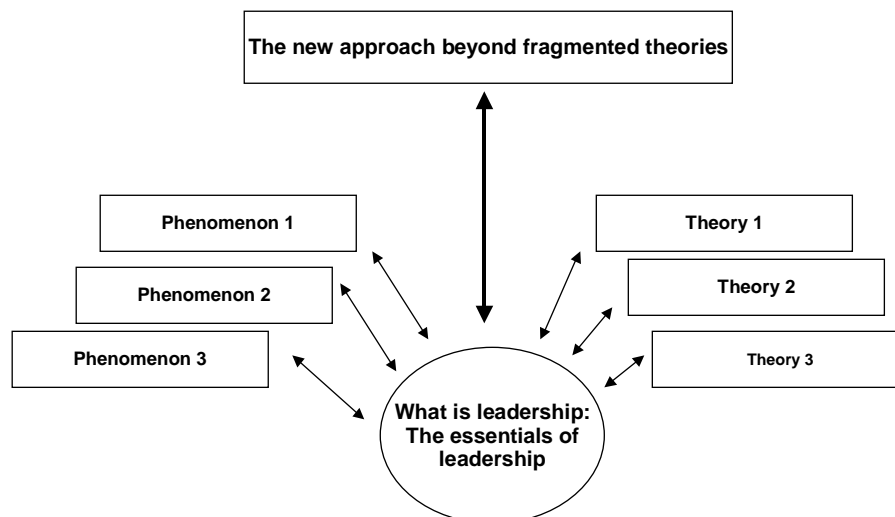


Figure 3. The new approach beyond fragmented theories

2.3. Research design and process

The research design is presented in figure 4. There are three separate parts which are linked strongly together and form the entity of this research. These three subareas are

- the development of personal key skills
- management and leadership development in practice
- a new framework for leadership.

The development of personal key skills -research is the platform for this survey and also the starting point. I have implemented this approach in practice and trained a lot of managers with this method. The skill theory and the practical experiences in implementing the theory have been a very important learning phase for me. Management development in practice consists of several cases. With these cases I try to analyze how the learning of leadership behavior and competencies happens in practice. In part three I will go deep into the theory and try to create a new framework for leadership. This framework should better describe the essence of leadership today and how it could be taught and learned more efficiently in our organizations.

A NEW FRAMEWORK FOR LEADERSHIP				
What is leadership? -Leadership theories in the 90's -New framework of leadership	Leader's competence areas -competence tree model	Competence assessment tool - self-assessment	Piloting the assessment tool and thematic interview about leadership	Development and learning of leadership
MANAGEMENT AND LEADERSHIP DEVELOPMENT IN PRACTICE				
Management training programs (Kone, Nokia)	Performance management as a leadership process	Mentoring (Black Book -project)	Learning by doing	
PERSONAL SKILL MAP: DEVELOPING PERSONAL KEY SKILLS				
THEORY OF SKILLS	PERSONAL SKILL MAP AND PROFILE: 14 SKILLS	QUESTIONNAIRE (244 ITEMS) INTEREPTIVE QUIDE AND A WORK BOOK	RESEARCH DATA (N = 995)	EXPERINCES IN USING THE METHOD - OWN (500) -IN GENERAL (6000)

Figure 4. The research design

In figure 5 is shown the different phases of my research process. The results of this research should be a new framework of leadership, competence model and assessment tool of leadership. Also reflections about how to learn and teach leadership are essential part of research results.

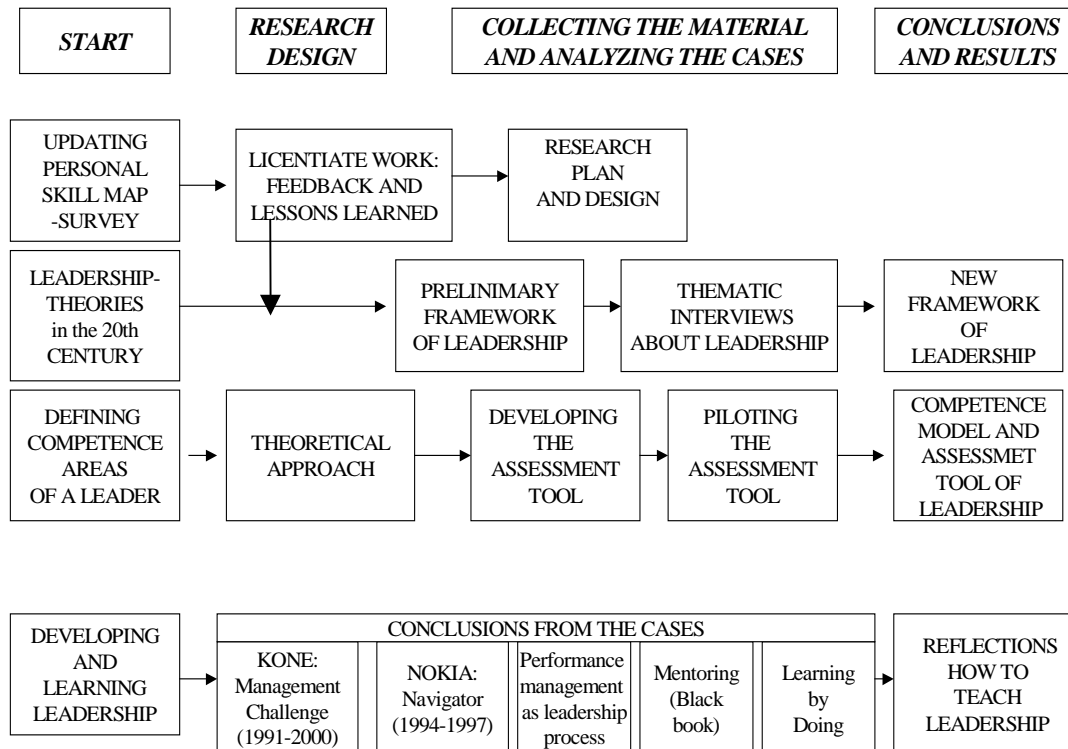


Figure 5. The research process

2.4. Research validity and reability

In this study I have used and applied several research methods including the case-study, constructive approach, action research, observation and survey methods. I have also tried to find a new approach to science, which I have termed as science-by-doing. Therefore the assessment of research validity and reliability is very important. The validity means that the instruments measure what is intended to be measured. The reliability means that the results are the same in every measurement, if there is no change in the characteristics measured. This is the traditional definition. However, there is a “legitimization crisis” concerning the traditional criteria for evaluating and interpreting qualitative research according to Denzin and Lincoln (1994, 11-14). The constructivist paradigm replaces them by “trustworthiness” that consists of credibility, transferability, dependability and conformability.

There doesn't seem to be a unified understanding concerning the evaluation criteria of qualitative research. According to Hammersley (1992, 57-58) there are four basic positions on evaluating qualitative research. These are

- **positivist:** the same criteria can be applied to qualitative inquiry as are employed in quantitative research
- **postpositivist:** qualitative research needs its own and unique evaluation criteria, however there seems to be considerable disagreement over what these criteria should be
- **postmodernism:** the very idea of assessing qualitative research is in conflict with the nature of this type of research
- **poststructuralism:** this position does not abandon the idea of assessment, but contends that the new set of criteria needs to be constructed.

In this study, I have tried to mainly apply the traditional validation criteria. In addition of those, I also try to apply some new ones and try to find a new combination of evaluation criteria (see poststructuralism position above). The conventional tests are construct validity, internal validity, external validity and reliability (Yin 1994, 32-38). Hammersley (1990, 107-117) has mentioned relevance as an additional criterion. Glaser and Strauss (1967, 252) have presented the idea of exploiting personal experience in research: "The first corollary is that the researcher can get – and cultivate – crucial insights not only during her research (and from her research) but from her own personal experiences prior to or outside it". Also Eisenhardt (1989) has said that the experience of the researcher helps to focus the study on the most important variables and relations and to understand the real life phenomenon. In his dissertation, Kasanen (1986) has introduced also a market-based validation of managerial constructions.

The following validation criteria will be applied in this study:

1. **Relevance:** the importance of the topic, relation to an issue of public importance and the contribution of the conclusions to the existing knowledge.
2. **Construct validity:** correct operational measures for the concepts being studied.
3. **Internal validity:** establishing a casual relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships.
4. **External validity:** establishing the domain to which a study's findings can be generalized.
5. **Reliability:** demonstrating that the operations of a study, such as the data collection procedures, can be repeated with same results.
6. **Experience:** the researcher's own experience supporting the deep understanding of the phenomenon under the research.
7. **Market-based validation:** finally the market will test the "truthfulness and usefulness" of new constructions in a long-term.

The validity and reliability of the research will be discussed in detail in chapter 8, summary and conclusions.

3. Leadership development in practice

“This is not about new management tricks or gimmicks or superficial techniques that can be used to manipulate human beings more efficiently. Rather it is a clear confrontation of one basic set of orthodox values by another newer system of values than claims to be both more efficient and more true. It draws on some of the truly revolutionary consequences of the discovery that the human nature has been sold short.”

Abraham Maslow

In this chapter I am going to present five cases. These cases will form a background for the theoretical parts of my research which will be presented in chapters four to six. From these cases I have also taken the topics which I will use in theme interviews. I have learned a lot in working with and being part of these cases. It has been action research where the participative observation has been the main data collection method. Gummesson (1991, 179) has described the role of an action researcher as follows: “On the basis of their paradigms and pre-understanding and given access to empirical data via their role as change agent, action scientists develop an understanding of the specific decision, implementation, and change process in the cases with which they are involved. They generate a specific (local) theory which is then tested and modified through action.”. Often when one is learning in practice, the lessons learned remain so called silent, tacit knowledge, because one has not processed and documented them. But this tacit knowledge can still steer one’s decision although it is unconscious. In presenting these five cases I have also tried to explain some basic assumptions behind the research listed in page 10.

3.1. Kone Management Education System

Kone has a long tradition and is famous for its management training systems. Systematic management training started about 30 years ago. Kone has always placed a lot of emphasis on management training and used it as a one tool to create an international company (Kauranne 1996). In figure 6 you see a short summary of Kone management training programs in the beginning of the 90’s. I know that situation rather well because I worked in Kone at that time as a management development manager.

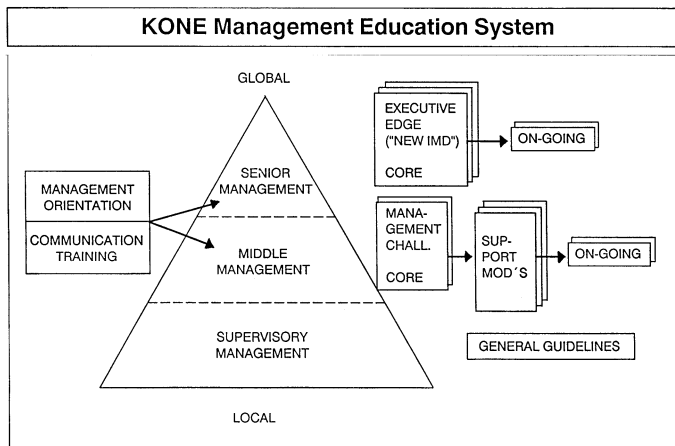


Figure 6. Kone Management Education System in the beginning of the nineties

“Executive Edge” was an international executive program. It depended upon taking a global perspective and a general management approach. “Management Challenge” was another middle management skill program which was carried out on a regional basis. Supervisory management was carried out locally and from the head office was only given framework and guidelines and consultancy assistance. “Management Orientation” was a self-study package of Kone Management systems. Communication training was language training and negotiation and presentation training in the English language.

Management Challenge was a very popular middle management program which ran for more than ten years. There were altogether five main modules. The whole program was 18 days long. The program aimed at the following objectives:

- improving the effectiveness of middle management and promoting individual development
- expanding the views of participants on aspects of business management and corporate operations and on the links between them
- developing co-operation and interaction among units and functions and strengthening the cohesiveness of Kone.

The program usually took 2-3 years and the group (about 20 participants) was always the same in every module. There were altogether 17 groups in this Management Challenge Program during the years. The modules were

- General management (5 days)
- Leadership (4 days)
- Effective decision-making (3 days)
- Manager and personnel (3 days)
- Manager’s personal effectiveness (3 days).

Manager’s personal effectiveness was the closing module of the core program. I was responsible for the planning and execution of that module. During that module we assessed the program that had

been implemented as a whole and made the training needs analyses for ongoing modules. The assessment was done by group discussions and conclusions were presented for the whole group. The participants discussed what they had learned in the different modules, how good the module was in general, what they had used in practice, what the usefulness in general was, etc. In table two there is as an example the assessment results of one group concerning the usefulness of the first four modules assessed during the last module.

Table 2. An example of the usefulness assessment of the Management Challenge program assessed by one group (N=14)

Bad	General management	Leadership	Effective decision-making	Manager and personnel
1	0	0	1	1
2	1	2	4	1
3	2	3	8	2
4	9	3	1	5
5	2	6	0	5
Good	3,80	3,96	2,64	3,80

Typically the usefulness was assessed about 3.8 on a scale from 1 to 5. Only the decision-making module was clearly under this. The same level repeated almost in every group. The usefulness level was just above what is a satisfactory result. It could be much better. I expected it would have been somewhere between 4.0 to 4.5.

I had these assessment discussions with about ten groups. They were slightly frustrating because people were openly telling the fact that they could only remember very little about what they had learned in this program and used in practice. Of course, there are reasons for that. One reason is that the training was too theoretical and therefore difficult to apply to practice. The other reason is that people are actually applying more to practice than they can recall in these assessment situations. In leadership research this kind of inefficiency was known for long. The argument that most training does not produce a measurable return was first stated in Fred Fiedler's (1973) article "The trouble of leadership training".

Nevertheless we were a little disappointed with the results and were wondering how we could increase the effectiveness of this kind of training. For this purpose I developed a model for planning management training (Sydänmaanlakka 1992). Originally this model was developed for planning supervisory management training, but it is applicable for all kinds of management training. The model is presented in appendix 1. This model has ten major steps which are:

1. Analyse the starting situation
 - business situation
 - why training is important and could be a solution
 - general objectives
 - budget and pay-back time
2. Define the target group carefully
 - personal, job and qualification profile
3. Training need analyses must be done systematically
 - problems to solve
 - opportunities to realize
4. Define concrete training objectives
 - training for activity
 - training for impact
5. Plan the training event
 - content, method and trainers
6. Plan the evaluation design
7. Conduct the training process
8. Support the transfer into practice
9. Evaluate the outcomes
 - reactions
 - learning
 - behavioral changes
 - business results
10. Define the achieved results
 - better, faster, more effective

With this model it was possible to focus much more on what had to happen before (careful training planning) and what happened after training (supported transfer into practice). The traditional management training was planned according to the so called “egg-model” where almost all activities happened during training. It is also important to assess the real outcome of training (see Robinson and Robinson 1989). Not only the reactions after the training event (Did they like it?) but what was really learnt, what were the actual behavioral changes and what were the business results at the end of day.

The efficiency of training is an important point but it is also rather difficult to measure. Although Kone Management training was usually appreciated and famous in the beginning of the nineties some of my colleagues and myself felt that the efficiency of that training was far from ideal. I have collected the main learning from that period and tried to summarize this by answering the question: How can we improve management training efficiency? The ten key answers based on my Kone experiences were:

1. Clear connections to the company’s vision, strategy and objectives (current and future business challenges).
2. Clear connections to the company systems (training support systems vice versa).
3. Clear connections to daily concrete problems and challenges (people learn if they have actual needs).
4. Training in original working teams are more effective than ad hoc teams (individual learning + team learning = organizational learning).

5. Concentrate on competences not only on awareness level.
6. Follow the training investment and assess the pay-back time.
7. Perform evaluation at all levels:
 - a. Did they like it?
 - b. Did they learn it?
 - c. Did they use it?
 - d. Did it produce ROI?
8. Do not forget the transformation process (Learning experiences x Work environment = Results).
9. Offer less education and training and more learning opportunities (less traditional training, more on-the-job learning).
10. Offer training “just in time” (JIT).

3.2. The Navigator Management Training Program at Nokia

In the beginning of 1994 I moved to Nokia and started to work there as a HR Director in one of its divisions. The division employed about 3000 employees globally and was growing rapidly. That meant that there were also many new managers who needed management training. Thus, one of my first key tasks was to develop a new management training program for our division. I was delighted with this task because I could draw upon the years of experience at Kone and I felt that there was now a possibility to build an excellent management training program.

We had 194 managers in our division in Finland. We made quite an extensive management training need analysis with the target group based on the model which I developed in Kone. We sent the questionnaire to 69 managers and interviewed almost half of them. Based on this training need analysis we got a list of key management competencies in our division (Sydänmaanlakka 1994). The whole list is in appendix 2. The five areas these competencies were possible to group in were

- Self-leadership
- Leadership
- Management
- Market knowledge
- Technology.

In addition to the questionnaire and interviews of managers we also used other material in defining the training needs. The other material included e.g.

- the vision, strategy and business objectives of our division
- the Nokia values
- an annual employee survey
- a summary of the development discussions
- the Nokia Telecommunications perspective
- The results of the management and leadership assessment of our managers.

This way we believed we got a comprehensive understanding of the most relevant training and development needs. Based on all this information we built the Navigator Management Learning Program which is shown in figure 7.

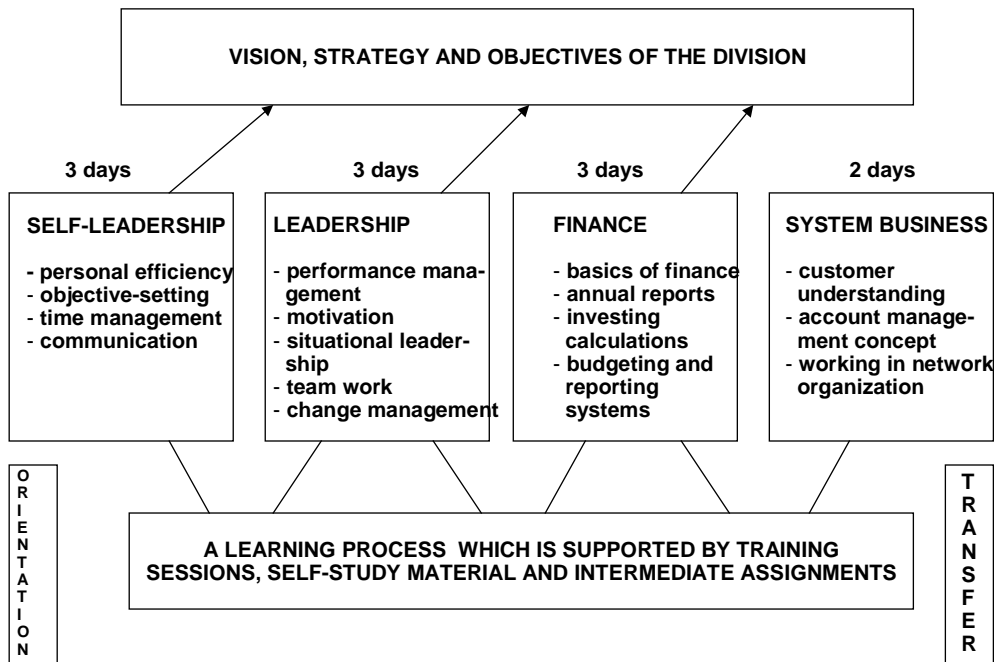


Figure 7. The Navigator Management Learning Process at Nokia Telecommunications 1994 -1997

We really wanted to underline that this was a one year **learning process** supported by four training modules and different kind of self-study material and intermediate assignments. During the year and in between the training modules, the participants systematically tried to apply the new learning in practice. We wanted to move from **traditional training** to **active learning** where everyone was responsible for defining individual learning objectives and also felt responsibility about the learning results. This was also one reason why self-leadership was the starting module of this program.

The program consisted of three main seminars and a follow-up seminar. The main seminars were conducted in 6 –7 months, and the follow-up seminar about 12 months after the first seminar. The objectives of the program were:

- Widen the managers' understanding and give concrete tools for self-leadership, leadership and management activities
- Improve the managers' efficiency and abilities to perform well in their work and support their individual development
- Widen the managers' understanding of different business areas and their interaction and the principles of process management
- Create enough business competencies (manager and leader competencies) in the division to support its future development.

Ten groups participated in this program during 1994-1997. In a group there were about 20 people, so all our managers (about 200) in Finland participated this program. We used partly our own managers as trainers and partly the best outside experts. The results of the program were good.

The summary of the course evaluations from every group is presented in appendix 3. There we can see that usually the overall assessment of the seminar was between 4.0 – 4.5. The training was well organized and people liked it. That can probably be said based on these assessment figures. But this is only a so called happiness index . We should also ask the questions: Did they learn something? Did they use it? Did it produce ROI?

I was myself strongly involved with this management learning process. In addition to the planning I trained the first day in module one, half a day in module two and the last half a day in a follow-up seminar. I also met these managers between the training sessions in normal working projects. So I was more or less aware what was happening, what they were learning and what they were using in practice and how this was affecting our business. In the follow-up seminar we also had a feedback session where we openly discussed the usefulness of the process and everyone answered the following questions:

- How was my own learning process?
- What did I learn?
- What have I used in practice? How has it worked out?
- What have been the consequences in my department?

Also the feedback given in these assessment discussions was very positive. Participants felt that it had been worthwhile spending 11 days in training sessions and in addition to that investing their own time during the year in this program. They had learned some concrete things which they have been able to put into practice. We very much tried to support the transfer into practice in many ways. I also got a direct feedback from many parts of the organization that the quality of leadership had improved. One indicator was also our employee survey which we had once a year. We drafted a so-called satisfaction index on the basis of the results. This index developed very encouragingly between 1996 and 1999. In 1996 the index was 60.3 percent, and by 1999 it had increased to 64.1 percent (Sydänmaanlakka 2002, 188). One factor behind this improvement was obviously the big investment that had been made in management training during 1994-1997.

As a whole we were satisfied with this Navigator program and we felt that we achieved rather well all the main objectives. However the amount of learning could vary a lot from manager to manager. What were then the features for those managers who learned a lot? I found five key common elements:

- they had a rather high motivation to learn; they were searching for something for themselves
- they had enough experience as a manager to ask the right questions
- they were open to new things and had good learning skills (were able to do self-reflection)
- they were good at self-leadership; they knew themselves rather well
- they liked people management.

When reflecting on these variations of leadership learning, I encountered the model of Bert Juch. Juch (1983, 38-45) has identified the key obstacles to learning when he developed his theory of management training (see also Lahti, 1991 and Sydänmaanlakka 2002, 27-28). There are four key obstacles:

- Small window that restricts the amount of observations
- Thick skin that restricts the reception of observations
- Closed gate that prevents the implementation of plans
- Wide river (originally the Rubicon) that prevents the completion of plans.

We might look at things from too small a window. Our viewpoint is too limited and we are only really interested in a few things. We do not actively collect data nor observe our environment in

a wider sense. Neither do we pay attention to the feelings of other people. Too thick a skin is about being impermeable. New thoughts cannot come through. We do not want to listen to the opinions of others, particularly if we disagree with them. Nor do we approve of or want to listen to criticism directed to us. We are overspecialized and it is difficult for us to accept new points of view.

Closed or narrow gate means that it is difficult to start new things. We hesitate and hang back when we should start something new. We want to be sure that we succeed before we try new things. We are preoccupied with the fear of failure. Wide river means that things are often left unfinished. Difficulties and problems tend to discourage us. When we try to cross the stream we often notice that it is too wide and we turn back.

These obstacles all disturb the learning process. So we should identify our own obstacles to learning and try to look at the world out of a somewhat bigger window, be more sensitive in adopting new things, open our gate wide open and try new working methods, even allowing for some risks. We should also be able to cross the wide river and finish the things we have started. When running into difficulties and problems we should try even harder. We should always be able to challenge assumptions and see things from a different viewpoint. The French novelist Marcel Proust has said : “The real wonder of finding new things is not in looking for new views, but in looking at things with new eyes.” We set our own limits and that means the limits of what we can learn.

The reflections about these obstacles taught us that it is not enough that the macro-pedagogical environment is supporting learning process. We should also check that the micro-pedagogical environment of the individual is capable and willing and is supporting and not preventing the learning process. In practice that meant that we included the learning to learn -module and knowing yourself -module in this training program. This kind of modules are very important and they should always be placed in the beginning of a management training program. With them you can very much improve the efficiency of actual learning. When people are then trying to apply (transfer into practice) the lessons learned, they are facing organisational learning obstacles, which they have to overcome (Sydänmaanlakka 2002, 28).

I have tried to summarize the main learning of this three-year long Navigator Management Learning Program as follows:

1. Vision, strategy, objectives and values of the organization should be present all the time.
2. Support management learning processes in which the process owners are the managers themselves.
3. Self-leadership is the basis of everything: knowing yourself is the most important competence.
4. Management by example (or management by teaching) is important; there should be enough top managers working as trainers in this kind of learning programs.
5. Total wellness is important for managers; professional condition is not enough, to be an effective manager you need also good physical, mental, social and spiritual condition. Physical exercises and a fitness test should always be a part of management training.
6. Everything presented must be connected to company management / leadership tools and processes: e.g. situational leadership to the performance management system.
7. Leadership is more art than science: knowing is not enough, you must deeply understand and have enough experiences before you can implement good leadership in practice.
8. The learning obstacles should be openly discussed and processed.

3.3. Performance management as a leadership process

Performance management is the most important process of human resource management. It is also the most important leadership process. The aim of performance management is the continuous improvement of performance (Sydänmaanlakka 2002, 55-58). The process of performance management is built on daily leadership, planning and development discussions and planning meetings. The process consists of four basic functions, i.e. objective setting, reviewing/coaching, evaluation of results and development. The performance is examined on an individual, a team and an organizational level. Figure 8 shows these basic elements (Sydänmaanlakka 2002, 88).

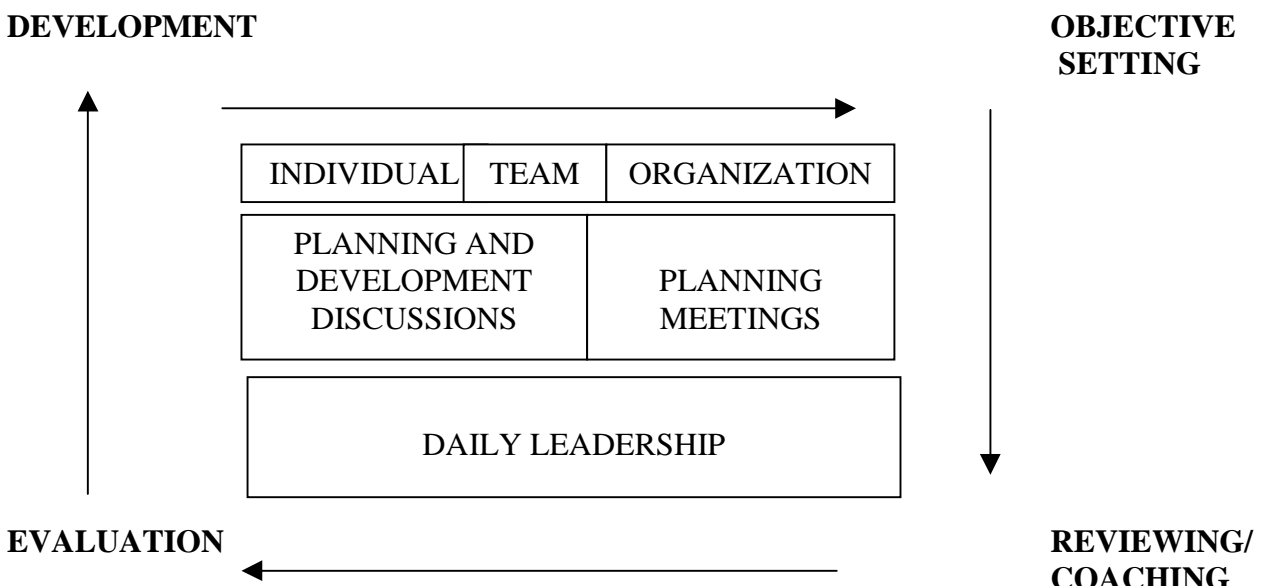


Figure 8. The basic elements of performance management

The planning and development discussion is a systematic event repeated normally twice a year between the employee and the manager in order to improve performance and general working conditions. In planning meetings we together plan, set objectives, follow the implementation of objectives, define critical competencies and make development plans for the whole team or department. (Sydänmaanlakka 2002, 78-84.)

Daily leadership is all about directing and supporting the subordinates, giving feedback, coaching, motivating, delegating and doing things together. Good daily leadership means that the superior knows his/her subordinates and knows how to lead them individually and fairly. Daily leadership

means a lot of communication and interaction with subordinates. This happens in individual meetings, daily coffee meetings, weekly/monthly meetings and when working together. The crucial point is to “meet”, encounter employees and have a positive influence on them. Managers need good communication skills for this.

Although performance management is not a new thing, performance management systems generally do not work very well in organizations. One reason for that is that performance management is not closely linked to the organization’s other management systems. The other reason is that the company culture and values do not support the implementation of the system. According to the survey of PA Consulting Group (1999) one of the future focus areas of human resource management in Finland is implementing a good performance management system.

When developing and implementing performance management systems at Kone (1992-1993) and at Nokia Telecommunications (1994-1995), I have learned that there are some critical success factors (Sydänmaanlakka 2002, 88-91). Ten critical factors for making a performance management system a success are:

1. It must be simple and easy to use. Keep the KISS principle in mind when building it. (Keep it simple, stupid.)
2. It is integrated with other company processes and human resource management processes. It is also one practical leadership tool.
3. It takes the requirements of the virtual and network organization into consideration. It can be used to manage performance in a process organization.
4. Performance management is examined on an individual, a team and an organizational level. Because we work more and more in teams, performance management must also work on a team level.
5. The value discussion of the organization is important in performance management.
6. It is a continuous process consisting of daily leadership, planning meetings and development discussions.
7. Line managers are the owners of the process. The task of the personnel department is to support the process.
8. The subordinates and superiors have shared responsibility for the working process. It can be also used to manage oneself.
9. It is targeted to the improvement of performance and the development of competencies and mainly to the future.
10. Performance management is linked to competence and knowledge management.

In the implementation process of performance management at Nokia, we also realized that it is not enough to train the managers to use this process including planning and development discussions. Also the subordinates need similar kind of training. In a successful planning and development discussion we need two persons, who both understand the purpose of the discussion. So we started to organize performance management training for managers and employees at the same time, and asked ourselves why we had not done that earlier. We stated that the subordinates and superiors have a **shared responsibility** for the working of the performance management process. This was the first time that I started to consider the **shared leadership** model. We can see leadership as a process in which the responsibilities could be shared in an intelligent way.

3.4. Mentoring as a management training method

My fourth case is related to the transformation of tacit knowledge into explicit knowledge in the development process of managers (Sydänmaanlakka 2002, 156-157). We often asked ourselves in our division at Nokia, how we could improve the quality of leadership practice in a product development environment in a faster way. Managers were offered a lot of training opportunities, but often we felt that this learning was not very effectively implemented. The transfer into practice was not always successful. We also knew we had many experienced, good managers, who were highly skilled in many different areas of leadership and management. How could we transfer this “know-how” from these experienced managers to the younger ones, was the key question.

This is when we came up with the idea of the so-called Black Book. We wanted to gather all this tacit know-how into a small booklet. We established a small working group and invited a few experienced department managers to become members. The target of this group was to gather and crystallize the basics of good leadership and management practice. We chose seven areas of management and leadership to focus on: vision, products, processes, projects, leading teams, leading individuals and self-leadership. Our purpose was to find the seven most important themes for each area. It meant the booklet would contain 50-60 pages (7 x 7). The majority of the content was supposed to be pictures, graphs, aphorisms and worksheets. We also tried to re-edit all the material so it would be easy to use.

When the booklet was finished it was well received. We used it in many ways. It helped each individual manager to consider the key leadership and management issues. It also helped older managers to coach and mentor their younger colleagues in leadership practice. We used it as a basic material for mentoring groups, where it also worked very well. The Black Book was also used as the material in a one-day training course for all managers in product development departments.

The Black Book is a good example of knowledge management application in leadership. It processed knowledge through Nonaka's phases of socialization, externalization, combination and internalization (Nonaka and Takeuchi 1995, 70-73). In the first phase we noticed there was a lot of tacit leadership knowledge in an organization that should be transformed into explicit knowledge. We formed a working group where we gathered this tacit knowledge and edited it into explicit knowledge we could share with the whole managerial staff. Then we arranged some training sessions and put together the material we had produced. The package described the basic elements of successful leadership and management practice. The idea was that people would repeat things after the training course and continue discussions with superiors and colleagues. Then they would adopt what they had learnt and see the results in practice. The Black Book is also a good example of how knowledge can be managed and processed without depending upon the complex information technology.

This kind of mentoring is an interesting and effective way to train managers. The Black Book offered good material for mentoring. The material was very practice-oriented. In mentoring sessions experienced managers taught a group (3-5) of younger managers. The content of these sessions concerned the daily leadership problems which the participants were handling at that moment. The only problem was finding enough experienced senior managers who had time for this kind of mentoring work. In fact, mentoring where “leaders are developing leaders” could well be the leadership engine of the future (see Tichy 1997).

Mentoring and coaching where leaders are developing other leaders should be researched more and processes and tools for this kind of activity developed. Good leadership certainly involves also a lot of tacit knowledge, which is only possible to transfer to others when working and being together.

3.5. Learning by doing as a method of becoming a leader

One could also consider that leadership is best learned by doing. Leadership is more art than science. To become a good leader, one needs a lot of practical experience. Of course, knowledge about leadership is essential, but it is only a starting point. One must deeply understand the leadership processes in order to be able to apply the know-how in concrete situations.

One of the research questions that is asked is, “How is leadership typically learned and developed?”. My fifth case consists of my attempt to answer this questions myself. I will do here a self-reflection exercise and try to collect some personal conclusions which I can use in my research.

I have summarized my working career in table 3. I started to work in business in the beginning of 1980. So I have worked 22 years and have had altogether nine different positions, which means that on average I have worked 2.44 years per position. There are some shorter ones, but typically I have been in a position 3-5 years. The actual leadership experience, which means the time I have had employees reporting to me, is 17 years. So what and how have I learned about leadership during these 17 years?

Table 3. The working experince of Pentti Sydänmaanlakka

- Managing Director	Pertec Consulting	1.1.2002-
- Director of Change Management	Nokia	2001
- Director of Human Resources	Nokia	1994 –2001
- Manager of Management Training	Kone	1991-1994
- Assistant of the Board	Siemens-Nixdorf	1991
- Personnel Manager/Germany	Nixdorf Computer	1988-1991
- Personnel Manager/Finland	Nixdorf Computer	1983-1988
- Training Consultant	VIA Group	1982-1983
- Personnel Consultant	JL Consultants	1980-1982
- Teaching and research at the University of Helsinki		1979
- Teacher in an observation class		1978
- Working in a mental hospital, prison and university while studing		1975-1978
- Teacher in a school for retarded children		1974-1975

In Nixdorf Finland I had my first leadership experience. We had there a small team consisting of a payroll officer, a personnel consultant and a secretary. It was a rather easy environment to start exercising the work of a leader. I had the first planning and development discussions and also tried to apply in practice many other leadership tools which I had only earlier developed for others, but

not used myself. In Nixdorf Germany I also had a small team consisting of a foreign service officer and a secretary.

When I started at Nokia I had a team consisting of five people: two HR-consultants, HR-manager, training manager and an HR-secretary. This team grew during the years and at one time I had 50 people reporting to me directly or indirectly. At that time I also had office services and real estate services reporting to me. During those years I usually had 6 – 10 people reporting directly to me. There was a real leadership element in my work; I tried to get good results through other people and tried to organize successes for them.

I had a good background for a leadership position, because I had developed different leadership tools and trained a lot of managers during my career. But most of all I have learned from my subordinates in concrete interaction situations and in self-reflections following those situations. I have always tried to be open and genuine and work and learn together with my team.

I have also learned a lot from my colleagues and superiors. I have had the good fortune of working with so many excellent superiors. Their example – in good and in bad – has taught me a lot.

Where does actual learning take place? Based on my own case I can summarize the ten key sources for leadership learning:

1. Management training: I have had possibilities to participate in many management training courses including Three-D –seminar (1981), Situational Leadership (1983), People management in INSEAD (1989) and many Kone and Nokia management seminars.
2. Working as a leader: 17 years leadership experience is a good practical school.
3. Self-reflection: This has been a very effective tool for learning. You should reflect upon your experiences, analyze what happened, why, what were the results etc.
4. Working as a management trainer: Training others has been one of the most important learning opportunities for me.
5. Superiors: I have had many excellent superiors from whom I have learnt a lot.
6. Colleagues: Discussions with my colleagues have been many times very useful.
7. Subordinates: I have learnt the most from my own subordinates; sometimes the most difficult ones can also teach you a lot.
8. Critical incidents: Difficult situations teach a lot: when I worked in Germany in a foreign culture, it was not always easy but a very valuable learning experience.
9. Important persons: I have met many persons who have contributed enormously to my leadership thinking through their doing and being.
10. Home, education and social environment: Probably many basic values and certain feeling of responsibility come from home.

In my research I have also tried to find out where the actual leadership learning takes place. These findings – based on my self-reflection - will be used as a background for that analysis.

3.6. Summary and conclusions

These five cases are examples of action research and learning by doing (action learning). Schön (1982, 51) talks about epistemology of practice meaning that skillful action often reveals a “knowing more than we can say”. Chester Barnard (1968) distinguished “non-logical processes” as early as in 1938. Michael Polanyi (1967) invented the “tacit knowing”. With these cases I have tried to transform some tacit knowledge into explicit knowledge and bring some knowledge from “knowing-in-action” to “knowing-in-theory”. They are also examples of **reflection-in-action**, which is very important in the leadership area in two meanings. Firstly, that we can ourselves learn more about how to lead efficiently and, secondly, that we can teach others how to lead; this means to reflect on our own reflection-in-action. This happens quite seldom. Schön (1982, 243) has stated about this as follows: “And it prevents the manager from helping others in his organization to learn to do what he can do. Since he cannot describe his reflection-in-action, he cannot teach others to do it. If they acquire the capacity for it, they do so by contagion. Yet one of a manager’s most important functions is the education of his subordinates”.

What were the main learnings from my action research (reflection-in-action)? I was privileged to work at Kone, which is one of the pioneers in international management training. There I learned what is systematic global management training. I also learned to evaluate the efficiency of this kind of training and developed the planning model for management training. I have stated ten issues how to improve the efficiency of management training (page 26-27).

At Nokia I had the possibility to plan, implement and follow-up a large management training program. There we wanted to move from traditional training to active learning; we wanted to produce a one-year learning process, which was supported by traditional training, self-study and intermediate assignments. There I was able to follow how managers learn very differently, and I encountered the obstacles of learning. There I also, in practice, learned that self-leadership is the basis for leading others; knowing yourself is the most important competence of a leader.

In building a performance management system for Nokia Telecommunications I understood that performance management is the key process of leadership. I also learned to know what are the critical success factors behind a good performance management system. Maybe the most important learning was, however, to understand the first time in practice the meaning and possibility of shared leadership.

I learned to understand how important tacit knowledge is in leadership in the mentoring case. I also learned how it is possible to collect this kind of knowledge in the Black Book –project. Leadership is more art than science; knowing-in-practice is important and this is many times based on intuitive understanding. This case also revealed the huge importance of mentoring in leadership development.

In the last case I have tried to exercise self-reflection myself. There were two reasons for that. Firstly, I believe that self-reflection is very important in becoming a leader. Secondly, I wanted to show that to learn and practice leadership are very concrete things; there is nothing mystic in it. I also believe that knowing-in-action is more important than knowing-in-theory. With this self – reflection I did also produce the framework for the theme interviews. Mezirow (1991, 70-94) underlines the importance of emancipatory or reflective learning which means that you have to understand yourself and your own perspectives. This has been the role of these cases and they lay a practical foundation for the next three chapters, which are more theoretical.

4. Leadership in theory and how it has been described

“All the experiments on enlightened management and humanistic supervision can be seen from this point of view that in a brotherhood situation of this sort, every person is transformed into a partner rather than an employee.”

Abraham Maslow

4.1. The big picture

Traditionally we differentiate management and leadership. They are two paths of leading, which have many similarities, but also many differences. Both involve influencing, working with people and effective goal accomplishment. Management is task-oriented and leadership is people-oriented. Leadership is actually a very old discipline, which can be traced back to Plato and Aristotle. Management as a discipline emerged around the turn of the 20th century with the advent of our industrialized society. Management was created as a way to reduce chaos in organizations and to make them run more effectively and efficiently (Northouse 2001).

Fayol (1916) first identified the primary functions of management in his book "General and Industrial Management". They were planning, organizing, staffing and controlling. These functions are still the core of management today. Leadership is also based on these basic functions.

Kotter (1990, 3-8) argues that management and leadership are quite dissimilar things. The overriding function of management is to provide order and consistency to organizations. This means planning, budgeting, organizing, staffing, controlling and problem-solving. The primary function of leadership is to produce change and movement. This means vision building, strategizing, aligning people, communicating, motivating and inspiring. According to Kotter, management is then about seeking order and stability, whereas leadership is about seeking adaptive and constructive change. In our turbulent times this kind of distinction has become quite popular. Bennis and Nanus (1985, 221) have stated that "Managers are people who do things right and leaders are people who do the right thing".

With management we try to improve the operation of our organization (Sydänmaanlakka 2000). The general vision of management could be connected to three issues: efficiency, learning and well-being. With good management activities we try to create, maintain and develop

- efficient organizations in order that they are competitive
- learning organizations in order that they are successful also in the future
- well-being organizations in order that their employees are motivated and capable to work on long-term.

