Mona Roman & Yiwen Wu GLOBAL LEADERSHIP HANDBOOK 2010-11

Aalto University

Department of Industrial Engineering and Management

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SCIENCE + TECHNOLOGY

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[GLOBAL LEADERSHIP HANDBOOK 2010-11]

Mona Roman Yiwen Wu (editors)

IBLP INTERNATIONAL BUSINESS LINKAGE PROGRAM

MASTER'S PROGRAMME IN STRATEGY

List of Authors & Editors

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Table of Contents

PART ONE:
PREFACE

1.1. Introduction and Greetings from Program Director

Elizabeth Rose

I have the honour of introducing you to a volume that has been produced by the inaugural students in the Aalto University Master's in Strategy programme, during the 2010-2011 academic year. An outcome of the programme's core course, entitled 'Developing Global Leadership Talent', this book represents the learning and personal reflections of an international group of 15 students, regarding various aspect of leadership in the context of an increasingly global business environment.

The Aalto Master's in Strategy is a unique programme, offered jointly across the university's Schools of Economics and Science. Our goal is to provide students with learning that will support their development into future leaders. I hope that you will enjoy reading the essays included in this volume, which reflect the experiences of the intrepid first-ever group of students in this programme. I am certainly looking forward to doing so!

Elizabeth L Rose

Professor of International Business

Director, Master's in Strategy Programme

Aalto University

Helsinki, September 2011

1.2. Teacher's note: Developing Global Leadership Talent

Mona Roman

1.2.1. Introduction

I got interested right away when I heard about "Developing Global Leadership Talent" course and the opportunity to become the course instructor in summer 2010. The course had been developed and initiated by Dr. Satu Teerikangas and Juuso Soini in summer 2007. During my study year in international business linkage program we did not have similar courses. After my studies I have participated in several training programs at work with similar topics to the course contents. The course themes (self-assessment, team building, effective communication, international negotiations, leadership in organizations and organizational excellence) are all important for anyone working in today's business environment with rapid and continuous change. I found it excellent that students had such a course before their graduation.

1.2.2. The course aim and contents

The aim of the course is to explore the challenge posed by the notion of 'global leadership talent', explore the kinds of skills students are likely to need as tomorrow's leader, and to start developing their talent and competence as tomorrow's leaders.

The guiding principles of the course are:

- Living with paradoxes rather than seeking exact answers
- Form your view
- Learn practical skills
- Learning to work with people
- Finding the leader within
- Lifelong learning

The course consisted of teaching sessions provided by international visiting experts and professors, per term kick-off and wrap-up sessions provided by course personnel, leadership theory presentations prepared by team of students based on course book, a personal essay in fall and spring terms and the writing and follow-up of personal development plans. In addition, we established a new recruiting event exclusive to master in strategy and international business linkage students. The aim of recruiting day was to present different types of job opportunities in Finland for our students. This became important as students stay two years in Finland and as part of the program they are to work with their Master's thesis. We had TeliaSonera, Suunto, BIT institute and BCG to present their available summer jobs and traineeships.

Our course schedule 2010/2011 was following:

Date & time	Lecturer	Topic
September 3,5	Dr. Mona Roman, Ms. Yiwen Wu, Mr. Joona Forss, Mr. Nicolas Svet-kow, Ms. Emma Nermes	MIS (2010-11) Opening Days: Global leadership talent, Personal develop-ment plan, Intercultural management, and Team-building
September 6, 13, 20, 29	Prof. John Darling	Leadership styles time & stress management
October 1, 4, 8, 11	Dr. Marie Zener	International negotiations
November 8	Dr. Mona Roman, Ms. Yiwen Wu	Leadership presentations by students
November 12, 15, 19	Prof. Michael Manning	Organizational excellence groups learning styles and personality
November 19, 22, 26	Dr. Mary Nash	Understanding Self and Others: Personality and Behaviour Style Preferences
December 10	Dr. Mona Roman, Ms. Yiwen Wu	Fall closing: Fall learning map, Personal development plan, and Overview of fall essays
February 11	Dr. Mona Roman, Ms. Yiwen Wu	Spring kick-off, instructions for Spring essay
February 17, 18	Mr. Michael Gallagher	Leaders in organizations
March 10	Dr. Mika Hyötyläinen, Ms. Terhi Hut-tunen, Ms. Anu Heikkilä, Mr. Raphael Giesecke, Mr. Tommi Roman, Mr. Tatu Heikkilä	Recruitment event
March 23, 25, 28, 30	Dr. Marie Zener	Effective communication
April 1	Dr. Mona Roman, Ms. Yiwen Wu	Spring term essay plans by students
May 2, 9, 10, 11	Dr. Ajeet Mathur	Developing multi-cultural teams
May 13	Dr. Mona Roman, Ms. Yiwen Wu	Spring essay final presentations in groups

Table 1.2-2: Course schedule and contents

1.2.3. Global Leadership Handbook

Global Leadership Handbook features selected fall term and spring term essays in which the students reflect what they have learnt in the course. The full title of the book "Global Leadership Handbook 2010-2011 – the journey expands" refers to the launch of two-year "Master in Strategy Program" at the beginning of Fall 2010. In the program half of the students come from Aalto University School of Science and the other half from Aalto University School of Economics. For the first time, we had only a small minority of the students participating in one year "International Business Linkage Program" while earlier all students came through that program.