This is done by using different kinds of management methods. Today there are a lot of management theories which try to describe management from different points of view. In fact, there are too many theories and new ones keep appearing almost every month. This makes an individual manager's life difficult, because he/she is rather confused with all these theories and models. Some of those have been listed in table 4.

Table 4. Different kinds of management fads

TOTAL QUALITY MANAGEMENT, MANAGEMENT BY OBJECTIVES, PERFORMANCE MANAGEMENT, MANAGEMENT BY VALUES, CHANGE MANAGEMENT, KNOWLEDGE MANAGEMENT, PROCESS MANAGEMENT, LEAN MANAGEMENT, SELF-MANAGEMENT, ACTIVITY-BASED MANAGEMENT, STAKEHOLDER MANAGEMENT, AGILE MANAGEMENT, BALANCED SCORECARD, BUSINESS RE-ENGINEERING, RELATIONSHIP MANAGEMENT, MANAGEMENT BY RESULTS, STRATEGY MANAGEMENT, COMPETENCE MANAGEMENT, SITUATIONAL LEADERSHIP, ETC.

I have tried to clarify the management playing-field by describing six different approaches to management. Figure 9 shows the different levels of management. This division has been proved useful for instance when planning management training programs. It was actually developed based on a management training need analysis which I did at Nokia Telecommunications in 1994 (Sydänmaanlakka 1994). There we defined six different perspectives to management and expressed those by six questions:

- How to lead yourself?
- How to lead others?
- How to manage things?
- How to manage technology?
- How to manage markets?
- How to manage strategy?

These perspectives- as the circles in figure 8 – are self-evidently overlapping. Inside the circles only some key topics belonging there are listed (see appendix 1 for details). This research is focused on leadership.

These distinctions are necessary if we want to split the phenomenon we are studying to reasonable smaller units. At the same time, we should ask, if it is relevant, and whether it is preventing us from seeing the wholeness of the management process. For instance, management was a product of the industrial era. At a time when we are making the shift from the industrial to the postindustrial era, we should ask, if this kind of split is relevant anymore. Maybe, we should try to work out some kind of an integrative model, and portray management and leadership as parts of the same process.

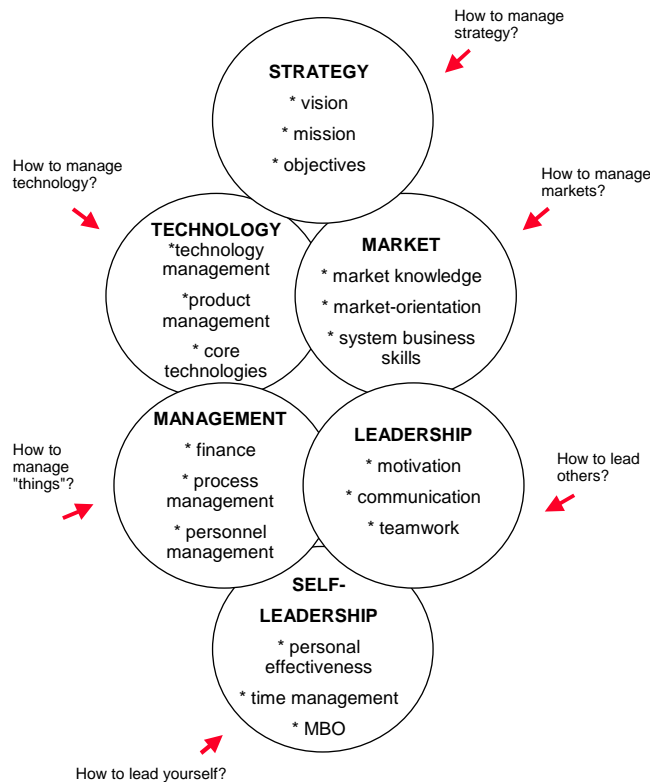


Figure 9. The different levels of management

4.2. Leadership theories and models

“Whoever does not understand history is doomed to repeat it”. This familiar refrain fits well also to the world of leadership. In this chapter, I will go through and analyze the different theories and models of leadership. I am using the following five questions to analyze the approaches in a very concrete way:

1. What is the **main content** and focus?
2. What is **new or typical** in this approach?
3. What are the **strengths and weaknesses**?
4. Can it be **applied** to practice?
5. What can we **learn** from this approach?

This is necessary in order to understand the phenomenon in depth and be able to develop a new comprehensive framework for leadership. The objective here is to analyze the previous leadership theories and learn to know, how they are trying to explain the leadership phenomenon from their own perspective. And then, at the end, summarize all these findings in a new leadership model.

There are numerous leadership theories; in only the past 50 years, there have been as many as 65 different classifications of leadership dimensions (Fleishman et al., 1991). I have grouped the different models and theories into the following 14 groups:

- Ancient approaches
- Classical approaches
- Trait approach
- Style approach
- Situation approach
- Contingency theory
- Path – Goal theory (Motivation theories)
- Management by objectives
- Leader – member exchange theory
- Transformational leadership
- Team leadership
- Psychodynamic approach
- Value management and ethical leadership
- Self-leadership

4.2.1. Ancient approaches

The simple truth behind leadership has been known probably for as long as human records exist. The oracle's advice in ancient Delphi says "Know thyself". This is the basic principle in leadership; in order to lead others you must be capable to lead yourself. It was recognized by Aristotle, who talked about the "virtuous activity of the soul", and it was developed further by the Stoic philosophers in classical antiquity. Also the Christian monastic orders perfected various methods for learning, how to channel one's thoughts and desires. Ignatius of Loyola rationalized them in his famous spiritual exercises. All these methods focus on attempting to free consciousness from the domination of impulses and social control.

This kind of techniques to control consciousness achieved levels of enormous sophistication in the East. The yogi disciplines in India, the Taoist approach to life development in China and the Zen Buddhism all seek to free consciousness from the deterministic influences of outside forces. Taoism is an ancient mystical teaching that can be traced back over 2500 years. It emphasizes the harmonious development of physical, social and spiritual elements of human life, and the self-realization of the whole being in ordinary life. Attempts have been made to apply the basic principles of Taoism to management and leadership. The purpose is to enable leaders to see how things happen in their work environment and to understand how work energies flow or become blocked. It presents a time-tested framework within which awareness is improved, and leadership skills are understood. The Tao enables a leader to tap his inner resources on the way to real success, human accomplishment and satisfaction (see eg. Heider 1988 or Messing 1989). The Zen approaches are based on cultivating the constant spontaneity tested by understanding the message of old Zen stories. Here is one example from the book "Zen Flesh, Zen Bones" by Paul Reps:

Ryoken, a Zen master, lived in the simplest kind of life in a little hut at the foot of a mountain. One evening a thief visited the hut, only to discover there was nothing in to steal.

Royken returned and caught him. "You may have come a long way to visit me", he told the prowler, "and you should not return empty-handed. Please take my clothes as a gift."
 The thief was bewildered. He took the clothes and slunk away.
 Ryoken sat naked, watching the moon. "Poor fellow," he mused. "I wish I could give him this beautiful moon."

One of the great Eastern methods for training the body, soul and spirit is the set of practices known as Hatha Yoga. It is worth reviewing some of its highlights, because it is maybe the oldest self-management technique. It is therefore a useful model for everyone who wishes to be in better charge of psychic energy. In Sanskrit Yoga means "yoke" which refers to the goal of joining the individual with God. This joining process means first uniting the various parts of the body with one another, and then making the body as a whole work together with consciousness as a part of an ordered system. Patanjali's Yogasutras are the basic text of yoga written about 200 BC. Yogasutras describe eight stages of increasing personal skills (see eg. Prasada 1988, Eliade 1989).

The first two stages of ethical preparation are intended to change a person's attitudes towards others and him/herself. They attempt to reduce psychic entropy as much as possible, before the actual exercises of mental control begin. The first step, *yama*, relates relationship with others, and requires that one achieves restraint from acts and thoughts that might harm others. This means eg. non-violence, truthfulness, giving up ownership, focusing on essential things and calmness. The second step, *niyama*, refers to relationship with yourself and involves obedience and self-discipline. This means cleanliness, satisfaction, knowing yourself and letting go. All these attitudes should help to channel attention, and hence make easier to control consciousness.

The next two stages involve physical exercises and development of habits that will enable the practitioner to overcome the demands of the senses and make it possible for her/him to concentrate without growing tired. The third stage, *asana*, consists of practising various yoga positions and holding those for longer periods without fatigue. The purpose of these exercises is to take control over our body. Here we work with phenomena like gravity, gradual change and compensation. The fourth stage is *pranayama*, breath control, which aims to relax the body and stabilizes the rhythm of breathing. Here we focus on breathing, breathing breaks and motionless. It is important to understand that asana and pranayama are tools with which we can spontaneously slow down the restless motion of our mind.

The fifth stage is called *pratyahara*, which means control of senses or withdrawal. This stage is the hinge between the preparatory exercises and the practice of proper yoga. It involves learning to concentrate and withdraw attention from outward objects by directing the input of the senses. We become able to see, hear and feel only what one wishes to admit into awareness. We start to take control over our consciousness.

The three remaining stages involve the control of consciousness through purely mental operations rather than physical techniques. They are more being than doing. The sixth stage is *dharana*, concentration. It is the ability to concentrate for long periods on a single stimulus. The next step is *dhyana*, meditation. Here one learns to forget the self in uninterrupted meditation that no longer needs the external stimuli of the preceding phase. The last stage is *samadhi*, enlightenment. A true yogin may achieve this kind of self-collectedness where the meditator and the object of meditation become as one. This last stage of yoga is only the threshold for entering Nirvana where the individual self merges with the universal force like a river blending into the ocean.

These eight stages are a very practical self-development program, but obviously one needs a lot of self-discipline to follow it through. They represent an Eastern way of an old scientific self-leadership program. At first it may come across as mystical and esoteric for Western people but

with practice, it reveals itself as a concrete and practical way to develop yourself based on your own experiences (Tavi 1991). Also modern Western psychology can explain today scientifically what is happening in this kind of self-development process. Mihaly Csikszentmihalyi (1992) has studied more than twenty five years the phenomenon he has named the flow. Flow is a state of our consciousness when psychic energy flows effortlessly. Csikszentmihalyi (1992, 41) has stated that: "Flow helps to integrate the self because in that state of deep concentration consciousness is usually well-ordered. Thoughts, intentions, feelings and all senses are focused on the same goal. Experience is in harmony. And when the flow episode is over, one feels more "together" than before, not only internally, but also with respect to other people and to the world in general."

Csikszentmihalyi says that the similarities between yoga and flow are extremely strong. It makes sense to think of yoga as very thoroughly planned flow activity. Both try to achieve a joyous, self-forgetful involvement through concentration, which in turn is made possible by a discipline of the body (Csikszentmihalyi 1992, 105). It is interesting that modern psychology can prove and explain some methods developed in India more than two thousands years ago.

Another set of Eastern disciplines that have become popular in the West are the so-called martial arts. They include eg. judo, jujitsu, kung fu, karate, tae kwon do, aikido and T`ai Chi Ch`uan. These martial arts were influenced by Taoism and Zen Buddhism, and they also emphasize different kinds of consciousness-controlling skills; they are directed toward improving the mental and spiritual state of the practitioner. There are several applications of these disciplines for leadership. One of those is by Thomas Crum (1987). He has written a book "The Magic of Conflict", where he has applied the basic principles of aikido to solving conflicts in the business environment.

Here were only some examples of these ancient approaches to leadership. It is important to remember that leadership, people management, is a very old discipline, and there are a lot of theories, models and frameworks for that. The problem here is not the lack of knowledge, but the inability to implement the knowledge in practice. These ancient approaches often emphasize the importance of knowing yourself and focus on self-leadership. They usually give also a lot of ethical consideration for leadership issues. Their strength absolutely is the use of self-reflection and meditation as a method to learn to know yourself. Their weakness is that many times they remain distant to modern people, because the concepts and models come across as alien. Often deep learning is also supposed to happen only in a master-apprentice relationship. But certainly, they are worth studying a little deeper to realize that their deep content is still valid and is only waiting for application.

4.2.2. Classical approaches

Frederick Winslow **Taylor** is the founder of **scientific management**. In 1911 he published his book "The Principles of Scientific Management". He explained that the best way to increase efficiency was to improve the techniques and methods used by workers. People were seen as instruments or machines to be manipulated by their managers. Also the organization was seen as a bureaucratic, well planned and structured big machine. Taylor initiated time and motion studies to analyze work tasks to improve performance in every aspect of the organization. In the 1920's Elton **Mayo** and his colleagues developed the **human relations movement** which emphasized that it was beneficial to management to look also into human affairs. With famous Hawthorne studies they were able to demonstrate the effect of human factor to efficiency (Mayo 1933). The scientific management movement emphasized a concern for task (output), and the human relations movement stressed a

concern for relationships (people). The recognition of these two concerns has characterized the discussion about leadership ever since.

Robert **Tannenbaum** is famous for his continuum of leader behavior, the extremes of which are authoritarian and democratic leader behavior (Tannenbaum and Schmidt 1958). Kurt **Lewin** with his colleagues extended this continuum beyond the democratic leader behavior to include a laissez-faire style. Rensis **Likert** (1967) found in his studies four management styles on a continuum from system 1 through to system 4. System 1 is a task-oriented, highly structured authoritarian management style. System 4 is a relationships-oriented management style based on teamwork, mutual trust and confidence. Systems 2 and 3 are intermediate stages between the two extremes.

Likert's theory is quite near Douglas **McGregor's** classic "Theory X – Theory Y" (McGregor 1960). According to theory X, most people prefer to be directed, want safety above all and are not interested in assuming responsibility. Theory Y assumes that people are not, by nature, lazy and unreliable. It says that people can be self-directed and creative at work, if properly motivated. Managers should unleash this potential in individuals. The well motivated employees can achieve their own objectives best by directing their own efforts toward accomplishing organizational goals. Chris **Argyris** (1957) has developed an interesting "immaturity-maturity" theory partly based on McGregor's thinking. He has compared bureaucratic/pyramidal values (the organizational counterpart to Theory X assumptions about people) with a more humanistic/democratic value system (the organizational counterpart to Theory Y assumptions about people). Argyris points out that following bureaucratic values leads to poor, shallow and mistrustful relationships. On the other hand following humanistic values leads to trusting and authentic relationships, good cooperation and organizational effectiveness. Argyris claims that keeping employees immature is built into the very nature of the formal and bureaucratic organization. At the same time, Argyris admits that only a few, if any, develop to full maturity on his continuum.

Many classical motivation theories form a foundation of management approaches. Abraham **Maslow's** (1954) hierarchy of needs and Frederick **Herzberg's** (1966) motivation-hygiene theory are the most famous. David C. **McClelland's** achievement motive is also very important when describing the behavior of leaders (McClelland et al. 1953).

These classical approaches were the start to study management and leadership scientifically. One of the main distinction was the concern for task vs. people. We could say that here they laid a foundation for many later studies about leadership. Motivation studies done by Maslow, Herzberg and McClelland have been and are still useful and can be applied to practice even today.

4.2.3. Trait approach

The trait approach was one of the first systematic attempts to study leadership in the early 1900's. In these "great man" theories it was tried to explain what made certain people great business, social, political and military leaders. It was believed that people were born with these leadership traits. In the mid 1900's this approach was criticized a lot, because it was not possible to define general leadership traits which fitted to every situation. Stogdill (1948) suggested that no consistent

set of traits differentiated leaders from non-leaders across a variety of situations. The study focus transferred from the leader to the relationship between the leader and the subordinate.

During the 80's and 90's there has been a new interest in explaining how traits influence leadership (Bennis & Nanus 1985, Bass 1990, Kirkpatrick and Locke 1991, Bryman 1992). Renewed interest for the trait approach can be seen e.g. in visionary and charismatic leadership theories. Obviously the trait approach is alive and well. It began with an emphasis on identifying the qualities of great persons; next, it shifted to include the impact of situations on leadership; and most currently, it has shifted back to re-emphasize the critical role of traits in effective leadership (Northouse 2001).

Table 5 shows a summary of the traits and characteristics that were identified by researchers from the trait approach according to Northouse (2001, 18). There we can see the breadth of traits, and how difficult it is to select certain traits as definitive leadership traits. Northouse defined that the major leadership traits are the following: intelligence, self-confidence, determination, integrity and sociability.

Table 5. Studies of leadership traits and characteristics (Northouse 2001)

Stogdill (1948)	Mann (1959)	Stogdill (1974)	Lord, DeVader and Allinger (1986)	Kirkpatrick and Locke (1991)
Intelligence Alertness Responsibility Initiative Persistence Self-confidence Sociability	Intelligence Masculinity Adjustment Dominance Extroversion Conservatism	Achievement Persistence Insight Initiative Self-confidence Responsibility Cooperativeness Tolerance Influence Sociability	Intelligence Masculinity Dominance	Drive Motivation Integrity Confidence Cognitive ability Task knowledge

According to Northouse (2001, 21-24) there are some obvious strengths and weaknesses in the trait approach. The strengths include:

- it is intuitively appealing
- it has a century of research to back it up
- by focusing exclusively on leader it has been able to provide some deeper understanding on how leader's personality is related to leadership process
- it has given some benchmarks for what we need to look for, if we want to be leaders.

On the other hand the trait approach has also several weaknesses:

- the failure to delimit a definitive list of leadership traits

- it has failed to take situations into account
- the approach has resulted in highly subjective determinations of the "most important" leadership traits
- it can also be criticized for failing to look at traits in relationship to leadership outcomes
- it is not a useful approach for training and development of leadership. (The reasoning here is that traits are relatively fixed psychological structures that limits the value of training. On the contrary, we could challenge this assumption concerning at least some traits changeable.)

Despite its shortcomings, the trait approach provides valuable information about leadership. It can be applied by individuals and also by organizations that are planning the ideal profiles for their managers. Although a list of universal leadership traits is not provided, the approach does provide clear direction, at least in practice, regarding which traits are good to have, if one aspires to take a leadership position. Individuals can gain some insight into whether or not they have important traits for leadership and they can pinpoint their strengths and weaknesses. In many cases I also believe that it is possible to develop a certain trait, if that happens to be your weakness. Most of the traits are changeable at least to some extent. Using the traits approach also helps us to train people in the "obligatory" traits that are needed for leaders in our organizations.

It is obvious that some traits are necessary for leaders. There are critical traits for effective leadership. These traits are not inborn personal characteristics, but can be to some extent developed and trained. Some of these important traits that are consistently identified are e.g. intelligence, self-confidence, determination, integrity and sociability. Every organization should define its own **leadership profile** and try selecting and developing its leaders according to that profile. Organizations use different kinds of personality assessment instruments when doing this task. Also this trait approach can be used for increasing personal awareness and development. It allows managers to analyze their strengths and weaknesses and to gain a clear understanding of how they should try to change their leadership behavior.

4.2.4. Style approach

When the trait approach emphasizes the personality characteristics of the leader, the style approach emphasizes the behavior of the leader. Researchers studying the style approach determined that leadership is composed of essentially two general kinds of behaviors: task behavior and relationship behavior. Some of the first studies were conducted at Ohio State University in the late 1940s. These studies were based on Stogdill's (1948) findings which pointed to the importance of also considering more than leaders' traits in leadership research. At the same time the researchers at the University of Michigan were conducting a series of studies that explored how leadership functioned in small groups. A third line of research was begun by Blake and Mouton in the early 1960s. This research explored how managers used task and relationship behaviors in the organizational settings.

The Ohio State studies found that the subordinates' responses on the leader behavior questionnaire clustered around two general types of leader behaviors: **initiating structure** and **consideration** (Stogdill 1974). They used a questionnaire which consisted of 150 questions about leader behavior. It was called the Leader Behavior Description Questionnaire. Michigan studies identified two types of behaviors called **employee orientation** and **production orientation** (Bowers and Seashore 1966). Unlike the Ohio State researchers, the Michigan researchers conceptualized employee and production orientations as the opposite ends of a single continuum in their initial studies. Later

they, however, re-conceptualized it as two independent leadership orientations. In the 1950s and 1960s there were a multitude of studies done trying to determine, how leaders could best combine their task and relationship behaviors to improve their efficiency. The researchers were looking for a universal theory of leadership that would explain leadership effectiveness in every situation. However, the research results were contradictory and unclear (Yukl 1994).

The Managerial Grid, which has been renamed the Leadership Grid, is one of the most well-known models of leadership. It first appeared in the early 1960s and since that time has been refined and revised several times (Blake and McCauley 1991; Blake and Mouton 1964, 1978, 1985). The Leadership Grid shows **concern for production** and **concern for people** in a model that has two axes. The horizontal axis represents the leader's concern for production, and the vertical axis represents the leader's concern for people. Each of the axes is drawn as a 9 point scale on which a score of 1 represents minimum concern and 9 represents maximum concern. By plotting scores from each of the axes, various leadership styles can be illustrated. The Leadership Grid portrays five major leadership styles: Authority-Compliance (9,1) Country Club Management (1,9), Impoverished Management (1,1), Middle of the Road Management (5,5) and Team Management (9,9). In addition to these five major styles Blake and his colleagues have identified two other styles that incorporate multiple aspects of the grid (Blake and McCauley 1991). These are paternalism/maternalism and opportunism. Paternalism/maternalism refers to a leader who uses both 1,9 and 9,1 styles, but does not integrate the two. Opportunism refers to a leader who uses any combination of these basic five styles.

The style approach is not a refined theory, but a framework for assessing leadership in a broad way. The style approach has several strengths:

- it broadened the scope of leadership research to include the behaviors of leaders and what they do in various situations
- a wide range of studies on leadership style validates and gives credibility to the basic tenets of this approach
- the style approach has ascertained that a leader's style is composed of primarily two major types of behavior: task and relationship
- the style approach is heuristic: it provides us a broad conceptual map that is worth using in our attempts to understand the complexity of leadership.

The style approach has also several weaknesses:

- the research on styles has not adequately shown, how leaders' styles are associated with performance outcomes (Bryman 1992; Yukl 1994)
- it has failed to find a universal style of leadership that could be effective in almost every situation
- it implies that the most effective leadership style is the high task and high relationship style (Blake and McCauley 1991) when the research findings provide only limited support for a universal high-high style (Yukl 1994).

The style approach can be easily applied in organizations. It provides a mirror for managers that helps them understand, how they are performing as a manager. Leadership (Managerial) Grid has been widely used in practice in the past. Today it is commonly seen as an old-fashioned approach by management development professionals.

4.2.5. Contingency theory

Fiedler (1967) has developed the most well-known contingency model. Contingency theory is a "**leader-match**" theory, which tries to match leaders to appropriate situations. It is called contingency, because it suggests that a leader's effectiveness depends on how well the leader's style fits the context. Fiedler developed his theory by studying the style of many different leaders who worked in different contexts, primarily military organizations. According to Fiedler, three major situational variables seem to determine, whether a given situation is favorable to the leader: **leader-member relationship** (good or poor), **task structure** (high or low) and **position power** (strong or weak). These three situational variables determine the "favorables" of various situations in the organization. Situations that are rated the most favorable are those having good leader-follower relations, defined tasks, and strong leader position power. Situations that are the least favorable, on the contrary, have poor leader-follower relations, unstructured tasks and weak leader position power. Moderately favorable situations fall between these two extremes. In this model there are eight possible combinations of these three situational factors that can occur.

Fiedler has tried to determine also what the most effective leadership style (task-oriented or relationship-oriented) seems to be for each of these eight situations. According to Fiedler:

- task-oriented leaders tend to perform best in group situations that are either very favorable or very unfavorable to the leader
- relationship-oriented leaders tend to perform best in situations that are intermediate in favorables.

These connections are shown in table 6 .

Table 6. Leadership styles for different situations (adapted from Fiedler 1967, p.14)

<i>Task-oriented style</i>		<i>Relationship- oriented style</i>		<i>Task-oriented style</i>			
Favorable leadership situation		Situation intermediate in favorables for the leader		Unfavorable leadership situation			
1	2	3	4	5	6	7	8

Contingency theory has several strengths and weaknesses (Northouse 200, 79-82). The strenghts are:

- it is supported by a great deal of empirical research
- it has forced us to consider the impact of situations on leaders
- it is predictive and provides useful information regarding the type of leadership that will most likely be effective in certain contexts
- it is realistic in saying that leaders should not expect to be able to lead effectively in every situation
- it provides data on leaders' styles that could be useful to organizations in developing leadership profiles.

Some of the weaknesses of the contingency theory are:

- it fails to explain fully, why individuals with certain leadership styles are more effective in some situations than in others
- the leadership scale, which the model uses, is often criticized
- it is difficult to apply in practice
- it fails to explain adequately what organizations should do when there is a mismatch between the leader and the situation in the workplace.

Contingency theory represents a major shift in leadership research from focusing only on the leader to considering the situational context. Its lesson has been to emphasize the importance of matching a leader's style with the demands of a situation and wider context. In everyday life we have noticed that some executives, who may be extremely successful in one organization, can fail in another organization with a different culture, values and way of operation.

4.2.6. Situational approach

Maybe the most widely recognized leadership approach today is the situational leadership model, which was originally developed by Hersey and Blanchard (1969a). This approach focuses on leadership in situations. The basic premise of the theory is that different situations demand different kinds of leadership. To be an effective leader requires that a manager adapts his or her style to the demands of the different situations. Hersey's and Blanchard's book (1969, 1977, 1988, 1993) "Management of Organizational Behavior: Utilizing Human Resources" is certainly one of the leadership classics which is widely read also in practice. When it was first published, it offered an excellent summary of leadership research in addition to the basic model.

Situational leadership model is based on Reddin's (1967) 3-D management style theory. William J. Reddin was the first to add an **effectiveness dimension** (the third dimension) to task and relationship concern dimensions of the earlier models such as the Managerial Grid. Reddin thought that a useful theoretical model must allow that a variety of styles may be effective or ineffective depending on the situation. This was very a big breakthrough in leadership thinking. Reddin's 3-D management training model was quite popular at the end of the 70s and early 80s also in Finland. I personally participated in 3-D management training in 1981 (Three-D Management seminar 1981). It was a one-week very intensive training where we tested our own leadership style in practice working from early morning to late night in competing groups.

The situational leadership model has been refined and revised several times since its inception (Hersey and Blanchard 1977, 1988; Blanchard, Zigarmi and Zigarmi 1985; Blanchard, Zigarmi and Nelson 1993). Blanchard has developed Situational Leadership II –model. I suppose that the main reason for this was that Hersey and Blanchard both had their own consulting companies, and there were some unclear copyright issues. The models differ only in how the follower's readiness/development level is defined. I will present here the original Hersey and Blanchard model, because I have been trained in that model (Situational Leadership –seminar, 1985), and I have also trained myself a lot of managers with that model.

The situational leadership model has four leadership styles, which are telling, selling, participating and delegating. In Situational Leadership II styles are named as follows: directing, coaching, supporting and delegating. The second important thing is the readiness level of followers. Here are also four different possibilities:

- R1 unable and unwilling or insecure
- R2 unable but willing or confident
- R3 able but unwilling or insecure
- R4 able and willing and confident.

According to the model, you have to select your leadership style after you have analyzed the follower's readiness level in a certain situation. Your leadership style and the readiness level of the follower must fit together. It is also important to understand that employees can move forward and backward along the readiness continuum according to time and different tasks. Figure 10 shows the situational leadership model.

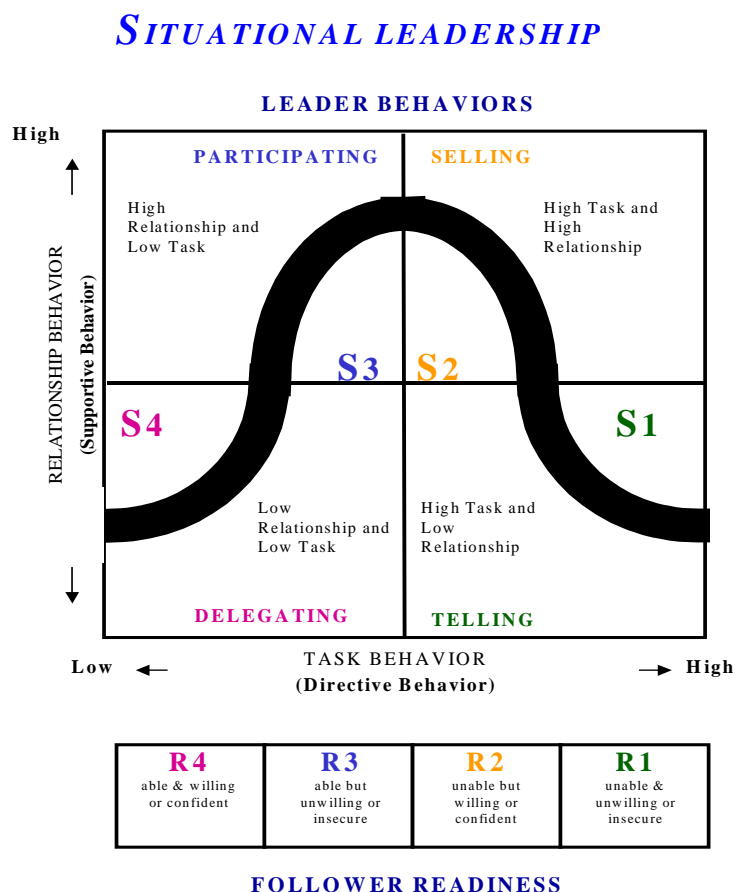


Figure 10. The situational leadership model

The major strengths of the situational leadership approach are the following (Northouse 2001, 60-61):

- it is well known and frequently used; it has stood the test in the marketplace
- it is very practical, but still based on sound theories
- it is prescriptive: it tells you what to do and not to do in various contexts
- it emphasizes the concept of leader flexibility
- it reminds us to treat each subordinate differently based on the task at hand and to seek opportunities to develop subordinates.

Despite its extensive popularity the following criticism points out several weaknesses in the situational leadership theory (Northouse 2001, 61-64):

- there have been only a few research studies conducted to justify the basic assumptions behind this approach
- the concept of the subordinates' readiness or development level is rather ambiguous (Graeff 1997; Yukl 1998)
- also how the commitment is conceptualized is criticized (Graeff 1997)
- the match of the leader style and the followers' readiness level is also questioned
- it does not fully address the issue of one-to-one versus group leadership in an organizational setting
- the leadership questionnaires that accompany the model have also been criticized.

The situational leadership model is widely used in training and development of leaders, because it is easy to conceptualize and also easy to apply. The straightforward nature of situational leadership makes it practical for managers to use. It is applicable in virtually any type of organization, at any level, for almost all types of tasks, so there are a wide range of applications for it. From a practical point of view it is perhaps the best leadership model so far. But it is also a product of its own time, 1960's and 1970's, in which leadership is perceived as being a one-to-one relationship.

4.2.7. Path-goal theory

The path-goal theory was first presented by Evans (1970) and House (1971) in the early 1970s. Both Evans (1996) and House (1996) have written about this theory also more than twenty years later. The path-goal theory is about **how leaders motivate subordinates to accomplish designated goals**. In a way it is a contingency approach to leadership, because it states that effectiveness depends on the fit between the leader's behavior and the characteristics of the subordinates and the task. The basic principles of the path-goal theory are taken from **expectancy theory**, which suggests that employees will be motivated, if they feel competent, if they think their efforts will be rewarded, and if they find the payoff for their work is valuable. The path-goal theory is designed to explain, how leaders can help their subordinates along the path to their goals by selecting specific behaviors that are best suited to the subordinates' needs and to the situation. I have tried to visualize the basic elements of the model applying Northouse's (2001, 90-91) pictures in figure 11.

A leader can support subordinates by selecting a right style of leadership (directive, supportive, participative or achievement-oriented). The selection is done on the basis of the characteristics of the subordinates and the task. Subordinate characteristics include e.g. needs for affiliation, preferences for structure, desires for control and self-perceived level of task ability. Task characteristics include the design of the subordinate's task, the formal authority system of the organization and the primary work group of the subordinates. The leader's responsibility is to help the subordinates to reach their goals by directing, guiding and coaching them along the way. The path-goal theory

predicts e.g. that directive leadership is effective with ambiguous tasks, that supportive leadership is effective for repetitive tasks, that participative leadership is effective when tasks are unclear and subordinates are autonomous and that achievement-oriented leadership is effective for challenging tasks (Northouse 2001).

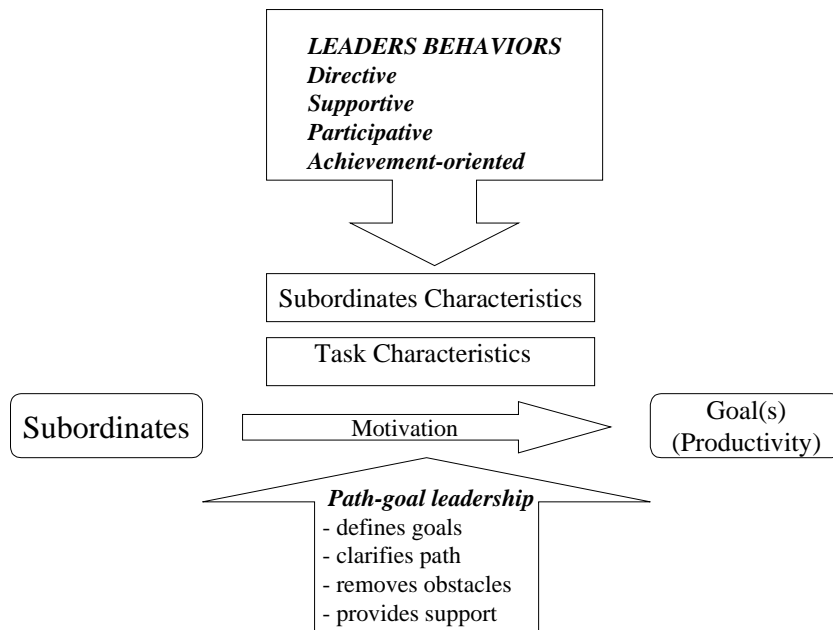


Figure 11. The basic elements of the path-goal theory

There are some strengths of the path-goal theory:

- it provides a useful theoretical framework for understanding how various leadership behaviors affect the satisfaction of the subordinates and their performance
- it attempts to integrate the motivation principles of the expectancy theory into a theory of leadership
- it provides a model that in a certain way is very practical.

Main weaknesses are the following:

- it is quite complex and tries to incorporate many different aspects of leadership that make it a little confusing
- it has received only partial support from the many empirical studies
- it fails to explain adequately the relationship between leadership behavior and worker motivation
- the approach treats leadership as a one-way event where the leader affects the subordinate.

Although the path-goal theory is not applied in many management training programs, it brings many interesting perspectives to leadership thinking. It was one of the first theories to specify four conceptually distinct varieties of leadership (see figure 11); not only task-oriented and relationship-oriented leadership. It was also one of the first theories to explain how task and subordinate characteristics affect the impact of leadership on subordinate performance (see Northouse 2001,96-99).

4.2.8. Management by objectives

Management by objectives (MBO) is maybe the most widely used basic approach to managing people. The concepts behind MBO were introduced by Peter Drucker (1954) in his book "The practice of management". Especially George Odiorne (1965) and John Humble (1967) have popularized this approach throughout the world. Odiorne (1965) defined the MBO process as follows:

"A process whereby the superior and the subordinate managers of an enterprise jointly identify its common goals, define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of each of its members".

It is interesting to notice that first this approach was applied at managerial levels, and only later it was taken into use also at the lowest organizational levels. This approach rests on a philosophy that emphasizes an integration between external control (by managers) and self-control (by subordinates). The important thing is that objectives are jointly established and agreed upon in advance and then also jointly reviewed at the end of the planning period. The basic findings of this approach was that objectives formulated together with every person seem to gain more acceptance than those imposed by the manager. In figure 12 there is the basic cycle of management by objectives according to Odiorne (1965, p. 78).

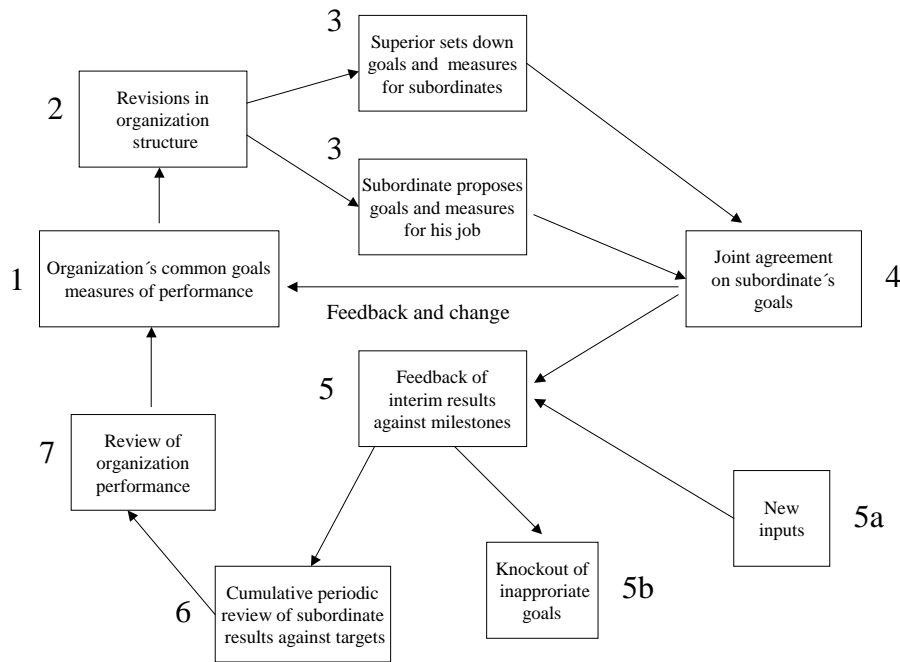


Figure 12. The cycle of management by objectives according to Odiorne

MBO has developed a lot in the last four decades. It is still alive and is the basic approach to everyday leadership. The process itself has refined a lot. Today the performance management process includes this MBO approach. Earlier the process was called performance appraisal, but at the end of the 80's we started to use commonly the concept of performance management. That meant in practice that more emphasis was put on development and coaching. I have defined performance management as follows (Sydänmaanlakka 2000):

"Performance management combines agreement on objectives, coaching, evaluation and development as elements connected to each other in a continuous process in order to improve the performance of the organization by developing individuals and teams. Performance management simply means that all persons know, what is their duty, what are their personal objectives, what kind of competence is requested of them and that they get enough coaching and feedback in order to be able to take care of their duties".

Figure 13 also shows the content of the modern performance management system.

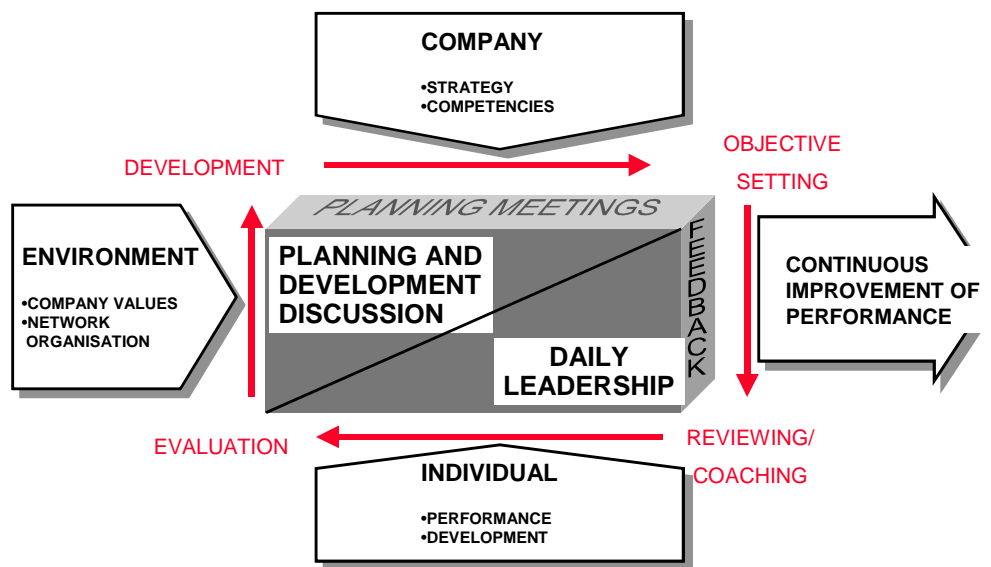


Figure 13. Performance management system

In the performance management process there are four cornerstones, which are objective setting, reviewing / coaching, evaluation and development. The process also includes three tools, which are daily leadership, planning and development discussions and planning meetings. The ultimate goal of this process is the continuous improvement of performance. This is one modern approach to management by objectives. In the 80's and partly still 90's the management by result process which was one version of management by objectives was quite popular in Finland (see Santalainen et al. 1980). Also Peter Drucker (1964) used this managing for results as a name of his one book already in the 60's. It is interesting that Ulrich, Zenger and Smallwood (1999) have introduced this kind of result thinking in their new book "Results-based Leadership".

Management by objectives has many strengths including the following:

- it is very widely used
- it is a practical and simple approach
- it focuses on one of the most important elements of leadership (achieving objectives)
- it enables independent work
- it connects individual, team, department and organization levels
- it is developing all the time in practice responding to changes in the environment

There are also some weaknesses in this approach

- it is working very well only in few organizations (the problem is not the system itself but the implementation)
- it is based on an very rational and analytical picture of man (Lönqvist 1993, 36).

Performance management, which is based on the basic principles of management by objectives, is the most important human resource management process. The process itself is developing all the time trying to respond to the changes in the working environment. It is a very important basic process which is needed in every organization and many other processes are built based on it (Sydänmaanlakka 2000, 78).

4.2.9. Leader-member exchange theory

The leader-member exchange theory addresses leadership as a process centered in the interaction between leaders and followers. It makes the leader-follower relationship the pivotal concept in the leadership process: the **dyadic relationship** between leaders and followers is the focus point. The leader-member exchange theory (LMX) was first described 25 years ago in the works of Graen and Cashman (1975) and Graen (1976). According to Northouse (2001, 111) it has undergone several revisions since it first appeared, and it continues to be of interest to researchers, who study the leadership process. Graen, who is one of the main architects of this theory, has written still in the middle of the 90's about this approach (Graen & Uhl-Bien 1995).

In the LME -theory a leader's relationship to the overall work unit is viewed as a series of vertical dyads. These dyads can be of two different types. The leader-member dyads based on expanded role relationships (good working relationship) belong to the leader's in-group. Those based on formal job descriptions belong the leader's out-group. Subordinates become in-group members based on how well they get along with the leader, and whether they are willing to expand their role responsibilities. In-group members receive extra opportunities and rewards, while out-group members receive only standard benefits.

In figure 14 there is an attempt to illustrate these dyads in different groups. The relationship within the in-group is characterized by mutual trust, respect, liking and reciprocal influence, whereas within the out-group, it is characterized by formal communication based on the job description. There are three phases in leadership making, which are a **stranger phase**, **acquaintance phase** and **partner phase**. By taking new responsibilities, followers move through these phases to develop more mature leadership with their leaders. In figure 14, plus 3 means a high quality relationship (partner) and zero means a low quality relationship (stranger).

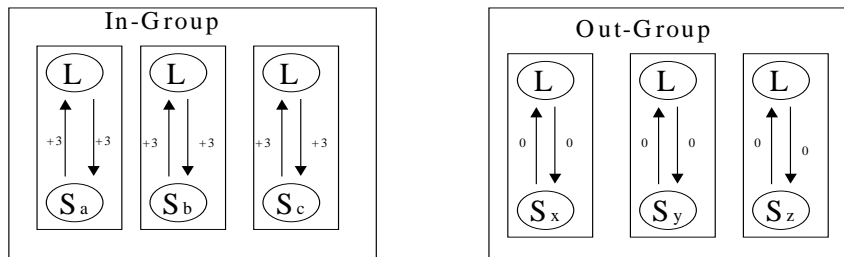


Figure 14. Leader-member exchange theory

It is obvious that a leader should try to build effective dyads with all employees in the work unit. In general these researchers have found out that good leader-member exchanges result in followers feeling better, accomplishing more and helping the organization to prosper.

The LMX theory has some positive contributions to our understanding of the leadership process:

- it is a strong descriptive theory that makes intuitively sense
- it is the only leadership theory that makes the concept of the dyadic relationship the centerpiece of the leadership process
- it directs our attention to the importance of communication in leadership
- there is also a large body of research that substantiates how the practice of the LMX theory is related to positive organizational outcomes. (Northouse 2001,119).

Some weaknesses of this approach are:

- on the surface it runs counter to the basic human value of fairness
- the existence of in-groups and out-groups may have undesirable effects on the group as a whole
- questions have been raised regarding the measurement of leader-member exchanges in this theory. (Northouse, 2001,120-121).

As a whole, it is a very interesting approach to the leadership process, and it offers us a lot of ideas to understand better the relationship between a leader and a follower.

4.2.10. Transformational Leadership

Transformational leadership is one of the newest approaches to leadership. Burns (1978), Bennis and Nanus (1985) and Tichy and DeVanna (1990) are some well-known names under this approach. It is concerned with the process of how certain leaders are able to inspire followers to accomplish great challenges. Transformational leaders understand and adapt to the needs and motives of the followers. They are change agents and good role models. They can create and articulate a clear vision for an organization. They have charisma. They are trusted and they give meaning to the whole organizational life. Mohandas Gandhi is a classic example of a transformational leader. Gandhi raised the hopes of millions of his followers and put himself in the service of others in the lifelong transformational process (Gandhi 1982).

James MacGregor Burns is the founder of transformational leadership. He published his classic work titled “Leadership” in 1978. Burns tried to set up a new school of leadership, because he felt that was missing:

“There is, in short, no school of leadership, intellectual or practical. Does it matter that we lack standards for assessing past, present and potential leaders? Without a powerful philosophical tradition, without theoretical and empirical accumulation, without guiding concepts and without considerable practical experience, we lack the very foundations for knowledge of a phenomenon – leadership in the arts, the academy, science, politics, the profession, war – that touches and shapes our lives”. (Burns 1978, 3).

He believed that there was a momentum for an intellectual breakthrough of leadership because of the accumulated research knowledge especially in humanistic psychology. Unfortunately, Burns did not achieve this purpose, and it seems that we are still missing this kind of holistic framework for leadership.

Burns distinguished between two types of leadership: transactional and transformational. **Transactional leadership** refers to the normal leadership practices which focus on the exchanges between the leader and the followers. **Transformational leadership** refers to the process whereby an individual engages with others and creates a connection that raises the level of motivation and morality in both the leader and the followers. This type of leadership tries to help followers reach their fullest potential. Transformational leadership is a process that changes and transforms individuals; both leaders and followers. Leaders and followers are bound together in the transformation process. Burns attempts to link the roles of *leadership* and *followership*.

Often charismatic and visionary leadership are seen as parts of transformational leadership. House published in 1976 his theory of charismatic leadership (see also Conger 1989). House suggested that charismatic leaders act in unique ways that have specific effects on their followers (see table 7). Charismatic leadership is often described in ways that make it almost synonymous with transformational leadership.

Table 7. Personality characteristics, behaviors and effects on followers of charismatic leadership (House 1976)

PERSONALITY	BEHAVIORS	EFFECTS ON FOLLOWERS
- Dominant	- Sets strong role models	- Trust in leader's ideology
- Desire to influence	- Shows competence	- Belief similarity between leader and follower
- Confident	- Articulates goals	- Unquestioning acceptance
- Strong values	- Communicates high expectations	- Affection toward leader
	- Expresses confidence	- Obedience
	- Arouse motives	- Identification with leaders
		- Emotional involvement
		- Heightened goals
		- Increased confidence

Bass (1985) has provided a more expanded and refined version of transformational leadership that is based on the works of Burns and House. Bass (1985) has created a model for transformational and transactional leadership and later developed that together with Avolio (Bass & Avolio 1990). Avolio (1999) has provided some additional clarification to the model in his book titled "Full Leadership Development: Building a Vital Forces in Organizations".

There are altogether seven leadership factors in this model, which are

- non-leadership factor (laissez-faire)
- transactional leadership factors (contingent reward and management-by-exception) and
- transformational leadership factors (idealized influence, individualized consideration, inspirational motivation and intellectual stimulation).

Non-leadership factor represents the absence of leadership. Transactional leadership could be so-called normal leadership based on the traditional management-by-objective philosophy with target setting and evaluating the results. But what make the difference are the transformational leadership factors. With these factors we try to go beyond normal performance expectations. There is an illustration about this model in figure 15.

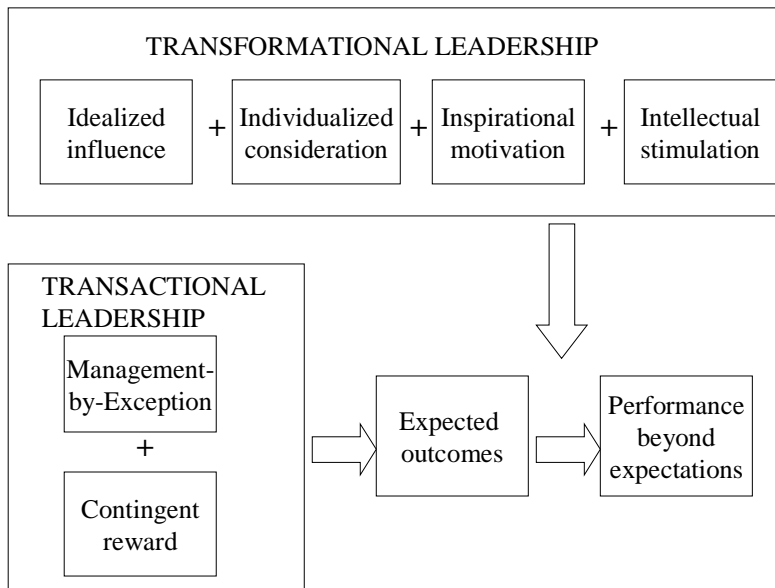


Figure 15. The additive effect of transformational Leadership (Bass & Avolio 1990, Northouse 2001)

Bennis and Nanus (1985, 2nd ed. 1997) interviewed 90 leaders in their research asking questions like: What were the critical points in your career? What events influenced your leadership approach most? What are your strengths and weaknesses? They identified four common strategies used by leaders in transforming organizations. They (1997, 25) say that “four major themes slowly developed, four areas of competency, four types of human handling skills, that all ninety of our leaders embodied:

- strategy I: attention through vision
- strategy II: meaning through communication
- strategy III: trust through positioning
- strategy IV: the deployment of self through positive self-regard and the Wallenda factor.”

Tichy and DeVanna (1990) also studied the transformational leadership of 12 CEOs at large corporations. The data from their interviews suggested that these leaders managed change in their organizations through a three-act process which involves

- recognizing the need for change (act 1)
- creation of a vision (act 2)
- institutionalizing changes (act 3).

They were really concerned how leaders carried out the change process.

One interesting researcher in this field is also Joseph C. Rost. In his book (1993) “Leadership for the Twenty-First Century”, he both supports strongly the basic ideas of Burns, but at the same time challenges some of the basic assumptions. He says that most of the leadership studies are based on an old industrial leadership paradigm, but we should search for a “post-industrial” concept of leadership. What could this be? Here is the answer from Rost (1993, 181):

“No one knows with certainty, either, what values will form the core of the post-industrial paradigm; but if the shift is going to have any significance of note, the values will have to be quite

different from, and even opposed to, the core values of the industrial paradigm. In trying to develop a way out of the problems that the industrial era has produced in the world, many commentators have pointed to the importance of such values as collaboration, common good, global concern, diversity and pluralism in structures and participation, client orientation, civic virtues, freedom of expression in all organizations, critical dialogue, qualitative languages and methodologies, substantive justice and consensus-oriented policy making process.”

Rost criticized Burns that he was not able to achieve his objective to set up a new school of leadership and neither have the hundred researchers after him done that. Rost believes that it is not possible without a radical paradigm shift from industrial to postindustrial. This seems to be the main challenge in leadership research even today.

Nissinen (2001) has developed a deep leadership model which is based on transformational leadership and deep learning. The concepts of deep learning and surface learning have been developed by Ference Marton (Nissinen 2001, 85). Toiskallio (1998) has defined that deep learning shows, when the learner (1) understands the entity related to information, (2) is able to use this information in a new problem situation and (3) is able to make choices and function effectively in new and surprising conditions. Rauste von Wright & von Wright (1994) have also written about deep learning.

The deep leadership model consists of three parts, which are the potential of the leader, leadership behavior and outcomes (Nissinen 2001,106). The potential of the leader means professional skills. Leadership behavior has three dimensions, which are deep leadership, controlling leadership and passive leadership. Deep leadership dimension has four subdimensions, which are building trust and confidence, inspirational motivation, intellectual stimulation and individualized consideration.

As a summary we can list according to Northouse (2001, 158) the various strengths and weaknesses of the transformational approach. The strengths include:

- it is a current model that has received a lot of attention by researchers
- it has a strong intuitive appeal
- it emphasizes the importance of followers in the leadership process
- it goes beyond traditional transactional models and broadens leadership to include the growth of followers
- it places strong emphasis on morals and values.

Some of its weaknesses include:

- it lacks conceptual clarity
- it sometimes implies that transformational leadership has a trait-like quality
- it can be seen as elitist and undemocratic
- research data focus heavily on senior-level leaders.

4.2.11. Team leadership

Team leadership is a new area of leadership theory and research. According to Hill (2001) teams are organizational groups composed of members, who are interdependent, who share common goals and who must coordinate their activities to accomplish these goals. Examples of such groups might include management teams, project management teams, task forces, work units, standing committees, quality teams and improvement teams.

The organizational structure of excellent companies has changed from a functional and matrix organization into a process and team organization. Teams are important performance and learning units in organizations today. Team work should enable the company to offer better customer service, improve the efficiency of internal processes and improve the motivation of personnel. It should be remembered that a team is a means of operation, not a goal itself; it should always be evaluated, if team work is the best way to achieve the objective. Moving over to team work is a lengthy development process itself, which needs a lot of training. A working group needs time to develop through different phases of being a pseudo-team, potential team and real team (Katzenbach & Smith 1994, 84). Nevertheless, the use of organizational teams has been found to lead to greater productivity, more effective use of resources, better decisions and problem solving, better quality product and services and increased innovation and creativity (Parker 1990).

A team is a small group of people with complimentary skills, who have committed themselves to a common goal, to common, measurable performance objectives and a common operational model and who accept joint responsibility (adapted from the definition of Katzenbach and Smith, 1994, 45). There are the following aspects of this definition, which should be underlined:

- Usually a team has 5 –20 members; maybe the team is most efficient when there are 4 –8 members.
- Team members have complimentary skills and team members are using each other's skills (1+1=3).
- Team members have a common goal and clear objectives, to which everyone is committed.
- Common objectives are measurable and achievement is monitored together.
- Team has a common operational model, which is continuously developed.
- Everyone feels belonging to a team and accept joint responsibility.

We can also classify teams on a dimension functional vs. team organization according to how they are led and what is the role of the leader there. In a working group the leader's role is quite typical, but in a self-directed team, the leader's role is divided to different team members. The official leader of a team might be so distant and busy with other tasks that her participation to team's work is usually minimal. She is in service only if needed. In a self-directed team leadership is not a role but an ongoing process to continually gather information, reduce ambiguity, provide structure and overcome barriers. The responsibility of this process is divided to all team members. Leader's role in different kind of teams is illustrated in figure 16 (see Zenger et al. 1994)

Different roles in a team is a fascinating research area as a whole. Meredith Belbin (1981, 1993) has defined eight team roles in his research. It is interesting to think which of those roles belong especially to team leaders.

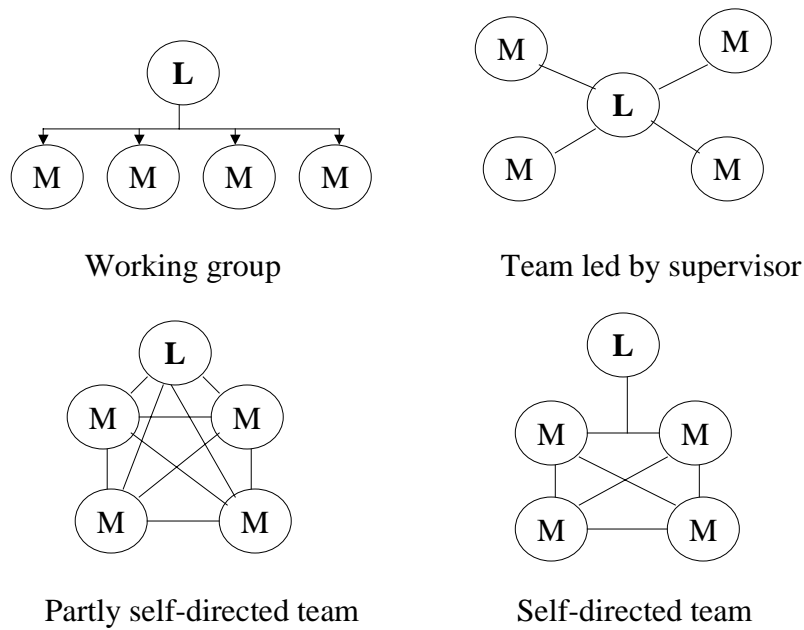


Figure 16. Leader's role in different kind of teams (applied from Zenger et al.1994, 17)

In addition to sufficient professional competencies and understanding the basics of team work, the team operation requires team management and leadership competencies. I have defined this kind of management and leadership competencies in a couple of concrete team development programs, and in practise, they seem to be working well (Sydänmaanlakka 1998). They are presented in table 8.

Table 8. Team management and leadership competencies

TEAM MANAGEMENT COMPETENCIES

1. Clear purpose and objectives
2. Clear roles and responsibilities
3. Efficient handling of issues
4. Efficient problem solving
5. Actions according to plans
6. Efficient information
7. Clear processes
8. Enough competencies in team
9. Management processes in order
10. Productive team operation

TEAM LEADERSHIP COMPETENCIES

1. Cooperation is functioning
2. High motivation and commitment
3. Good interaction skills
4. Respect for the individual
5. Continuous learning is happening
6. Realization of self-guidance
7. Caring for others
8. Open and constructive atmosphere
9. Feedback is given/received
10. Desire to become a member is high

I have also developed a questionnaire based on these team management and leadership competencies. The questionnaire is used to assess the efficiency of team work. All team members, including the leader, fill in the questionnaire, and then the results are fed back to the team allowing them to compare their performance to a normative databank of organizational teams. The team can then prepare action plans to improve the team work. This kind of concrete feedback and interventions seem to be very effective ways to develop efficient teams.

Hill (2001) has also developed a model for team leadership. The model attempts to integrate what we know about teams, leadership and effectiveness and to provide specific actions that leaders can perform to improve team work. Effective team leaders need a wide repertoire of competencies, which can be different than traditional leaders need. Team leaders and members could use the model to support decision-making about the current state of the team and to consider what specific actions they need to take to improve the team's functioning. The model should offer a cognitive map to analyze the team situation (look at figure 17).

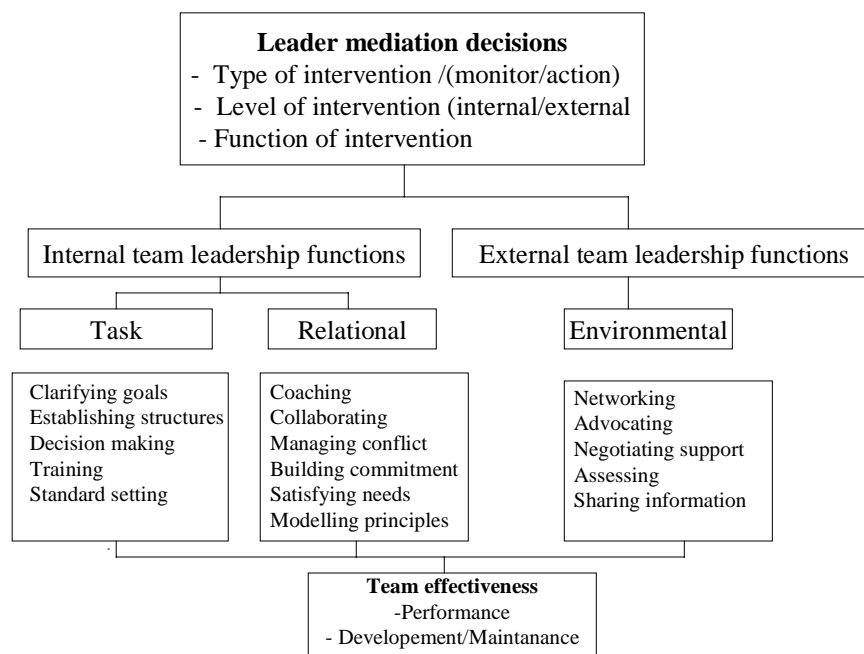


Figure 17. A model for team leadership (Hill 2001)

A team leader will first engage in the leader mediation process, in which she will decide, if monitoring or taking action is most appropriate for the team. If monitoring reveals that all the aspects of the functioning is satisfactory, then the leaders should not take any direct actions but continue to monitor both internal and external environments in terms of team performance and development (Hill 2001).

Team leadership is a new approach to leadership, and it could bring into consideration some new aspects. There are several strengths of this approach (Hill 2001):

- it focuses on real life organizational work teams and the leadership needed therein
- it provides a practical model that helps leaders to design and maintain effective teams
- it takes into account the changing role of leaders and followers in organizations

- it can help selecting team leaders by clarifying the competencies which an effective team leader will need.

On the other hand there are also some weaknesses (Hill 2001):

- it is a new approach, and it is not completely supported or tested by research
- it is still more like a framework, but doesn't offer clear answers to specific situations for the team leader
- it doesn't either offer clear instructions how to focus team leadership training.

On the whole, it is a challenging approach, which needs to be researched much more in the future. This approach is in line with the current movement to rethink the leadership responsibilities in organizations. Leadership responsibilities are often shared in modern organizations by boss and subordinates. Sometimes, even the role of a leader can be rotated among team members.

4.2.12. Psychodynamic approach

The psychodynamic approach to leadership developed from the methods dealing with emotionally disturbed individuals and from psychological theories of personality development. The psychodynamic approach to leadership has its roots in Sigmund Freud's (1938) development of psychoanalysis. Carl Jung, one of Freud's well-known disciples, developed his own body of psychology, which is well accepted even today, whereas classical psychoanalysis has found less acceptance in recent years (Bennet 1983). Maslow (1962, 1971) and Rogers (1961) could maybe be mentioned here as humanistic psychologists to represent the psychological theory of personality development. A leading proponent to psychodynamic approach has been Abraham Zelenick (1977). At the moment the most well-known expert in this area is certainly Manfred Kets de Vries (2001). One branch of psychodynamic theory is called psychohistory, which attempts to explain the behavior of famous historical figures (see eg. Kets de Vries 1999).

The psychodynamic approach places emphasis on leaders obtaining insight into their personality characteristics and understanding the responses of subordinates, based on their personalities. Leaders should also encourage work group members to gain insight into their own personalities so that they could understand their reactions to the leader and each other. Important concepts in psychodynamic approach to leadership include e.g. the family of origin, individuation, dependence and independence, regression and the shadow self. These concepts come from psychoanalysis and psychiatry and can sometimes be abstruse and not easily understood. That is the reason that there has been attempts to make psychodynamic theory more accessible.

One popular psychodynamic model was created by Eric Berne and is known as Transactional Analysis (Berne 1961, Harris 1967). Berne labeled three ego states: parent, adult and child, which relate to family roles. Berne says that the parent ego state can be either critical and nurturing. The child ego state can be either playful or rebellious. As people mature, they should operate more and more out of the adult ego state.

Figure 18 illustrates a case when parental behavior on the part of a leader gets reaction out of the subordinate in the child ego state. This is parent-child transaction and relationship. Similarly, a subordinate, who acts in a dependent and therefore childlike way, will tend to draw out the parental reaction from a leader. The technical term in psychodynamics for this process is **cathecting**. Each person cathects or pulls out of the other person a matching response. The important lesson comes here: it is not enough to look just at the behavior of a leader, because subordinates may cathect out

of a leader a response as much as the opposite. Ideally a leader and a team member should operate adult-to-adult. If that is not the case, a leader's responsibility is to bring to the consciousness of team members the nature of the transactions so that they can be discussed openly.

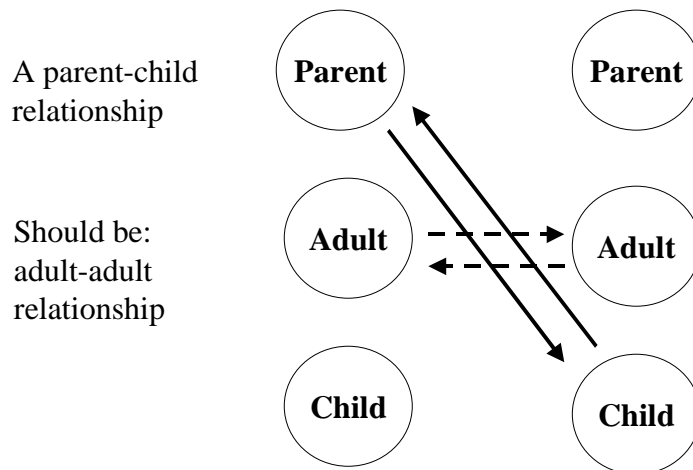


Figure 18. Ego states of leader and subordinate

People should become more aware of their patterns of emotional response and they should be able to articulate them. This could open up a possibility for change. You should be able to bring your emotions into consciousness. There they can be managed. First comes insight and then awareness which finally makes change possible.

There are a lot of psychological tests which you can use as a tool to improve your self-knowledge. One of the most used ones is the Myers-Briggs Type Indicator based on Jung's psychological types (Kroeger and Thuesen 1992). There are four dimensions of personality types, which are **extrovert vs. introvert**, **sensor vs. intuitor**, **feeler vs. thinker** and **perceiver vs. judger**. As a result of these dimensions there are altogether 16 potential personality types. It can be very useful to know your own personality type. Sharing the leader's personality type and those of the team members is assumed to improve understanding among the participants.

The Tavistock tradition could also be seen as a movement under this approach. Tavistock Institute of Human Relations was founded in 1947 in the UK. David Miller is one of the most well-known developers of the Tavistock tradition, which is mainly based on psycho-analytic theory and system thinking. Based on these Miller (1997) has developed a concept of "the social systems' psychodynamics" (more about the Tavistock tradition, see Hyypä and Miettinen 1999).

As a summary we can list also here some strengths and weaknesses (Northouse 2001, 199-202). The strengths include e.g.:

- it emphasizes the relationship between the leader and the follower, a transaction between these two persons
- the universality of this approach

- it emphasizes also the need for personal insight on the part of the leader and also the follower
- it discourages manipulative techniques of leadership

Some weaknesses include:

- this approach is based on clinical observations and treatment of persons with serious difficulties
- the subjective nature of the findings of clinical psychologists (also the cultural biases)
- early work in psychodynamics was based on the traditional two-parent family origin
- it does not take into account organizational factors.

The psychodynamic approach brings an important aspect to leadership by emphasizing our past experiences, unconsciousness, feelings, self-understanding and personality types. Also the transactions and the cathecting process are important to remember.

4.2.13. Value management and leadership ethics

Managing by values was one new management fad during the last decade (see e.g. Blanchard and O'Connor 1997). But it was certainly much more than a management fad; it was a sincere attempt to start the discussion about values and ethics in business and in leadership. A lot of books were published about company values (eg. Wyburd 1998, Koskinen 1993, Aaltonen & Junkkari 1999, Kauppinen 2002) and many companies started their value definition process. But there were few books about leadership ethics (Junnola & Juuti 1993) which is the main content of this chapter. Maybe it is not a theory or even an approach in the same sense as earlier presented chapters, but here we try to link values and ethics to leadership process and reflect what kind of role they have or should have in it.

First we have to define what is ethics. From the perspective of the Western tradition, the development of ethical theory dates back to Plato (427-347 B.C.) and Aristotle (384-322 B.C.). The word ethics has its roots in the Greek word *ethos* which means customs, conduct or character. Ethical theory provides a system of rules and principles that guide us in the decision-making about what is right or wrong. Ethics has to do both with what leaders do and who leaders are. Ethical theories are typically divided into *conduct* and *character* theories. Theories about conduct emphasize the consequences of leader behavior (*teleological approach*) or rules that govern their behavior (*deontological approach*). In assessing consequences, there are three different approaches to making decisions regarding moral conduct: ethical egoism, utilitarianism and altruism. Character theories are called *virtue-based theories* and they focus on who leaders are as people. Velasquez (1992) has suggested that managers should develop virtues such as perseverance, public-spiritedness, integrity, truthfulness, fidelity, benevolence and humility.

Burns's (1978) theory of transformational leadership places ethics in the central place of the leadership process. A transformational leader tries to move the group toward a common good that is beneficial for both the leaders and the followers. Rost (1991) goes a step further and suggests that ethical leadership demands attention to a civic virtue; leaders and followers need to attend to more than their own mutually determined goals. They need to attend to the community's goals and purpose. Also Senge (1990) has stated that effective leaders should see their own personal vision as an important part of something larger than themselves – a part of the organization and community at large.

Robert Greenleaf (1977) developed his servant leadership approach in the early 1970's. Greenleaf has got inspiration to his approach from Herman Hesse's (1956) novel *The Journey to the East*. This story is about a group of travelers on a mythical journey who were accompanied by a servant,

who did menial chores for the travelers but also sustained them with his spirit and songs. When the servant disappeared the group realized that it was the servant, who was actually leading the group by caring for the travelers. This approach has gained increased popularity in recent years. To be in service for others can be the vision of a leader. Mohandas Gandhi is an excellent example of this. In his autobiography “The Story of My Experiments with Truth” he has written (Gandhi 1982, 169):

“Such service can have no means unless one takes pleasure in it. When it is done for show or for fear of public opinion, it stunts the man and crushes his spirit. Service which is rendered without joy helps neither the servant nor the served. But all other pleasures and possessions pale into nothingness before service which is rendered in a spirit of joy.”

Northouse (2001, 258) has listed five principles of ethical leadership. Actually the origins of these can be traced back to Aristotle. These principles provide a foundation for the development of sound ethical leadership. According to these principles ethical leaders **respect others, serve others, are just, are honest and build community**. To be an ethical leader, we must be sensitive to the needs of others, treat others in ways that are just and care for others.

Peter Koestenbaum (1991) has developed his Leadership Diamond -model, which is based on ethical leadership. He defines that leadership means greatness in all we do. You should develop this kind of leadership mind. In order that we can achieve this kind of greatness we have to implement four kinds of strategies or dimensions: vision, reality, ethics and courage. Koestenbaum (1991, 40-42) defines these strategies as follows:

- A visionary leader always sees the larger perspective, for visioning means to think big and new.
- A realistic leader always responds to the facts, for realism means to have no illusions.
- An ethical leader is always sensitive to people, for ethics means to be of service.
- A courageous leader always claims the power to initiate, act and risk, for courage means to act with sustained initiative.

Leadership ethics has some strengths and weaknesses (Northouse 2001, 264-266). The strengths include:

- it provides some direction in how to think about ethical leadership and how to practice it
- it reminds us that leadership is a moral process
- it describes some basic principles that we can use in developing real-world ethical leadership.

On the other hand there are also some weaknesses:

- it is still in an early stage of development
- this area of research relies on the writing of a few individuals, whose work has been primarily descriptive and anecdotal.

Maybe the most important thing is to realize that leadership involves values; one cannot be a leader without being aware of and concerned about one’s own values. We can say also that rather than telling people what to do, we should tell them what to be and help them to become more virtuous. When practiced over time good values become habitual and a part of the persons themselves.

4.2.14. Self-leadership

In a way self-leadership is the foundation for all leadership and management; if you are not able to lead yourself, how can you lead others. Self-leadership is an enabling process whereby a person learns to know him/herself better and through this better self-understanding is able to steer his/her

life better. The meaning and importance of self-leadership has become evident during the last ten years. One reason for that is that the rapidly changing business environment requires flexibility, quick responses, creativeness and great learning skills. Management training has increasingly focused on self-leadership during the 1990's. It is not always easy to define, what kind of managers we will need in the future, but we do know that they will have one feature in common: they will need to be good self-leaders. They will need to have high self-esteem and self-knowledge. They will need to be flexible and fast learners, who can cope in totally unexpected situations (Sydänmaanlakka 2002).

The Self-leadership approach is quite a new one. It is still an approach and there is not so much scientific research findings from this area, which is surprising. The most well-known writers in this area are certainly Jagdish Parikh (1991), Stephen Covey (1989), Robert E. Quinn (1996 and 2000) and Russell and Evans (1992). Michaly Csikszentmihalyi (1992) has been one of those few researchers, who have focused their research toward this area. He has done more than twenty years research on the positive aspects of human experience; joy, creativity and the process of total involvement of life.

Of course, also the humanistic psychology (Maslow 1970, Rogers 1969 and Fromm 1962) and the self-actualizing individual -concept can be seen behind this approach. We can also consider the psychological skill training approach as a root for this approach (Goldstein 1981, 35).

There have been a lot of popular self-development books during the last thirty years. These include books like Bach (1977), Boswell (1979), James and Jongeward (1980), Bennet (1979), Newman and Berkowitz (1973 and 1976), Harris (1967), Dyer (1981), Kriegel and Kriegel (1984), Mulligan (1988), Markham (1991), Loehr (1993) and Tracy 1994). Also in Finnish language have many books like Aulanko (1999), Kurten (2001), Nissinen & Voutilainen (1979), Sarasvuo (1996, 1997) and Wikberg (1984) been published. Many times these books lack a solid theoretical framework and show a tendency to give too optimistic a picture about personal change (Manka 1999, 15-18).

Also in German language many interesting books were published during the 1980's. Kurt Bendelin's (1986) "Fitness fuer Manager" was important for me. He was one of the first ones who stressed the importance of physical fitness and the balance of life. They are very important issues for the manager's long-term effectiveness. He also worked for Nixdorf during the 80's and was responsible for the fitness training of managers. In Nixdorf there was a habit to include always some fitness training in the evening program of top management meetings. There are also some other books about "Inner Management" and "Selbstmanagement" which have laid the foundation for my self-leadership concept (see Stoeber 1989, Martin and Pörner 1988, Seiwert 2001).

I will describe self-leadership with two models which I have myself found useful (Sydänmaanlakka 2000b and 2002). The first one is Self Ltd -model. We all are managing directors of our own companies and our organization is called Self Ltd. We should be able to lead this entity well. It is divided into five departments, which are physical, mental, social, spiritual and neuro-sensory department. We should be able to manage the operations of these departments and functions and the interactions between them (see figure 19). Here the leader and follower is the same person (subject and object) or we can think that the leader is our **consciousness** which is leading our body, mind, feelings etc.

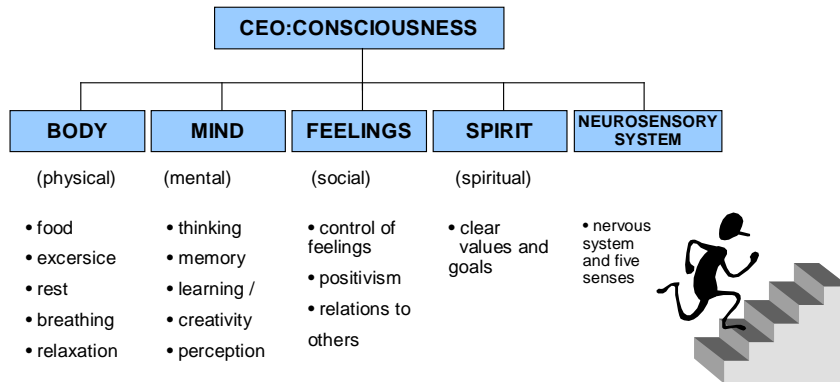


Figure 19. The Self Ltd -model

Another way to describe self-leadership is to talk about total wellness or well-being. Top performance requires people to be in a good condition, and maintaining high standards demands total wellness. There are five areas that make up total wellness - professional, physical, mental, social and spiritual condition. When our wellness curve is high in all these areas, we are efficient and feel good.

Self-leadership consists of very concrete things. Professional condition means having clear objectives in work, sufficient competence, feedback about performance and continuous development. Physical condition means that I eat, exercise, sleep and rest enough. Mental condition means that I am energetic, curious, fast in making decisions and learning new things. Social condition means that I can take care of my relationship, my spouse, my children, my parents, my friends, my hobbies. Spiritual condition, again, means that the purpose and values of my life are in balance - I have clear objectives and spiritual stimuli steering my life. Total wellness concept is described in figure 20.

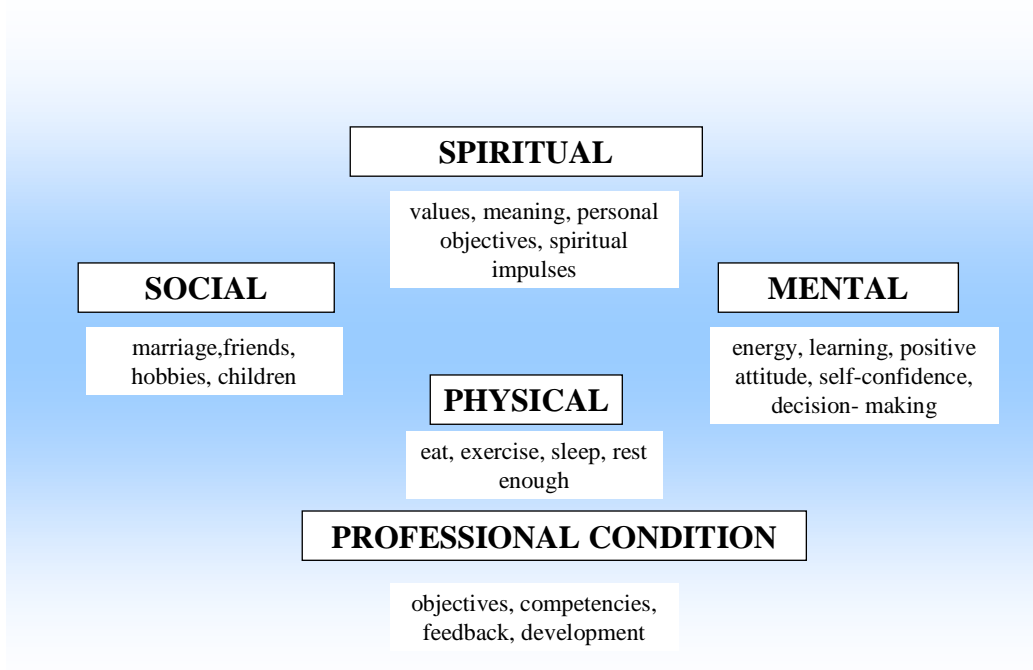


Figure 20. What is total wellness?

Good self-leadership releases energy and gives new internal resources. It is a tool against fatigue, over-specialization and boredom. We all have plenty of unused resources and it is perfectly possible to unlock these internal resources. Often our own restricted views are the biggest obstacles of change, growth and development.

If you are a good self-leader it is easier to lead others by your own example. Management by teaching or example is one new approach to leadership training. In his book “The Leadership Engine: How Winning Companies Build Leaders at Every Level” Noel Tichy (1997) talks about the *teaching organizations*, where they have good leaders who nurture the development of other leaders at all levels of the organization. Tichy (1997, 3) writes that “the ultimate test for a leader is not whether he or she makes smart decisions and takes decisive action, but whether he or she teaches others to be leaders and builds an organization that can sustain its success even when he or she is not around”.

Leaders who are teachers share a set of fundamentals:

1. they take direct responsibility for the development of other leaders
2. they have a teachable point of view in the specific areas of ideas, values and emotional energy and edge
3. they embody their teachable point of view in living stories, in which they tell about their past that explains their learning experiences and their beliefs

4. they have well-defined methodologies and coaching and teaching techniques.

They are effective role models for others and therefore this approach could also be called management by example. In his book Tichy gives a lot of examples of these kind of leaders/teachers developing other leaders/teachers. Among those are such well-known executives like Jack Welch, CEO of General Electrics; Roger Enrico of PepsiCo; Lew Platt of Hewlett-Packard and Eckhard Pfeiffer of Compact Computers.

Mentoring is also a process in which a senior colleague is teaching a more junior colleague in his/her practical work environment and work problems (see Shea 1994, Hilb 1997). According to Shea the concept of mentoring comes from the Greek tradition: “When Odysseus, King of Ithaca, went to fight in the Trojan War, he entrusted his friend Mentor, with the education of his son, Telemachus. The mentor’s task was to educate, train and develop the youngster to fulfill his birthright and become king of Ithaca”. Based on my own experiences, many times there is no better training than on-the-job experience with the guidance of a senior colleague (mentor), who can correct and support you in a practical environment. There is certainly a lot of demand for this kind of teaching and learning techniques which support rapid competence transfer from one person to another. Ruohotie (2000) has analyzed this kind of relationships. This kind of a relationship is also like the old master – apprentice relationship.

In his dissertation Koski (2000) has studied, how to achieve a peace of mind, integrate and become whole and attain the deliverance; shortly to live a good life. He tries to explain how an individual can reach these values through physical exercise (yoga and zen-budo). Koski (2000, 221) has outlined the ideal of a wise person. A wise person is (1) free of his/her feelings and desires (is able to manage them) and (2) is free to perceive the reality as it is.

In order to be free of these outer stimuli and to know yourself, great self-reflection is needed. It is a very important method and a skill for a manager. Seibert (1996) defines reflection as an active mental process, a conscious assessment of your experience which demands that you transfer your thinking to a level of conscious awareness. If you work as a leader, your own personality is in a way a tool in this leadership process. You have to reflect and perceive as objectively as possible who you are and what are your relationships to others. This kind of continuous self-reflection is necessary to survive in our turbulent world.

Self-leadership is an extremely interesting approach to leadership. It has not been studied scientifically very much. It is actually surprising that although we have been interested from the beginning in who we are and how we could live a happy life, there is hardly any coherent theory of self-leadership. One could also assume that it will be a critical focus area of the future. The self-leadership-model and total wellness -concept could be good starting points for future self-leadership research.

There are some strengths in this approach

- it is a new approach in leadership
- it is interesting and there are practical needs to improve this kind of competencies

There are also several weaknesses

- there does not exist any coherent theory of self-leadership which would be cross-scientific
- there is very little scientific research about individual change.

4.2.15. Summary and conclusions

We have seen that the leadership phenomenon can be approached from many different perspectives. These fourteen groups don't include all leadership theories or approaches. If we look at the "Bass & Stogdill's Handbook of Leadership" (1990), we could say that these 69 approaches I have studied are only a small portion of all possible theories. In addition to these, we could also look at what kind of leadership features belong to Total Quality Management (Silen 1998), process management (Hannus 1993), resource management (Santalainen 1990) and change management (Galpin 1996) to mention only some examples. However, I believe that the theories and approaches belonging to these fourteen groups give us a quite comprehensive picture of the situation.

If I try to list the ten most prominent leadership thinkers for me, the list will look as follows: Drucker, Maslow, Bennis, Hersey and Blanchard, Burns, Quinn, Fox, Katzenbach and Smith, Koestenbaum and Csikszentmihalyi. From the very different approaches of these thinkers I have learned a lot.