The handbook is divided into different parts based on the topic of essays. Part 2 "What is global leadership and how to get there" features fall-term essays. Here three students, José Valarezo, Yiyun Shen and Davide Traverso discuss what in their view is global leadership talent, how such talent can be developed, who are they as leaders today, what kind of leaders they want to become in the future and how to get there. Moreover, they discuss their own personal learning journey during the fall term. The spring term essays are presented in Part 3 "Essential leadership skills", Part 4 "Leading change and strategy shift", Part 5 "Striving for organizational excellence" and Part 6 "How to recruit and keep talent". Here students have selected their own specific leadership topics and have based their essays on a set of readings and own prior experience. In Part 3 we learn about essential leadership skills. Timo Kauppila discusses how to foster innovation, Jutta Hakkarainen how middle managers should perform issue selling, Dominik Glenz stress management in leadership environment and Tatu Isotalo leading and participating in high performance teams. In part 4 we have very actual leadership topics where Jenna Hakkarainen analyzes the role of leaders prior to organisational change and strategy implementation, Teemu Kärnä leadership in an environment of permanent uncertainty and change and Bernardo Clementino the role of middle managers in change management and strategy implementation. In part 5 we learn about leadership agenda in globalized era by Pardeep Maheshwaree, striving for organizational excellence through leadership by Macarena Pallares and the role of leaders towards corporate social responsibility by Thomas Coicaud. In part 6 we turn into a very important topic how to recruit future leaders. Here Antti Tenhola discusses how to recruit and keep talent in small- and medium-sized companies and Michael Walker gives us fresh ideas how to enhance recruiting efforts at Aalto University. Part 7 “Final words” draws conclusions of Yiwen Wu about the course and the program, which she has looked from different angles.

1.2.4. My final words

This course has offered a good learning experience also for the teacher. First of all, I want to thank the students for interesting discussions we have had together around leadership topic and their devotion and efforts in the course. I feel we have all developed during the year and learnt a lot together. I also want to thank Dr. Satu Teerikangas and Prof. Tomi Laamanen that they enabled me after many years in industry to take the opportunity to teach at the University to the very top students of the new Master in Strategy Program. Moreover, my special thanks go to the course assistant Yiwen Wu for all the good work she did to make sure everyone and everything was in order related to the course and the handbook.

For the reader, I wish enjoyable time with Global Leadership Handbook 2010/2011. I encourage you take the opportunity to learn and reflect the contents in relation to your own work or study situations. I am sure you will get new ideas and viewpoints from students about the fascinating topic of global leadership.

Dr. Mona Roman

Lecturer, Master’s in Strategy Programme

Aalto University

Helsinki, August 2011

PART TWO:
WHAT IS GLOBAL LEADERSHIP TALENT?

2.1. Global Leadership Talent: My View

José Valarezo

2.1.1. Introduction

There are many things that come to my mind when I think about leadership. Dream, accomplishment, positiveness, personality, styles, managing oneself, negotiations, excellence, groups and behaviors are some of the words that would help me to elaborate about the many aspects of leadership. Leadership is the art of motivating and engaging people towards the accomplishment of something greater than themselves. Being a leader is more than managing oneself towards a target, it is about inspiring others to join you in a journey that never stops.

2.1.2. Leaders Posses The Key

Leaders possess *The Key* to improve the lives of others. Leaders have the power to get the best from their collaborators, they communicate expectations effectively and coach people to accomplish them. Leaders get people to feel they are doing something important, they make sense to what others do. In class, our guest Prof. John Darling provided us good examples of how making sense of what people do is a short cut to success. In the Disney World example, I liked seeing the commitment of managers, team leaders and team members to give the guests a great fun day. The excellent customer service is reached by the determination of Disney's managers and collaborators to satisfy any need or dream that the costumers may have.

Picture 2.1-1 Jose @ Nationality Night of Ecuador

Leadership is about being inclusive in diversity. *The Key* teaches that by including people in the decision making process, the team operates more effectively. Leaders find synergies among diversity. They are aware of the differences in personalities, backgrounds, cultures and adapt their leadership styles to overcome communication barriers. Leaders are good listeners, they create a comfortable atmosphere when talking to people that makes others to express spontaneously.

2.1.3. Leaders Are Visionary

Leaders know what they want in life, they embrace a vision and have a purpose to get there. Vision and passion are important ingredients to inspire and motivate people. Leaders look at the future which people value the most. People feel safe when there is a leader showing the path. Leaders are energetic on getting there, they show dedication and passion on that dream they envision.

2.1.4. Leaders Know to Manage Themselves by Being Positive

Leaders know that it is impossible to help others without helping themselves. They manage themselves with assertiveness and control their Universe. Leaders do not want to look at “problems” as such, they prefer to see “problems” as challenges and face them as an opportunity to learn. They are positive even in adversity, they expect good things to happen. They embark on a journey and attract what is needed to get to the goal. Goals do not obfuscate leaders, they inspire leaders to dream. Success is not a target but a journey. When people set the goal that is not a dream, but a checkpoint, they will not be able to develop any longer. But real managerial leaders do not know the verb “to stop”. Their life is continuous movement through the interacting Universe in order to reach their dream.

2.1.5. Leaders Have Values and Ethic

Values and ethic are the base for building trust between people. True leaders care about people, they are close to them and supportive. People feel appreciated when leaders show that they care about them, that they are in the same journey and share more than material goals. People feel strong affection when leaders show it by action. Leaders will be heard as long as they do not betray values that are important for people and they will not commit with a process whose leader does not have ethics.

2.1.6. Leaders Are Never Alone

Leaders are never alone, they need to be coached. Coaching is a way to support leaders in developing their thinking. Coaching is about listening to help someone to clear his/her thoughts. It is important that leaders have different points of view as there are many angles to look at something. It is common to trouble oneself if one looks at an issue from the same angle. Discussing with good listeners help to open up the panorama and find better answers and solutions. Coaching is a good is a powerful tool to make people become self-resourceful. By coaching someone, one is teaching him/her to fish for life instead of fishing for him/her again and again.