Many of these models and approaches are working well and used widely in practice. Why do we then need new approaches? I try to summarize ten main reasons for that:

1. The models we are using now in practice are old and have been developed mainly during the sixties and seventies. Maybe the last true invention was the transformational leadership by Burns (1978).
2. There is a momentum for new approaches which don't come from the Anglo-American tradition and culture.
3. The working environment of leaders has changed dramatically during the last twenty years, but we are still using approaches developed for industrial organizations.
4. We have to move from industrial to post-industrial paradigm and redefine the role of work, worker and organization.
5. Present theories are usually very fragmented; we have to go beyond fragmented theories.
6. The paradigm of science have also changed; the constructivist paradigm is replacing the behavioristic paradigm. Also quantum physics, self-organizing systems and the chaos theory brings in interesting perspectives to leadership.
7. We should try to move from "one right approach" to both and –perspectives; try to integrate the best features of old approaches and even use parts of them, which are still valid.
8. We should add to our rational thinking also emotional and spiritual components; go beyond rational management.
9. We should try to integrate leadership and management: in Finnish language we have only one word for that, which is "johtaminen".
10. We should reveal the true simplicity of leadership, which is on the right side of complexity. We should not make leadership any more complex than it really is.

These are some main reasons for the need to define new approaches and frameworks for leadership. These issues will be elaborated later in the text. In the next chapter I try to define a new leadership approach for our future organizations. The work will be based on the best features of the leadership models and approaches presented in this chapter.

5. The new framework for leadership

“This is a kind of holistic thinking, or organismic thinking in which everything is related to everything else and in which what we have is not like a chain of links or like a chain of cause and effects but rather resembles a spider web or geodesic dome in which every part is related to every other part. The best way to see everything is to consider the whole darn thing one big unit.”

Abraham Maslow

5.1. An intelligent organization

In my book (Sydänmaanlakka 2002) “An Intelligent Organization” I have tried to develop the ideal organization for the future; one that is efficient, capable of learning and sensitive to the well-being of its personnel all at the same time. The crucial thing is how you are able to balance these different dimensions; efficiency, renewal and well-being. An intelligent organization has the ability to renew itself continuously, foresee changes and learn fast (faster than competitors). The ideas behind an intelligent organization are based on learning organization thinking (e.g. Senge 1990 and Marquardt 1996), but I have tried to go a step further with the concept of an intelligent organization. Quinn (1992) and Tuomi (1999) are also talking about an intelligent enterprise / organization, but are approaching it from “knowledge management” perspective. The new thing in the intelligent organization –concept is also the attempt to go beyond rational intelligence and learn to use emotional and spiritual intelligence in our organizations.

What kind of factors is such an organisation built upon? In my book I have listed the following fourteen features of an intelligent organisation (Sydänmaanlakka 2002, 167-171):

1. It has a clear vision and strategy.
2. It has an organization structure which supports renewal.
3. It has a culture and values which encourage continuous learning.
4. Continuous improvement policy is in place (total quality).
5. Human resources are seen as the most important and valuable resource.
6. It has clear processes in place and is re-engineering them all the time.
7. Performance management is working efficiently.
8. Competence management is used systematically.
9. Knowledge is shared with everybody.
10. Teams are working efficiently.
11. Feedback is collected actively.
12. New enabling technologies are used.
13. Leadership is considered very important.
14. Its ability to change is high.

All these elements should be in place and they should fit together with each other. Management should be seen as a service function, with the task of organizing success to employees. Team leadership, participating leadership, coaching, mentoring and self-leadership are perspectives in which an intelligent organization is ready to invest. All these are also building material for intelligent leadership. We should be ready for a fresh approach in leadership and not just aspire to

what has always been done. That is just what we are searching for in building the new framework for leadership. But let's first look at how leadership has been defined earlier and what we could learn from these definitions.

5.2. Definitions of leadership

"Leadership is like beauty; it is hard to define, but you know it when you see it" (Bennis 1989,1). Defining the concept of leadership is not an easy task. But it is extremely important in order to understand deeply the phenomenon we are studying. Good definitions and clear concepts could enable us to achieve great breakthroughs in the study and practice of leadership. There are hundreds of definitions about leadership, but it seems very difficult to find any widely accepted definition among leadership theorists (see e.g. Bass and Stogdill 1990, Rost 1993). I have collected some example definitions below:

"Leadership is a process whereby an individual influences a group of individuals to achieve a common goal" (Northouse 2001, 3).

"Leadership is the reciprocal process of mobilizing by persons with certain motives and values, various economic, political and other resources, in context of competition and conflict, in order to realize goals independently or mutually held by both leaders and followers" (Burns 1978, 425).

"A review of other writers reveals that most management writers agree that leadership is the process of influencing the activities of an individual or a group in efforts towards goal achievement in a given situation" (Hersey and Blanchard 1982, 83).

"Leadership has been defined in many ways. The most consistent element noted is that leadership involves the process of influence between a leader and followers to attain group, organizational or societal goals". (Hollander 1985, 486)

"Leadership is a process and a property. The process of leadership is the use of non-coercive influence to direct and coordinate the activities of the members of an organized group toward the accomplishment of group objectives. As a property, leadership is a set of qualities or characteristics attributed to those who are perceived to successfully employ such influence". (Jago 1982, 315)

"Leadership is a process of influencing one or more people in a positive way so that the tasks determined by the goals and objectives of an organization are accomplished" (Hart 1980, 16).

"Leadership refers to interpersonal processes in social groups, through which some individuals assist and direct the group toward the completion of group goals" (Segal 1981, 41).

"Leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes" (Rost 1993, 102).

"Leadership is an activity or set of activities, observable to others, that occurs in group, organization, or institution and which involves a leader and followers who willingly subscribe to common purposes and work together to achieve them" (Clark & Clark 1996, 25).

"Leadership behavior is purposeful interaction among humans that takes place in a certain group. The interaction has to be such that it improves the performance of the group and maintains constant development in relation to solving surfacing problems and achieving set goals. Leadership behavior is based on the personal potential of a leader and its efficiency is affected by the operational environment, situational factors and the goals set for activities." (Nissinen 2001, 96)

The Oxford English Dictionary (1933) notes the appearance of the word “leader” in the English language as early as the year 1300. However, the word “leadership” did not appear until the first half of the nineteenth century in writings about political influence and control of the British Parliament (Bass, 1981, 7). The verb “to lead” comes from the old English word *leden* or *loedan*, which meant “to make go”, “to guide” or “to show the way”.

If we look at the “German approach” to leadership we will get a little more structural picture. For instance Oppermann-Weber (201, 20) has defined leadership as follows: “Mitarbeiterführung bedeutet, auf Mitarbeiter bzw. eine Gruppe von Mitarbeitern unter Berücksichtigung der jeweiligen Situation so einzuwirken und sie so zu entfalten, dass sie bestimmte gemeinsame unternehmerische Ziele erreichen“. Then she defines the different functions of management: task-oriented (9 tasks), people-oriented (14 tasks) and person (leader) oriented (11 tasks) and after that the needed competencies. The similar kind of structurality is typical also to the books of Malik (2000), Hilb (1997), Brandes (2002) and Lurse and Stockhausen (2001). A typical German approach defines always some general principles (Grundsätze), tasks (Aufgaben) and tools (Werkzeuge) as eg. Malik (2000, 392) has done in his book “Führen, Leisten, Leben”.

There are many things we could learn from this German approach compared to the Anglo-American approach which is the most dominant in the leadership area at the moment. The key features in this German approach to leadership are that it is concrete, practical, simple, systematical, sees employees more comprehensively and has more social responsibility. These conclusions are in line with the conclusion of Sparrow and Hiltrop (1994, 30) when they are comparing the American and continental European concepts of HRM. On the other hand, it seems often very difficult to find some really innovative leadership thinking in German writers (discussions with Klaus Lurse, 2002).

Today leadership is sometimes replaced by using concepts like coaching, mentoring, guiding and serving. Also the activities like teaching and training have similar elements like leadership. Suonperä (1993, 18-19) says that the nature of teaching event includes leadership. The successful progression of a teaching –learning event requires leadership that is in accordance with the situation. There we are directing people’s activities towards certain objectives.

When I studied the different definitions about leadership I did try to categorize them according what was their main focus. Leadership definitions can look at the leadership concept mainly

- as a great man/woman theory
- as power (as doing what the leader wishes)
- as achieving goals
- as management
- as influence
- as transformation process
- as traits
- as service
- as showing the way and vision
- as teaching and training.

There can be many perspectives toward leadership which only proves the complexity of the phenomenon. A relevant question is also, whether we can define some universal definition of leadership which can be applied in different surroundings; in business, politics, public organizations, military organizations, church etc. For example Nissinen (2001) has defined military leadership and developed his deep leadership model for military organizations. How much of it is applicable in other organizations? It is certainly the strength of a model, when it tries to focus on a specific organization on the one hand, but also a weakness on the other, if we try to disclose some universal features of leadership.

5.3. The intelligent leadership model

Having made an overview of different leadership theories, models and approaches, I will now try to summarize and conclude what I have learned. I will make an attempt to apply all that knowledge of earlier approaches and develop a new intelligent leadership model which should better describe the phenomenon we are studying in the present turbulent working environment. There are several foundations and objectives for this new model.

First of all, we should try to find new ways to see the leadership phenomenon; creative and intelligent ways. Creative intelligence tries to integrate intellectual, emotional and intuitive elements of intelligence (see Parikh 1999). This is why I have chosen the term intelligent leadership (compare an intelligent organisation, Sydänmaanlakka 2002). Tomorrow's knowledge workers require a different kind of leadership than traditional industrial workers. Following the three C's principle (Command, Control and Correct) is not enough any more. In intelligent leadership we try to lead employees at three levels: rational, emotional and spiritual. Rational leadership is management by objectives, emotional leadership is management with emotions and spiritual leadership is management by meaning.

Traditionally intelligence is defined operationally as the ability to answer items on tests of intelligence. This is far away from the modern concept of intelligence. Gardner (1993, 15) has defined intelligence as follows: "An intelligence entails the ability to solve problems or fashion products that are of consequence in a particular cultural setting or community". Building on that I have made my own definition of intelligence:

Intelligence means the capability to use different kinds of competencies in various domains of body, mind, emotion and spirituality in order to solve problems or create products in a particular cultural setting.

The model should also be as simple as possible. Leadership is a complex phenomenon, but let us not make it more complex than it is. I also believe that leadership can be described in a very concrete way and there is nothing mystical about it after we have understood its real essence. We should develop both simple and comprehensive models of leadership. Anderson and Burns (1989,30) have defined models as follows: "Models are well-developed descriptive analogies used to help visualize, often in a simplified or imitative way, phenomena that cannot be easily or directly observed. Each model is thus a projection of possible system of relationships among phenomena, realized in verbal, material or symbolic terms". A good leadership model should then visualize the key systems of relationships.

The intelligent leadership model is based on the postindustrial paradigm which is said to be replacing the industrial paradigm in the next ten years (Rost 1991). This statement was presented more than ten years ago, but I see that this replacing process is still going on. The major characteristics of the industrial paradigm according to Rost (1991, 180) are: (1) structural-functionalistic view of the organizations, (2) view of management as the preeminent profession, (3) a personalistic focus on the leader, (4) a dominant objective of goal achievement, (5) a self-interested and individualistic outlook, (6) a male model of life, (7) a utilitarian and materialistic ethical perspective, and (8) rational, technocratic, linear, quantitative and scientific language and methodology. We have seen that this kind of characteristics do not seem to be functioning effectively in our knowledge companies.

In the postindustrial paradigm we have to redefine work, worker and organization and their relationships and widen our perspective also to the society. We have traditionally perceived an individual mechanistically as a part of the big machine (organization). We should see the employee as a whole, in a comprehensive way and put the individual really in the heart of our organizations (Gratton 2000). Behind the intelligent leadership model there is a comprehensive concept of man including bodily, rational (intellectual), emotional and spiritual dimensions. Thus, the future worker is not any more “a pair of hands”, nor only a knowledge worker but a whole individual including professional, physical, mental, social and spiritual condition. The work should be changed from a meaningless job to a meaningful calling. The work should energize us, not burn us out. The organization should be changed from a machine to an open system and the society should change the priorities from growth and efficiency to sustainability and well-being.

One objective is also to try to develop a universal leadership model which could be applied in a different kind of context. In this case clear definitions are extremely important. Definitions are often problematic in the behavioral and social sciences, because scholars are not paying enough attention to accurate and systematic definitions. This is probably one reason that we have not so far been able to develop better theories and models in this field. Chester Barnard (1948, 80) wrote more than fifty years ago: “Leadership has been the subject of an extraordinary amount of dogmatically stated nonsense”. I’m a little afraid that the situation is not very much better even today. If leadership is anything anyone wants to say it is, then the concept of leadership is meaningless and nonsense.

According to Rost (1991, 103-104) definitions should have at least the following properties in order to be useful to scholars and practitioners.

1. A definition must be clearly worded to communicate very specific messages as to what constitutes the reality being defined.
2. A definition must state specific criteria for people to use in separating one reality from similar realities: a definition must say what criteria must be fulfilled for certain phenomenon to be called what it is being defined.
3. A definition must be usable by practitioners as well as by scholars.
4. A definition must be usable in the here and now, giving the user the power to do an analysis of a particular phenomenon immediately after gathering data.

The intelligent leadership model is also based on the system theory and system thinking (Senge 1990, 68-92). System thinking is a discipline for seeing wholes. The essence of system thinking is based on two issues: seeing interrelationships rather than linear cause-effect chains and seeing processes of change rather than snapshots. Leadership is seen as a wider process, which takes place in an organization. In that process there are many variables which all affect each other. With system thinking we try to clarify and really see the key interactions in this process and this way disclose the essence of leadership.

Intelligent leadership is a shared and collaborative process. It is a process that should be taught not only to leaders, but also to followers. The premise of intelligent leadership is that it must be practiced by both, the so-called leaders and the so-called followers. Intelligent leadership means putting people to work together efficiently. It is not manipulation. It is not management. Rather it should energize our employees and organizations.

Last but not least, we should be able to develop together new common models for leadership which should support us to find a way out of the many problems that the industrial era has produced in the world. The new leadership model should help us to solve huge problems – economical, political, technological, social, ecological and spiritual – which we are facing today.

The intelligent leadership can be defined as follows:

Intelligent Leadership is a dialogue between leader(s) and followers where they come together in a certain situation in order to achieve shared vision (purpose) and objectives effectively. This process will take place in a certain team and organization which is sharing same values and culture. The macro environment - industry and society - also affects this process.

Figure 21 is presents a model based on this definition. I have called it the intelligent leadership model. The basis of the model is input-process-output -thinking. The main input for this process is some kind of purpose which is usually a vision or a more concrete objective. In the leadership process leaders and followers are in interaction in different kinds of situations; on its best this interaction will be a true dialogue. The output is the intended result or change. This leadership process happens in a team and in an organization, in an industry and in a society. Certain values and culture are also affecting this process. All these variables affect someway the leadership process. There are altogether ten variables in this model. In the following I will explain the main content of these variables.

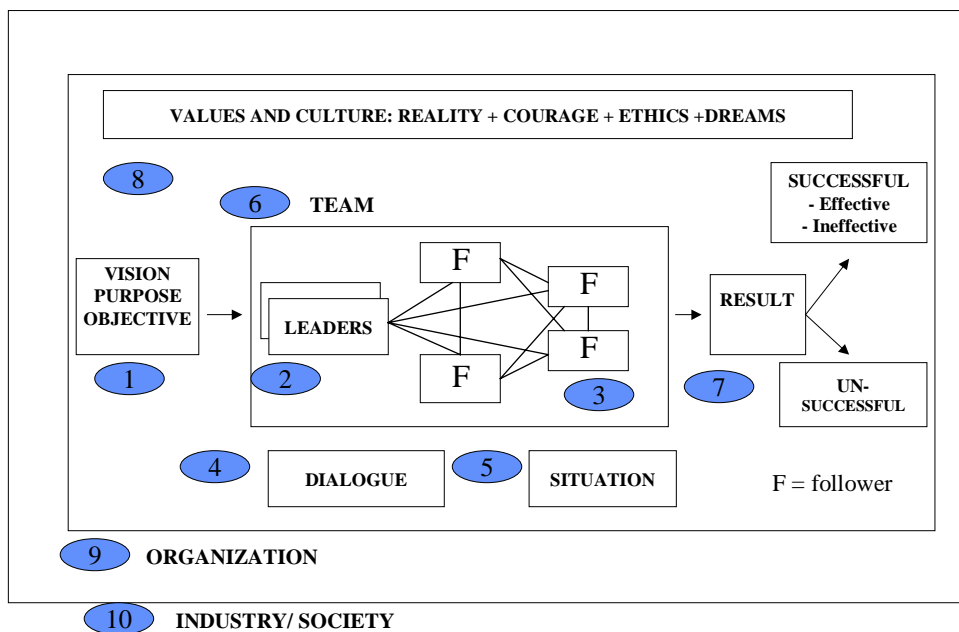


Figure 21. The intelligent leadership model

1. Shared vision and objectives

Vision and objectives are the starting point of the leadership process: they give justification to the leadership process. Leadership should give a purpose and meaning to action and guide concrete leadership behavior. Sometimes goals and objectives can be seen as being concepts that are too

rational, narrow and too short-term based. It is therefore important that emotions are connected to visions. Leadership has more to do with a wider vision and more long-term thinking. Leadership has more to do with who we are than only with what we do.

A leader should usually have a strong vision and should be able to sell that to others. The leader and the followers can also together develop vision and objectives. In every case it is important that the vision is shared and everyone is committed to it. Without real commitment the vision is not guiding our work. It is very difficult to get a group of people to work efficiently together without a clear vision.

2. Leader(s)

Leaders are certainly the key players in a leadership process. In the leadership process we can have more than one leader: leader's leader and leader's colleagues. They have the responsibility to create a process that works well, because usually they have more authority and power and they exert more influence than do followers. However, it is important to remember that everyone can have both leader and follower roles in different contexts and situations; you are a leader in some relationships and a follower in others. Everyone is a leader at least in the case of self-leadership.

There are several elements of a leader which affect to the leadership process. These include e.g.:

- leader's behavior
- leader's competencies
- self-concept: self-knowing and self-esteem
- personality: traits, motives and values.

The most crucial thing for a leader, which enables him/her to become a true leader, is knowing him/herself and having enough good and healthy self-esteem (look at pages 97-98 how personality relates to competencies).

3. Followers

Usually there is more than one follower. Dyadic relationships are not leadership in the real sense. They can be better categorized as parental, educational, love, friendship, therapeutic and counselling relationships.

Followers are active. They share the responsibility of the leadership process. Followers can become leaders and leaders can become followers in any leadership relationship. Followers do not do followership, they do leadership. They are in the leadership relationship together. This is shared and collaborative leadership. Followers and leaders develop a relationship wherein they influence one another as well as the organization and society.

Also the follower's role, behavior, competences, values and ethics and style and personality affect the leadership process and outcomes. Very important is the maturity of followers; they should be ready and willing to take and share responsibility. That is not always self-evident.

4. Dialogue (Interaction)

Leaders and followers are the people in this leadership interaction which on its best can be described as a dialogue. Dialogue means that the team members (leaders and followers) are capable to suspend and enter into a genuine thinking and learning together. Both parties are active and know their roles. Interaction is based on the **influence relationship**. Influence is a process of using **persuasion** to have an impact on other people in a relationship. Influence as persuasion depends for example, on purpose, status, authority, personality, charisma, interpersonal skills, perception, motivation, reputation and prestige. These things can be called **leadership resources**. Influence comes from people using this kind of leadership resources to persuade.

Interaction is **multidirectional**. The leadership relationship involves interaction that is vertical, horizontal, diagonal and circular. This means that everyone can be a leader and /or a follower and followers persuade leaders and other followers as do leaders. There are many different kinds of relationships which form the overall relationship that is called leadership. These relationships can be team-based (small or large), departmental, organizational, societal or global.

Interaction is **non-coercive**. If interaction is coercive then the relationship is based only on authority, power or dictatorial influence. Freedom is essential in this interaction, if it is a leadership relationship. If interaction is based on coercion then the result can be successful but ineffective. Interaction is inherently **unequal**, because the influence patterns are unequal. Leaders have more influence, because they have more or are willing to commit more of their leadership resources to the relationship.

The interaction process consists of different elements including:

- management by objectives (set objectives and evaluate results)
- rewarding (give feedback)
- development (teach and give guidance)
- effective communication (command, debate, discuss, have a dialogue)
- being a role model (lead by example)
- motivating and inspiring (create energy)
- innovativeness and creativeness (continuous renewal)
- individual consideration (respect for individual).

In this model I have included transactional and transformational elements of leadership. In addition to those I have underlined the style and quality of communication.

Communication can vary from one-direction command to open dialogue. The word “dialogue” comes from two Greek roots, *dia* and *logos*, suggesting “meaning flowing through a group”. “Debate” means “to beat down” and “discussion”, which has the same roots as “percussion” and “concussion” means “to break things up”. Even the discussion can be seen as a “ping-pong game” where we are hitting the ball back and forth and try to win. Only the dialogue encourages the team members to participate in a pool of shared meaning that leads to aligned action. In the dialogue the team is exercising collective listening, thinking and learning. The IQ of the team can then be much greater than the IQ of the individuals, when usually it is the opposite.

David Bohm, a leading quantum theorist, has originally developed the theory and method of dialogue. Bohm has stated that in dialogue a group “becomes open to the flow of a larger intelligence”. Later Senge (1990), Jaworski (1996) and Isaac (1999) among others have implemented and developed the method of dialogue. Leadership interaction should try to reach this kind of dialogue that Senge (1990, 241) describes as follows: “The purpose of a dialogue is to try to go beyond any one individual’s understanding. In dialogue, individuals gain insights that simply could not be achieved individually.” Marguardt (2002, 26) has stated that “The discipline of dialogue involves learning to recognize the patterns of team interaction that may promote or underline learning....Dialogue is the critical medium for connecting, inventing and coordinating learning and action in the workplace.” Marguardt (2002, 245) has defined dialogue as follows: “It denotes a high level of listening and communication between people; involves the free and creative exploration of subtle issues, listening deeply to another and being willing to suspend one’s own views”.

The interaction aims at achieving the objectives effectively. **Result orientation** is a typical feature of leadership which differentiates leadership relationship from other kind of relationships.

This interaction to be successful requires a lot of interpersonal competencies. More and more of that interaction will be virtual in the future - not face-to-face but based on modern information technology – and requires also new competencies from both sides.

5. Situation

There are many situational factors which affect the interaction process. These are

- task / job demands
- time
- readiness of followers and
- readiness of leaders.

The readiness of leaders means, how able, willing and flexible they are to use different kinds of leadership styles. The readiness of followers means, how able and willing they are to share the leadership responsibilities and tasks. In the intelligent leadership model we have five different kinds of leadership styles:

- command (give a clear task and follow that it will be done)
- coach (give guidelines, teach and support the employees)
- participate (do together with employees)
- delegate (delegate larger task unities and support, if needed)
- empower (individual or team is working independently without supervision).

There are also five readiness levels of followers. The readiness level of followers is defined by assessing the following dimensions: competence, motivation, commitment, responsibility and independency. When a follower is mature in all of these dimensions, his/her readiness level is high and he/she can work as a temporary leader. There must be a fit between the leadership style and the follower's readiness level which is illustrated below:

command	coach	participate	delegate	empower
passive F	Follower	active F	independ.F	tempor. L

6. Team

Leadership also always happens in a team setting. Leadership is the sum of all interaction between all the leaders and followers in that relationship, not only individual interaction between one leader and one follower in that relationship. Leadership is a team (communal) relationship. In fact, according to Frost (1989, 49) it occurs within a community of believers.

Many times the most important learning and performing unit of an organization is a team. We should be able to lead teams and lead within teams efficiently. Team as a social system is a very important element of an intelligent leadership.

The maturity level of a team can also vary a lot. We have earlier (page 62) differentiated a working group, a team lead by supervision, a partly self-directed team and a self-directed team. We should also be able to assess the maturity level of teams by measuring their management and leadership competencies (look at page 62).

7. Results

Leaders and followers intend to achieve real results or change. This kind of result orientation is a typical feature of leadership.

Feedback is the basic requirement of all learning, growth and development. Feedback should be given to every unit/variable of this process.

The quality of leadership can be assessed at the interaction level and at the result level. At result level we can be successful or unsuccessful. The successful results can be effective or ineffective. The case when intended results are achieved in the expense of the followers' motivation is an example of this.

8. Values and culture

Values and culture have a very crucial role in intelligent leadership. Leadership has a moral dimension. It should always be based on some universal principles like **respect, service, justice, honesty and community**. The leader should follow these principles and also help followers to assess their own values and needs in order to raise them to a higher level.

Values should be connected to

- purpose, vision and objectives
- organization's culture
- leaders and followers
- interaction process and
- results.

In a way they form an umbrella for all other elements of this model.

The moral dimension of leadership can also be clarified by applying Koestenbaum's (1991) leadership diamond -model. In the intelligent leadership culture the following features are true:

- a leader always responds to the facts, for realism means to have no illusions
- a leader always initiates, acts and takes risks, for courage means to act with sustained initiative
- a leader is always sensitive to values, for ethics means to be of service
- a leader always sees the larger perspective, for dreaming means to think big and new.

Dreams are important to us. They can energize us. Shakespeare tells us in "The Tempest" (act 4, scene 1): "We are such stuff as dreams are made on, and our little life is rounded with sleep".

9. Organization

It should be possible to apply this model in different kinds of organizations such as companies, public organizations, military organizations, churches, hospitals, universities etc. It should also be possible to apply it to teams, networks and virtual organizations. However, the model is probably most fitting to future intelligent organisations.

Every organization has its own values, culture and structure. A leader should be flexible enough to apply his/her leadership behavior to the features of the organization or clever enough to understand that a certain organization is not suitable for her/him. There must be a certain fit between the manager and the organizational environment (Boyatzis 1982).

Intelligent leadership also underlines the importance of different levels of leadership, which are individual, team, organization and society. At individual level we should focus on **self-mastery**, at team level the focus is on **social synergy**, at organizational level the focus is on **organizational learning** and at society level the focus is on **sustainable development**. The traditional Western leadership has focused on the individual, but we must widen the scope also to other areas. We should be able to balance economics, ethics and ecology (Bennis, Parikh and Lessem 1994). We should move "from management education to civic reconstruction" (Lessem and Palsule 1999).

10. Industry, society, world

The leadership process happens in an organization which is a part of an industry or a branch. Organizations are a part of societies, countries, continents and so on (see figure 22). All this happens in our “global village” which in a way has become smaller and smaller and is the bigger system within which we work. In intelligent leadership it is important to see the big picture. We should lead in a comprehensively simplified way. We should develop a global balanced scorecard which should include financial, political, technological, social, ecological and spiritual factors.

Usually this kind of a macro perspective is at the background of our thinking, but it is important to remember that all our subsystems belong to this one global system. We should see wholes and understand that ultimately we all are workers of Globe Ltd.

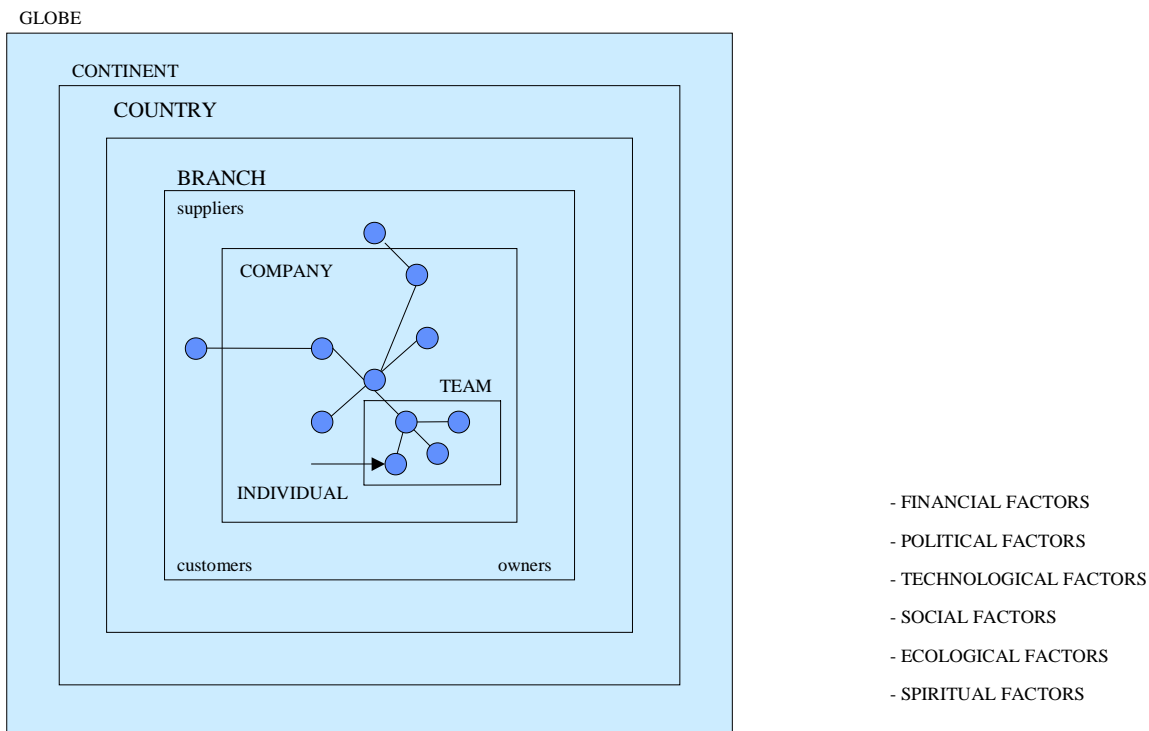


Figure 22. Leadership in a global village

5.4. The application example of the model

We can try to apply this model to a concrete case. The case is describing the operations of the HR department of Nokia's Fixed Access Systems Division (Sydänmaanlakka 2002, 185-191). I was the director of that department so I know the case rather well. The model and basic ideas behind it were used "intuitively" at that time. Now afterwards with this case we try to apply, clarify and test the developed intellectual leadership model.

Fixed Access Systems Division (FAS) employed about 3000 employees globally. The division grew quickly during the period we are interested in at the moment (1995-1998). Also the business was booming. The structure of HR department is shown in figure 23. There were four main services which the department was offering: basic HR and resourcing, production HR, training and office services. There were altogether 28 people working in the HR department in Finland. I had 8 direct subordinates and three of them worked also as managers. We shall go through the different elements of our model with this case.

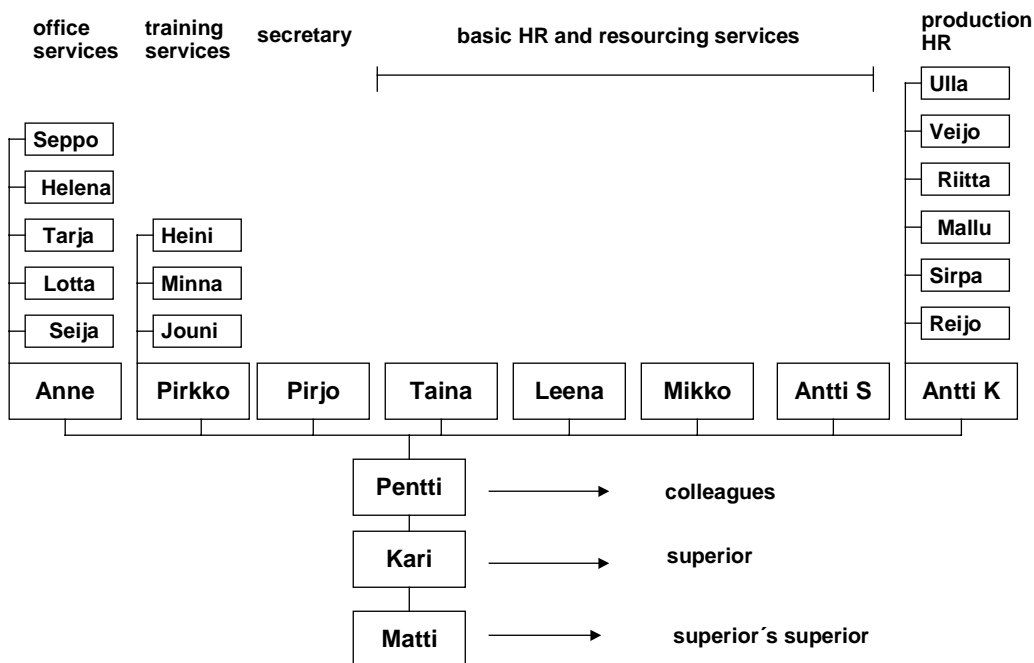


Figure 23. The organization chart of the HR department

1. Purpose, vision and objectives

The HR department had a clear vision which we had developed together. The main purpose was to support the development and maintenance of an **efficient, learning and well-being organization**. All the department's operations were supposed to somehow improve these three factors. Where they had not been improved, it was relevant to ask whether the operation had a meaningful role at all. One principle was also: the less paperwork the better. Figure 24 shows also the ten focus areas of

the HR department. We really tried to clarify and share the purpose of our work so that it should then guide us individually and give freedom to work also independently towards that vision.

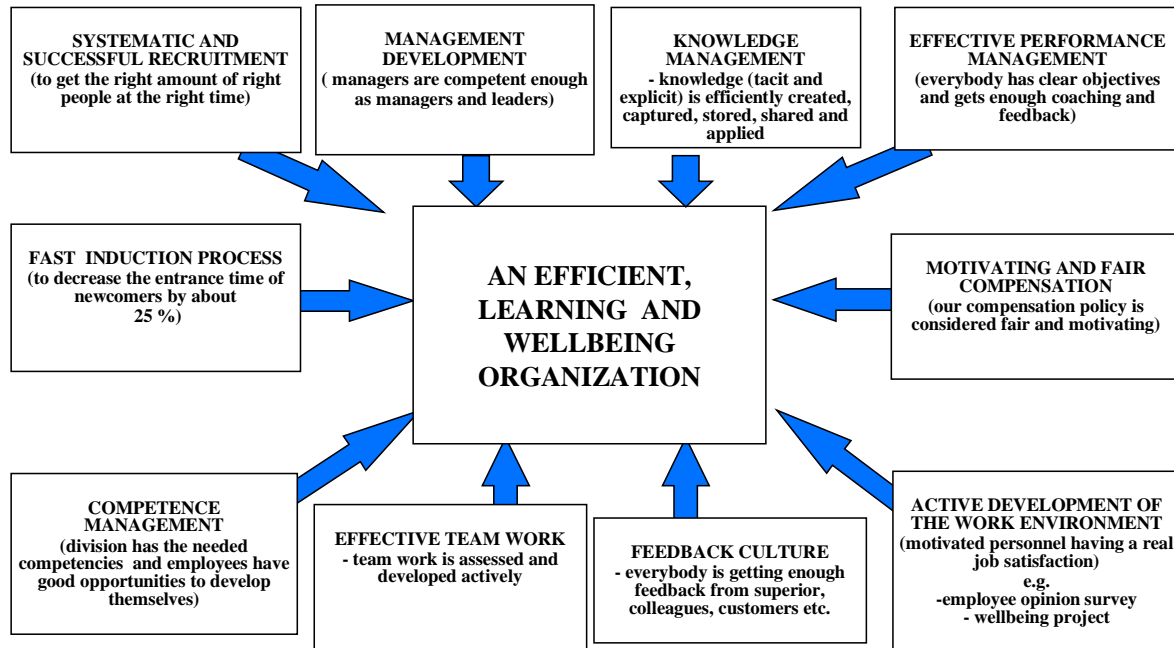


Figure 24. The vision and focus areas of the HR department

2. Leaders

Who are the leaders in this case? I was the main leader, but had also three leaders reporting to me. Then I had many colleagues (9), my own superior and also his superior. So there were at least 15 leaders having an impact in some way on the leadership environment at the HR department and in the whole division. Of course, my three direct leader -subordinates and myself were the key players and did the actual people management at our own department.

3. Followers

There were altogether 27 followers out of which eight were reporting to me directly. The role of these followers were active, and many of them worked quite independently. I tried to delegate and empower everyone as much as possible. Everyone was also in a way doing leadership: trying to affect others positively in order to achieve common objectives.

4. Interaction and dialogue

We tried to produce high quality interaction between all relationships. Our slogan was “achieve good results and have fun”. Working relationships were mainly achieved through daily leadership, planning meetings and planning and development discussions. Planning meetings and planning and development discussions were organized twice a year. These were the core of performance management.

Daily leadership meant a lot of dialogue and working together as a team. We had a habit of having morning and afternoon coffee together whenever possible. We found that these daily gatherings were a very important and efficient way to share information. We also had regular weekly meetings for information sharing. In addition to that, we organized some free time activities every now and then in order to raise spirits and get to know each other better.

I tried to create a systematic way of working with performance management tools and a lot of dialogue and good relationships between the team members. When these are linked with clear vision, good results should be self-evident.

5. Situation

The general situation was very good: the division was growing and business booming. People were motivated and eager to do their best. But people need to be led differently, because they are different. The readiness levels of the followers were different and they also varied considering different tasks and times. So I tried to apply situational leadership model with telling, selling, participating and delegating styles.

6. Team

The whole HR department was working as a one team. We were committed to a shared vision and measurable performance objectives. We also accepted joint responsibility and felt that others were assessing our work as a whole team. We were also assessing our own team work with a team operation’s questionnaire (Sydänmaanlakka 1978) and tried systematically to improve it. The team was the main learning and also performance unit. Different subteams were able to work quite independently, because they shared the common vision.

7. Results

The HR department got good results and a lot of positive feedback outside the department. There were at least four main reasons why we achieved the good results. First we had clear, shared vision guiding our work. People had great motivation and they worked hard. And lastly we had a good team spirit at our department. Everyone felt that we were a successful team and that it was fun to work here.

I have also listed the key factors behind our success as follows (Sydänmaanlakka 2002, 189):

- strong commitment to HR matters from the top management
- the clear vision and framework of Human Resource Management helped to define the basic structure and steer our operations

- things were done systematically and persistently; we also tried to measure everything that was possible
- the team enjoyed its work and worked well as a team
- we got a lot of support from Nokia's HR department
- the period 1995-1998 was fairly stable on a Nokia scale.

8. Values and culture

Nokia has four values which should guide everything that is done there. They are customer satisfaction, respect for the individual, achievement and continuous learning. We strongly felt that we ourselves must operate according to these values and support the implementation of these values in the whole company. We discussed about these guiding principles a lot and also assessed our work based on those.

9. Organization

For the whole Nokia organization this period was a good one and, of course, that also had a great impact on our success; without it our success would not be possible. So the wider organization offered a lot of support and possibilities. Especially the company culture and values were crucial.

10. Industry and society

The whole IT-industry was doing well during that time and, of course, that also had a positive impact on our working environment.

As a summary, we can conclude that with the model it is possible to analyze the leadership process in a concrete context. It is also possible to explain to everyone the whole leadership process and the different phases, roles and responsibilities in it. When everyone understands the whole process, we can go forward in the direction of shared leadership.

In this case I learned that the most important thing for success was the need for a clear purpose and vision. When people know why, they will find out what and when. The shared values and culture were also crucial. Then we needed good motivation, good performance management and good team work. As a consequence, good results came in a way automatically. Leadership is like baking, you need the right ingredients and the right temperature in the oven, and then the end result is good bread.

5.5. Summary and conclusions: leadership in an intelligent organization

In this chapter I try to summarize what is new in this intelligent leadership model. First of all, it will be focused for our future knowledge organizations (or even further), which I have named intelligent organizations. An intelligent organization is capable of continuous renewal, able to foresee changes and learn fast. An intelligent organization is not a mechanistic machine, but instead resembles a living organism that can steer its own operations and development. (Sydänmaanlakka 2002).

Intelligent leadership has ten important cornerstones which are:

1. It is both a simple and a comprehensive approach to the leadership process.

2. It is based on a postindustrial paradigm.
3. It is based on a comprehensive concept of man including the professional, physical, mental, social and spiritual condition.
4. It puts individuals in the heart of the organization.
5. It is a universal leadership model by nature, but developed especially for intelligent organizations.
6. It is based on the system theory.
7. Leadership is seen as a shared and collaborative process.
8. Leadership training should be given to both leaders and followers.
9. Leadership has a strong moral dimension.
10. It should help us to solve huge problems we are facing at present at individual, organizational and society level.

I have defined that intelligence means the capability to use different kind of competencies in various domains of body, mind, emotion and spirituality in order to solve problems or create products in a particular cultural setting. Then Intelligent Leadership was defined as a dialogue between leader(s) and followers where they come together in a certain situation in order to achieve a shared vision (purpose) and objectives effectively. This is leadership on its best. But it doesn't actualize easily. It will require very mature leaders and followers, a certain kind of organization and culture. I have tried to summarize some of the new features of intelligent leadership in table 9.

Table 9. Some of the new features of intelligent leadership

TYPE OF ORGANIZATION	Machine	Mechanic	Organic	Dynamic	Intelligent organization
VALUES and CULTURE	Living in the past	Living in the reality	Courage	Ethics	Dreams
PRIMARY NEEDS	Physiological	Safety	Social	Esteem	Self-actualization
INTELLIGENCE USED	Rational	Rational	+ Emotional	+ Emotional	+ Spiritual
COMMUNICATION TYPE	Command	Command	Debate	Discussion	Dialogue
ROLE OF FOLLOWER	Passive follower	Follower	Active follower	Independent Follower	Self-manager
READINESS OF FOLLOWER	Know-how	Motivation	Commitment	Responsibility	Independency
TEAMWORK METHOD	Working individuals	Working group	Team led by supervisor	Partly self-directed team	Self-directed team
TOTAL WELLNESS	Professional condition	Physical condition	Mental condition	Social condition	Spiritual condition
LEADERSHIP STYLE	COMMAND (command, control and correct)	COACH (command, guide and support)	PARTICIPATE (participate, do together and teach)	DELEGATE (delegate, follow and be available)	EMPOWER (empower, give freedom and stay away)

The way from a machine to an intelligent organization is a long one. Organization – or a part of it - can be described as mechanistic, organic or dynamic (Stähle and Grönroos 1999, 65-69). In a mechanistic organization the objective is the total control of operations and the ability to foresee

changes early in advance. In an organic organization the objective is well managed and controlled change by finding the balance between the organization and the environment. The dynamic organization is capable to continuous innovation and rapid renewal from inside. Dynamic organizations are able to survive in turbulence and chaos and even to use it, chaos, as a source of innovation and renewal. These three different kinds of organization types are based on different paradigms. The mechanistic framework has its roots in **Newtonian stable and mechanistic world**. The organic framework is based on the general **system theory by Ludwig von Bertalanffy** and is seeing organizations as living organisms in a rapidly changing environment. The dynamic framework sees the organization as a chaotic network in a turbulent world based on the **chaos theory by Edward Lorenz**. The perspective to an efficient organization has changed during the last century. Each of these perspectives is in a way the right one. We should see that an intelligent organization needs and is able to use all these perspectives in order to be efficient. It has to balance them in a proper way.