Successful coaching requires empathic body language that shows connection with the other and interest on the conversation. Gestures and postures are powerful ways to communicate something; and a right body language will lead to successful coaching. Moreover, successful coaching requires the listener to use questions that let ideas to flow. Yes or not questions do not help to open up the conversation and thus limits the flow of ideas. Coaching is particularly challenging as it requires to get out of states of the mind that do not let oneself to think out of the box and to be attentive.

2.1.7. Developing Global Leadership Talent

There are several skills that should be developed to be good leaders. Perhaps we possess many of them and they are hidden inside ourselves. We need to grasp inside and let those qualities to flourish. However, the first step is to think on what is our dream and what passionates us. We need to look for what is our dream in professional life and in personal life that would make us accomplished leaders.

A good way to develop leadership talent is to think on what is not helping us to get the best of us and step aside of it. Our guest Dr. Mary Nash helped me to realize that there was something that was stopping me to give the best of me. I saw myself troublesome by too many things I had committed with. Working and studying full-time was not helping me to give my best in any of the two, I decided to stop working for the next term in order to concentrate in my studies that is a better path to my long-term plans.

I found very useful to get to know myself a bit better during the course. By getting to know our personalities, our strengths and weaknesses we are more aware of what should we work on to shape our leadership skills. Getting feedback from friends and relatives as well as from the class was very positive, it helped me to see what kind of person do I reflect in others. I could confirmed many qualities but also many aspects where I should improve to be what that I want to be. Prof. Michael Manning helped me to understand that there is a best part of myself and I should let it come as much as I can. It is a good idea to let our strengths lead our lives. As humans we have weaknesses but we should not let them become fears that stop us to develop ourselves.

2.1.8. Who Am I as a Leader Today? What Kind of a Leader do I Want to Be in the Future?

I need to work hard to become the leader I want to be. It is not a target to be a leader, it is a journey that each of us embark in our lives. I think I am preparing myself to be an inspiring and accomplished professional and person. I am aware of my strengths as well as my weaknesses. Today I posses many qualities that are important in the present and for my future. I like to remember who I am at my best, and that is what I could be today as a leader.

As expressed in my reflected essay before, when I am at my best, I am that person who shares with people and do not prejudge. I try to create a good atmosphere whenever I am with people, and most important I respect people at the most. I do not like to impose my ideas but I am not submissive when expressing them. I could say I am a person who enjoys leading people to accomplishment of tasks, I feel confident doing it.

I am also a persevering individual that works hard on what passionates me. I do not quite even in very adverse situations. I like facing challenges, they give some flavor to life. I usually have high expectations and ambitions and like working hard on them. In few words, I commit myself with what has been planned if that is essential. When I am at my best I am a centered individual that does not let circumstances to confuse myself. I like seeing things as they are and know that there is always room for improvement.

As a friend I am supportive and loyal. I like to honor my friends by giving them my best. I am unconditional to help friends when the time comes. I am a trustworthy friend that knows that a promise is a promise. I like enjoying fun and chilling moments. When I am at my best I posses all these qualities above. It is about finding how to get my best to be that leader I can be. What stands for the future is to constantly give my best to motivate and inspire myself and others.

2.1.9. My Personal Learning Journey This Fall

This fall there has been many opportunities to learn and practice my leadership skills. I have been able to successfully interact with the class in many ways. We have engaged in productive interaction working in multi-cultural groups. It has been a very rewarding experience to work in multi-cultural groups as we become more aware of the differences and gain experience in managing them. It is interesting to see that we are all so unique individuals, some with similar personalities but unique still and some with very different personalities. Dr. Mary Nash did an stupendous work in the last lecture by reveling the

Picture 2.1-2 Jose & Teemu @ social fun event

need to find synergies and strategies to accomplish a task. In the exercise we had to build a tower using some toothpick and mash mellows. It was quite surprising that none of the teams could negotiate any mash mellow nor tooth stick to make a taller structure. Apparently the teams did not show to have a good strategy neither to build a tower nor to negotiate the sticks and mash mellows. In my case, our team won by large because we did not go for any strategy to negotiate anything nor to build a tower. We prefer not to take risks and to let the others to take the risk. I would say we could feel that they were taking risks without a clear plan. The outcome of this exercise was very fruitful. We realized that there was a lack of commitment that resulted on poor performance. Not all the people work well together and it means that there is a need to conform functional teams by finding synergies. It is not about having people with similar personalities, backgrounds or cultures in a group, it is about conforming a committed team and feel motivated to accomplish that goal.

My learning in the course gives me a clear picture of what global leadership means and what it takes to be a global leader. It has given me the tools to improve as a person and to polish my leadership skills. Global leadership talent is about embracing a dream, getting people to follow you and to commit them with the best they have by making sense of following you. This sounds enormous and I need to start my journey to it.

2.2. Global Leadership Talent: Essential Characteristics

Yiyun Shen

2.2.1. Introduction

Global leadership today is more than what we know. The concept "global leadership" has different definitions from different perspectives. Some researches focus on top executive level only to define the concept, while others define "global leadership" based on the level of internationalization over the leader's responsibilities and activities, i.e., global leadership skills are essential for leaders with international business responsibilities and activities in an organization. For instance, the leader can be a project manager who is running a software development project across Japan and China.