The right kind of values and culture are very important. Leadership culture should focus on greatness and go toward it working with four dimensions which are reality, courage, ethics and dreams (applied from Koestembaum 1991). Intelligent leadership should also support individuals to satisfy their self-actualization needs. We should be able to use our creative intelligence which consists of rational, emotional and spiritual intelligence. Dialogue is the typical communication method which enables collective learning and also speed up the learning processes enormously. The followers' role will be active and self-management competencies are expected from everyone. Followers are not doing followership, they are doing leadership and working as temporary leaders every now and then. A mature follower has high competence, motivation, commitment, responsibility and independency. Team work is the main method of working and there are a lot of self-directed teams. Nevertheless, every team has also its official leader, who is ready to take the responsibility, if the team is having a regression period. Spirituality at work means that meaning is searched for at individual, team and organizational level. Spirit means living in depth, living with meaning, purpose, joy and a sense of contributing to the greater community (Fox 1994, 2). If all of these above mentioned features are in place, it is easy to use empowerment as a leadership style. But in intelligent leadership you are able to use also other styles, if needed. You are flexible with these styles and select always the most suitable one.

In a nutshell, intelligent leadership will take place in an intelligent organization, which is mechanistic, organic and dynamic all at the same time. Its main elements are dreams, ethics, self-actualization, community, spirituality (1), dialogue, self-management, responsibility and independency, self-directed teams and empowerment. Intelligent leadership tries to find new approaches to leadership, but at the same time, tries to integrate all valuable and usable findings of earlier approaches. Leadership will take place at individual, team, organizational and society level. Intelligent leadership requires a lot of competence, which is our topic in next chapter.

(1) Spirituality is a topic which is quite difficult to approach with a traditional scientific mind, because we connect that automatically with religion, mysticism or the transcendent. Gardner (1999, 54) suggests that we should first of all separate spiritual concerns (a) that are approached through a traditional or organized means (such as participation in a formal religion) and (b) that are approached in more personal, idiosyncratic or creative manner. Then he proposes three distinct senses of spiritual: 1. spiritual as a concern with cosmic or existential issues, 2. spiritual as an achievement of a state of being and 3. spiritual as an effect on others. This is certainly an area on which we should focus some serious research, because e.g. the issue of spirituality at work would need a lot of clarification.

6. Leadership competencies in intelligent organizations

“The nice thing about this whole new management business (enlightened management) is that from which ever point you start, whether from the point of view of what is best for personal development of people or from what is best for making a profit and turning out good products, the results seem to be almost exactly the same - that which is good for personal development is also good for turning our products and so on, the results seem to be almost exactly the same”

Abraham Maslow

6.1. The working environment of the 21st century leaders

The working environment of leaders has changed a lot during the last twenty years. Exaggerating a little, you could say that to be a leader was **a position** in the beginning of the 80's when nowadays it is **a task**; a very difficult and challenging task. The global world of the twenty-first century will require new leaders with a unique combination of competencies. Marguardt (2000,2) has well summarized the major transformations in the world of work. The eight forces that will dominate the business world of the twenty-first century are:

1. globalization and the global economy
2. computer technology
3. radical transformation of world of work
4. increased power and demands of the customer
5. emergence of knowledge and learning as a company's and country's greatest assets
6. new roles and expectations of workers
7. biotechnology
8. speed of change - moving from a Newtonian world to a quantum world of chaos.

We all are living in a turbulent world where nothing else is certain other than change. The recent terrorist actions in New York (11.9.2001) were once again a new step towards this chaotic world. Turbulence is a state in which the speed and complexity of change surpass our ability to understand change analytically (Ruohotie 1996, 14). Turbulence management requires a new kind of thinking and understanding from leaders; analytical reasoning is not enough, the need for system thinking is increasing.

We should build intelligent organizations which could survive in our turbulent world. In intelligent organizations we would also need many new kind of competencies, but certainly competencies connected to creativeness, innovation, renewal and self-management would be crucial. We would also need new kind of leadership competencies which I try to define in this chapter.

Continuous change also demands a lot from the individuals. Work has become a continuous learning process. Hammer and Champy (1993, 65-80) have analyzed what kind of changes take place at the workplace and in the organization. The following list of ten issues is a summary of changes we face in working organizations:

1. Work units change – from functional departments to process teams
2. Jobs change - from simple tasks to multi-dimensional work
3. The roles of people change – from controlled to empowered
4. Job preparation changes – from training to education
5. The focus of performance and compensation changes – from activity to results
6. Advancement criteria change – from performance to ability
7. Values change – from protective to productive
8. Managers change – from supervisors to coaches
9. Organizational structures change – from hierarchical to flat
10. Executives change – from scorekeepers to leaders.

Thomas H. Davenport has talked a lot about knowledge work, the knowledge worker and how to manage in a knowledge company. Davenport (2001) has described the following changes management may undergo in knowledge companies:

- from overseeing work to doing it too
- from organizing hierarchies to organizing communities
- from imposing work designs and methods to understanding them
- from hiring and firing workers to recruiting and retaining them
- from building manual skills to building knowledge skills
- from evaluating visible job performance to assessing invisible knowledge achievements
- from ignoring culture to building knowledge-friendly culture
- from supporting the bureaucracy to fending it off.

To define a knowledge worker is a difficult task. There are differences within the term: there are knowledge creators and knowledge users. And all of them are active thinkers who must be managed differently than traditional industrial workers. Davenport (2001, 43-44) has stated: “Because knowledge is an invisible asset that resides largely in the minds of human beings, management can no longer be about close observation and monitoring. Because knowledge work can and is done by managers as well as workers, strict separations between worker and manager no longer makes sense.” Also Mahen Tampoe (1993) has developed an interesting model for managing knowledge workers, and Koivula and Teikari (1996) have given a basic definition of knowledge work.

Quinn (1988) has developed an interesting framework in his book “Beyond Rational Management”. It is called the **competing values framework** and there are eight general values that operate in the model (figure 25). There are also four management models behind this framework which are **rational goal, internal process, human relations and open systems model**. These models have emerged in this order during the last century. During the 80’s and 90’s a fifth model emerged which was based on a **both-and perspective**, in which different models could be needed at the same time. According to Quinn et al. (1996, 10) it became clear by the mid-nineties that no one model was sufficient to guide a manager, and it was, in fact, necessary to see each of the four models as elements of a larger model. This competing values framework shows excellently the challenging work environment of today’s leaders.

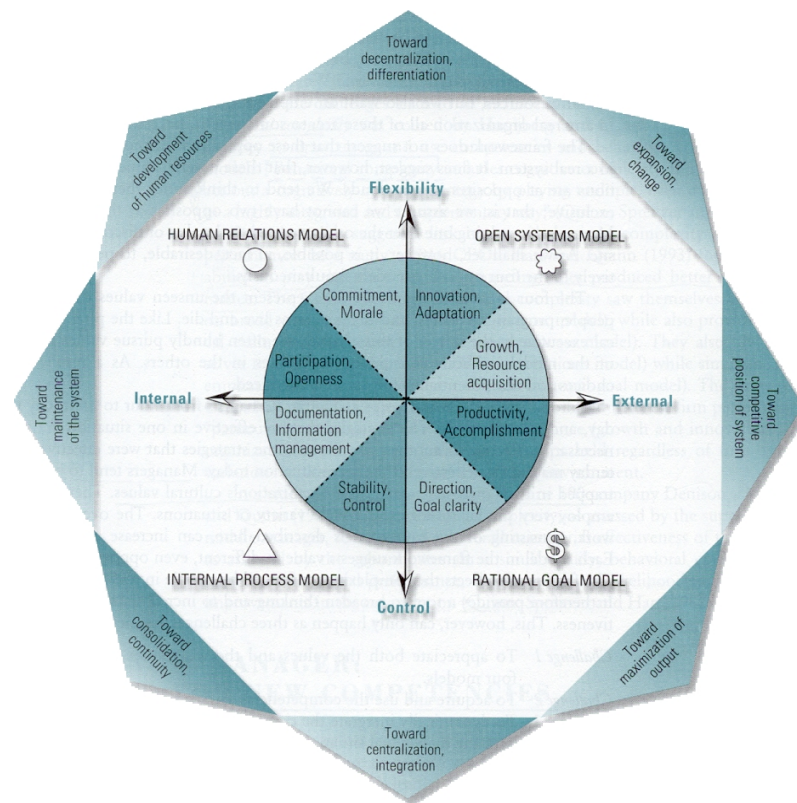


Figure 25. The Competing values framework (Quinn 1988, 48)

Today's leader faces many paradoxes where either-or -decisions are simply not possible. A leader has to be able to make both-and -decisions. I have summarized these typical paradoxes the leader is facing today as follows:

1. be near and take distance
2. lead action and remain in the background
3. trust people and control them
4. be patient and determined
5. see the benefit of the department and the whole company
6. be a visionary and a doer
7. try to get commitment and decide alone
8. act and reflect
9. be self-confident and humble
10. take care of efficiency and well-being.

The life of a leader is full of paradoxes. The better you are in solving and living with these paradoxes the better you are as a leader.

Arthur et al (2002) argue that organizations - to successfully operate in the emerging new environments - must develop core practices that inspire creativity and action and leaders have a

crucial role in this process. The following five practices seem to be the most important (see Jaworski and Schamer 2000):

- observing: seeing reality with fresh eyes
- sensing: tuning in to emerging patterns that inform future possibilities
- presencing: accessing one's inner sources of creativity and will
- envisioning: crystallizing vision and intent
- execution: acting in an instant to capitalize on new opportunities.

Leaders will have to develop and deploy the capacity to sense and seize emerging business opportunities in order to do well in future organizations. The most important tool for leading the 21st century change is the leader's self. "An effective leader will have the capacity to use his or her Self as the vehicle – the blank canvas – for sensing, tuning in to, and bringing into presence that which wants to emerge." (Arthur et al. 2002).

If the working environment of the 21st century leaders is something like the description above, which is an extremely challenging environment, we must ask, do we have that kind of leaders who will survive there and what kind of competencies do they need. We could also challenge our thinking and consider are we looking at leadership from too much of an individualistic perspective and whether we should be moving towards distributed leadership systems.

6.2. The different roles of leaders

The classical description of management work comes from Drucker (1973). He has defined five basic functions of a management job. They are planning, organizing, controlling, motivating and coordinating. This is the basis for many later role definitions.

Leaders have different roles to accomplish. Maybe the best known definition comes from Bennis between a leader and a manager. In his classic "On becoming a leader" (1989, 44-45) he has written about the differences of leaders and managers as follows:

- The manager administers; the leader innovates.
- The manager is a copy; the leader is an original.
- The manager maintains; the leader develops.
- The manager focuses on systems and structure; the leader focuses on people.
- The manager relies on control; the leader inspires trust.
- The manager has a short-range view; the leader has a long-range perspective.
- The manager asks how and when; the leader asks what and why.
- The manager has eye always on the bottom line; the leader has his eye on the horizon.
- The manager imitates; the leader originates.
- The manager accepts the status quo; the leader challenges it.
- The manager is the classic good soldier; the leader is his own person.
- The manager does things right; the leader does the right things.

We used to say that there are too many managers and too few leaders in our organizations, but today we have understood that you have to be **both** a manager **and** a leader in order to be effective.

In my book "An Intelligent Organization" (2000, 221) I have defined four different roles of a leader: She has to be a doer, developer, innovator and visionary at the same time (see figure 26). The doer runs basic management and administration. The developer takes care of the competence and motivation of the employees. The innovator implements change and should be an expert in change management. A visionary is looking for new directions and visions and is an expert of

strategic and visionary management. This division is an applied version of the HR roles model of Ulrich (1997, 24).

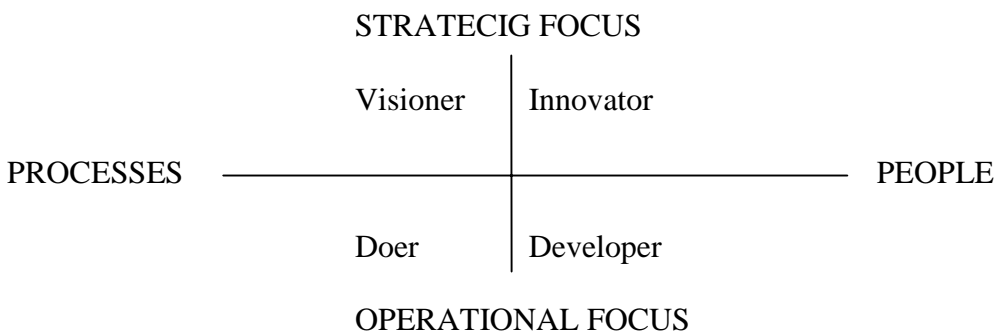


Figure 26. The different roles of a leader

Quinn et al. (1996, 15-19) have also defined eight roles of a leader connected to four management models. These roles are listed in the following:

- Rational Goal Model: The Director and Producer Roles
- Internal Process Model: The Monitor and Coordinator Roles
- Human Relations Model: The Facilitator and Mentor Roles
- Open Systems Model: The Innovator and Broker Roles

As a **director**, a manager is expected to clarify expectations through processes, such as planning and goal setting, to be a decisive initiator who defines problems, selects alternatives, establishes objectives, defines roles and tasks, generates rules and policies, and gives instructions. **Producers** are expected to be task-oriented and work-focused and to have high interest, motivation, energy and personal drive. As a **monitor** a manager is expected to know what is going on in the unit, to see if people are complying with the rules, and to see if the unit is meeting its quotas. The monitor knows all the facts and details and is good at analysis. As a **coordinator** a manager is expected to maintain the structure and flow of the system. The person in this role is expected to be dependable and reliable. The **facilitator** is expected to foster collective effort, build cohesion and teamwork and manage interpersonal conflict. A **mentor** is engaged in the development of people through a caring, empathetic orientation. This might be called the concerned human role. The **innovator** pays attention to the changing environment, identifies important trends, conceptualizes and projects needed changes and tolerates uncertainty and risk. A **broker** is particularly concerned with maintaining external legitimacy and obtaining external resources. The leader has this kind of competing roles which she has to balance in every day work. In every role the leader needs also different kinds of competencies.

6.3. The personal skills map theory and approach

6.3.1. Personal skill map research

This research is very much based on my licentiate's thesis, in which my topic was personal key skills. In the following I will make a short summary of that research and present the key findings of it. The personal skill map method is a positive approach for the self-assessment of skills which are important for our efficiency and well-being. The purpose of personal skill mapping is to produce a concrete map for personal growth and change. With this assessment the person is able to identify his or her own strengths and potential change and development areas. The assessment includes 14 personal key skills.

The purpose of this research was to apply and develop a method for analysing and developing personal key skills. Personal key skills are those general skills which we need to be effective and to create well-being in our normal life. They could be also called efficiency skills. The basis of this research was the Personal Skill Map method. This method was originally developed by Darwin B. Nelson and Gary R. Low as a result of a five-year research project (1976 – 1981). Nelson and Low also set up an institute (Institute for the Development of Human Resources) the purpose of which was to research and further develop the method and to train people to use this method. The method includes the mapping of skills (244 items), results at the skill map (14 skills) and an interpretative guide of the results and a workbook. The personal skill map method is both a tool for self-assessment and a model for personal change and growth (see Nelson & Low 1979, 1980, 1981 and Nelson, Low & Taylor 1981).

In this research I developed a Finnish version of the personal skill map method, made a test analysis and created the Finnish comparison material. The results of different reference groups as well as differences between Finnish and American comparison material have also been examined. A theoretical framework for developing personal key skills was outlined. The research design is presented in figure 28.

The method works very well in practice. More than 6000 people have used it in Finland. It has certainly fulfilled the market –based validation criterion (Kasanen 1986). I have also used it personally with more than 500 managers. Also my personal experiences are positive. It is functioning well e.g. as a part of self-leadership training where you try to define your strengths and development areas.

6.3.2. The skill approach

The background ideas of personal key skills and self-development have been examined in the theoretical part of the research. The concept of the human factor behind skill mapping and the method's relationship to personality testing as well as change and growth in adult age in general have been also examined in this part. It seems that although a lot has been written on self-actualization and self-management, concrete tools or methods for this purpose have been seldom offered. That was the goal of the personal skill map -method. The development and research of this kind of methods was just in the beginning during the 80's in Finland.

The skill framework was mainly based on Singleton's (1978, 1979, 1981 and 1983) ideas. A skill was defined as follows (see Singleton 1983, 294): **A skill is a hypothetical concept which explains why behavior is changed through experiences and learning and why some persons are more effective than others.** Singleton (1981, 27) has also presented his skill theory which is based on the general system theory. In his theory he describes the characteristics of an individual with three features which are **capacity, skills** and **aspirations**. Abilities are a combination of skills and capacity. Interests are a combination of skills and aspirations, whereas traits are a combination of capacity and aspirations. These relationships are shown in figure 29.

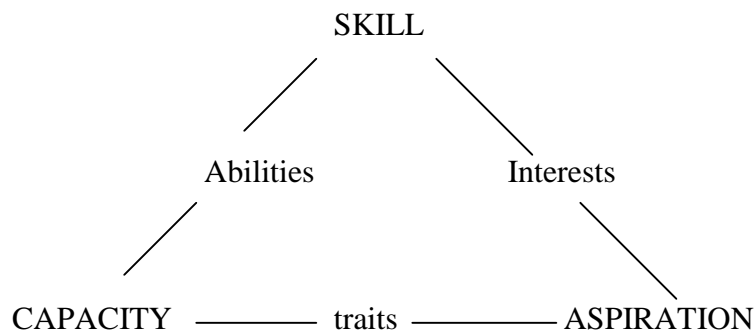


Figure 29. Singleton's (1981) skill theory

These personal key skills are also general efficiency skills. What then is efficiency? In my licentiate thesis I defined efficiency as follows: **Efficiency means that you will achieve your objectives in an optimal way.** Personal efficiency can be seen as an end result of four different skills which are internal skills, interpersonal skills, efficiency skills and wellness skills. The following equation could be used here: internal skills x interpersonal skills x efficiency skills x wellness skills = EFFICIENCY. (Sydänmaanlakka, 2001, 23-24)

A very important concept in this personal skill map research was also the concept of **self-actualization** which was first used by Goldstein (1939, 197). If we look at the behavior of a person

on a psychological health dimension, we will get three fixed points to assess our behaviour, which are presented in table 10 (applied from Dyer 1981, 28).

Table10. The hypothetical psychological dimension of our health

	A α		B α		C α
SITUATION:	psychosis	neurosis	normal	mentally healthy	self-actualization
BEHAVIOR:	panic	paralysis	coping	surviving /managing	full control

The traditional psychological research has usually focused on the area between points A and B. Much less has focused on the area from point B to point C. Maslow has been one of the first ones to study the concept of a “healthy” personality. Maslow (1970, 150) wrote about “a self-actualizing person”, with which he meant the total fulfilment of one’s own potential (see also Maslow 1987, 1998). Rogers (1969, 288) has used the concept “the fully functioning person”. Fromm (1962, 230-231) wrote about “the intrinsic man” and Riesman (1950) “the inner directed person”. Jung (1981) used the concept “individuation” (see also Bennet 1968,133).

Maslow (1970, 153-174) has presented the following list on the characteristics of a self-actualizing person. This list is also a good starting point for defining the key competencies of today’s leaders.

1. more efficient perception of reality and more comfortable relations with it
2. acceptance of self, others and nature
3. spontaneity; simplicity; naturalness
4. problem centering
5. the quality of detachment; the need for privacy
6. autonomy; independence of culture and environment; will; active agents
7. continued freshness of appreciation
8. the mystic experience; the peak experience
9. gemeinschaftsgefühl
10. interpersonal relations
11. the democratic character structure
12. discrimination between means and ends, between good and evil
13. philosophical, harmonious sense of humor
14. creativeness
15. resistance to enculturation; the transcendence of any particular culture
16. the imperfections of self-actualizing people

6.3.3. The test analysis and factors of personal key skills

Three different research groups were gathered in personal skill map research: the coding version (N=454), the self-scoring version (N=496) and the company case (N=45). The whole material includes thus 995 persons. The research material was gathered during 1982 – 1985 and the active research period was between 1985 – 1987. The research was almost completed at the end of the 80's but during the 90's I still collected a lot of important use experiences of the method in management training programs at Kone and Nokia.

The development of the mapping method was one of the main research objectives. The relationships between the items and between the skills (scales) as well as the reliability of the method were studied in the test analysis. According to the results both reliability and validity were high enough (Sydänmaanlakka 2001,112-115). Correctly used, the skills mapping gives a reliable picture of a person's skill level at certain point of time.

Test analysis was used to study the relationships of items and scales and the reliability and internal construct of the method. The personal skill map consists of 14 skills (table 11). There are 11 key skills and three scales which are indicating some kind of problematic behaviour. The amount of items used in each scale is presented in parenthesis.

Table 11. The personal skill map scales

1. Self-esteem	(45)
2. Assertiveness	(18)
3. Interpersonal comfort	(12)
4. Empathy	(12)
5. Drive strength	(25)
6. Decision making	(12)
7. Time management	(12)
8. Sales orientation	(12)
9. Commitment ethic	(12)
10. Stress management	(25)
11. Physical wellness	(20)

12. Interpersonal aggression	(18)
13. Interpersonal deference	(18)
14. Personal change orientation	(12)

The **correlations between scales** were usually high, except the scales describing problematic behavior (aggression, deference and change orientation). The correlations of these scales with other scales were negative, but positive with each other. Self-esteem had the strongest correlations to other key skills. The correlations of empathy were somewhat lower than those of other scales. The correlations of stress management and physical wellness as compared to other scales were clearly lower. Aggression scale's negative correlations to other skills were low, in the same way as its positive correlations to deference and change orientation (see table 12).

Table 12. The correlations of personal skill -scales

A. self-scoring version, N=496

Scales	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Self-esteem	1000													
2. Assertiveness	611	1000												
3. Interp. Comfort	610	533	1000											
4. Empathy	396	321	497	1000										
5. Drive	598	433	412	269	1000									
6. Decision making	610	391	471	322	525	1000								
7. Time management	505	310	391	267	609	523	1000							
8. Sales orientation	604	430	621	425	432	610	388	1000						
9. Commitment	598	425	412	340	616	552	515	482	1000					
10. Stress management	380	262	212	140	249	242	199	181	214	1000				
11. Physical wellness	335	156	183	110	288	259	308	157	295	691	1000			
12. Aggression	-161	-154	-150	-122	-150	-036	-073	-093	-053	-255	-184	1000		
13. Deference	-510	-521	-415	-099	-343	-375	-266	-410	-273	-351	-217	157	1000	
14. Change orientation	-476	-282	-305	-209	-333	-353	-266	-293	-340	-539	-457	201	427	1000

B. coded version, N=455

Scales	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. Self-esteem	1000													
2. Assertiveness	640	1000												
3. Interp. Comfort	725	547	1000											
4. Empathy	447	294	536	1000										
5. Drive	644	496	455	281	1000									
6. Decision making	591	440	473	298	587	1000								
7. Time management	502	370	382	216	593	574	1000							
8. Sales orientation	665	489	692	473	519	615	444	1000						
9. Commitment	591	332	484	346	600	615	519	608	1000					
10. Stress management	407	308	232	178	282	152	248	128	088	1000				
11. Physical wellness	437	291	262	181	356	254	409	190	249	734	1000			
12. Aggression	-150	-212	-088	-179	-138	-013	-040	-000	035	-329	-178	1000		
13. Deference	-605	-561	-496	-103	-417	-420	-318	-444	-255	-365	-302	087	1000	
14. Change orientation	-553	-369	-428	-321	-395	-372	-362	-392	-326	-649	-546	228	452	1000

As a whole eleven key skills did correlate highly positively with each other and we can assume that they will indicate efficient behavior at work and in life generally. The correlations of different scales in five supposed dimensions are shown in picture 29. There are five dimensions which are:

- I. internal skills,
- II. interpersonal skills,
- III. efficiency skills,
- IV. wellness skills and
- V. problematic behavior.

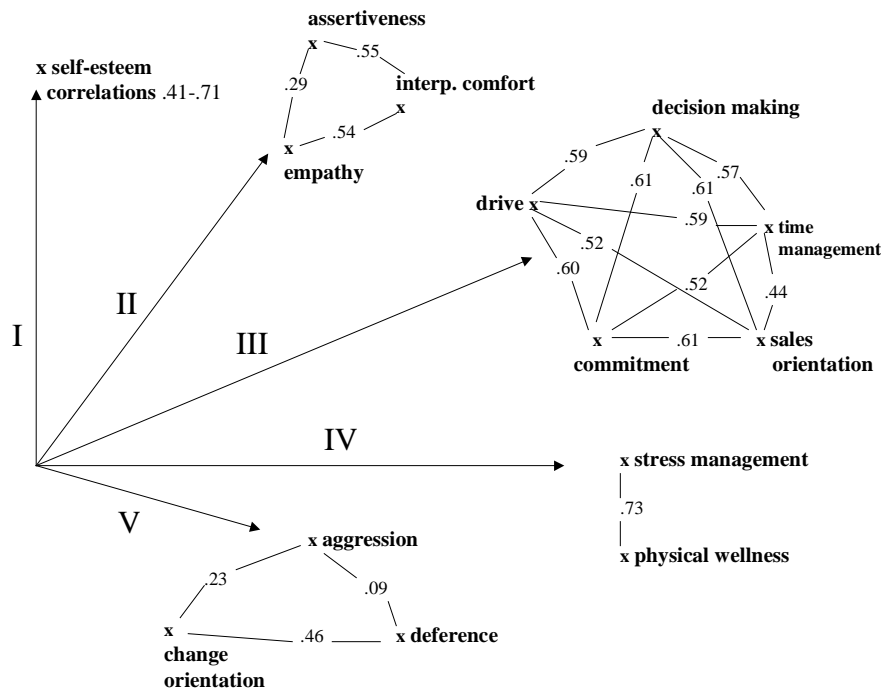


Figure 29. The correlations of different scales (coded version, N=455)

Nelson and Low (1981) have presented that these fourteen skills can be grouped to these five dimensions. However, the results of my research gave also some other possibilities. In my research the **factor analysis** was administrated both with coded and self-scoring versions. The basic results of both analysis were almost identical. Here I describe the result of the self-scoring version (N = 496). By the factor analysis I wanted to clarify the picture on the interrelationships of scales and skill dimensions. It was a question of the so called second level factor analysis, because a scale consists of items measuring the same skill.

The rotation of the factor matrix was done by orthogonal varimax rotation method. The factor solutions were reported from three to six factors. There are different kinds of criteria to name and define the amount of factors (Rummell 1970, 350, Sänkiäho 1974, 15-16). According to Cattell, (1966, 204-207) the following three criteria can be used to define the amount of factors:

1. when the eigenvalues of the last factor goes under 1.0 (Kaiser criterion),
2. scree -test and
3. interpretation.

Three and four factor solutions were possible. Four and three factors' rotated factor matrix is presented in table 13.

Table 13. Three and four factors solutions (self -scoring version, N = 496)

VARIMAX SOLUTION – 3 FACTORS					
	I	II	III	xxxx	
Self-esteem	0.595	0.311	0.499	xxxx	0.699
Assertiveness	0.655	0.216	0.221		0.525
Interp. Comfort	0.710	0.123	0.299		0.608
Empathy	0.471	0.025	0.259		0.290
Drive	0.296	0.185	0.686		0.593
Decision making	0.423	0.141	0.606		0.566
Time management	0.189	0.132	0.716		0.565
Sales orientation	0.639	0.066	0.411		0.581
Commitment	0.315	0.138	0.686		0.589
Stress management	0.102	0.826	0.111		0.707
Physical wellness	-0.063	0.750	0.303		0.659
Aggression	-0.161	-0.301	0.031		0.117
Deference	-0.532	-0.369	-0.120		0.434
Change orientation	-0.264	-0.597	-0.223		0.476
xxxx	2.711	2.082	2.615		7.409
VARIMAX SOLUTION – 4 FACTORS					
	I	II	III	IV	xxxx
Self-esteem	0.461	0.274	0.538	0.354	0.702
Assertiveness	0.609	0.143	0.283	0.289	0.558
Interp. Comfort	0.409	0.121	0.311	0.597	0.635
Empathy	0.036	0.097	0.208	0.667	0.499
Drive	0.234	0.159	0.716	0.132	0.610
Decision making	0.270	0.126	0.628	0.289	0.567
Time management	0.083	0.132	0.723	0.138	0.567
Sales orientation	0.369	0.060	0.427	0.518	0.591
Commitment	0.163	0.136	0.696	0.243	0.589
Stress management	0.156	0.821	0.115	0.039	0.713
Physical wellness	-0.046	0.775	0.277	0.000	0.679
Aggression	-0.131	-0.299	0.032	0.124	0.123
Deference	-0.664	-0.262	-0.210	0.057	0.556
Change orientation	-0.283	-0.571	-0.243	0.107	0.476
xxxx	1.613	1.959	2.804	1.489	7.865

The three-factors solution was the most obvious. All the criteria for defining the number of factors were behind this solution. The first factor was the **interpersonal skills factor** which consisted of the following scales:

- self-esteem 0.595
- assertiveness 0.655
- interpersonal comfort 0.710
- empathy 0.471
- sales orientation 0.639
- interpersonal deference -0.532.

The second factor was the **wellness factor** which included the following scales:

- stress management 0.826
- physical wellness 0.750

- aggression -0.301
- change orientation -0.597

- The third factor was the **efficiency factor** which included the following scales:
- drive 0.686
- decision making 0.606
- time management 0.716
- commitment 0.686

In the solution of four factors self-esteem, assertiveness and deference formed their own factor which was named the security factor. This factor was describing individuals inside and outside security. This factor is very near the N-factor which Eysenck has presented in his three-dimension theory of personality (Eysenck, 1976, 36-43). In the five factors solution aggression was still its own factor. The aggression scale was difficult to put in same dimension with other scales. It measured different kind of issues than any other scale.

After the factor analysis of scales was administrated, some interest to do some **factor analysis at the item level** emerged. The factor analyses of item level were done in the above mentioned three basic dimensions and self-esteem scale. With these factor analyses my objective was to find out whether items really form the assumed dimensions and whether scales differentiate still further to sub-dimensions. The efficiency dimension, interpersonal skills dimension and wellness dimension seemed to be quite clear also at this level. However, this analysis brought into surface two interesting results.

The items of aggression scale were the most difficult ones to put in the same dimension. In this analysis the items were distributed in two separate dimensions. The other factor was loaded with items which described in some way negative aggression. The factor was named "**hostile aggression**". The other factor was named "**pressing aggression**". This kind of pressing aggression could be an acceptable form of aggression which is needed sometimes in order to push things forward (Sydänmaanlakka 2001, 106-107).

The other interesting research finding was connected to the self-esteem scale which has altogether 45 items. Factor analyses were reported from two to ten factors. The analyses ended to the five factor solution (Sydänmaanlakka 2001, 101-104). Different items mirror the self-esteem or self-confidence from different angles and actually five factors were formed in the factor analysis:

- internal confidence (I trust in myself)
- extraversion (self-confidence in social relationships)
- acceptance (to accept yourself and others as they are)
- positive attitude
- dominance (power of will and leadership).

The first factor was named **internal self-esteem factor** (eigenvalue 3.631). 16 items loaded on their highest on this factor. It describes one's basic trust in oneself and one's own possibilities. The item "I trust myself and get well along with myself" had the highest loading on this dimension (0.714). This factor could also be named as the "ego strenght" factor. The other items which had a high loading (>.50) were the following items:

- I trust myself. (0.656)
- I'm not afraid to be myself. (0.510)
- I'm able to be my true self and take the consequences. (0.519)

The second factor was named **extraversion factor** (eigenvalue 3.002), because the items loaded on it are describing self-confidence in different kind of social settings. 10 items were loaded high on this factor. The highest loading was the item “I’m able to make friends easily” (0.604). The most describing item was “I’m open, honest and unreserved” (0.544).

The third factor was named **acceptance factor** (eigenvalue 1.458). Only five items loaded high on this dimension. Typical of this factor was some kind of acceptance of oneself and others as they are. The highest was loaded the following item: “I can easily accept others as they are” (0.420).

The fourth factor was named **dominance factor** (eigenvalue 2.279). Nine items loaded high on it. This factor represents power of will and leadership; belief in your own possibilities and ability to grow and change. The highest loading on this factor had the item “If I would be given a change, I would be a good leader” (0.521).

The fifth factor was named **positive attitude factor** (eigenvalue 1.873). Seven items were loading high on this factor. Typical of this dimension was a positive attitude towards different things. A typical item for this dimension was “I experience new things and variation in my everyday duties” (0.607). Because the role of self-esteem is so important for the growth and development of an individual, it is essential to be able to clarify this skill and analyse the components of it. Then it is easier to develop it further. I have used these five dimensions when defining the competence area of self-confidence.

6.3.4 Conclusions

To summarize the main results of this study, some key conclusions connected to assessing the key competencies of leadership can be stated. Firstly, developing the items for a self-assessment tool is a very difficult and time consuming process including many phases (Sydänmaanlakka 2001, 41-46). Secondly, because these personal key skills correlate very highly with each other, the skill areas can be little overlapping. From the practical point of view, this is not a problem but if we try to build a sound theory and measurements, it can be problematic.

I ended up with a four-dimension model in my research. They are self-esteem, interpersonal, efficiency and wellness dimensions. Based on these dimensions I have developed “The skill tree of life” (see figure 30) which in one picture tries to summarize the key results of this personal key skills study.

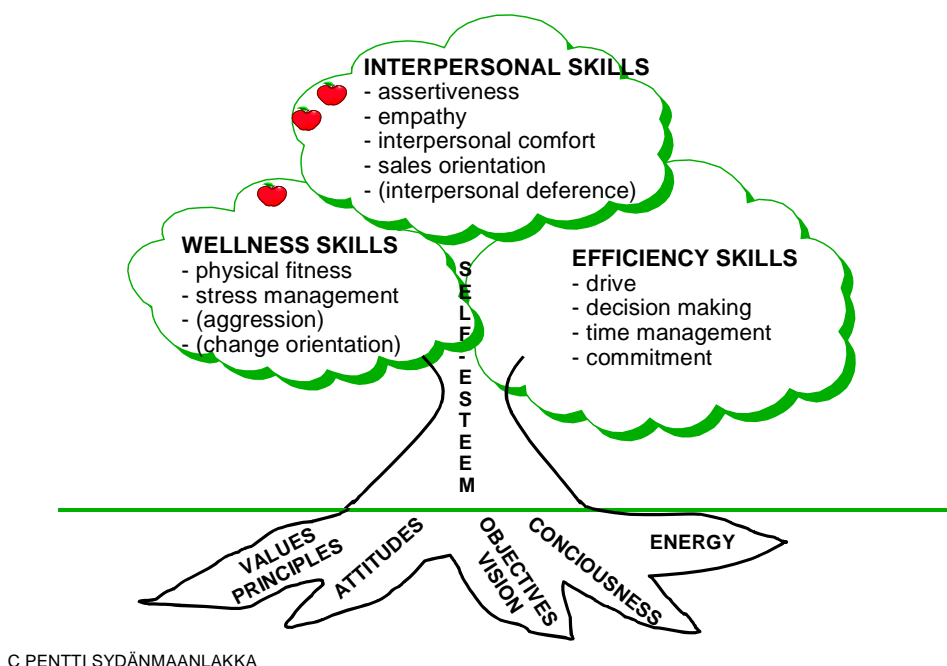


Figure 30. The skill tree of life

Self-esteem is its own dimension in this model. There are two reasons for that. Firstly, it is correlated highly to all other skills. Secondly, it seems to have a very important role when developing other skills. You should have enough good self-esteem which enables the development of other skills. That is the reason why self-esteem is the trunk in this tree model. The roots of the tree are our personality, attitudes and traits which affect how we are behaving. This skill tree of life has also functioned very well in practice when I have trained people in personal key skills. This skill tree is also a basis for the competence tree of a leader.

This personal skill map research is very important methodological background for the competence part of my research. Although I have not been able to include the statistical results in detail in this volume, they have very strongly guided my work and are documented in my licentiate research (Sydänmaanlakka 2001). All the results from the test analysis, comparison group analysis, background variable analysis, factor analysis and analysis about reliability and validity of the personal skill map method have been used in this research when developing the self-assessment tool of leadership competencies.

The personal skill map method is mainly based on psychodynamic, humanistic and behavioristic approaches. Goldstein (1981, 35) has defined that as a psychological skill training approach. From skill training we have to move to competence development and also try to apply new theories of learning. In the next chapter I try to find out what the new competence movement has to offer for this purpose.

6.4. The competence model as an approach

6.4.1. The definition of competence

One of the main focus areas of this research is to examine the key competencies which leaders need in various roles to be efficient. In 1973 David C. McClelland published a paper “Testing the Competence Rather Than Intelligence” which has been credited for launching the competency movement in psychology. He started then the competency work that has been done during the 70’s and 80’s by many of his colleagues from McBer and Company. They have done several hundred research studies in this field (Spencer & Spencer 1993).

One of those colleagues is Richard Boyatzis, who published in 1982 his book “The Competent Manager”. Boyatzis (1982, 12) presented an interesting definition about effective performance.

Effective performance of a job is the attainment of specific results (i.e. outcomes) required by the job through specific actions while maintaining or being consistent with policies, procedures and conditions of the organizational environment. Effective job performance depends on three components. There must be good fit with individual competencies, the job’s demands and the organizational environment. With this model it is easy to explain, why a certain leader is not necessarily competent in another organizational environment. Boyatzis (1982, 21) defined that “**A job competency is an underlying characteristic of a person which results in effective and/or superior performance in a job**”. An underlying characteristic can be a motive, trait, skill, aspect of one’s self-image, social role or a body of knowledge. The possession of these characteristics may or may not be known to the person.

Spencer and Spencer (1993, 9) have defined competency as follows: “**A competency is an underlying characteristic of an individual that is causally related to criterion-referenced effective and/or superior performance in a job or situation**”. Competencies are underlying characteristics of people and indicate ways of behaving or thinking in different situations. According to Spencer and Spencer, there are five types of competency characteristics: motives, traits, self-concept, knowledge and skill.

During the 90’s the competency movement moved from psychology to training and development and to the field of strategy management. Hamel and Prahalad published in 1995 their book “Competing for the future”, in which they introduced the core competence concept. Core competence is something that the organization owns: it is in fact the cumulative competence of the organization. Based on these ideas competence management as a separate process was developed during the second half of the 90’s (Sydänmaanlakka, 2000).

Quinn et al. (1996, 24) have defined their competency concept as follows. **A competency suggests both the possession of knowledge and the behavioral capacity to act appropriately.** So to develop competencies you must be both introduced to knowledge and have the opportunity to practice your skills. They also have introduced an interesting concept **behavioral complexity**. “Behavioral complexity includes cognitive complexity and is the ability to act out a cognitively complex strategy by playing multiple, even competing, roles in a highly integrated and complementary way”. According to Quinn et al. (1996, 15) several studies suggest a link between behavior complexity and effective performance. Behavior complexity is ability for “both-and” –

thinking, which is exactly what is needed in the changing work environment that I have described before.

In this research competence is defined as follows:

Competence consists of knowledge, skills, attitudes, experiences and contacts that enable good performance in certain situations.

There are a few key points inside this definition:

- Knowledge, skills, attitudes, experiences and contacts are elements of a competence. Knowledge is only one element of competence. Earlier we commonly talked about leadership skills, but it is important to notice that this competence concept is much wider. Attitude is an important element of competence including e.g. the motivation to use one's skills. Also experience is crucial. Many competencies need a wide experience-background before they can really develop. This is especially true when it concerns leadership competencies. Also contacts are important elements of our competencies. Building networks is important for a leader.
- Competence is manifested through concrete actions, in the ability to act effectively in a certain situation. To put your competence into action is important. There is a big difference between knowing, understanding and applying. Only when you are able to apply something in practice, you do own a certain competence.
- Competence is the output of a learning process. Competence is not a part of your personality or personal trait. Competence is something that humans can train and develop.
- Some of the competencies can be unconscious. The person doesn't necessary always know that she possesses a certain competence.

This competence definition is illustrated in table 14. In practice competence is seen as an ability to act and apply knowledge, skills, attitudes and experiences. An ability means that you can put your competence into action. A good competence leads to high performance which leads to excellent outcomes. Competence must always be seen in relation to outputs.

Table 14. The illustration of the competence definition

COMPETENCE	PERFORMANCE	OUTCOME
<ul style="list-style-type: none"> - Knowledge - Skills - Attitudes - Experiences - Contacts 	<ul style="list-style-type: none"> - ability to act in a certain situation 	<ul style="list-style-type: none"> - an optimal outcome in this situation

We can take an example of the logic of the competence definition. Lets take the competence of empathy and its one operationalization which is the ability to listen. The competence of empathy consists of the following aspects:

- to know that listening is an important skill for a superior

- to be able to listen actively and without interrupting
- to respect the subordinates
- to have personally experienced the effects of active listening
- to try and keep good contacts with all subordinates.

The actual performance, which is based on these aspects, is that the person is interested in and is listening to his/her subordinates in a motivating way. The outcome of this performance is a satisfied and motivated subordinate who feels that he/she is getting enough time and respect from his/her superior. Every competence and subcompetence could be managed in this way.