The analysis of the concept "global leadership" requires a list of key attributes of "global leadership" at the first place. Global leadership requires the ability to adapt and respond to different circumstances and to connect with people of different cultural backgrounds. It is crucial to have language capability and the capability to lead people from different cultures. Language skills are necessary for leaders to communicate and collaborate with their followers on a worldwide level, whereas the understanding of different cultures serves as a basis of knowing how to do business with people in different parts of the world. A leader is also required to inspire his or her followers to inspire people to achieve more than they may ever have dreamed

Picture 2.2-1 Yiyun

possible. In addition to that, a leader needs to be goal-oriented and, strategically, get focus on processes and get everyone around a performance-based culture. Some non-examples of "global leadership" derived from the term "management" include planning, organizing, staffing, directing, and controlling a group of one or more people or entities. In other words, a good leader should act in a group as the person who enlist the aid and support of others in the accomplishment of a common task or a common goal.

To lead effectively in the global environment, we, as future leaders, need a set of leadership capabilities, such as cognitive skills that enable us to see things in many different ways and to understand and manage ourselves using self-knowledge, emotional resilience that enable us to maintain confidence and objectivity under difficult circumstances, and personal drive that keeps us being proactive, willing to take personal risks and aiming for success.

2.2.2. Characteristics Shared by Successful Global Leaders

Speaking of leader's qualities in general, there are some characteristics that good leaders share in common, like optimism, strict self-discipline, accurate social judgment, empathy, strong motivation to work in international environment, excellent cognitive skills, and acceptance of complexity.

First of all, a successful global leader with a note of optimism (i.e., positive thinking) looks on the more favorable side of happenings or possibilities and believes that good ultimately predominates over evil. Optimism acts as a basis for motivation because people feel motivated only for what they think is possible.

Second, self-discipline is the ability to control or redirect disruptive impulses and moods, and to think before acting. A leader with good self-discipline can act as a motivator for her team member and exhibit flexibility and handle stress.

Third, a good leader must take a bigger perspective, i.e., social judgment. It is one of the key leadership competencies regardless of domestic or international context. It is important because it enables one to extend the context beyond a particular challenge or situation so that this person in a leading position can observe and accurately profile the culture of others. The other reason why social judgment is important for a person in leading position is that one with good perspective taking competency tends to acknowledge that any solution is implemented and applied in distinctly social context results more appropriate and fair action from the leader.

Fourth, when interacting with others, leaders should be participative and sensitive to others' needs and assumptions, have concern for others with warm-heart and respects. Empathy enables a person to be more open and flexible, especially in a multi-culture situation. It also improves a leader's ability to cope with people and situations, emotionally connect with people from different backgrounds, listen to and understand different viewpoints from others.

Fifth, a good global leader with personal drive, perseverance and dedication tends to be strongly motivated and willing to enter challenging situations and exercise different global leadership skills and practices. A leader's own motivation also acts as prerequisite for being able to motivate other team members.

In addition to personal drive, leaders in a very dynamic global environment must have divergent thinking skills that enable them to switch their focus quickly from one thing to another, and have the capacity of pattern recognition, to identify key fact and intelligence. To this end, cognitive skills are essential for good global leaders. International environment with increased uncertainty and complexity requires leaders to have relevant knowledge and representations from previous experiences that need to be reformed to generate new creative solutions. The cognitive skills can also relate to various activities, like evaluating performance and strategic options, designing strategies, and making decisions.

The last but not the least important characteristic that a good global leader should have is acceptance of complexity, which describes a personal attitude towards the ambiguous and unpredictable. It leverages the need for learning and generates motivation for personal development. For example, one of the biggest challenges in global environment is cultural difference between nations, organizations and different units or teams. Being able to accept complexity enables a leader to appreciate cultural differences. For this reason, the acceptance of complexity is seen as a fundamental and must-have characteristic for a successful global leader.

2.2.3. Development of Global Leadership Talent

To develop such capabilities, we should be inquisitive to build up our self-awareness and be engaged in personal transformation. Self-awareness implies that a person well understands his or her emotions, strengths and weakness, needs and drives, source of frustration and reaction to issues. During the fall term DGLT lectures, I got to know myself better in terms of learning styles and personal strengths (personalities) through the lectures from Prof. Michael Manning and Dr. Mary Nash by working on several well-formed exercises and a Myers-Briggs Type Indicator (MBTI) Assessment questionnaire. The special assignment from Prof. Michael Manning helped me to realize the best in me in other people's eyes. The feedback I collected from my friends, colleagues and supervisors works as a good assessment of the value I can offer. In addition, the nice comments I got can be regarded as fundamental for my self-confidence and a drive for my personal transformation. Before taking the lectures, I used to put more efforts on how to overcome my weaknesses to make myself more competent. This process sometimes increases pressure and stresses on my own. By working on the course assignments and group exercises, I started to think about the same goal, to achieve a better me in my work and study, from a totally new point of view – to focus on enhancing my strengths. It is not a big surprise that by playing with my strengths instead of overcoming my weaknesses makes my live much easier and more efficient, because I can do the things I like to do that enables me to replace work pressure and stress with comfort and happiness.

To be successful global leaders with self-awareness, we should also continuously seek knowledge and expertise beyond boundaries, and draw information from many sources in different ways. In other words, a successful global leader always focuses on continual improvement. Engagement in personal transformation is required as a commitment to an ongoing development of personal knowledge and skills, constructive dissatisfaction, and a drive to stay up to date. To this end, Prof. John Darling's "Key" issues act as the key to drive us towards the goal of becoming future leaders. As it is said that attitude determines altitude, a positive thinking is one of the keys of success. Positive thinking motivates people to make things happen. It is vital to have a positive thinking and expect good things to happen so that we are able to focus on how to solve challenges we face in our life and avoid distractions raised from negative thoughts. Another key of success is to stay with gratitude instead of other negative modes. The feeling of being grateful can be a great accelerator of personal success, since gratitude is the source of happiness and energy.