I have also tried to analyze the relationship between competence and personality. The conclusion of that analysis is illustrated in figure 27. What is easy to see on the surface is easy to develop. What is at the core of this model is hidden and difficult to change. In the middle there is our core-self which is our individual self. Personality including traits, motives and values constitutes our learned-self. Our self-concept is our attitude towards our self which creates our self-image. The self-concept is crucial for developing our competencies. And self-confidence is vital in order to develop our competencies. This was one of the main findings in my licentiate research (Sydänmaanlakka 2001). The personality theory behind this model is based on the ideas of Dunderfelt (1990, 102, and 2001, 51), Jung (1981), Maslow (1970, 1987 and 1998), Rauhala (1983, 1992), and Rogers (1969).

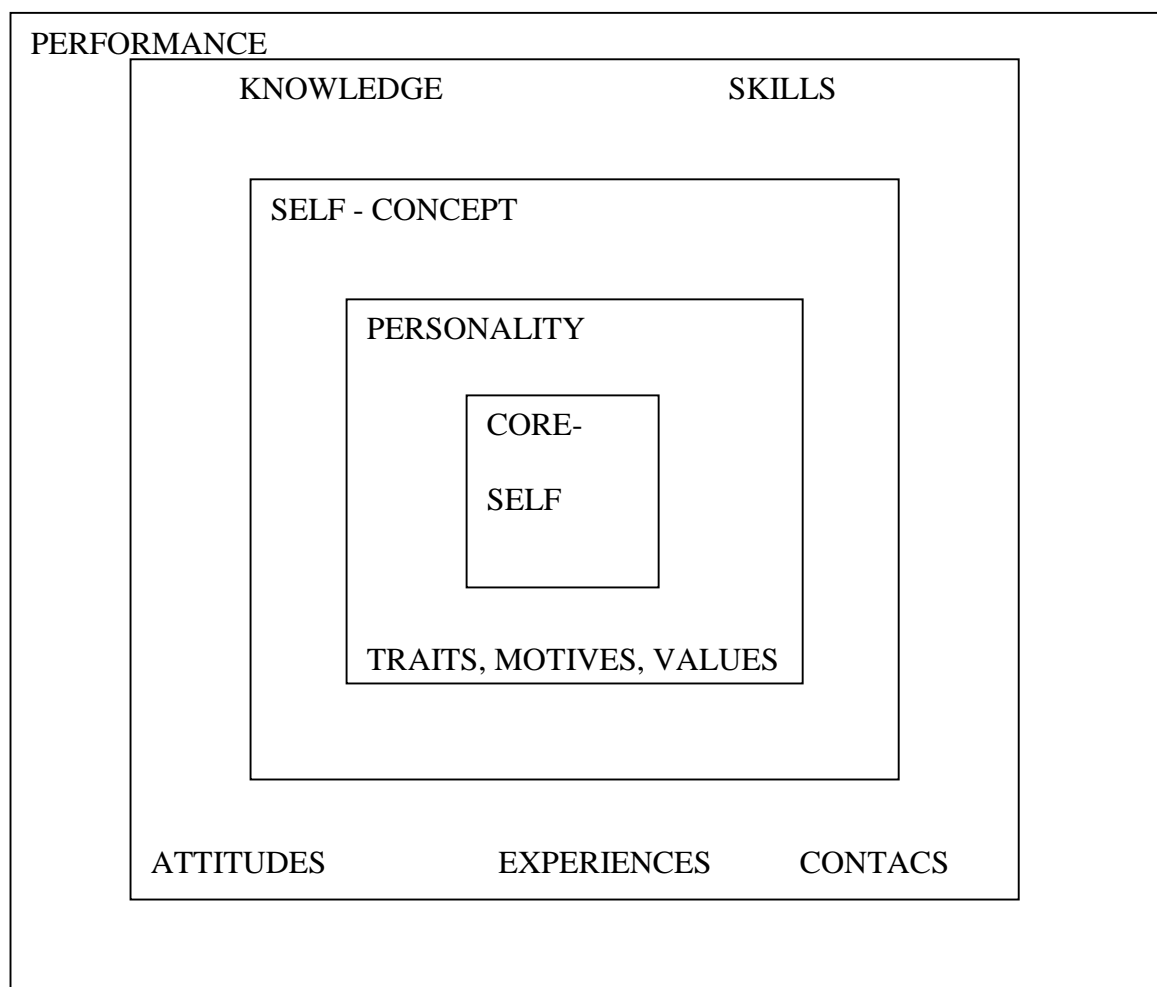


Figure 27. How personality relates to competencies

6.4.2. The development of competencies and personality

Life stages are one interesting perspective to the development of competencies and personality. The pioneers in this area are Jung (1934), Erikson (1968), Neugarten (1968) and Lidz (1976). A specialized field called “life-span developmental psychology” emerged during the sixties. Loevinger (1976) has said that the individual’s action depends a lot on the individual’s development level; that is his/her capability to understand and manage the information coming from his/her environment. That is the reason, why people in different life-spans learn in different ways. Levinson (1978, 1996) has presented perhaps the most well-known theory about the development phases of an individual. The other leading contributor in this area has been Roger Gould (1978).

Edgar Schein has tried to combine the individual development phases and careers in organizations. Schein (1978) has outlined five different career anchors, five different professional identities that emerge from the years of launching the career. A career anchor is a professional self-concept which progressively comes to anchor the person to a particular type of job or a certain career path. This anchor is a collection of self-perceived talents and abilities, motives and needs, attitudes and values. These career anchors are technical competence, managerial competence, creativity, autonomy and security.

Schein (1978, 134 – 138) sees the core of the managerial anchor as being a combination of three types of competence. The first one is **analytic competence**: the ability to identify, analyze and solve problems under conditions of incomplete information and uncertainty. And some way also the liking for such problem solving situations. The second is **interpersonal competence**: the ability to influence, supervise, lead, manipulate and control people at all levels of the organization toward the more effective achievement of organizational goals. The third competence is **emotional competence**: the capacity to be stimulated by emotional and interpersonal crises rather than being exhausted or debilitated by them. This also means the capacity to bear high level responsibility without becoming paralyzed and the ability to exercise power without guilt or shame. It is the combination of these three competences – analytical, interpersonal and emotional – what is asked of an effective leader.

Later Schein (1990) has redefined the career anchors and now they include the following eight anchors: technical / functional competence, general managerial competence, autonomy / independence, security / stability, entrepreneurial creativity, service / dedication to a course, pure challenge and lifestyle.

6.4.3. The earlier attempts to define leadership competencies

The skill tree of life is one starting point in the search for important competencies of a leader. There were 11 actual skills which were important to all of us. Boyatzis (1983, 26) has the following list of 21 characteristics which are important for a manager. They are listed here in alphabetical order: (1) accurate self-assessment; (2) conceptualization; (3) concern with close relationships; (4) concern with impact; (5) developing others, (6), diagnostic use of concepts: (7) efficiency orientation; (8) logical thought; (9) managing group process; (10) memory; (11) perceptual objectivity; (12) positive regard; (13) pro-activity; (14) self-confidence; (15) self-control; (16) specialized knowledge; (17) spontaneity; (18) stamina and adaptability (19) use of oral presentations; (20) use of socialized power; and (21) use of unilateral power. Boyatzis has developed an integrated competency model which is shown in figure 32.

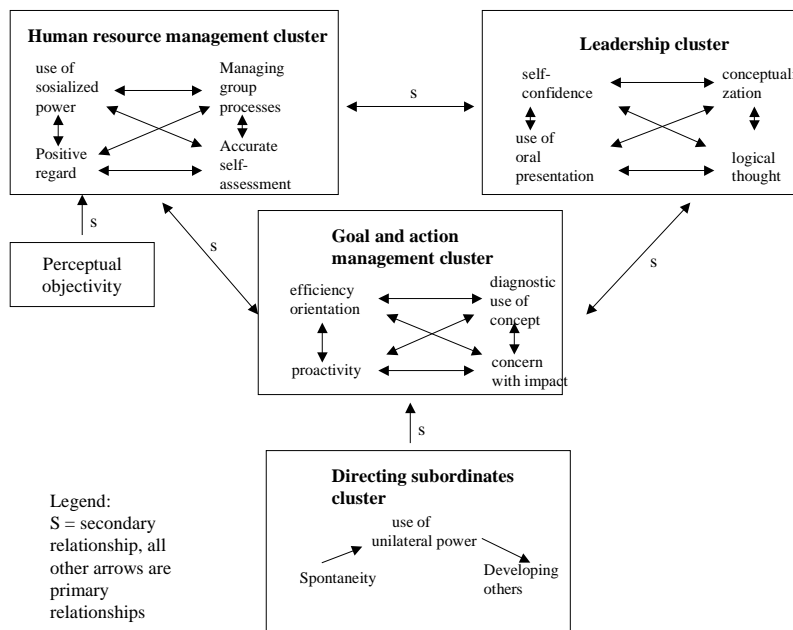


Figure 32. An integrated model of management competencies at the skill level (Boyatzis 1983, 194)

Stephen R. Covey (1990, 33-39) has defined eight characteristics of effective leaders. These traits also characterize principle-centered leaders:

- they are continually learning
- they are service-oriented
- they radiate positive energy
- they believe in other people
- they see life as an adventure

- they are synergistic
- they exercise for self-renewal.

We should keep these traits in mind, when we define the doing and being of an effective leader.

Covey (1989) has also defined seven habits of highly effective people in his bestseller book the subtitle of which is powerful lessons in personal change. The seven habits are

1. be proactive
2. begin with the end in mind
3. put first things first
4. think win/win
5. seek first to understand ... then to be understood
6. synergize
7. sharpen the saw.

Covey has very concretely defined and explained these habits. Covey (1989, 47) defines a habit as the intersection of knowledge, skill and desire: "Knowledge is the theoretical paradigm, the what to do and the why. Skill is the how to do. And desire is the motivation, the want to do. In order to make something a habit in our lives, we have to have all three". Effective leaders need good habits. Aristotle has said: "We are what we repeatedly do. Excellence, then, is not an act, but a habit."

Peter Senge (1990) has defined the five disciplines for a learning organization: system thinking, personal mastery, mental models, building shared vision and team learning. Senge states that these five disciplines of the learning organization "might just as well be called the leadership disciplines as the learning disciplines". He has written in his book *The Fifth Discipline*: "*These disciplines span the range of conceptual, interpersonal and creative capacities vital to leadership. But most of all, they underscore the deeply personal nature of leadership. It is impossible to reduce natural leadership to a set of skills or competencies. Ultimately, people follow people who believe in something and have abilities to achieve results in the service of those beliefs.*"

Spencer and Spencer (1993) have defined an interesting list of competencies in their classic book "Competence at work; models for superior performance". They have defined 20 different competencies, which belong to five clusters as follows:

ACHIEVEMENT AND ACTION

1. achievement orientation
2. concern for order, quality and accuracy
3. initiative
4. information seeking

HELPING AND HUMAN SERVICE

5. interpersonal understanding
6. customer service orientation

IMPACT AND INFLUENCE

7. impact and influence
8. organizational awareness
9. relationship building

MANAGERIAL

10. developing others
11. directiveness: assertiveness
12. teamwork and cooperation
13. team lead

COGNITIVE

14. analytical thinking
15. conceptual thinking

16. technical/professional/managerial expertise

PERSONAL EFFECTIVENESS

17. self-control

18. self-confidence

19. flexibility

20. organizational commitment

Spencer and Spencer have also presented well the McClelland/McBer job competency assessment (JCA) methodology and summarized the 20 years of research using this methodology. The book includes the McBer competency dictionary and findings from 286 studies of entrepreneurial, technical and professional, sales, human service and managerial jobs from industry, government, military, health care, education and religious organizations.

Quinn et al. (1996, 16) have also defined three competencies for each leadership role in their competing values framework. There are altogether 24 competencies which are shown in table 15.

Table 15. The eight managerial roles and their key competencies (Quinn et al. 1996,23)

Mentor role	<ol style="list-style-type: none"> 1. Understanding self and others 2. Communicating effectively 3. Developing subordinates
Facilitator role	<ol style="list-style-type: none"> 1. Building teams 2. Using participative decision making 3. Managing conflict
Monitor role	<ol style="list-style-type: none"> 1. Monitoring individual performance 2. Managing collective performance 3. Managing organizational performance
Coordinator role	<ol style="list-style-type: none"> 1. Managing projects 2. Designing work 3. Managing across functions
Director role	<ol style="list-style-type: none"> 1. Visioning, planning and goal setting 2. Designing and organizing 3. Delegating effectively
Producer role	<ol style="list-style-type: none"> 1. Working productively 2. Fostering a productive work environment 3. Managing time and stress
Broker role	<ol style="list-style-type: none"> 1. Building and maintaining a power base 2. Negotiating agreement and commitment 3. Presenting ideas
Innovator role	<ol style="list-style-type: none"> 1. Living with change 2. Thinking creatively 3. Creating change

This definition work was done by using a group of experts during the 80's (Faerman, Quinn and Thompson, 1987). Over 250 competencies were identified and given to this group. Their task was to

identify the most important competencies in each of the eight roles. The researchers see that these competencies are highly consistent with the following literature: Ghiselli, 1963, Livingston, 1971, Miner, 1973, Katz, 1974, Mintzberg, 1975, Flanders, 1981, Yukl, 1981, Boyatzis, 1982, Luthans and Lockwood, 1984, Bigelow, 1991, Hart and Quinn, 1993, Whetten and Cameron 1994.

Quinn's competency framework is extremely interesting because it is based on the competing values model which suggests the following

- to use multiple mindsets in viewing the organizational world (rational goal, internal process, human relations, open systems models and "both-and" thinking)
- to learn to use competencies associated with all four models
- to integrate the diverse competencies in confronting the world of action which means that you are behaviorally complex and in this way effective.

In addition to this they have introduced their ALAPA model in presenting these competencies which is an instructional-development approach. This model has five components: Assessment, Learning, Analysis, Practice and Application (Quinn et al 1996).

Marquardt and Berger (2000, 17-18) have defined the following eight competencies for the twenty first century global leader:

1. global mindset and competencies
2. teacher, coach, mentor and model learner
3. servant and steward
4. system thinker and polychronic coordination
5. spirituality and concern for ethics
6. technologist
7. innovator and risk taker
8. visionary and vision-builder.

In their book they have analyzed 12 present top leaders according to these competencies. These leaders include among others Jorma Ollila and Kofi Annan.

Also Manfred Kets de Vries (Laatuviesti 2001/1) has analysed the features of really global leaders. Features typical of them are among others:

- strong interest in and understanding of policy, economics and culture of different countries
- excellent interpersonal skills
- strong hold of her/his own and her/his company's life and routine
- patience and ability to cope with frustration and insecurity
- a sense of relativism concerning the surrounding culture and her/himself
- curiosity and willingness to learn from own mistakes.

Ket de Vries thinks that women have better possibilities to succeed as leaders in the future. He is also pointing out that many successful and global male business leaders have a lot of feministic features like open communication, humbleness and appreciation of total quality of life.

John C. Maxwell (1998, 1999) has also put together an interesting list of competencies. He calls them the 21 indispensable qualities of a leader or the laws of leadership. He thinks that these true principles of leadership are constant and they

- can be learned
- can stand alone
- carry consequences with them and
- are the foundation of leadership.

This is also an interesting list of attributes that is used as a basis of my research. The 21 personal characteristics are listed in an alphabetical order as follows: character, charisma, commitment,

communication, competence, courage, discernment, focus, generosity, initiative, listening, passion, positive attitude, problem-solving, relationships, responsibility, security, self-discipline, servanthood, teachability, vision. The list is some kind of a mixture of competencies and personal traits and not very scientific but valuable nevertheless. Maxwell thinks that people have to develop these characteristics from the inside out and when you are applying these, people will follow you.

Terry D. Anderson (1998) has proposed the division of leadership skills in five areas in his book “Transforming leadership”. The first one is personal mastery in which the importance of clarity of beliefs and purpose of life is important. The second area is interpersonal communication through which the leader builds relationships with others. The third is counselling others on how to manage problems. The fourth is consulting the team and organizational development. There are 12 skills in each of these four areas. The fifth area is versatility in terms of being able to shift styles, roles and skills according to the situation at hand. This area has eight skills and so altogether there are 56 skills, which is little overwhelming.

Kevin Cashman (1998) has defined leadership as “authentic self expression that creates value” in his book “Leadership from the inside out”. The book centers around seven pathways to mastery which are

- personal mastery; leading through authentic self-expression
- purpose mastery; leading by expressing our gifts to create value
- change mastery; leading in the flow
- interpersonal mastery; leading through synergy
- being mastery; leading through being
- balance mastery; leading by centering our life
- action mastery; leading as a whole person.

The seven pathways are an interrelated growth process that leads to being more effective from within. If leaders are to be successful, they must first learn to lead themselves. Cashman (1998, 18) has stated that “many people tend to split off the act of leadership from the person. We tend to view leadership as an external event. We see it only as something people do. The view of this book is different. Leadership is not simply something we do. It comes from somewhere inside us. Leadership is a process, an intimate expression of who we are. **It is our being in action**” (author’s emphasis). Cashman has done an excellent job in underlining the importance of being and not only doing in the leadership arena.

Jim Collins (2001, 20) has presented “Level 5 Executive” in his new book “Good to Great”. Level 5 leaders build enduring greatness through paradoxical blend of personal humility and professional will. “Self-effacing, quiet, reserved, even shy – these leaders are a paradoxical blend of personal humility and professional will. They are more like Lincoln and Socrates than Patton or Caesar” (Collins, 2002, 12-13). Maybe this kind of humbleness is one new competence of a future leader.

Goleman, Boyatzis and McKee (2002, 39) have defined emotional intelligence domains and associated competencies in their new book “Primal Leadership”. They separate personal competence and social competence. **PERSONAL COMPETENCE** is divided into **self-awareness** (emotional self-awareness, accurate self-assessment and self-confidence) and **self-management** (emotional self-control, transparency, adaptability, achievement, initiative and optimism). **SOCIAL COMPETENCE** is divided into **social awareness** (empathy, organizational awareness and service) and **relationship management** (inspirational leadership, influence, developing others, change catalyst, conflict management and teamwork and collaboration). Altogether there are 18 different kinds of competencies in emotional intelligence.

We can also take three on examples how different companies are assessing their leadership competencies. The first one comes from Nokia. There they are using **Nokia management and leadership assessment tool** where there are 16 different dimensions. Value-based leadership dimensions are: speed and timing, openness, integrity, teamwork, humbleness, accountability and responsibility, empowerment and trust, and dealing with ambiguity. The fact-based management dimensions are, business know-how, strategy implementation, planning and organizing, process management, risk management, review and recognition, change management, and quality. The **Ahlstrom Leadership profile** consists of five areas and altogether 20 dimensions and is shown in figure 33. The third example comes from International Telecommunications Union (ITU) which is a UN agency and the main international government body of global telecommunications. ITU's competency model (see figure 34) includes seven groups with total 27 competencies (Santalainen 1999). There the areas of serving and mastering are rather new ones and certainly something that is needed in our future, intelligent organizations.

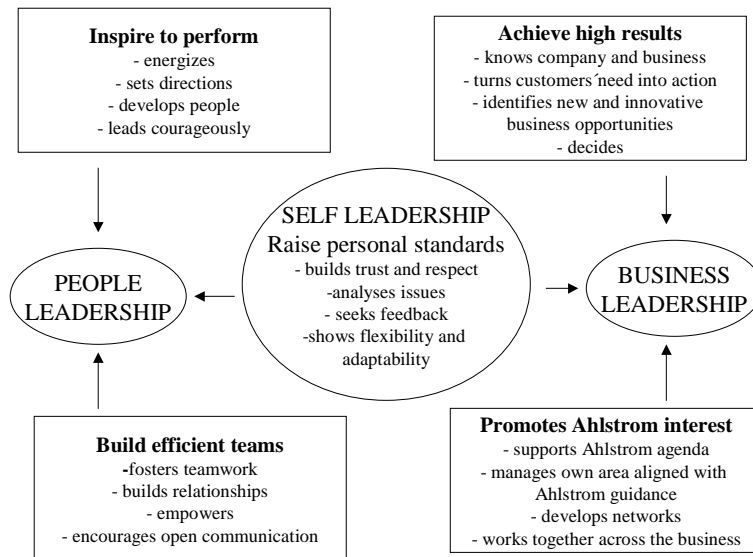


Figure 33. Ahlstrom leadership profile

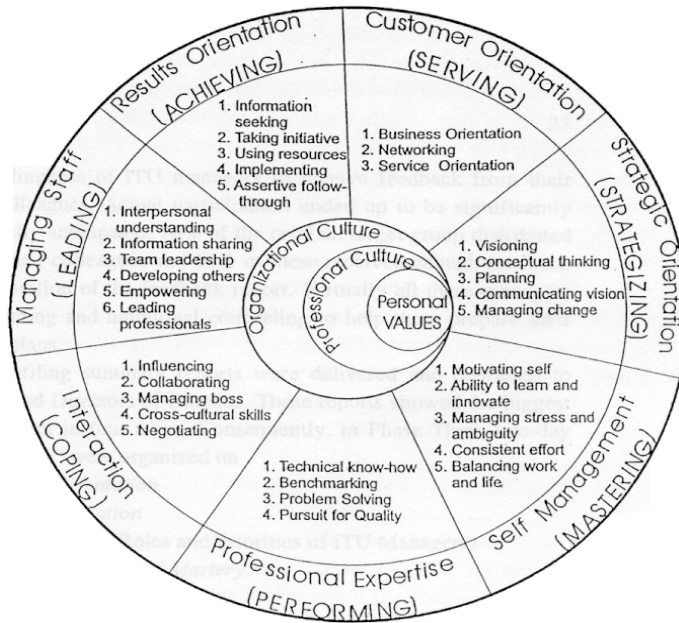


Figure 34. The competency model of International Telecommunications Union (Santalainen 1999)

6.5. The competence tree of a leader

6.5.1. The competence areas

We have seen in the previous chapter that there are several ways of grouping the competencies of a leader (e.g. Boyatzis 1982, Spencer and Spencer 1993, Quinn et al.1996). I'm using all the lessons learned from these earlier approaches, but my own grouping is based mainly on the results of my licentiate research (Sydänmaanlakka 2001) in which I found four different areas which were

- interpersonal competencies
- efficiency competencies
- well-being competencies and
- self-confidence.

To these I have added professional competencies and leadership (managerial) competencies. So we have altogether six competence areas. It is important to notice that these areas are partly overlapping. I believe these areas comprehensively cover the whole spectrum of leadership competencies.

What then are the most important single competencies of a leader? Here, once again, I took most of them from my personal skill map research. The following eleven competencies emerge from that research: assertiveness, empathy, sales orientation, openness (interpersonal comfort), achievement (commitment), decision-making, drive, time management, physical fitness, stress management and self-confidence. I know that these competencies are important in theory and in practise based on my own long experiences in training them.

The other starting point was the total well-being assessment tool which I have developed and used a lot. This tool consists of five areas which are

- professional condition
- physical condition
- mental condition
- social condition and
- spiritual condition.

Professional condition means that I have clear objectives in my work, reasonable competence, that I get feedback concerning my performance and that I develop myself continuously. Physical condition means that I eat, exercise, sleep and rest enough, but not too much. Mental condition means that I am energetic, curious, fast in making decisions and learning new things. Social condition means that I can take care of my relationships, my children, my parents, my hobbies etc. Spiritual condition, again means that the purpose and values of my life are crystal clear to me. I have clear objectives and enough spiritual stimuli steering my life. Social condition comes quite near what Daniel Coleman (1995) means with emotional intelligence. Spiritual condition is probably the oddest area at the moment. However, its importance is increasing and many scientists are working with this topic. Howard Gardner (1999) is considering it as a new kind of intelligence in his multiple intelligence theory. Mathew Fox (1994) has analyzed thoroughly the meaning of spirituality at work. Zohar and Marshall (2000) have also illustrated the spiritual condition in their book "Spiritual Intelligence: The Ultimate Intelligence". Other areas of total well-being are quite familiar and self-evident. I have developed a self-assessment tool for total well-being consisting of 50 items altogether. These are also included in this leadership assessment tool.

In addition to those, the whole area of leadership competence now consists of five competencies: visioning, achievement, empowerment, team management, teaching and change management. Teaching competence is maybe the newest thing here, and it has been becoming popular during the last years by Noel M. Tichy (1997). Tichy has explained quite well the content of this teaching competence in his book "The Leadership Engine". In practice, this means that the top management themselves devote a lot of time in teaching other managers about leadership. The most famous example of this kind of a person is Jack Welsh from GE.

To the interpersonal competence area I have also added two new competencies, which are communication and networking. Good communication is surely one of the key competence for a leader. Networking – to create a good internal and external network - is becoming more and more important. Speed of change demands good contacts as a part of your competence.

To the efficiency competence area I have also added three competencies, which are perception, analytical thinking and renewal. There are altogether 26 different competencies. The list is rather comprehensive and long, but it is very difficult to take away any of those. In the following I have briefly defined every one of those key competencies. (In the list when I'm using the female she – form, I always automatically mean the male he -form at the same time.)

PROFESSIONAL COMPETENCE

Professional competence means that a person is working in a job where she finds fulfilment to the maximum extent possible. She is motivated, she has clear objectives and enough competence, gets feedback and feels that she has challenging tasks and can develop herself continuously.

INTERPERSONAL COMPETENCE

Assertiveness

This competence describes a person's ability to communicate positively in stressful situations; express openly and honestly her thoughts and feelings to others in a way that also takes into consideration the thoughts and feelings of others.

Empathy

This competence means that you are able to understand another person's thoughts, feelings and behaviour, to place yourself to her position and see things from her point of view.

Communication

This competence means that you are able to communicate efficiently (including body language); you can communicate clearly, precisely, consistently and with many channels.

Sales orientation (persuasion)

This competence describes a person's ability to affect others positively and efficiently. It describes, how confident and assertive you are in relationships in which you try to affect others.

Openness

Openness means that you receive and give feedback continuously and you are open to new ideas. You don't play any roles, but you are genuine and others feel it.

Networking (Relationship building)

This competence means the ability to continuously build and maintain friendly contacts and networks with people which can someday be useful in your work.

LEADERSHIP COMPETENCE

Visioning

This competence means the ability to formulate impressive visions, communicate and implement them.

Achievement

This competence means the ability to work effectively and always try your best. Person has a high achievement orientation and tries always to improve the results. Other similar terms are result orientation, efficiency orientation, focus on improvement and entrepreneurship.

Empowerment

This competence means the ability to delegate power and responsibility, build trust and inspire others. It means motivating and coaching to take individual responsibility.

Team leadership

This competence means the ability to work in teams and lead team members so that they will achieve their results efficiently.

Teaching

This competence means the ability to constantly develop your subordinates and support their growing to more challenging jobs. It is management by teaching. Other similar terms are developing others, mentoring and coaching.

Change management

This competence means the ability to enable, involve, lead and manage people in change situations and get good results in change programs.

EFFICIENCY COMPETENCE**Perception**

This competence means the ability to see precisely and objectively; to search continuously and curiously for new knowledge. This means perception without prejudices and with a wide perspective. You are able to read weak signals. Another similar term is active information seeking.

Analytical thinking

This competence means the ability for analytical and conceptual thinking. A person is able to organize complicated entities and can see the inter-relationships. A person is capable of system thinking. Other similar terms are practical intelligence, analyzing problems and reasoning.

Decision-making

This competence means the ability to make decisions easily and rapidly. A person can invent, modify and apply different decision-making methods to support this activity.

Drive

This competence means the ability to focus your energy efficiently and be motivated and eager to achieve your goals. You don't give up easily and you have a lot of stamina.

Time management

This competence means the ability to organize and use your time efficiently in order to achieve your goals.

Renewal

This competence means the ability to understand and appreciate different opinions and to change your own ways of action rapidly, if needed. Your personal readiness for change is high.

WELL-BEING COMPETENCE**Physical condition**

This competence means the ability to manage and take good care of your own body. A person is healthy, has good physical condition and has healthy habits of living.

Mental condition

This competence means the ability to manage your own mental energy and thinking processes in a positive way.

Social condition

This competence means the ability to develop and maintain social relationships at home, at work and among your hobbies. Social talent or emotional intelligence are terms, which have been used to describe this competence.

Spiritual condition

This competence describes how balanced the person is herself and with her values. Person experiences some deeper meaning in her life and is able to appreciate life as such. This kind of personal spirituality is connected to your existential issues, your level of consciousness and spirituality as an effect on others.

Stress management

This competence describes a person's ability to positively manage her stress and anxiety. A person has learned different kinds of methods to manage stress.

Humbleness

This competence is the ability to understand your own limits, learn from your mistakes and staying calm and humble even at the moments of success.

SELF-CONFIDENCE

This competence describes a person's ability to appreciate herself enough and her view of her present way of thinking, feeling and acting. Self-confidence has five different dimensions which are internal self-confidence, external self-confidence, acceptance, positive attitude and dominance.

6.5.2. The self-assessment tool

There are altogether 26 different competencies which are grouped to six clusters. The clusters and even the competencies can be sometimes overlapping. These competencies are operationalized in a self-assessment tool which I have developed. The tool has 160 items. Every item describes a certain leadership activity like “I treat people fairly and with respect”. All the other competencies are operationalized with five items except professional, physical, mental, social and spiritual condition and self confidence; these competencies are described with ten items each.

The assessment scale has six alternatives which I have found suitable for this kind of tools. Statements are typically short and easy to understand. Statements are not mixed, because in this way the assessor can see right away what is actually the content of certain competence. The assumption behind this kind of a self-assessment tool is that a person is able to assess her own behavior rather accurately. At least with top management this kind of ability (self-reflection) is expected. In practice the self-assessment is followed a 360 degree assessment, when the person can compare her own and others’ assessment results. Appendix 4 presents the Leadership Self-Assessment Tool, and figure 35 shows the competence tree of a leader, where all 26 competencies are presented.



Figure 35. The competence tree of a leader

6.5.3. The roots of a tree

The competence tree of a leader has also roots. If the foliage of the tree describes the 26 competencies and the **doings of a leader** then the roots describe the **being of a leader**. This kind of being, which is behind of good leadership, is not so often mentioned, but I believe it is extremely important. The being of a leader consists of five areas:

- values and principles
- energy
- talent
- personality
- knowing yourself.

In my research I tried to find out how these five areas are related to good leadership asking questions like:

- Do good leaders have some values and principles in common?
- Are leaders more energetic than people usually?
- Are leaders more talented than people usually?
- Do you need a certain kind of personality to be a good leader?
- Is knowing yourself the prerequisite for good leadership?

My hypothesis one here is that good leadership is always based on certain universal values and principles. Stephen R. Covey (1990, 18) has presented in his book “Principle Centered Leadership” that good leadership is based on certain principles, which are “the laws of the universe that pertain to human relationships and human organizations. They are a part of the human condition, consciousness and conscience. To the degree people recognize and live in harmony with such basic principles as fairness, equity, justice, integrity, honesty and trust, they move toward either survival and stability on the one hand or disintegration and destruction on the other.” According to Covey (1990, 19) principles are objective and external. Values are subjective and internal. Values are like maps, correct principles are like compasses. They are always pointing the right way, the true north. Also our leadership effectiveness is predicated upon these inviolate principles. They are natural laws in the human dimension that are just as real as laws of gravity are in the physical dimension.

My hypothesis two is that leaders are more energetic than other people. They are aware about the importance of total wellness and are also ready to take care of it. Shafer (1987) has described clearly the fitness required to sustain higher levels of energy and performance. The energy to achieve higher levels of performance must come from your total wellness or well-being.

Hypothesis three is that good leaders are more talented than people usually. The question here is which is the area in which they are more talented. What kind of intelligence is important for good leaders? Howard Gardner (1993, 17-26) argues in his book Multiple Intelligence that there are at least seven kinds of intelligence, including musical, bodily-kinesthetic, logical-mathematical, linguistic, spatial, interpersonal and intrapersonal. Later Gardner (1999) has added naturalistic intelligence and is also considering to add spiritual intelligence into his theory. I also use the model of Zohar and Marshall (2000, 4), where they say that all our possibly infinite intelligences are based on intellectual, emotional and spiritual intelligence which can be linked to the three basic neural systems in the brain. Goleman (1995) has stressed the importance of emotional intelligence.

Intellectual intelligence is usually not a problem with managers. More often there are clear development needs in emotional and spiritual intelligence.

I do not believe that there are certain kinds of personality types behind good leaders. The most important quality is that he/she is authentic. But there might be certain personality traits which help you to take and manage the role of a leader. My last hypothesis here is that knowing yourself is the prerequisite for good leadership. Warren Bennis (1989, 9) has stated it beautifully: “Becoming a leader is synonymous with becoming yourself”.

The final part of this tree model is the growth environment. That consists of home, education and social surroundings. What is the role of this growth environment on becoming a leader? Briefly, the competence tree of a leader tries to illustrate:

- what are the key competencies of a leader? or what is the doing behind good leadership?
- what is the being behind good leadership?
- what kind of growth environment and process is needed to become a good leader?

These are some of the key questions of this research. There is some analogy with my tree model and the law of the farm that Covey (1990, 17) has presented: “The only thing that endures over time is the law of the farm: I must prepare the ground, put in the seed, cultivate it, weed it, water it, then gradually nurture growth and development to full maturity. So also in a marriage or in helping a teenager through a difficult identity crisis – there is no quick fix where you can move in and make everything right with a positive mental attitude and a bunch of success formulas. The law of the harvest governs. Natural laws, principles, operate regardless. So get these principles at the center of your life, at the center of your relationships, at the center of your management contracts, at the center of your entire organization.” In other way said: *Give a man a fish and you feed him for a day. Teach him how to fish, and you feed him for a lifetime.*

7. Testing the leadership competence tree model and self-assessment tool

“All human beings prefer meaningful work to meaningless work. This is much like stressing the high human need for a system of values, a system of understanding the world and of making sense out of it.... If work is meaningless then life comes close to being meaningless.”

Abraham Maslow

7.1. The objectives

The testing of the competence tree of a leader was done by using two methods: a survey and a thematic interview method. A survey method was used to test the self-assessment tool. By using the tool themselves the people got their own profile and could also evaluate the tool as such. With thematic interviews, more quality material about the needed competencies and how these persons had learned these competencies was collected.

The main objective for theme interviews was to test the developed competence tree of a leader and get some feedback about its features and functionality. My interest focused on the following five questions:

1. Are the used 26 competencies relevant and comprehensive?
2. Are the operationalisations of competencies relevant?
3. How is the self-assessment tool working in general?
4. How do people usually learn to be good leaders?
5. How could we improve management training in general?

7.2. The research sample

The research sample was collected from four companies. The companies were Ahlstrom, Fortum, Kone and Nokia. These companies represent different industries and different kinds of company cultures. They all are well-known and appreciated companies in Finland and also globally. In table 16 there are some key figures concerning these companies.

Table 16. Key figures of the research companies in 2000

	Ahlstrom	Fortum	Kone	Nokia	
Net sales	2,114	11,026	2,602	30,376	MEUR
Net income	62	424	106	5,776	MEUR
Employees	9801	16,220	22,978	60,289	

I supposed that good and capable leaders worked at the top of these companies. I approached the senior level HR director of these companies and explained my needs and asked them to select four candidates for my research sample (see the letter in appendix 4). I defined three participation criteria for these persons:

- they have to be over 40 years old; to become a leader requires a lot of experience. These competencies develop through experience, and there are limits to the complexity of experience that a person can handle at a time. The evidence suggests that no-one is able to achieve success in this kind of competencies by the early thirties. Levinson (Levinson et al. 1978) found this among the men he studied, and the survey of Evans and Bartolome (1980) confirmed it.
- they are employed in top management positions; I wanted to focus on the director level and top executives
- they are in some way assessed to be good at people management; I wanted to test my hypothesis with people, who are good at leadership practice.

My intention was to collect some kind of an **expert group** concerning leadership issues and get their opinions about these matters. The group should then represent “successful people managers” from some of the most famous Finnish companies. I wanted to focus only on Finnish top executives on purpose, because I did not want to cover the country culture specific issues in this research. This way I got 16 executives and directors from these four companies. The list of names and positions is shown in appendix 6.

7.3. The content of interviews

Theme interviews were made during October and November 2001. Before the interview every person was given a call and sent

- an introduction letter about the research (appendix 5)
- a curriculum vitae of a leader (appendix 7) and
- the questionnaire (the self-assessment tool, see appendix 4).

They were asked to fill in the material and send it back one day before the interview.

The interviews lasted 1.5 hours. Some interviews took a little longer because there was a mentoring part included. The interviews were recorded and a lot of notes were also made during the interview. The discussions were very open and confidential. They were structured so that also the interviewees should get something useful and valuable for themselves. This was done on purpose because an interview which is not taken seriously and is made in a hurry, can give you irrelevant information.

The interview was divided into three parts which lasted approximately half an hour each. In the following I have listed the themes and subthemes. There were altogether 41 themes, which were covered in every interview.

A. CAREER – RELATED THEMES (in a curriculum vitae)

1. age
2. sex
3. marital status

4. children
5. dual vs. single career
6. success at school
7. professional education
8. military service
9. participation in management and leadership training
10. quality and value of this training
11. general opinion of the impact of leadership training
12. present job
13. working hours
14. direct subordinates
15. indirect subordinates
16. years in a superior position
17. average years per job during the whole career
18. career movements
19. expatriate experiences
20. hobbies
21. other activities
22. ten basic assumptions of leadership

B. SELF-ASSESSMENT TOOL RELATED THEMES (THE DOING)

23. time used for responding
24. general feedback about the tool
25. going through the results and the profile
26. proposals on how to improve the tool

C. THEMES CONNECTED TO THE ROOTS (THE BEING)

GROWING TO BE A LEADER

27. What is good people management?
28. Which are the three most important characteristics of a leader?
29. Where have you yourself learned most about leadership?
30. Can you describe these events and situations? What was special in them and what brought in learning?
31. Could you mention one to three persons whom you appreciate as a leader?
32. From whom have you personally learned most about leadership?

VALUES AND PRINCIPLES

33. Are there some values and principles which are important in leadership? Could you mention some of those and give your arguments, why they are important?
34. Where have you learned and internalized these values?

PERSONAL VISION AND OBJECTIVES

35. How have you reached your present position?
36. Do you have a clear vision and concrete objectives in your life?
37. Which causes the growing to be a leader- an accident or a clear objective, a desire to lead and make a difference?

PERSONALITY

38. How would you describe yourself as a person?

39. In the following there are some dimensions of personality. Could you assess yourself in these dimensions?

i. Introvert	1 2 3 4 5 6	Extrovert
ii. Task-centered	1 2 3 4 5 6	People-centered
iii. Adaptive	1 2 3 4 5 6	Dominant
iv. Emotional person	1 2 3 4 5 6	Rational person
v. Trust on intuition	1 2 3 4 5 6	Trust on perception
vi. Optimist	1 2 3 4 5 6	Pessimist

D. THE GROWING ENVIRONMENT

40. What is the role of home, education and social environment in growing to be a leader?

41. Other issues: Do you have still something in mind about our topic which we haven't yet covered?

7.4. The results of interviews

7.4.1. Career –related themes

The population's average age was 47.7 years, ranging from 40 to 58. There was only one woman in the population. This is more or less the case when we look at top management positions also in general. One person was single and others were married and had 2.06 children on the average. Ten couples had two children, three couples had three and one had four children. Nobody had divorced; obviously these persons had been able to balance quite well their three careers – professional, marital and parental. Three couples had real dual careers; one of those was the only woman and the other two younger men. In dual career families, both husband and wife pursued a full-time career and had children. It seems that earlier it was quite typical that the female spouse was flexible and in this way supported her spouse's career.

At school this population succeeded already quite well: in the matriculation examination eight persons had the grade laudatur and 11 persons an average grade of about nine or more in their certificate of graduation. Seven of these persons had a M.Sc. degree in engineering and also seven had a M.Sc. degree in economics. Two of them had a M.Sc. degree both in engineering and economics. Three of them had also received a Master of Business Administration (MBA) –degree in their early career.

One theme was participation in management and leadership training. All of them had gone through their training in different ways. Most of them had generally quite positive attitude; management and leadership training is needed, but it must be offered at a right time in a person's career. Also the attitude of a person must be positive, because at the end of the day, it is totally dependent on the person what she will get from the training. You must be aware of your obstacles of learning (Juch 1983, 38-45). They can be the most important things preventing the learning. The persons were

asked to select three training programs and to assess their quality and usefulness on a scale from one to three. The quality and also the usefulness were typically assessed between two and three.

There was also the statement “The management and leadership training programs are usually working very badly 1 2 3 4 5 6 very well”. The average response to this item was 3.88. So they are functioning reasonably well, but could function even better. It must be noted that these persons had usually participated in quantitatively and qualitatively high standard management training inside and outside the company. It was also underlined many times that these programs should be company specific and tailored to its business situation. This way they can also have an effect on business. The management and leadership training of Kone Corporation during the 80’s was mentioned as an example of this kind of successful program which really affected the way the company is doing business and its internationalization process. Urpo Kauranne, who worked for 25 years as the personnel director of Kone, has nicely summarized the ten success factors of management development (Kauranne 1996).

As a short summary I have listed here the most important features of management and leadership training mentioned in the interviews:

1. it is given at a right time in a person’s career
2. it offers general, common framework
3. it gives an overview of the business
4. it helps network building (internal and external) which was considered very important
5. it will offer new ideas and your own perspective widens
6. team learning and group discussions are important
7. it is company specific and tailored to its business situation
8. cross-cultural learning is also important
9. self-management issues (to know yourself) should be a part of it
10. personal learning skills are important (to abolish the learning obstacles)

In appendix 5 there is a list of this sample with names and job titles. The whole sample was 16 executives. We could consider, if this was a big enough sample for this kind of theme interviews. Based on my experiences, it was big enough in this case, because after ten interviews the issues were repeating themselves and hardly any new information emerged. Most of the persons belonged to top management. It is a good sample of Finnish top executives. The average working hours of this group was 56.4 hours, which means 11.2 hours a day. Working hours ranged from 45 to 65. This is probably quite a typical work load at this level. Usually people try to prevent working during weekends, except on Sunday afternoons and evenings, when you must prepare yourself for the coming week.