Another interesting topic from Prof. John Darling's lectures is the Management Leadership Styles with major interactive dimensions and basic styles, strengths and weaknesses of styles, communication orientations, high stress backup styles, and style flex. The four different management leadership styles comprise of analyzer, director, creator and relater. All these styles depend on two major interpersonal dimensions: assertiveness and responsiveness. Each person has a dominant style which describes a pervasive and enduring set of interpersonal behaviors, such as how one acts, and what one says and does. The theory is not only useful for individuals to increase their self-awareness, but also useful for team (or organization) leaders to understand their team members' strengths and weaknesses and communication preferences. From management point of view, the knowledge of team members' strengths and weaknesses is the fundamental for leaders to build up a high performance team and increase team work efficiency.

The third interesting and useful topic covered in Prof. John Darling's lectures is the time management issue. Time is free but may be the most valuable asset. The way to spend time draws the difference between success and failure. In general, it is crucial to have the goals lined up of what needs to be done for the day written down and avoid doing any other task until the goals for the day have been finished. Time management is a range of skills and techniques used to manage time to accomplish specific tasks and goals. It encompasses a large scope of activities, including planning, allocating, setting goals, analysis of time spent, organizing, scheduling and prioritizing. The “to-do” list I am now doing mainly concerns the planning and prioritizing activities, because as a student, I do not have too many tasks and goals to be accomplished. When we talk about our success in the future and relate time management to global leadership, the concept “time management” can be more generalized to include more activities, like to do paperwork and task triage to get ourselves organized, to protect our time, to set goals, focus on them and prioritize them, and to recover from bad time habits (e.g., procrastination).

Being a successful global leader also requires some practical skills, such as international negotiation skills that were covered in Dr. Marie Zener’s lectures. Two topics that I consider very interesting and useful are the negotiation tips given during the lectures and the presentations of business negotiation cultures of different countries.

2.2.4. Conclusion

Globalization is an inevitable trend nowadays. In order to prepare ourselves for the change, we must go through the self-transformation process first. This means we, aim to become future global leaders, need to be aware of ourselves (i.e., develop self-awareness), change the mindset and accept behaviors that are not common in our culture. Second phase will be to expose ourselves widely to the various culture environments to improve various “soft” skills, these include interact with personnel with different background, be more socially and culturally fair, be more optimistic and discipline and continuously motivate ourselves as well as our peer and subordinates. During this fall term DGLT course, we have had different exercises that help us to get aware of our own personalities, learning styles, behavior styles, strengths and weaknesses, and how to play with the strengths and to flex from and to different behavior styles.

The comparison between the characteristics shared by successful global leaders and the strengths I have now helps me to find out the direction of how to improve myself to develop global leadership talent. In my point of view, there are three actions that I can take to make myself a successful leader in the future: exercising the management leadership skills in working environment, continuing to play with my strengths that are valued by others, developing leadership skills that I lack but are important for a successful leader (e.g., change management skills and international negotiation skills), and flexing my primary leadership style to other leadership styles to improve my communication skills.

Picture 2.2-2 Tallinn

2.3. Global Leadership Talent and How to Get There?

Davide Traverso

2.3.1. Introduction

Global leadership talent is a very wide subject and it is difficult to point the attention over just one main aspect. Looking at the three words, it is possible to deepen the real meaning of the concept expressed above.

With the word global, the attention shifts immediately on a global view of the topic. It is related to the personal sphere if we consider global attitudes, behaviors, thoughts and feelings which define a person. Every single action is defined by our personal attitude and, in order to study and improve this one, it is necessary to look at our personality in a broad or global way. If we move from the personal sphere to the external one, we can simply think about the world we are interacting with today. Our world is full of global interactions; every day we speak with a wide range of persons, coming from different places and with different cultures and way of thinking. This atmosphere makes us feel in a more entwined world, with few borders and few barriers between different cultures, different perspectives and different way of thinking. This is also what the job environment has faced during the last century. The deep changes of the business environment have

Picture 2.3-1 Jose, Bernardo, Peng, Dominik, Davide, and friends

defined a compl etely new way to look at today's world. Companies work together from a country to another and within different countries. The more a company is active and flexible the higher is the number of its possibilities to success.

Let's step to the second word: leadership. This word covers under its surface a very important concept. The leadership idea has been attracting mankind since its existence. Few persons during the history were true leaders but a lot of people have strived to become a recognized one. This word has assumed very different nuances, passing from being positive to extremely negative, but it is for sure strictly linked to human nature. It is difficult to speak about leadership in a scientific way; what does it mean to be a leader? That is not a simple question and there is no common answer. It is strictly related to the personal attitude which defines how you behave and act in every situation, and for that reason I strictly believe that it is something related to the personal and natural attitude. Is it a gift given by Mother Nature? In my opinion, something is related to this concept; leaders have particular skills which have been improved during the whole life, but they have also particular skills which are natural. Good examples of the topic expressed herein are high communication skills, fast response in thinking, sensible behavioral attitude, and the art of mediation.