Evans and Bartolome´ (1980, 11) found out that middle managers (N=532) work on the average 9.5 hours per day. Our executives work 1.7 hours more per day. Some could ask whether they are workaholic. We could also ask, how much energy they invest in their work. Usually that is even bigger than the time investment. Most of the executives said that they are able to balance work and private life and that they have tried to find out the amount of working hours which they are able to maintain in the long term. Many of them had systematically followed their working time during some period of their career and found out what is the maximum working hours for them that would ensure that the other areas of their life did not suffer too much. This is time management in practice. Most of them said that they would like to spend more time in their private life, but it is was not possible at the moment. However, if we look at what they are doing in their leisure time, we will see that they are very active also in that field.

The sample had 8.4 direct subordinates on the average ranging from 0 to 13 and 1813 indirect subordinates on the average ranging from 5 to 7500. One person had just arrived from an expatriate assignment and was working as an expert without direct subordinates. They had 18.6 years superior experience on the average and had spent typically 3 to 4 years in a position in their career. Seven of them had expatriate experiences in their career. They were also very active in their leisure time; they had 4.1 hobbies on the average and 14 of them were active also in an other way working in different work-related or private organizations.

Ten basic assumptions of leadership were also presented. In the following table 17 we can see the results.

Table 17. Results of ten basic assumptions of leadership; in parentheses is the range

1. People management has changed during the last 20 years	very little	1	2	3	4	5	6	very much	4,37(2-6)
2. Present leadership theories describe how to lead	very badly	1	2	3	4	5	6	very well	4.0 (1-6)
3. I believe that the basis of all leadership is good self-leadership	agree totally	1	2	3	4	5	6	disagree totally	1.69 (1-3)
4. The management and leadership programs are usually functioning	very badly	1	2	3	4	5	6	very well	3,88 (2-6)
5. The efficiency of our organization could be improved very much by developing people management and leadership	agree totally	1	2	3	4	5	6	disagree totally	2,13 (1-5)
6. Leadership is learned best by doing and reflecting your own experiences	agree totally	1	2	3	4	5	6	disagree totally	2,13 (1-3)
7. The biggest obstacle for learning leadership is a leader her/himself (the ability to change and develop)	agree totally	1	2	3	4	5	6	disagree totally	1.94 (1-3)
8. Becoming a good leader requires certain kinds of values and principles	agree totally	1	2	3	4	5	6	disagree totally	1,5 (1-2)
9. One important feature of an excellent leader is that her/his subordinates are successful	agree totally	1	2	3	4	5	6	disagree totally	1,69 (1-5)
10. There is a great shortage of good leaders today	agree totally	1	2	3	4	5	6	disagree totally	2,25 (1-3)

The sample agrees more or less with these basic assumptions behind the research. Some of those who thought that people management had not changed very much were considering mainly that people as human beings have not changed. But what has really changed is the **people management environment**. The opinion of this sample group was that present leadership theories described rather well how to lead. This was a little surprising. People agreed that self-leadership is the basis

of all leadership. It was also expressed that management and leadership programs were functioning reasonably well, but could certainly function better. People management seems to be a big improvement area in many organizations. The sample also thinks that leadership is learned by doing and reflecting. The biggest obstacle for learning leadership is the leader her/himself. Everyone agreed that certain basic values and principles are crucial for leadership. It is the leader's task to organize successes. This statement was totally agreed upon except for one person who was reorganizing and laying off people in his unit and thought that at that moment it was not possible. This is a good reminder to us of the fact that leadership is always situation dependent. The executives in this sample agreed that there is reasonably great shortage of good leaders today.

As a summary we can conclude that these basic assumptions got confirmation from the people interviewed. Only assumptions two and four did not get as strong confirmation as others.

7.4.2. Self – assessment tool related themes (The doing)

The self-assessment tool seemed to work in practice very well. To respond to the items took 39 minutes on the average and it ranged from 20 to 120 minutes. Many said that they did not only respond to the items, but also reflected their competencies and how to improve them. General comments about the tool were as follows:

- easy to use
- clear
- interesting
- aroused a lot of thoughts
- very comprehensive.

In general the feedback was very positive. The list of competencies was considered comprehensive and only one person thought that value -competencies and management by wandering around –competencies could be more strongly present in the tool. Also the respondents were clearly enthusiastic about the tool. Many of them said that it is an excellent tool for self-reflection. If nothing else, this kind of comments prove that the tool is user-friendly and gives some insights to the users.

The profiles of people were typically very good, which was also expected, because they were selected for the sample partly based on their good leadership skills. They mainly used the upper end of the scale, but everyone was also able to discover his strengths and development areas among these competencies. The used scale has enough discriminating power.

There were some comments concerning individual items. The assessment was done by using the Finnish language tool. In some items words like always, continuously and everything were used. Some people felt these were too strong. In some items there were two adjectives like “ I am a good and fast decision-maker”. This kind of statements some found also difficult to respond. The following statements got some kind of comments and should be improved for future purposes: 19, 28, 33, 34, 59, 77, 80, 81, 82, 86, 89, 90, 92, 93, 110, 127, 129 and 156.

The 26 competencies were considered comprehensive, practical and useful. The networking and teaching were the only competencies which aroused some sceptical questions. Networking was in

general agreed to be very important. Some people wanted to underline the importance of internal and cross-functional networking. Some people were questioning the importance of external networking; look at items 39 and 40. The term teaching was sometimes new and confusing ; there we could certainly also use terms like coaching and mentoring. Some agreed upon the importance of teaching, but said that they did not have time for this.

One recommendation for improvement, which was mentioned often, was to collect feedback from others. There is a need for this kind of 360-degree system in which the leader can compare his own self-assessment results with the results of his supervisor, peers, subordinates and customers (see eg. Edwards and Ewen 1996, Lepsinger and Lucia 1997). Nokia has been using this kind of feedback system for 15 years. Every manager should be assessed at least once in every three years. At Nokia it has proved to be a very effective way to develop managers. Direct and anonymous feedback collected from your working environment and given by an outside consultant, can many times support the individual's learning greatly.

7.4.3. Themes connected to the roots: the being behind good leadership

Maybe the most interesting area in this tree model are the roots; the being behind doing. There are the following six areas

- values and principles
- personal vision and objectives
- personality
- energy (internal fire)
- talent
- knowing yourself (consciousness, awareness).

These are the issues which are connected to the process of growing to be a leader.

The first question here was "What is good people management"? Here are some typical answers:

- "It is being successful through others, you have to organize successes without doing them yourself."
- "Creating a common vision, openness, being an example and empowering others."
- "Act as an example, have right values, take responsibility for your subordinates and be fair."
- "Trust, interrelationships and openness."
- "Energizing and inspiring; people have much greater capacity than we think."
- "Showing the way and being sensitive when leading others."

Nissinen (2001, 221-223) has divided the main dimensions of deep leadership behavior into four factors which are (1) building trust and confidence, (2) inspirational motivation, (3) intellectual stimulation and (4) individual consideration. It was easy to categorize also these answers under these factors. They seem to be quite common /universal factors how good people management is described.

All the interviewees had understood the essence of leadership, knew what is good leadership and had probably reflected upon it a lot. Of course, also here the crucial thing is the implementation.

Usually we have enough leadership knowledge, but the problem is applying it effectively. There is a big difference between knowing, understanding and applying.

Which were then the most important characteristics of a leader. Here are the most often mentioned “top ten”:

- determined (decisive)
- social
- reliable
- honest
- genuine
- an implementer
- inspiring
- fair
- sensitive
- self-confident (assertive).

This is a long list, but all factors seem to be very relevant. Listing this kind of characteristics of a leader could be seen as a very old-fashioned and narrow approach to leadership. That is true, but from a individual leader point of view this kind of a trait approach can be useful for personal awareness and development. Northouse (2001, 21) has said that “By analyzing their own traits, managers can gain an idea of their strengths and weaknesses, and they can get a feel for how others see them within the organization. It gives individuals a clearer picture of who they are as leaders and how they fit into the organizational hierarchy.”

To the question about where do people usually learn most about leadership, a couple of answers were:

- “Learning by doing and analyzing your own experiences.”
- “In change processes.”
- “Slowly through your own experience; when you get older, you start to become more aware of these things.”

Then they were asked to mention some concrete events or situations where they had learned a lot. Here I tried to apply the Behavioral Event Interview (BEI) technique which was developed by McClelland (Spencer and Spencer 1993). This BEI technique is based on Flanagan’s critical incident method (Flanagan 1954). Here is a list of twelve events and situations:

- crisis and difficult situations; “to encounter a very difficult situation and survive”
- change situations and in change management
- when starting a new operation
- reorganizing the company
- when you are out of your “comfort zone”
- difficult subordinates and older, experienced subordinates
- good and bad superiors
- when you learn to know yourself
- expatriate time
- mistakes; you learn a lot from mistakes
- integration process and buying a company
- from your first manager job.

It seems to be so that you have to go through some difficult and uncommon events when you learn a lot. Here are some examples on how the interviewees described this:

- “You have to have been in very difficult situations often enough; a good leader has been stewed in many juices.”
- “To be a part of this change process was like leadership college to me.”
- “Always when you are recruiting a director for your unit, you should ask, if he has eaten shit.”

Here is a little longer description of a typical learning situation. “I remember one situation where I have learned a lot. I was transferred to Switzerland. So I moved there and took my family with me. Everything there was new to me: new country, new company, new language, new colleagues, new environment etc. Then my first task was to fire the old very popular managing director and then lay off about 15 per cent of the personnel. I was 32 years old at the time. To go through this very difficult situation taught me a lot. It taught also humility in many respects.”

There are some typical events and situations which can bring in a lot of learning. They have the following features:

- new challenging situation
- crisis situation
- expatriate situation
- act and survive with only little earlier experiences
- you have to put yourself totally into the situation.

So you have to encounter this kinds of situations, survive and then afterwards reflect and analyze what happened; what were the reasons for your survival and why, perhaps, others in a similar situation would not survive. Nokia’s success during the last decade has been explained also by using this kind of phenomenon (Kulkki and Kosonen 1999). Nokia succeeded extremely well in their quick transformation and globalization process during the 90’s. All that was achieved with the help of the young, ambitious and technically competent, but inexperienced personnel who were burdened with heavy responsibility and many challenges.

The interviewed were also asked to name two to three persons they respected as good leaders and some persons from whom they personally have learned most about leadership. Many of the interviewees said that they have had good leaders as their superiors. This part of the research could be summarized by saying that it is a matter of good fortune to have a competent leader as your superior when you are starting your career. A lot of leadership learning can happen in the master – apprentice relationship (boss – subordinate relationship). It is an advantage, if there is a good role model in your early career. But intelligent persons learn even from their superior’s mistakes. You can also learn a lot from your colleagues. One of the executives said that he had learned a lot in his early career together with his colleagues, when they had systematically analyzed their leadership situations and problems.

Which are then the most important values behind good leadership? In the following is the list of top ten values:

- respect for the individual
- honesty
- justice
- openness
- genuineness
- trust
- responsibility
- fairness
- being an example
- environment values.

Respect, honesty and justice were the most often mentioned. It seemed that these values and principles were really important for these people. They have thought through them and it was easy for them to answer this question. They have an important role for the integrity of a person. Of course, also here we have to remember that the definition and implementation of values are two different things.

These values are usually learned at home, maybe “at first rebelled against but, later found out that these are still important”. Many told that they had one special person who had taught them something important about values. For some it was mother, father or uncle; someone in their close surroundings who taught through her/his own example. Some also said that these values are internalized slowly during your career.

Jorma Ollila was mentioned many times as a person respected as a good leader. Ollila is well-known for his interest in values. Last summer Ollila made a speech in the anniversary of Finnish war veterans (2002). There he talked about his own philosophy to run a business. “My generation inherited a Finland at peace to work on, a Finland whose biggest challenge has been to get connected to an international community and globalising world. It is a challenge which we are still struggling with today, and we are constructing our well-being humbly but decisively.” Ollila said also that he often thinks about the power of **Finnishness**. “Finnishness works. Honesty, reliability, fairness, directness and respect for others, together with the will to achieve results, are the cornerstones of my own philosophy of how to lead. I’m proud to be able to acknowledge that the spiritual core at the source of these values is in my own country’s basic values and roots.”

When people were asked how have they had reached their present position, typical answers were as follows:

- high achievement motivation
- “I have always tried to do everything as well as possible.”
- high energy level
- willingness to test your own limits
- good luck: to be in a right place at a right time.

One person also said that “You will get more from your life, when you put yourself totally into play”.

Usually people did not have a very clear vision or objectives in their life. The response to this question was as follows:

- willingness to experience and learn different things
- to be reasonably happy
- to have a balanced life and raise our children
- to live a good / pleasant life
- to try to be satisfied and happy; be balanced with yourself and your environment.

One person said that the objective was to be a good human being. He was quoting Augusti Niskavuori who said just before he was dying: “The only thing that matters is how you have behaved towards other human beings”. Another person said that his objective was willingness to affect something; to create better companies.

The next subtheme was focusing on the reasons, why one person may become a leader and someone else may not. Is that a coincidence or is that born out of a desire or a lack of a desire to lead? Both are needed was the general opinion. There must be a desire to lead, to affect and to accomplish. You must also have some traits and competencies, also some kind of psychological eye. And then it is usually by coincidence where you are working as a leader. There are not born leaders, but some of

us certainly have better possibilities to become a good leader; some characteristics and traits must be developed.

What about the personality of a good leader? Do you have to have a certain kind of personality? Here are some examples, how these people describe themselves as a person:

- task-centered, reliable, persistent and introvert
- positive, decisive, honest and a person who gets things done
- honest, open, equal, decisive, is not afraid of responsibility and workload
- intelligent, honest, sensitive and introvert
- systematic, sensitive, considering people, reliable, achievement-oriented
- genuine, friendly, kind, analytical, obstinate, intelligent
- people-centered, curious, eager to learn.

Even these self descriptions reveal the issue; leaders have different kinds of personalities. Maybe the most important thing is that they are genuine and they know themselves.

In the survey were used six dimensions of personality taken from different personality indicators. The executives were asked to assess themselves according to these dimensions. The results of this assessment are shown in table 18.

Table 18. The results according to the six dimensions of personality

1. Introvert	1 2 3 4 5 6	Extrovert	3.69 (2-6)
2. People-related	1 2 3 4 5 6	Task-related	3,56 (2-6)
3. Adaptable	1 2 3 4 5 6	Dominant	4,31 (2-6)
4. Emotional person	1 2 3 4 5 6	Rational person	4,56 (3-6)
5. Trust on intuition	1 2 3 4 5 6	Trust on perception	3.19 (2-5)
6. Optimist	1 2 3 4 5 6	Pessimist	1.69 (1-3)

There are some interesting findings in these results. First of all, there seem to be many introverts among these top executives; nine of sixteen were more introvert than extrovert. Maybe this is a little surprising, because these people are always on a stand; giving information, making presentations, giving interviews and so on. But this is something that the job requires, and you have to do it and develop needed competencies for it. These people seem to be a little more task-related than people-related. They are clearly more dominant than adaptable. They are more rational than emotional. Quite many of them, the majority (n=10), seem to depend more on intuition than on perception. All of them are more optimistic than pessimistic. This seems to be the only must for a leader! As a brief

summary, we could conclude that there isn't one single personality that fits well for a good leader. You can have different kinds of personalities, but you have to be real and genuine.

What about the growing environment of the roots then. The roots need fertile growing environment to take in all needed energy. What then is the role of **home, education and social environment** in becoming a leader? There were some interesting findings concerning this subtheme. Many basic issues are learned at home during the first ten years. So home as a learning environment is extremely important. Social mobility is possible at the moment in Finland, so that economic background is not so important, but some kind of a value background seems to be crucial.

Education is like a driving licence, if you want to be within the race, you should have it. But it doesn't give anything special concerning leadership competencies. As one respondent put it: *"Home gives you a background, some kind of a value platform, school and the university didn't give anything special, only the company and different duties there have developed me as a leader."* On the other hand one respondent put it: *"Home gives you the basis and then at later years at school, in military service and at the university certain people who have potential start to stand out"*. For quite a few, sports in youth can be the way to start to collect experiences, how to take responsibility, work in a team and lead others. When you act as a captain in a football team, you can learn some basics about leadership at a very early age. Probably this is not very conscious learning, but at least you are collecting some important experiences which you can use later and reflect upon in your leadership career.

The interviews were finished with a question: "Is there something else in your mind at the moment concerning our theme which you would like to share with me?". In this way we unravelled some interesting issues. One executive mentioned a mentoring experiment which they had had in their unit. There a senior manager gave mentoring sessions to a group of five more junior managers. This kind of teaching was found very useful for both parties. When you are teaching others you can yourself deeply understand the issues at hand.

One executive underlined the importance of the climate the leader creates in his unit: *"You must be near your people, discuss with them a lot; it is management by wandering around. You will get much more from your people when you trust them and they trust you."* The other executive said that leadership is *"a well managed entity: you are just as good as is your weakest leadership competence. You will be assessed by your weaknesses, to be assessed as a leader is not easy."*

Genuineness was also emphasized. *"For a leader genuineness is everything. If you try to play some roles, you will lose a lot of energy and you cannot afford that."* It is a big choice to want to be a top executive in a big international company today. It is a really challenging position and it demands a lot. You must usually sacrifice something else. It is very important that this is a conscious decision and you try to balance your life as well as possible. Of course, most of these people had a little guilty conscience about spending too many hours in work, but they had been able to organize their life so that it was possible.

The importance of knowing yourself was also stressed; "You build everything on it". One person said that *"to play volleyball and act there as a server did teach a lot. There your concretely built the success of the team serving others. It taught a lot about leadership and teamwork."*

One interesting comment was concerning the inflexion points of life. You should be ready for those and know by intuition, when they are coming and then seize the opportunity.

In leadership there is an on/off –principle concerning trust. *“You must totally trust your subordinates or then transfer them to other duties. If you distrust your subordinate, quite certainly he will not be successful, because you are not supporting him mentally. It is like keeping him hanging from the loose rope.”* Some executives said that they have woken up to leadership gradually and started to understand how important role it actually has. One executive said *“that as a leader you must be realistic. Also concerning your own capabilities, you must understand, what is possible, but you like everyone else, have the responsibility to bring your own contribution.”*

7.5. Implications for intelligent organizations

What could be the main implications based on these interview results about the leadership competence tree and the self-assessment tool for intelligent organizations. First of all, there are three different kinds of profiles, which should be defined in intelligent organizations:

1. Define your organization’s leadership competence -profile and assess all your managers regularly using the 360-degree assessment tool.
2. Define also the most important characteristics (traits) of a leader, because this kind of a trait approach can be useful for the leader’s personal awareness and development. The trait approach as one narrow perspective to leadership is still valid.
3. Define and publish also the most important values of good leadership. This way they start to guide leadership behavior in practice.

Secondly, organize enough high-quality management and leadership training at a right time. Start always this kind of training with self-leadership. The most crucial issue for a leader is knowing him/herself and having enough good and healthy self-esteem. Training should be company specific and tailored to its business situation. Thirdly, when you are selecting your top managers, pay special attention to the roots; the being behind the doing. It is rather easy to improve the competencies of managers, but much more difficult to change their being; things like personal values and principles, vision and objectives, personality, energy and personal awareness. Fourthly, offer your best people really challenging situations, crisis situations where they have to act with little competence and earlier experiences. In these situations where they have to put themselves totally into the game, they will learn the most about leadership.

8. Summary and conclusions

“Our world is set up in such a fashion that good thinking and good writing are almost entirely logical, structured, analytical, verbal, realistic, etc. But obviously we need to be more poetic, more mythical, more metaphorical, more archaic in the Jung sense.... What is it about intellectual meetings, scientific journals, organizations that make certain kinds of truth and certain kinds of expression not suitable or appropriate?”

Abraham Maslow

8.1. Key results of the research and their evaluation

In this chapter I have summarized and concluded the research as a whole. This has been a massive attempt to me in many ways. I have tried to capture the essence of leadership. When you try to understand the essence of a phenomenon, you need at least three things:

- you must understand the phenomenon as a whole. If you take a fragmented approach, you cannot see the whole picture, and it becomes likely that your conclusions are false. According to the system theory we should shift our mind from seeing the parts to seeing the whole.
- you must have enough personal experience in order to understand the phenomenon deeply and also in practice; leadership is both science and art.
- you must acquire a wide theoretical background.

Usually the most important thing of an academic dissertation is that you show that you are able to use the scientific methodology. This is also important for me, but I see methodology only as a tool for data collection and for understanding. It should help us deeply to understand the phenomenon we are studying, but it should not steer our research and prevent us to go into areas which are methodologically difficult to approach.

Some could claim that my approach is too massive and eclectic. Eclectic means choosing what seems to be best or most useful from several theories and approaches, rather than following one complete theory or approach (see Pepper 1972). But, if your purpose is creating something new and you try to go beyond fragmented theories, you must take risks, because the way there is not so straightforward. In order to be able to develop new frameworks and approaches you should be able to look at the phenomenon from new perspectives. That is what I have tried to do.

In my research I have tried to outline a new method in leadership science which I have named “science by doing”. This approach is near both the action and the constructive approach. Science by doing means that we try to combine practice and theory, and through practical follow-up projects create new, personally experienced, tested and interpreted knowledge. Here I try to combine practice and theory; rationalism and empiricism; mind and body; subject and object; facts and intuition; tacit and explicit knowledge. We must see the parts and the whole. The challenge is to combine comprehensiveness and simplification; how to see and how to lead in a **comprehensively simplified** way (Sydänmaanlakka, 2002, 171).

This kind of orientation means also to value personal experience over indirect, intellectual abstraction. “Knowing” means not only knowing but also understanding and being able to apply, use the knowledge in practice. “To know something, but not to use it, is not knowing” (an old Buddhist saying). In the intellectual tradition of Japan they emphasize the “whole personality concept” (Nonaka and Takeuchi 1995, 29). This means also that our ideals and vision have an important role in knowledge creation. “The essence of innovation is to re-create the world according to a particular ideal or vision” (Nonaka and Takeuchi 1995,10). In my research I have developed the intelligent leadership model. It is based on the ideal or vision what leadership could be. I could also have taken a totally different kind of approach and create a model of “stupid” leadership. Also for that kind of a model, I certainly could find a lot of empirical evidence. However, I prefer the ideal approach, although it can be challenged and criticized in many ways (Kettunen 1997 and Ahonen 2001).

When writing the conclusions of this research I learned to know the book of Schön (1983) “The Reflective Practitioner” which is one of the main books about the action research tradition during the 1980’s. There Schön (1983, 30-37) is strongly criticizing the Western positivism approach to science and knowledge and underlying the importance of personal experience and reflection. My original and “inmature” thoughts about “science by doing” seem to fit well under the framework of this kind of an action research. From the action research tradition comes also the well-known saying “teacher as researcher” (Heikkinen et al. 1999,27). That kind of thinking could also be applied to leadership research using “leaders as researchers”, not only as teachers.

In chapter three I have presented five cases. In table 19 I have collected the key results of these cases. During and after these cases I have tried to systematically collect the lessons learned. When you are documenting this kind of cases you also try to transfer your tacit knowledge into explicit knowledge. These cases also form a platform for my research. They are examples of the practical research that I have done during many years. The results of this more practical research is what I have used in this scientific research. They have given me the wide experience level background which, I believe, has been necessary for understanding the leadership phenomenon deeply.

Table 19. Key findings and results from the cases

Kone case:	- The Planning model for management training - Ten themes how to develop management training
Nokia case:	- Implementation of the planning model for management training - Eight points of learning from an implemented management training program
Performance Management:	- Ten critical success factors - Shared leadership in performance management
Mentoring case:	- The importance of tacit knowledge in leadership - Mentoring as a leadership engine
Learning by doing: (Self case)	- Leadership in practice is very concrete things - The framework for theme interviews

One of the main purposes of this research has been defining the new **framework for leadership**. This is done based on my own experiences and an extensive theoretical research in which I have tried to go through all the relevant leadership theories and approaches, altogether 69 approaches. I have grouped them into 14 clusters and tried to analyze what they could give to the leadership of the 21st century. I believe that we need quite a radical paradigm shift in our thinking in leadership. We should move from an industrial to a postindustrial paradigm. We do not know exactly what this new paradigm will look like, but I have defined ten cornerstones for this new framework which I have named intelligent leadership. The cornerstones are:

- It is both a simple and a comprehensive approach.
- It is based on a postindustrial paradigm.
- It is based on a comprehensive concept of man.
- It puts individuals in the heart of the organization.
- It is a universal leadership model by nature, but developed especially for intelligent organizations.
- It is based on system theory.
- Leadership is seen as shared and collaborative process.
- Leadership training should be given to both leaders and followers.
- Leadership has a moral dimension.
- It should support us to solve huge problems we are facing at present.

I believe that the new framework, intelligent leadership, based on this kind of cornerstones, can better describe the leadership phenomenon in our present and future intelligent organizations.

I didn't find any clear definition about the postindustrial paradigm and was also hesitant to use the concept postmodern (1) or transmodern which are still wider and vague as concepts. Therefore, I was obliged to do my own definition as follows: The postindustrial paradigm redefines the worker, work, organization and society and their relationships. This paradigm shift means eg. moving

- from "a pair of hands" (2) to the whole person, intelligent worker, including his/hers professional, physical, mental, social and spiritual intelligence
- from a meaningless job to a meaningful calling
- from a machine to an open system organization, an intelligent organization
- from growth and efficiency to sustainability and well-being at society level.

In appendix 9 I have defined this paradigm shift from industrial to postindustrial in organizations using 20 dimensions. I hope this clarifies a little this important concept. In postindustrialism we have to find a new approach to leadership. This is the role of intelligent leadership. We have to challenge our basic assumptions about work, worker, organization and the role of society. We need intelligent workers, whole persons, who are doing meaningful work which could even be a calling for many of them. We need intelligent organizations where efficiency, renewal and well-being are in balance. We need societies where growth and efficiency are in balance with sustainability and well-being. In figure 36 I have visualized this paradigm shift and the role of intelligent leadership.

(1) Peter Drucker first applied the term "postmodern" to an organization, in 1957, in his book "Landmarks of Tomorrow". By postmodern he meant a shift from the Cartesian universe of mechanical cause/effect to a new universe of pattern, purpose and process. However, the concept postmodern organization is a disputed one in the literature.

(2) "I need a pair of hands but have to recruit the whole person" is the well-known saying by Henry Ford. Maybe the "Knowledge Manager" would say that "I need only the brains but have to recruit the whole person". The "Intelligent Leader" will say in the future: "I need the whole person with all of her/his intelligences".

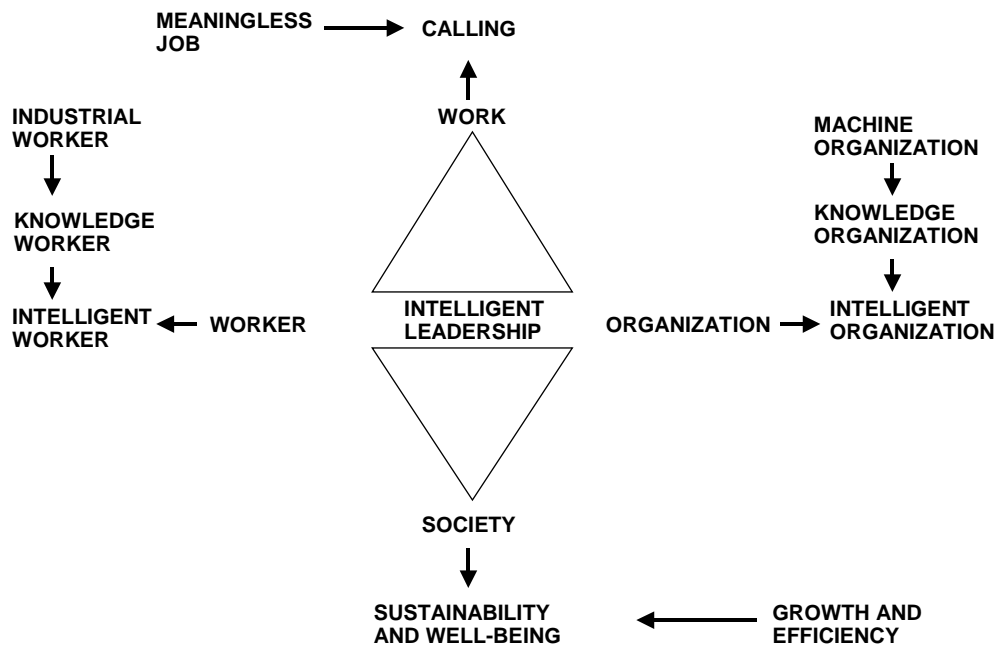


Figure 36. Intelligent leadership redefining the roles of worker, work, organization and society

I have described the ideal future organization and called it intelligent organization in my book (Sydänmaanlakka 2002). An intelligent organization is capable of continuous renewal, able to foresee changes and learn fast. An intelligent organization is not a mechanistic machine, but instead resembles a living organism that can steer its own operations and development. I also use a wide definition of intelligence including rational, emotional and spiritual intelligence. Intelligence means the capability to use different kind of competencies in various domains of body, mind, emotion and spirituality in order to solve problems or create products in a particular cultural setting.

Intelligent leadership has been defined as follows:

Intelligent leadership is a dialogue between leader(s) and followers, where they together try to influence each other in a certain situation in order to achieve a shared vision (purpose) and objectives effectively. This process takes place in the context of a working team and the organization in which the same values and culture are shared. The macro environment - industry and society - also affects this process.

Based on this definition and the framework I have also developed the **intelligent leadership model**. The model is based on system theory, and it tries to describe the leadership process as a whole and also the main elements belonging to it. The main content of the model can be summarized as follows:

- It describes ten key elements of leadership.
- Purpose, shared vision and objectives are the starting point and justification of leadership.
- Leaders and followers are both doing leadership.
- Everyone can have both leader and follower roles: you are a leader in some relationship and a follower in others.
- Followers are active and they also do leadership not followership.
- Leadership interaction is based on an influence relationship which on it's best can be described as dialogue.
- Influence is a process of using persuasion to have an impact on other people in a relationship.
- Persuasion depends on leadership resources: purpose, status, authority, personality, charisma, interpersonal skills, perception, motivation, reputation and prestige.
- The interaction is multidirectional, unequal and non-coercive.
- There are also many situational factors.
- Leadership is a team and collective relationship.
- Result orientation is a typical feature of leadership.
- Leadership is always based on universal ethical principles.
- The model can be applied to different kind of organizations and it also includes a global perspective.

In chapter six I have first defined the working environment of the 21st century leaders. They are living in a turbulent and chaotic world where the real power comes from recognizing the patterns of change and sensing and seizing the windows of opportunity. In this kind of environment they will need a lot of competencies to survive. I have defined a competence tree of a leader. I have defined leadership competence as follows:

Competence consists of knowledge, skills, attitudes, experience and contacts that enable good performance in a certain situation.

In practice competence is seen as an ability to act and apply knowledge, skills, attitudes and experiences. An ability means that you can put your competence into action. A good competence leads to high performance which leads to excellent outcomes. Competence must always be seen in relation to outputs.

I have analyzed also the relationship between competence and personality. From “performance to core- self” –model has five levels:

- performance (ability to act in a certain situation)
- competence (knowledge, skills, attitudes, experiences and contacts)
- self-concept (our attitudes towards self, our self-image)
- personality (traits, motives, values; our learned-self)
- core-self (our individual-self).

The deeper we go in this model, the more difficult it is to achieve any changes.

The competence tree of a leader has six clusters and altogether 26 competencies. This is based on the personal skill map research (the skill tree of life), comprehensive summary of previous

competence research in the leadership area and several examples from practice (e.g. Nokia, Ahlstrom, ITU). I have also developed a Leadership Self-Assessment Tool which consists of 160 items.

The next step was then to test the leadership competence framework and self-assessment tool. I had sixteen theme interviews with “successful people managers” from four companies (Ahlstrom, Fortum, Kone and Nokia). The amount of interviews seemed to be big enough, because the last interviews did not bring any new information. The same issues were repeating themselves.

This group considered the competence tree of a leader with its 26 competencies comprehensive, practical and useful. Also the self-assessment tool was considered useful and it gave a lot of self-reflection impulses. Some of the items still need to be clarified and improved.

Originally, I have focused quite a bit on the competencies of individual leaders. During the research I have moved more towards the shared and collaborative leadership model. In this model leadership becomes everyone’s business. Leadership is a process, not a position. Therefore, we should consider these competencies as leadership competencies which are needed and used both by leaders and followers.

People usually learn leadership best by doing. But for that you need good self-reflection competencies including the awareness of your learning obstacles. Two interesting ways to speed up your learning came up. In your earlier career you should have good superiors as role models, and then you should face extremely challenging situations which you can still handle. Also management training is very useful, when its timing is correct and it is tailored to the business situation. The interviewed persons thought that management training programs are usually working rather well (3.88 on a scale from 1 to 5).

The doing – the competencies – is very important in leadership. But also the being of a leader is important: values and principles, vision and objectives and your personality. Respect, honesty and justice were the most often mentioned values. Determined, social and reliable the most often mentioned characteristics. However, there is not one personality type which is more suitable for a leader; you can be for instance extrovert or introvert. The most important is that you are genuine.

I could summarize the key learnings and the main results of this research with the following list:

- learnings from the five cases
- the intelligent leadership model
- the competence tree of leadership
- the self-assessment tool of leadership competencies
- the leadership learning process
- the fifteen golden rules of leadership training.

I can also give summary answers to the five research questions as follows:

What kind of **leadership theories** and models have been presented during the last century?

- I have studied 69 different leadership approaches and theories and grouped them into 14 clusters. Many of these approaches are interesting and useful, but usually give only a fragmented picture of leadership as a phenomenon, they are often very individualistic and products of their own time. This is the reason why there is a need for new approaches.

What kind of model could best describe the **leadership phenomenon** in our future organizations?

- Based on my own leadership experience, leadership trainer experience and earlier theories and approaches I have developed a new framework for leadership which is called intelligent leadership. There leadership is seen as shared and collaborative process which can be implemented in our future organizations.

Which are the main **leadership competencies**?

- Based on the “personal skill map” research and careful study of previous leadership competence studies I have developed a competence tree of a leader. It can also be seen as a competence tree of leadership. The competence tree of a leader has six clusters and altogether 26 competencies. The leadership competence framework including the self-assessment tool was tested by 16 top executives. The self-assessment tool was considered comprehensive, useful and practical. It gave a lot of impulses for self –reflection. When used in practice, it should be accompanied by peer assessment.

How leadership is typically **learned and developed**?

- Five cases were presented in order to show how leadership is typically learned and developed. In addition to that, theme interviews also studied where the actual learning has happened. Leadership is best learned by doing when you have challenging tasks, good role-models, enough self-reflection competencies and needed training is offered “just-in-time”.

How could we **improve leadership development and learning**?

- Based on the results of the research some implications for management training and development were defined. When applying these “fifteen golden rules of management training” the efficiency of learning should improve a lot. This conclusion was based on Kone and Nokia –cases.

I can criticize my research in many ways. The scope has been very wide and that has prevented me from going into details concerning certain issues. But this kind of a wide approach has been taken on purpose in order to understand the essence of leadership. Science by doing is an attempt to close the gap between practical and scientific approach. I try to reach practical science and scientific practice. I strongly feel that we need to challenge our thinking and basic assumptions concerning the traditional Western scientific tradition.

My new framework for leadership, intelligent leadership, is an attempt to create a holistic framework. It is based on the post-industrial paradigm and nobody knows for certain what that will be, because the paradigm is evolving at the moment. Nevertheless, we should be able to develop a new school of leadership that integrates our understanding of leadership into a holistic framework. This was the purpose of James MacGregor Burns (1978) already 25 years ago. It was not possible at that time, but maybe the time is now ripe for that kind of an attempt. During the last 25 years so many studies and books about leadership have been published both by academics and practitioners. But many professionals claim that nothing really new after Burns’ transformational leadership is published. One could consider that now there is a momentum and we have enough leadership knowledge which enables us to achieve the intellectual breakthrough. This research tries to support that progress in a tiny way.

An intelligent leadership model should be tested in many ways in order to find out its strengths and weaknesses. It is developed for knowledge workers and for knowledge intensive companies;

especially for intelligent organizations. Many elements of the model need also to be specified. The next step will be to put the model into practice in several organizations and see how it is operating.

I have defined intelligence in a new way including rational, emotional and spiritual intelligence. This kind of a wide definition is open to critics; emotional and spiritual intelligence are not totally scientifically proved concepts at the moment. However, I have tried to follow the work of Howard Gardner here. He also has widened the concept of intelligence during the last twenty years. In his book "Intelligence Reframed" (1999, 48-52) he has introduced the eighth intelligence called naturalistic intelligence to his theory of multiple intelligences. He is also offering a refined definition of intelligence: "I now conceptualize an intelligence as a biopsychological potential to process information that can be activated in a cultural setting to solve problems or create products that are of value in a culture" (Gardner 1999, 35). There he is also reflecting could a spiritual intelligence or existential intelligence be it's own sort of intelligence, but at least for now is not adding that to the list (Gardner 1999, 53-66). Spirituality at work will be a new important issue in organizational life during this decade, although at the moment it is still a rather vague concept. One proof of that was The SoL Journal "Reflections" (2002) third volume of this year, where the topic was "Spirit in Practice". The Founding Editor Edgar H. Schein wrote there: "For months now, we have noticed more and more articles, newspaper reports, books, and essays that dealt with "spirituality", the role of religion in business, with values-driven management and other topics that imply that there must be more to life than work and there must be more to organizations than just fulfilling their primary task".

My attempt to find a general leadership theory and process is open to many kinds of critique. Pauli Juuti (2001) has, in his book "Johtamispuhe" (Leadership Speech), criticized modern leadership theories saying that everyone of them is trying to be the only and the best one, but in reality they are different narrow perspectives of leadership. Juuti is using the social constructivist (see e.g. Berger and Luckmann 1966 and Goffman 1981) and postmodern constructivist theory (see e.g. Shotter) behind his thinking. Based on those theories there is not one social reality, but everyone of us is building her/his own reality. This is an interesting approach but I wouldn't go so far. On the contrary, I believe that there is natural reality and social reality. Allardt (1981) has said that social reality is not here and now, but it is also changing and can be changed. I believe that it is possible to study the phenomenon of leadership and disclose some general laws in the same way we have done concerning the learning process and theory.

However, it is interesting to notice that the conclusions of Juuti are more or less similar although our approaches are quite different. Juuti (2001, 341-351) has summarized some of the most important features of postmodern leadership as follows:

- modern thinking is not able to solve the problems we are facing today
- we need new kind of sensitivity to different kind of opinions (positive attitude, moral issues and humbleness are essential)
- postmodern leadership is based on accepting the experiences of people
- leadership is a shared process
- leadership is giving support and energy (coaching, empowerment and mentoring is important)
- leadership is a dialogue
- intuition is important in leadership
- leadership is a social action in which people seek together the meaning of what they have experienced together (common reflection is important).

Juuti has said (2001, 349): "In constructive leadership a working unit is seen as a tribe which uses a certain language, believes in certain stories and has created a common vision about the future". This

conclusion is quite near to what Antero Kiiänmaa (1996) has found in his dissertation about “Modern totemism”.

The competence framework, competence tree of a leader and self-assessment tool seem to be working rather well in practice. They are also based on my previous research about personal key skills which give a solid scientific background for the competence model. The self-assessment tool should be tested statistically with a larger population. In order to widen its practical usefulness, a 360-degree version of it should also be developed.

Humanistic psychology has been one basis of my research. The idea of a self-actualizing person comes from Maslow. There is also a lot of critique on this kind of thinking saying that it is too individualistic. Maccoby (1976, 232-233) has pointed out that many theorists don't understand the corporate life: “Maslow's psychology and that of most management theorists have no place for the ambiguities and richness of cultural and characterological differences, or the real experience of corporate life. Despite his conscious attempt to develop a modern humanistic psychology, Maslow ends by supporting, even celebrating, some values-hierarchy, mechanistic thought, idealization of success, careerism – that block the development of the heart.” It is important to remember that the new approaches to leadership should not only focus on individuals but more on teams, organizations and societies. Intelligent leadership tries to widen the area of influence (figure 37). At individual level it tries to develop self-mastery, at team level social synergy, at organizational level speed up organizational renewal and at society level increase social responsibility and sustainable development. Bennis, Parikh and Lessem (1994, 3-4) have expressed similar ideas. Lessem and Palsule (1999) are stating that we should go from management education to civic reconstruction.

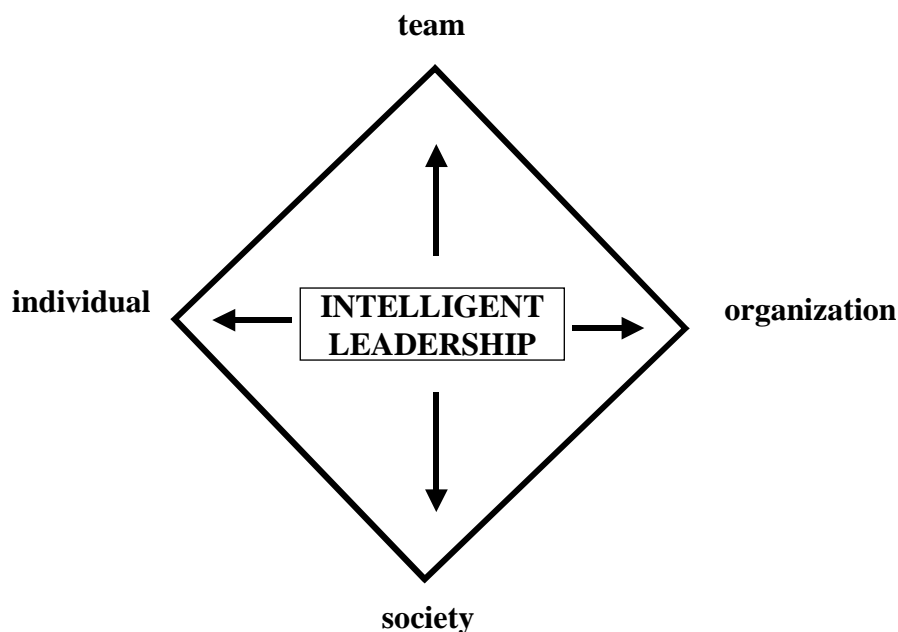


Figure 37. Intelligent leadership and the area of influence

I hope that I have been able to disclose something concrete about the leadership learning process. As I have said before there is nothing mystical about leadership. Leadership is an observable and learnable set of practices based on certain competencies. It seems it can be learned best by doing. At least most of the interviewed senior executives thought so. You also need good self-reflection competencies in order to learn from practice. Knowing yourself and self-leadership is the basis for all leadership.

Frederick Winslow Taylor published in 1911 “The Principles of Scientific Management”. The paradigm in science has changed a lot from that time. We should define a new scientific approach to management (Wheatley 1994, 139-147). This new approach should include eg. the results of quantum physics, self-organizing systems and the chaos theory. Even the new science of fuzzy logic could enwiden our understanding about leadership (Kosko 2001). This could be the New Scientific Management for the 21st century.

8.2. The evaluation of research validity and reliability

Earlier I have identified seven validation criteria which have been applied in this study. These are relevance, construct validity, internal validity, reliability, experience and market-based validation. In the following I will go through each of the criteria.

Two aspects of **relevance** can be differentiated:

- The importance of topic meaning that the research topic must relate to an issue of public importance.
- The contribution of the conclusions to the existing knowledge; research that merely confirms what is already known does not make any contribution.

In this research the relevance was considered and improved by the researcher’s personal experience and the wide literature analysis (chapters four, five and six). The topic is very important at the moment and I have also tried to develop some new knowledge about leadership.

Construct validity means establishing a correct operational measure for the concepts being studied. The key concepts are leadership, intelligent leadership, competence, leadership competence and leadership competence tree. The operationalization of the research phenomenon is based on the wide literature analysis (chapters four to six) and five case studies and other personal experiences. The operationalization of 26 leadership competencies is done concretely by developing the leadership self-assessment tool. There most of the items are taken from similar kinds of tools, e.g. personal skill map tool. The competence model was also tested together with the assessment tool with sixteen executives.

Internal validity means establishing a casual relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships. Internal validity concerns causal relationship and the broader question of making inferences. Checking and improving internal validity was based on the literature analysis and my own wide experience.

External validity means establishing the domain to which a study’s findings can be generalized. Generalizability, precision and realism form a “three-horned dilemma” (McGrath, 1982, 74-76). This study has a very practical approach, which usually maximizes realism, but not the precision nor generalizability. The sample used in theme interviews was small and consisted only of top executives. In the case studies middle management was also included. Based on my own long experience as a management trainer I would say that the competence tree model of a leader is

applicable to managers in general. The intelligent leadership model is applicable at the moment in some knowledge intensive companies. For implementing it, the organization needs a shared leadership culture which doesn't exist in many companies.

Reliability means that the operations of a study, such as data collection procedures, can be repeated with same results. I have tried to describe the research design and research process as well as the data collection as precisely as possible. I have also documented the research and literature analysis quite widely in order that it is possible to follow the development of my thinking. So the normal level of reliability should be guaranteed. However, I believe like Andersen (1995, 37) that the social world is essentially subjective. We could consider that in the subjective paradigm science involves a development of reality which means that the criterion of reliability is absurd. But I wouldn't go so far in my thinking. I believe that our approach should be both objective and subjective; try to be as objective as possible, but understand the subjectivity which is always still present. Reliability and validity in a way concern the usefulness of a theory and usefulness decides whether the theory is coherent with reality. When I consider the intelligent leadership model, certainly there is a subjective ideal or vision on how we should improve – and how it could be possible – leadership in our organizations. As Nonaka and Takeuchi (1995, 10) have put it: “the creation of new knowledge is as much about ideals as it is about ideas”.

The researcher's own **experience** can support and sometimes be necessary for the deep understanding of the phenomenon under research. I believe that my own long experience as a management trainer and manager is extremely important and has helped me to focus the study on the most important variables and relationships. For me this is the most important validation criterion.

According to Kasanen (1986) **market-based validation** means that it is finally the market that will test the “truthfulness and usefulness” of the constructions in the long term. If the intelligent leadership model and the self-assessment tool will be used widely in different organizations in the future, then the new models have been useful. Kasanen has even defined a weak, semi-strong and strong market test. The personal key skill –method has been very useful, if we consider this market-based validation. More than 6000 people have used it so far.

8.3. Areas of further study

The role of this study has been to open new roads and challenge traditional leadership thinking. I have also tried to define a new paradigm for leadership. My approach has been that of constructive and action research: trying to develop a new framework, model and assessment tool of leadership. Because my approach has been so wide, there will be many interesting further studies emerging from this study.

The intelligent leadership model should be tested in different kinds of organizations. Some of the elements need to be clarified. Perhaps some kind of an assessment tool should also be developed based on the model. There will be many interesting theoretical and practical areas of research. Also the Leadership Self-assessment tool needs some improvements. A test analysis should be made including the collection of large enough comparative material. A factor analysis of the items and competencies should be made too. The tool should also make it possible to collect feedback from your subordinates, peers and superior. It should work as a 360-degree leadership assessment tool.

The efficiency of management and leadership training is certainly one key area for further research. We should be able to define a macro- and micro pedagogical environment for management learning. Mentoring as a leadership “engine” is also an interesting area of research.

The whole idea of shared leadership also needs empirical evidence. What are the main requirements to make it work in practice? What kind of leadership culture is needed? Are managers and employees ready (mature enough) for it? One quite new and interesting area would be how different regional and country cultures are affecting leadership. The research question here would be: how culture-bound is leadership. Here are only some examples of further possible research questions.

8.4. The implications for leadership training and development

What are the main implications for leadership and management training and development based on this study. I have tried to summarize them in fifteen golden rules which are:

1. Challenge the present leadership paradigm and try to go towards intelligent and shared leadership: create a new leadership culture.
2. Vision, strategy, objectives and values should be present all the time (including current and future business challenges).
3. Make clear connections to management systems, processes and tools (training support systems vice versa).
4. Show clear connections to daily concrete problems and challenges (people learn if they have actual needs).
5. Training in original working teams is more effective than ad hoc teams (individual learning + team learning = organizational learning). Give leadership training to everyone, not only to leaders.
6. Concentrate on competencies not only on awareness level (from knowing to applying).
7. Follow the training investment and assess the pay-back time if possible.
8. Perform evaluation at all levels:
 - a. Did they like it?
 - b. Did they learn it?
 - c. Did they use it?
 - d. Did it produce ROI?
9. Don't forget the transfer process in practice (Learning experiences x Work environment = Results).
10. Offer less education and training and more learning opportunities (less traditional training, more on-the-job learning).
11. Offer training “just in time” (JIT); timing is extremely important.
12. Self-leadership is the basis for everything: knowing yourself is the most important competence. The individual learning obstacles should be openly discussed and processed.
13. Management by example is important; there should be enough top managers working as trainers in this kind of learning programs. Mentoring is the future leadership engine.

14. Total wellness is important for managers; professional condition is not enough, to be an effective manager you need also a good physical, mental, social and spiritual condition. Physical exercises and fitness test should always be a part of management training.
15. Leadership is more art than science: knowing is not enough, you must deeply understand and have enough experiences before you can implement good leadership in practice.

Leadership is so important when we try to build intelligent organizations – organizations which are efficient, learning and well-being all at the same time – that it cannot be left only to leaders. We have to make it together; starting to lead ourselves, learning to be active followers and if necessary taking the responsibility to lead others. This way we can go towards intelligent leadership and intelligent organizations and hopefully be better citizens in general. As Abraham Maslow has put it: “The man or woman who truly is influenced by enlightened management should become a better husband or wife and better father or mother, as well as a better citizen in general”.

In intelligent leadership we try to widen the area of influence from individuals to teams, to organizations and to societies. Intelligent leadership should help us to solve the huge problems we are facing at individual, team, organization and society level. We cannot solve our problems using the old industrial paradigm which has dominated during the last two centuries. We have to move to postindustrial paradigm in which we have to redefine work, worker and organization and their interrelationships. We have to use creative intelligence that consists of intellectual, emotional and spiritual intelligence.

Intelligent leadership should help individuals to develop themselves comprehensively as human beings – not only as human beings - in their work place. It should support working individuals to become self-directed teams. It should support organizations to become intelligent, and it should support us to build intelligent societies where we can integrate economy, ethics and ecology. Intelligent leadership tries to combine reality and dreams, and it is doing that by courage and ethics. We should know where we are at the moment, have dreams where to go, have enough courage to start the journey and follow our heart during the journey. This should show us the way to the 21st century. This should be the ultimate goal of all leadership training.

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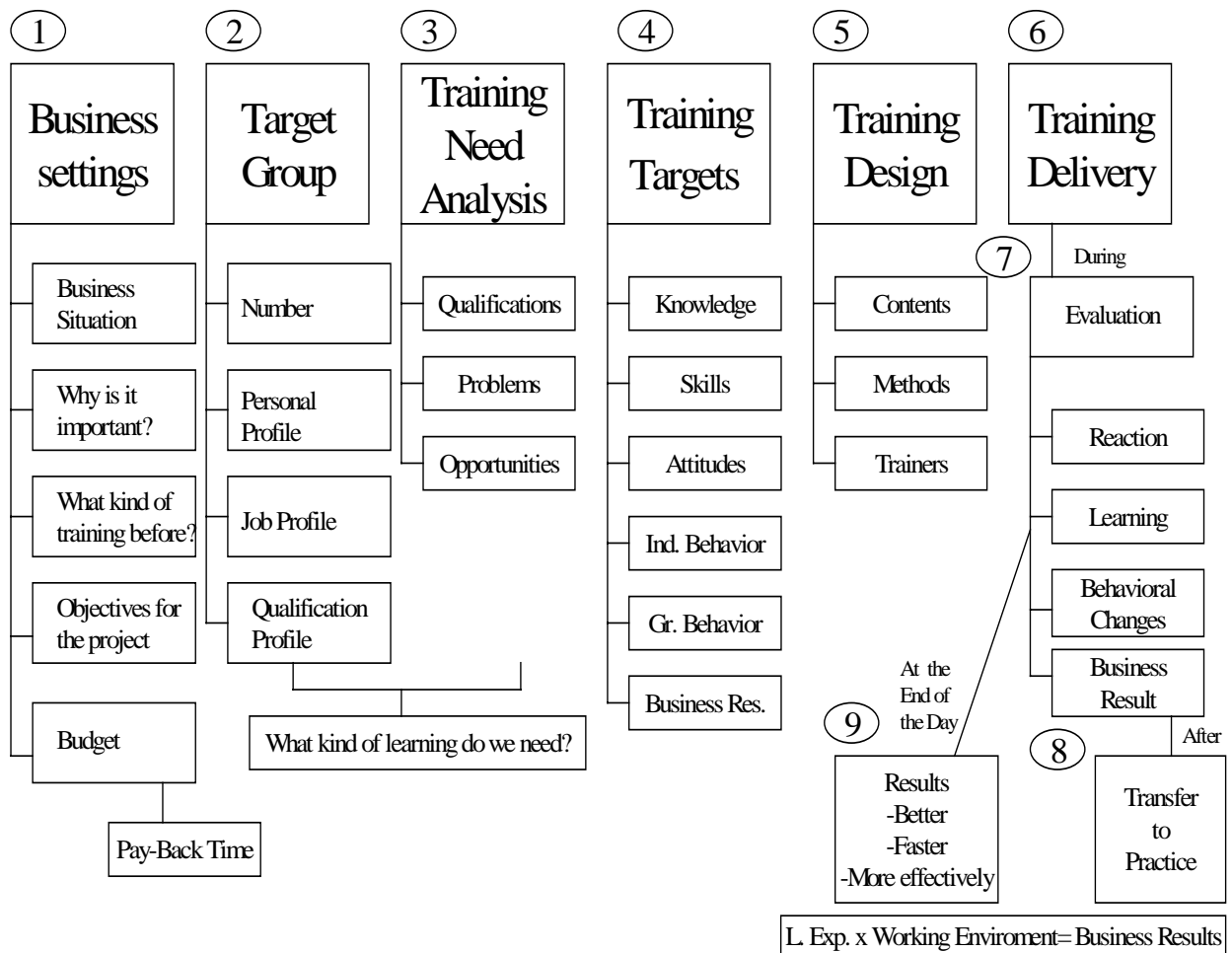
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Appendix 1. The model for planning management training.

Appendix 1: The model for planning management training



Appendix 2. A list of management competencies at Nokia Telecommunications / 18.4.1994

TECHNOLOGY (How to manage technology and products?)

- | | |
|---|--------------------------------|
| 1. Product management | 6. Technology training levels: |
| 2. Concurrent engineering | a) customer training |
| 3. Basics of telecommunication Business | b) expert training |
| 4. Logistics | c) management training |
| 5. Purchasing | |

MARKET KNOWLEDGE (How to manage the market?)

- | | |
|------------------------------------|--|
| 1. Customer business understanding | 6. What is happening in the market? |
| 2. System business understanding | 7. Telecomm. industry knowledge |
| 3. Sales skills | 8. System supplier skills |
| 4. Competitor knowledge (products) | 9. Knowledge of changing regulations (EC) |
| 5. Understanding end-users needs | 10. Skills to match NTC offerings to individual customer needs |

MANAGEMENT (How to manage things?)

- | | |
|------------------------------|--|
| 1. Process management | 6. Personnel management |
| 2. Basics of finance | 7. Change management |
| 3. Strategic planning | 8. Quality management |
| 4. Budgeting and controlling | 9. Nokia way of operation |
| 5. Project management | 10. Ability to manage an international network (Sales, R&D, CS etc.) |

LEADERSHIP (How to lead people?)

- | | |
|-----------------------------|------------------------------------|
| 1. Leadership styles | 6. Influence skills |
| 2. Motivation | 7. Recruitment and selection |
| 3. Communication | 8. Performance management |
| 4. Team work | 9. Conflict management |
| 5. Directing and delegating | 10. Understanding foreign cultures |

SELF-LEADERSHIP (How to lead yourself?)

- | | |
|-----------------------------|--|
| 1. Time management | 6. Negotiation skills |
| 2. Target orientation (MBO) | 7. Problem solving and decision making |
| 3. Language skills | 8. Learning skills |
| 4. Meeting skills | 9. Knowing yourself and others |
| 5. Presentation skills | 10. Stress management |

Appendix 3. A summary of the course evaluations of the Navigator program

	1. Module	2. Module	3. Module	4. Module
I Group	4.1 (26-28.10.1994)	4.3 (24-26.1.1995)	4.3 (25-27.4.1995)	4.0 (2-3.11.1995)
II Group	4.0 (23-25.1994)	4.4 (20-23.3.1995)	4.1 (5-7.6.1995)	3.7 (11-12.12.1995)
III Group	4.3 (30.1.-1.2.1995)	4.6 (8-10.5.1995)	4.2 (6-8.9.1995)	4.1 (5-6.2.1996)
IV Group	4.3 (29-31.3.1995)	4.3 (29-31.5.1995)	4.0 (4-6-10.1995)	3.5 (25-26.3.1996)
V Group	4.1 (11-13.10.1995)	4.2 (15-17.11.1995)	4.3 (15-17.1.1996)	4.1 (18-19.9.1996)
VI Group	4.3 (16-18.10.1995)	4.3 (29.11.-1.12.1995)	4.3 (15-17.4.1996)	3.4 (16-17.10.1996)
VII Group	4.2 (12-14.2.1996)	4.4 (18-20.3.1996)	4.3 (8-10.5.1996)	3.5 (10-11.2.1997)
VIII Group	4.4 (10-12.4.1996)	4.3 (3-5.6.1996)	4.3 (21-23.8.1996)	4.2 (16-17.4.1997)
IX Group	4.2 (25-27.9.1996)	4.3 (18-20.11.1996)	4.2 (3-5.2.1997)	4.1 (10-11.9.1997)
X Group	4.1 (30.10-1.11.1996)	4.3 (11-13.12-1996)	3.9 (5-7.3.1997)	4.2 (13-14.11.1997)

Appendix 4

LEADERSHIP ASSESSMENT TOOL

Name of the respondent:

Date:

Purpose of the assessment:

The objective of a leader's key competence assessment is to help people working in a superior position to understand their leadership behavior and their development needs. Leadership competence is divided into six areas. Each area is mapped with statements describing actual behavior.

There are altogether 160 statements describing a person's leadership behavior. It is not a question of assessment of the personality traits but of perceived leadership behavior.

The assessment is done by circling a number in each statement which best describes you.

The scale for the assessment is:

- 1 = statement doesn't describe me at all
- 2 = statement describes me only a little
- 3 = statement describes me partly
- 4 = statement describes me quite well
- 5 = statement describes me well
- 6 = statement describes me very well

Try to use the scale as widely as possible so that your strengths and development areas would differentiate themselves as clearly as possible.

This kind of self-assessment is positive and useful when it gives knowledge that a person can use in her/his personal development. Please, remember that the assessment is as accurate as the person doing it. So try to respond to every item **honestly and objectively**. Assess yourself as you **are really behaving**, not how you **would like to behave**. The results are useful and meaningful only when your responses are precise and truthful opinions about your present behavior.

Your results are confidential and will remain only for your and researcher's knowledge.

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LEADERHIP ASSESSMENT

PROFESSIONAL COMPETENCE

not
at allvery
well

- | | | | | | | |
|---|---|---|---|---|---|---|
| 1. I like my present job. | 1 | 2 | 3 | 4 | 5 | 6 |
| 2. My job offers me enough challenges. | 1 | 2 | 3 | 4 | 5 | 6 |
| 3. I'm coping well with my job. | 1 | 2 | 3 | 4 | 5 | 6 |
| 4. I have good competencies for my job. | 1 | 2 | 3 | 4 | 5 | 6 |
| 5. I'm developing myself continuously in my profession. | 1 | 2 | 3 | 4 | 5 | 6 |
| 6. I will get enough feedback from others. | 1 | 2 | 3 | 4 | 5 | 6 |
| 7. I'm doing what I really want to do. | 1 | 2 | 3 | 4 | 5 | 6 |
| 8. I have clear objectives in my work. | 1 | 2 | 3 | 4 | 5 | 6 |
| 9. I get well along with all others at my work place. | 1 | 2 | 3 | 4 | 5 | 6 |
| 10. I feel that it is nice to go to work. | 1 | 2 | 3 | 4 | 5 | 6 |

INTERPERSONAL COMPETENCE

Assertiveness

- | | | | | | | |
|--|---|---|---|---|---|---|
| 11. I will decide and act upon although everyone doesn't agree. | 1 | 2 | 3 | 4 | 5 | 6 |
| 12. I present my thoughts strongly and convincingly if needed. | 1 | 2 | 3 | 4 | 5 | 6 |
| 13. I'm not afraid of encountering and handling problems. | 1 | 2 | 3 | 4 | 5 | 6 |
| 14. I can take the responsibility in difficult and surprising situations. | 1 | 2 | 3 | 4 | 5 | 6 |
| 15. I interfere openly and directly to situations where I see that the performance level is not sufficient . | 1 | 2 | 3 | 4 | 5 | 6 |

Empathy

- | | | | | | | |
|--|---|---|---|---|---|---|
| 16. I'm a good listener. | 1 | 2 | 3 | 4 | 5 | 6 |
| 17. I'm able to enter into the thoughts and feelings of others. | 1 | 2 | 3 | 4 | 5 | 6 |
| 18. People talk to me about their personal matters and feelings. | 1 | 2 | 3 | 4 | 5 | 6 |
| 19. I try to take into consideration all the members of the team. | 1 | 2 | 3 | 4 | 5 | 6 |
| 20. I'm able to consider the differences of people and act according to the situation. | 1 | 2 | 3 | 4 | 5 | 6 |

Communication

- | | | | | | | |
|---|---|---|---|---|---|---|
| 21. I present my message clearly and often enough. | 1 | 2 | 3 | 4 | 5 | 6 |
| 22. I always try to ensure that my message is being received (receiving) | 1 | 2 | 3 | 4 | 5 | 6 |
| 23. I'm a good and convincing performer also to a larger audience. | 1 | 2 | 3 | 4 | 5 | 6 |
| 24. I try to use dialogue always when possible, it means very open exchange of ideas. | 1 | 2 | 3 | 4 | 5 | 6 |
| 25. I invest usually a lot of time in the communication of matters. | 1 | 2 | 3 | 4 | 5 | 6 |

Sales orientation

not
at allvery
well

- | | | | | | | |
|---|---|---|---|---|---|---|
| 26. I will get easily the approval from the team when I'm really inspired myself. | 1 | 2 | 3 | 4 | 5 | 6 |
| 27. If the team needs a spokesperson, I'm usually selected for that task. | 1 | 2 | 3 | 4 | 5 | 6 |
| 28. I'm able to affect strongly and positively most of people. | 1 | 2 | 3 | 4 | 5 | 6 |
| 29. I'm able to take the situation in my control when needed. | 1 | 2 | 3 | 4 | 5 | 6 |
| 30. I'm able to mediate and solve conflicts between people. | 1 | 2 | 3 | 4 | 5 | 6 |

Openness

- | | | | | | | |
|--|---|---|---|---|---|---|
| 31. I ask often feedback from others and I also use it. | 1 | 2 | 3 | 4 | 5 | 6 |
| 32. I share openly my thoughts, opinions and expectations with others. | 1 | 2 | 3 | 4 | 5 | 6 |
| 33. I also myself give continuously feedback to others. | 1 | 2 | 3 | 4 | 5 | 6 |
| 34. I'm always open to new ideas, initiatives and innovations. | 1 | 2 | 3 | 4 | 5 | 6 |
| 35. I'm able to be unreserved with all kinds of people. | 1 | 2 | 3 | 4 | 5 | 6 |

Network building

- | | | | | | | |
|--|---|---|---|---|---|---|
| 36. I have a wide network of colleagues inside and outside the organization. | 1 | 2 | 3 | 4 | 5 | 6 |
| 37. I'm an appreciated expert also outside my own organization. | 1 | 2 | 3 | 4 | 5 | 6 |
| 38. I know enough "important" persons. | 1 | 2 | 3 | 4 | 5 | 6 |
| 39. I use positions of trust and expert tasks to build my own network. | 1 | 2 | 3 | 4 | 5 | 6 |
| 40. I'm lecturing in national and international conferences. | 1 | 2 | 3 | 4 | 5 | 6 |

LEADERSHIP COMPETENCE

Visioning

- | | | | | | | |
|--|---|---|---|---|---|---|
| 41. I have the outlook and courage needed in this business. | 1 | 2 | 3 | 4 | 5 | 6 |
| 42. I'm able to create an impressive and strong vision. | 1 | 2 | 3 | 4 | 5 | 6 |
| 43. I'm able to communicate my vision and get others excited. | 1 | 2 | 3 | 4 | 5 | 6 |
| 44. I'm able to perceive wide interconnections and see things comprehensively. | 1 | 2 | 3 | 4 | 5 | 6 |
| 45. I'm able to transfer the strategy into measurable objectives and actions. | 1 | 2 | 3 | 4 | 5 | 6 |

Achievement

- | | | | | | | |
|---|---|---|---|---|---|---|
| 46. I'm committed to my tasks and bring always my assignments to the end. | 1 | 2 | 3 | 4 | 5 | 6 |
| 47. I lead best by my own example. | 1 | 2 | 3 | 4 | 5 | 6 |
| 48. I set myself clear performance objectives which I follow. | 1 | 2 | 3 | 4 | 5 | 6 |
| 49. I always try to find better, faster and more efficient ways to do things. | 1 | 2 | 3 | 4 | 5 | 6 |
| 50. I want to conclude successfully everything I start. | 1 | 2 | 3 | 4 | 5 | 6 |

Empowerment	not at all					very well
51. I'm able to delegate challenging tasks according to the abilities of my subordinates.	1	2	3	4	5	6
52. My task is to motivate and organize successes in my department.	1	2	3	4	5	6
53. I create a culture in which people can enjoy their work.	1	2	3	4	5	6
54. I try to encounter everyone as an individual and take into consideration his/her needs and feelings.	1	2	3	4	5	6
55. I trust people by giving them freedom, power, resources and information.	1	2	3	4	5	6

Team leadership

56. I'm able to lead team operations naturally and efficiently.	1	2	3	4	5	6
57. I create and maintain a positive atmosphere in the team.	1	2	3	4	5	6
58. I recognize and use different kinds of competencies of team members.	1	2	3	4	5	6
59. I always make certain that team will achieve the objectives set efficiently.	1	2	3	4	5	6
60. I set team objectives before my personal objectives.	1	2	3	4	5	6

Teaching

61. One of my most important tasks is to teach leadership to other managers.	1	2	3	4	5	6
62. I have regular planning and development discussions with all my subordinates.	1	2	3	4	5	6
63. I give continuously feedback to others.	1	2	3	4	5	6
64. I motivate others and get them to try their best.	1	2	3	4	5	6
65. I use my time also to develop other managers.	1	2	3	4	5	6

Change management

66. I commit people to changes already in the planning phase.	1	2	3	4	5	6
67. I recognize and try to abolish obstacles of change.	1	2	3	4	5	6
68. I communicate achievements, results and the progress of change.	1	2	3	4	5	6
69. I'm always ready for changes and change also myself.	1	2	3	4	5	6
70. I'm able to act flexibly and efficiently in new situations and groups.	1	2	3	4	5	6

EFFICIENCY COMPETENCE

Perception

71. I'm appreciated as an expert in my field.	1	2	3	4	5	6
72. I try actively to look at things from new perspectives.	1	2	3	4	5	6
73. I anticipate situations and reflect upon alternative scenarios.	1	2	3	4	5	6
74. I evaluate things objectively so that my personal values don't distort my perception.	1	2	3	4	5	6
75. I have an open and unprejudiced attitude towards opinions and proposals of others.	1	2	3	4	5	6

Analytical thinking	not at all	very well
76. I'm able to analyze complex entities and ambiguous problems.	1	2 3 4 5 6
77. I'm able to set things rapidly to a wider context and see entities.	1	2 3 4 5 6
78. I split problems to parts which are easier to handle.	1	2 3 4 5 6
79. I handle things logically and clearly.	1	2 3 4 5 6
80. I go into matters deeply and comprehensively.	1	2 3 4 5 6
 Decision-making		
81. I'm a good and fast decision-maker.	1	2 3 4 5 6
82. I have an established habit or method which I use in making important decisions.	1	2 3 4 5 6
83. I can be decisive in a stress situation when immediate decision and action is needed.	1	2 3 4 5 6
84. I can solve problems and make decisions efficiently.	1	2 3 4 5 6
85. I'm able to combine different kinds of views and support reaching consensus decisions in conflict situations.	1	2 3 4 5 6
 Drive		
86. I set specific objectives for my career and life.	1	2 3 4 5 6
87. I'm able to carry through things I have started.	1	2 3 4 5 6
88. I prefer challenging tasks even if they include the risk of failure.	1	2 3 4 5 6
89. I'm persistent when facing a difficult problem.	1	2 3 4 5 6
90. I have a strong desire to succeed with everything I start.	1	2 3 4 5 6
 Time management		
91. I'm able to prioritize my duties efficiently in my personal timetable.	1	2 3 4 5 6
92. I'm able to plan and perform my job according to my timetable.	1	2 3 4 5 6
93. I'm an effective and a very systematic person.	1	2 3 4 5 6
94. I'm able to work efficiently with many tasks simultaneously and reach good results.	1	2 3 4 5 6
95. I manage my duties and responsibilities rather than they manage me.	1	2 3 4 5 6
 Renewal		
96. It is easy for me to invent new ideas and make innovative solutions.	1	2 3 4 5 6
97. I search for situations which give opportunities to try something new.	1	2 3 4 5 6
98. I see problems as possibilities and challenges.	1	2 3 4 5 6
99. I'm not a person without a sense of humour, but can also see the humorous sides of things.	1	2 3 4 5 6
100. I'm fighting consciously against getting into a rut.	1	2 3 4 5 6

WELLNESS COMPETENCE

Physical condition	not at all					very well
101. My physical condition is excellent..	1	2	3	4	5	6
102. I eat healthily.	1	2	3	4	5	6
103. I exercise enough.	1	2	3	4	5	6
104. I sleep enough and well.	1	2	3	4	5	6
105. I don't use too much alcohol.	1	2	3	4	5	6
106. I don't smoke.	1	2	3	4	5	6
107. My weight is suitable.	1	2	3	4	5	6
108. I believe that I'm totally healthy.	1	2	3	4	5	6
109. I'm very seldom sick.	1	2	3	4	5	6
110. I'm able just to be and rest enough when needed.	1	2	3	4	5	6
Mental condition						
111. I feel alert and energetic.	1	2	3	4	5	6
112. It is easy for me to learn new things.	1	2	3	4	5	6
113. I feel usually uninhibited and things don't press me.	1	2	3	4	5	6
114. I'm usually happy and in a good mood.	1	2	3	4	5	6
115. I'm able to listen to my own feelings and I'm aware of them.	1	2	3	4	5	6
116. I consider myself a good fellow and I appreciate myself.	1	2	3	4	5	6
117. It is easy for me to make decisions.	1	2	3	4	5	6
118. I'm in a good balance with myself and my environment.	1	2	3	4	5	6
119. Usually I'm not afraid of failures.	1	2	3	4	5	6
120. I'm not stressed.	1	2	3	4	5	6
Social condition						
121. I get along well with others.	1	2	3	4	5	6
122. I have enough friends.	1	2	3	4	5	6
123. I have a person/ persons whom I can confide in and speak openly with about my problems.	1	2	3	4	5	6
124. My marriage or other near relationship is good.	1	2	3	4	5	6
125. I'm doing well with my children.	1	2	3	4	5	6
126. I have enough interesting hobbies.	1	2	3	4	5	6
127. Usually people like me very much.	1	2	3	4	5	6
128. I meet enough people in my leisure time.	1	2	3	4	5	6
129. I can relax and celebrate when needed.	1	2	3	4	5	6
130. I'm fair to my colleagues.	1	2	3	4	5	6

Spiritual condition	not at all	very well
131. I'm in harmony with my values.	1	2 3 4 5 6
132. I feel that my life has a meaning.	1	2 3 4 5 6
133. I have clear objectives in my life.	1	2 3 4 5 6
134. I know what are my most important values.	1	2 3 4 5 6
135. I search actively for spiritual stimuli.	1	2 3 4 5 6
136. I develop myself continuously and study new things.	1	2 3 4 5 6
137. I always keep to truth.	1	2 3 4 5 6
138. I appreciate everything beautiful around me.	1	2 3 4 5 6
139. Also goodness in one goal in my life.	1	2 3 4 5 6
140. I can stop and relax regularly.	1	2 3 4 5 6

Stress management

141. I manage well my tension and have learned healthy habits for relaxation.	1	2 3 4 5 6
142. I can relax after a hard day and fall asleep easily in the evening.	1	2 3 4 5 6
143. My workload is moderate and I can manage it.	1	2 3 4 5 6
144. Although I'm working a lot, I have a feeling that my work rather gives me energy than takes it.	1	2 3 4 5 6
145. I have learned to balance well my work and my other areas of life.	1	2 3 4 5 6

Humbleness

146. I know my own restrictions.	1	2 3 4 5 6
147. I learn systematically from my own mistakes.	1	2 3 4 5 6
148. I confess openly the meaning of others for my successes.	1	2 3 4 5 6
149. I'm able to enjoy my successes and remain humble.	1	2 3 4 5 6
150. I treat people with fairness and respect.	1	2 3 4 5 6

SELF-CONFIDENCE

151. I trust myself and get well along with myself.	1	2 3 4 5 6
152. It is easy for me to create good relationships with others.	1	2 3 4 5 6
153. I can accept myself and others as they are.	1	2 3 4 5 6
154. I'm considered to be an effective leader.	1	2 3 4 5 6
155. I'm curious and open to everything new in my work.	1	2 3 4 5 6
156. I consider myself an important person.	1	2 3 4 5 6
157. I like situations with strange people and make acquaintance with them willingly.	1	2 3 4 5 6
158. I appreciate myself and like myself as I am.	1	2 3 4 5 6
159. Most things are possible for me if I only believe in them.	1	2 3 4 5 6
160. I'm enthusiastic about myself, my competencies and possibilities, which I can further develop.	1	2 3 4 5 6

Appendix 5. Becoming a leader –research project letter

21.9.2001

Dear colleague,

I'm making my doctoral dissertation about "Becoming a leader: developing and analyzing the competence tree of a leader". The purpose of the research is to find out what kind of competencies are needed today in order to become an efficient leader. This work is based on my licentiate research in which I have studied the personal key skills of managers.

For my research I need 16-20 Finnish executives with whom I will test the model I have developed. I have agreed to choose the executives from the following four companies: Nokia, Kone, Ahlstrom and Fortum. There are three criteria for the person to be interviewed: he/she should belong to the top management, is over 40 years old and is known (and tested) to be a successful people manager. I will conduct the interviews during October.

The research process will be divided to three sessions. The first meeting will be a company specific group meeting in which I will explain the purpose of the research, we will get acquainted and agree upon when to meet individually. We need one hour for this meeting.

The second meeting is an individual session in which we will go through the research themes and questions. We need one and half hour for that. In the interview we will have four main themes:

1. Which are the key competencies of a leader today?
 - doing the self-assessment and analyzing the results based on the competence tree of a leader (verification of the model)
2. How have you yourself learned these leadership competencies?
 - going through your career with CV and reflecting the development of leadership competencies
3. How could we improve this kind of leadership training and development?
 - your own opinion on how to best develop these competencies and your own role in it (leadership by teaching)
4. Going through your own personal development plan
 - we will reflect together upon your own plan to develop yourself as a leader.

The third meeting is voluntary and there I will present for the whole sample group the results of the research and explain my thoughts about good leadership.

I hope you can participate in this highly interesting project. The interview sessions are built in a way that they are a mini-mentor process out of which also the interviewed person should get ideas to improve his/her own leadership work. I will contact you on this week in order to agree the practical arrangements.

I'm making my dissertation at The Helsinki University of Technology, Department of Industrial Engineering and Management, Laboratory of Work Psychology and Leadership. The mentors of my dissertation at the University are Professor Veikko Teikari and Professor Matti Vartiainen.

With warm regards,
Pentti Sydänmaanlakka

Appendix 6

INTERVIEWS OF HOW TO BECOME A LEADER RESEARCH

AHLSTROM

Risto Anttonen	Division President, Fiber Specialities Division
Jukka Moisio	Division President, Fiber Composites Division
Juha Rantanen	President and CEO
Timo Vuorio	Vice President, Corporate Human Resources

FORTUM

Mikael Frisk	Senior Vice President, Human Resource Management
Juha Laaksonen	Chief Financial Officer
Tapio Kuula	Senior Vice President, Power and Heat
Veli-Matti Ropponen	Senior Vice President, Oil

KONE

Juhani Heikkilä	Area Controller
Raine-Peter Joutsen	Director, Kone Export
Sakari Kuusi	Vice President, Technical training and information
Simo Lassila	Manager of Elevator Supply Unit

NOKIA

Markku Hynninen	Division Vice President
Tapio Karjalainen	Senior Vice President and General Manager
Kirsi-Marja Kuivalainen	Director, Global HRD
Kari Pulkkinen	Business Program Manager

Appendix 7.

CURRICULUM VITAE OF A LEADER

1. PERSONAL DATA

Name:

Age:

Place of Birth:

Home Address:

Home Phone Number:

Marital Status:

Spouse or other close relative:

Name:

Age:

Occupation:

Children:

Names and ages:

2. EDUCATION / POSTGRADUATE / ADDITIONAL STUDIES

Qualification Name	Name of the Institution	Major Subject Faculty	Graduation Year Country
---------------------------	--------------------------------	----------------------------------	------------------------------------

3. TRAINING IN MANAGEMENT AND LEADERSHIP

Courses and Programs	Organizer	Year and course duration in days	Quality of training (a)	Value of the training for me(b)
-----------------------------	------------------	---	--------------------------------	--

a) 1= poor, 2=normal, 3=excellent b) 1=low, 2=satisfactory, 3=high

4. WORK EXPERIENCE

4.1. Present Position

Job Title:	Division:
Start Date in this Position:	Business Unit:
Start Date in this company:	Function:
Number of direct subordinates:	
Number of indirect subordinates :	

4.2. Employment Record in this company (in chronological order)

Start Date /Year	Job Title	Function	Business Unit	Country
-------------------------	------------------	-----------------	----------------------	----------------

4.3. Expatriate Time (Have you worked outside Finland ?)

Time Period	Job Title	Function	Country
-			
-			
-			
-			
-			

4.4 Employment Record in Other Companies (in chronological order)

Time Period/Years	Job Title	Function	Company	Country
-				
-				
-				
-				
-				

5. LANGUAGES SKILLS

Language	Language level (Native/Excellent/Fluent/Satisfactory)

6. OTHER RELEVANT INFORMATION

6.1. Publications and articles :

6.2. Work in different public and sport organizations etc. :

6.3. Other related activities on which you are spending your time :

7. INTERESTS, HOBBIES

8. TEN BASIC ASSUMPTIONS OF LEADERSHIP

Give your opinion concerning the following statements about leadership. (Select the appropriate number in every item and replace that by x.)

- | | | | | | | | | |
|--|---------------|---|---|---|---|---|---|------------------|
| 1. People management has changed during the last 20 years | very little | 1 | 2 | 3 | 4 | 5 | 6 | very much |
| 2. Present leadership theories describe how to lead | very badly | 1 | 2 | 3 | 4 | 5 | 6 | very well |
| 3. I believe that the basis of all leadership is good self-leadership | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |
| 4. The management and leadership programs are usually functioning | very badly | 1 | 2 | 3 | 4 | 5 | 6 | very well |
| 5. The efficiency of our organization could be improved very much by developing people management and leadership | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |
| 6. Leadership is learned best by doing and reflecting your own experiences | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |
| 7. The biggest obstacle for learning leadership is a leader her/himself (the ability to change and develop) | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |
| 8. Becoming a good leader requires certain kind of values and principles | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |
| 9. One important feature of an excellent leader is that her/his subordinates are successful | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |
| 10. There is a great shortage of good leaders today | agree totally | 1 | 2 | 3 | 4 | 5 | 6 | disagree totally |

Appendix 8

THE QUESTIONS OF THE THEME INTERVIEWS CONNECTED TO THE ROOTS OF THE MODEL**1. GROWING TO BE A LEADER**

1.1. What is good people management?

1.2. Which are the three most important characteristics for a leader?

1.3. Where have you yourself learned most about leadership?

1.4. Can you describe these events and situations? What was special in them and what brought in learning?

1.5. Could you mention one to three persons whom you appreciate as leaders?

1.6. From whom have you personally learned most about leadership?

2. VALUES AND PRINCIPLES

2.1. Are there some values and principles which are important in leadership? Could you mention some of those and give your arguments why they are important?

2.2 Where have you learned and internalized these values?

3. PERSONAL VISION AND OBJECTIVES

3.1. How have you reached your present position?

3.2. Do you have a clear vision and concrete objectives in your life?

3.3. What causes the growing to be a leader – an accident or a clear objective, a desire to lead and make a difference?

4. PERSONALITY

4.1. How would you describe yourself as a person?

4.2. In the following table there are shown some dimensions of personality. Could you assess yourself in these dimensions?

1. Introvert	1 2 3 4 5 6	Extrovert
2. Task-centered	1 2 3 4 5 6	People-centered
3. Adaptive	1 2 3 4 5 6	Dominant
4. Emotional person	1 2 3 4 5 6	Rational person
5. Trust on intuition	1 2 3 4 5 6	Trust on perception
6. Optimist	1 2 3 4 5 6	Pessimist

5. THE GROWING ENVIRONMENT

5.1. What is the role of home, education and social environment in the growth to be a leader?

6. OTHER ISSUES: Do you still have something in mind about our topic which we haven't yet covered?

Appendix 9.

From industrial to postindustrial paradigm in organizations:

- 1. From a mechanistic machine organization to an organization as a living organism, an open system**
- 2. From hierarchical and functional to flat, team, process and network organization**
- 3. From management as the preeminent profession to increasing the importance of experts**
- 4. From personalistic focus on leader (“great man” theories) towards shared leadership**
- 5. From strictly objective orientation to process orientation**
- 6. From rational, technocratic, linear, quantitative thinking to emotional, humane, nonlinear and quality thinking**
- 7. From individualistic and self-interested outlook to the search for common good**
- 8. From materialistic values to a wider value basis, management by values**
- 9. From a narrow concept of man to a comprehensive concept of man**
- 10. From splitting the work to small units to wider, meaningful units of work**
- 11. From winning as the most important thing to cooperation and partnership**
- 12. From growth and efficiency to sustainability and well-being**
- 13. From old positivistic scientific management to new scientific management**
- 14. From rational thinking also to spiritual thinking**
- 15. From a passive follower to self-management**
- 16. From command to dialogue-in-action as a communication and working style**
- 17. From working individuals to intelligent teams (self-directed)**
- 18. From command to empowerment as a leadership style**
- 19. From basic need satisfaction to self-actualization**
- 20. From management training to civic reconstruction**