What is included in the word talent, instead? This word is related more to natural skills which define a person. The most of the time these features are unexpressed, because it is not simple to find a way to use them. Talents need to be trained in the right way in order to find their potentialities and, above all, find the way to improve them in order to let them become standpoints. It is possible to understand better this word thinking about a simple example. Let's take a soccer team which plays in the top series and is one of the best of the league. This team wants to have the best players to achieve its goals, and to do that, it searches constantly for new talents around the world in the most quoted youth teams. Some players will be noticed and studied throughout the whole year in order to monitor their efficiency and their effective value. If the player is considered good enough, then he is called to play in the top series. During this process, the responsible for monitoring players gathers data in order to have the possibility to match the results. He/She will probably observe many games during the year, in order to effectively see the player in action. His/Her choice will be determined by his/her opinion about the player's potentiality. Sometimes it happens that with some players that the potential is so huge that it is completely covered and it is difficult to recognize in the beginning how much value the player has. Once recognized the player potential, it is very important to schedule the right training in order to improve the player's capabilities.

After having analyzed the three main words that composes the main concept, it is possible to pass to the "global leadership talent" analysis as a whole. The idea is to find a talent, design its best schedule to highlight its skills improving them. The word global is related to the capability of the talent, who has improved its leader's skills, to act in a global environment, which is the current business environment.

2.3.2. How Can Such a Talent be Developed?

It is always very difficult to develop a talent; the main reason is that a talent has some skills which are better than the average and the first difficulty is related to individuate them. After having found them, the difficulty shifts to the need of a good training program which effectively improve these skills without distorting them or decreasing them.

Nowadays, leaders have to be multi-faceted; they have to excel in a broad range of skills in order to get the leadership. It is difficult to express an opinion on how these talents can be developed because a consistent part of the training belongs to the personal attitude.

One of the most important feature of a talent is the personal stability, which is very difficult to be reached. Balance is achieved throughout experience and above all through personal elaboration of the experiences lived. Without personal elaboration, it is impossible to improve our personal attitude. The increase of stability takes to another important feature which is the capability to express in a relaxed and diplomatic way. One of the most important feature to improve in a real way is to increase diplomacy, which is a determinant skill in order to behave always in a good way in front of every situation. The talent will take a huge advantage from the acquisition of this skill; but in order to achieve this one, it is necessary to develop language and organization of the thoughts skills that are very difficult to be achieved. It is necessary to be patient, to be calm in front of every situation, to mediate in every occasion, and to respect everyone. No one can teach the talent these skills; there is only the possibility to teach some cases over the ones the talent can elaborate his/her thought improving himself/herself taking as an example some ways to behave and discarding some others. The real way to develop a talent is to help the talent to develop himself/herself giving him/her the possibility to study subjects which have to increase his/her capabilities to articulate his/her thinking ability.

2.3.3. Who Am I as a Leader Today?

It is difficult to think about myself as a leader today; as I have already expressed above, to be a leader is very challenging. It has to be a good union of different aspects which involve personality, behaviors, introspective vision, personal thoughts, way of speaking, the ability to mediate, diplomacy and so on. Skills which have to be improved are a lot and it is not simple to promote every single aspect.

Personally, I feel that many changes have occurred and that my path to reach the leader position is still long and has to be developed carefully with a lot of attention. Every step in every situation is fundamental; nothing has to be ignored. One thing of paramount importance is that you can learn almost from every experience, from the less important to the most relevant. It does not really matter in which circumstance you are, what it does really matter is how much you are responsive in relation to what happened, how fast you are in developing an answer, in which way you use your ability to talk, your diplomacy and your mediation to achieve your goal. The positive leader can recognize the importance of his/her skills and position, without taking advantage of his/her privileges. History is full of leaders who were negative examples because despotic and with an extreme will to overwhelm the other. The positive one does not need to overwhelm anyone because he/she feels in harmony with nature and whoever surrounds him/her. He/She has the right personal stability, achieved during the time thanks to many experiences which have shaped his/her personality. What is really true is that a leader's improvement-path is never ending.

2.3.4. What Kind of a Leader Do I Want to Be in the Future?

It seems quite close the time when I was thinking about what I would have been in the future, but now it seems that a new challenge is starting. The attention shifts from different aspects and now the main importance is related to which kind of leader I want to be in the future. When I enrolled this program I was thinking everything but not to become a leader. This is not because I do not want to become a leader in the future, but because the path to reach this position is long and perched.

The first feature I would appreciate about a leader is sincerity and transparency. Too many times in companies, the management behaves in a not fair way, trying to hide their actions or faking to do something instead of something else; the most of the time this attitude results in a failure. News are fast in a world like the one we are living in and lies have short legs; it is far better to act according to what it is said, without trying to fake anyone or to hide purposes. This behavior can have repercussion on the job environment and also in the business market. If workers understand that their leader is someone who lies then they will not trust in him/her anymore. It is necessary for a leader to gain the respect of the subordinates; if this does not happen then the leadership is blocked and the leader cannot manage in a good way the organization. He/She will remain in his/her position, but the result will be negative.

A leader should also be almost every time well prepared; it is important to remember that a leader is an example for the others and that people use to follow him/her. It is of paramount importance that a leader could add value in the work he/she is facing with and to achieve this feature, it is necessary a constant application and a constant improvement of himself/herself in order to broad his/her mind, widen the horizons and enhance his/her knowledge.

Every leader is taken as an example also for his/her personal behavior; it is of paramount importance that a leader can behave in every situation, with politeness and personal stability, without exaggerate and letting feelings overcome his/her mind. A leader represents not only the reference to be followed, he/she represents also the entire organization he/she is leading. He/She will be involved in important occasions and he/she will have to face important meeting. Only with these personal features a leader will gain people's respect and trust, and only with those aspects it is possible to lead the firm in a relaxed, effective and constructive way.

Collaboration is a feature of paramount importance in the job environment, but too often this is forgotten. A real leader is not an aggressive one, who tries every time to overwhelm the others just because he/she is convinced about to be the best in the world, but he/she fosters collaboration, open-mind attitude, democratic speaking, and he/she likes innovative ideas. Cooperation goes on the opposite direction of competitiveness; with cooperation it is possible to reach the real good improvement which is positive because it interests the whole organization. Competitiveness interests only the individual, if taken to the extreme, enabling a counterproductive effect because of a decrease of trust and cooperation between people and an increasing tension in the system.

Picture 2.3-2 Group picture at pre-Christmas party

One of the most important feature a leader needs to be a really good one is the capability to make himself/herself be respected by the others, without overwhelming anyone, but improving cooperation. The real leader is the one who does not need negative expedients to make himself/herself respect, because he/she can count on his/her great personal stability. A real leader is not frightened by any challenge, because he/she can count on the support of his/her organization. His/Her uncommon attitudes elevate him/her to the leader position because he/she is effectively represented by a wide number of people who have met him/her and who have trust in his/her way to manage the organization.

All the features described herein are good features for a leader and these are attitudes I particularly believe in. I do not know at the moment if my place will be the one of a leader. It is very difficult to say it because life is based upon aspects we can control and random effects, which are out of our control. The random side can affect deeply the development of a career and it is also necessary to evaluate the best position according to the personal attitude. I can be sure about one thing; I will always do my best in order to achieve my best results. But according to the relative theory by Albert Einstein, everything in nature is relative and the significance of the expression "best results" assumes different meaning in relation to the person to whom is referred. If this expression will assume for me the meaning of leader, then I will surely follow all the ideas I have highlighted above.

2.3.5. How to Get There?

The route to become a leader is not simple; this is a crucial concept in my opinion. A leader is someone who is effectively better than the others. During a meeting with McKinsey & Company in Milan at my university, Politecnico di Milano, the manager of the office in Milan came to present the enterprise. He spoke for an hour about how amazing and astonishing was to work in McKinsey and about the perfection of the company and its good attitude towards its employees. The most impressive thing for me was the attitude of this manager; he was presenting a really competitive company, with an extremely aggressive job environment, with high regimes of work, and with high load of work, but he was able to build up a family and to spend time with them. This aspect has completely astonished me; he got along with his life, even though the difficulties of building such a life were a lot. What I am thinking now about this experience is that he was able to act in this way only because his particular skills. Not everyone is capable to reach a stability with an extremely busy life; just few who have particular attitudes which simplify their life in a so optimized way, which permit them to have the possibility to handle every situation without efforts.

This is exactly the main point to reach the leadership position; the assiduous personal improvement, the motivation to face always new challenges, and the capability to withstand heavy stress situations are all features which have to be constantly trained in order to improve globally as a person. In this way, the person acquires personal stability, capability to be flexible in front of constant changes, ability to withstand uncomfortable situations, and above all experience. The importance is to look at the future in a positive way, with a constructive and cooperative opinion and with the will to improve both the environment where we live and personal skills.

2.3.6. What Has Been My Personal Learning Journey This Fall?

This fall has been really instructive for me; during the whole semester I have been in contact with subjects I have never studied before, with people from all over the world, and with situations that I have never faced before. I am feeling free to say that in this fall term I have learned more than in all my life.

First of all, I have started to focus my attention on strategy and the broad discussion behind this concept. It is a very interesting subject and very useful in order to study from a different point of view things that I have studied before. I come from the faculty of Mechanical Engineering and I have studied for four years all the models which are used to project machines used by companies to produce their outputs. With this program I am starting to look at this company from the flip side; the organization of the facilities and their management, how the whole environment is seen from an economical point of view, which are the weaknesses and the strengths of different solutions and which are the theories that let the system become productive. These aspects are also presented from the point of view of the personal relationships; in my faculty, there is a big lack of communication and personal relationships are very difficult. Here, I am coming closer to a wide range of different behaviors which give me the possibility to modify myself according to new situations that I have never withstand before.

Picture 2.3-3 Davide, Michael, Jenna, Jutta, Timo, Joona, and friend

The second important aspect is the possibility to know and collaborate with people from all over the world. It is extremely important in order to improve your personal skills to get along with almost everyone. Every person is different from the others and every country has its features which are reflected from natives. Sometimes it is very challenging to overcome culture differences and the importance is to maintain the position, requiring the respect but searching for collaboration. I have a good example which explains in a good way what I have expressed herein. I am working with a group composed by two Finnish guys and me. In the beginning, we had some drawbacks because the start was quite nervous; the two Finns started to speak between them without letting me get inside the discussion. I was frustrated by this behavior, above all because previous collaborations with Finns were completely different, in a positive way. I was really disappointed and I imposed my ideas just entering in the discussion breaking their words. The general atmosphere was really negative and I realized that something should have been changed. The problem blew out when I received two emails of orders by one of the two members; completely angry about this strange behavior, I answered the two emails in a heated way and the result was a little quarrel through emails between one of the two members and me. In the end, we were able to understand each other and now we are collaborating in a good way to finish the group assignment. What can be concluded by this experience is that sometimes it could be very difficult to collaborate with foreigners. Reasons could be due to different habits, different culture, different ways of speaking, different attitudes, and different languages. In particular, the problem was linked to an attitude, but once we had discussed about it, everything has started to work in a better and peaceful way. All these experiences are extremely formative for the work environment; it is common during a personal career to have to work with people and to have to collaborate with someone who is very disappointing or with whom you cannot get along at all. The importance is to reach a solution which is valid for both; once the two persons respect each other, problems are overcome and collaboration can restart.

Situations that I am facing here are completely different from the ones I could be involved in my country, mainly because of the complete difference which divide my country, Italy, from the one I am studying in, Finland. Starting from the less serious things, I can say that parties are completely different and that I have seen things which do not exist in Italy and participated to evenings which were completely far from my previous experiences. I had to improve my fantasy to play in a good way in some events, I had to invent some costumes in order to participate to some parties; in one word, I had to improve my flexibility in behaving in every situations. It could seem very weird what I am talking about, but these experiences have been formative too. They have aroused my necessity to improve myself becoming more opened to different experiences and more flexible.

The step towards serious things is obvious, also because it is from these experiences that a person can learn the most. A good example which can explain what I am talking about is related to my study method. Finnish university has a general pattern which is completely different from the Italian one; the Finnish program is flexible and the choice of exams is wide. The study method is completely different and it is required a more constant application throughout the whole year. I had to reform completely my study method, both in relation to learning methodology and time application. This costs me a little effort above all in the beginning, even though I can say that I thought that the change could be heavier than it has been effectively. The result is that I was forced to change my student lifestyle and in order to achieve good results I had to be fast responsive, flexible, open-minded, and change-oriented.

Certainly, I am learning a lot of new things from every situation and I have to say that I am really looking forward to learn furthermore from the experiences this master program of strategy can offer to me. I have the feeling that in these two years I will improve my general skills becoming a completely different person from the one I was when I came here in Finland in the end of August. The process has already started and it will escort me until the end of my experience.

PART THREE:

SPECIFIC LEADERSHIP SKILLS

3.1. Fostering Innovation

Timo Kauppila

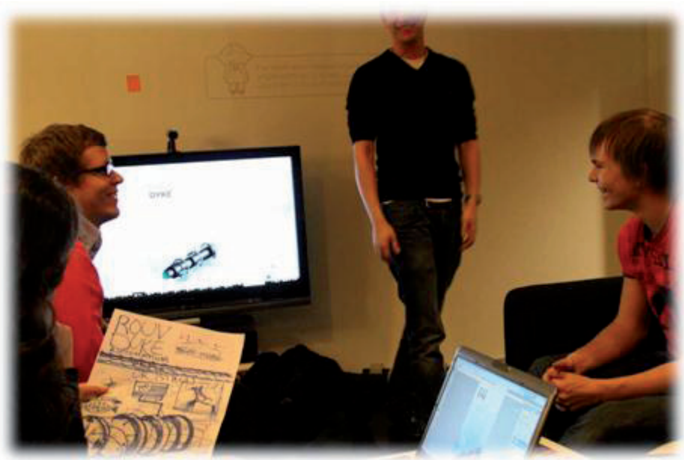
3.1.1. Introduction

A recurring theme which seems to pervade through management literature, corporate strategy and even political establishments is the idea of fostering innovation, which is seen by many to play a vital role in today's economies (Dess T Pickens, 2000). But what is innovation? From its roots, the word implies something new that leads to positive change in the form of, for example, increased productivity or wealth. As markets become more congested and competition more fierce, it comes as no surprise that organizations today are placing a higher premium on being able to innovate (Drazin & Schoonhoven, 1996) and that the ability to be creative is becoming an important asset for employees (Mumford et al., 2002). In this essay, we will tackle some of the key issues which lie at the core of fostering innovation. These in turn arise, not only from leadership, but also through environments and spaces, as well as general team dynamics. Much of the conclusions and insights are based, not only on theory and literature, but also on my own experiences as a project manager in a product development project during 2010-2011.

3.1.2. Importance of Leadership in Fostering Innovation

As was noted by Tierney, Famer and Graen (1999), effective leaders are able to promote creativity in employees. This is achieved by creating incentive structures and culture which promote innovation as well as providing expertise and vision to create solidarity and direction. In the first case, effective incentive structures need to be established by leaders to achieve the creative potential of team members. These incentives, in turn, are not necessarily financial. In fact, due to their identity being centered on their work, creative individuals are often motivated by professional achievement and recognition (Chalupsky, 1953). This means that leaders need to structure work in a way that is personally engaging for creative individuals (Cristina L. Byrne et al, 2009). This, however, is easier said than done. In my own experience, allowing people freedom to pursue their own projects and sub tasks allows them to gain ownership of their work. For example, in our product development project, which was centered on developing an underwater pipe laying machine, the project was split into clear sub projects such as the navigation system, which allowed for group members to exercise their creative potential and gain recognition from the group for their individual achievements through weekly progress meetings. In contrast, projects where the end result is a mesh of individual efforts makes assessing one's own contribution difficult. This might be the case in working for a large corporation where creating new ideas often serves to promote the abilities of the department or a higher figure such as a manager. This in turn, does not create individual incentives to innovate.

Another aspect that falls upon the leader is the creation of culture and shared goals within teams to promote innovation. As stated by Kahn W.A (2002), shared goals and a sense of purposeful work drives people to collaborate and innovate. Culture also affects the climate of the group in defining such aspects as risk taking, openness within the team, and cohesion, all of which have been shown to be important for innovation (Mumford M.D. and Hunter S.T., 2005). Leaders also need to provide a culture and hence working environment which is fair and socially accepting. This creates better performance and happiness (Tyler TR and Blader SL, 2003) and promotes the sharing of ideas and hence innovation. Culture also refers to hierarchy and communication with research showing that flat structures promote communication between groups and hence positively affects innovation. This in



Picture 3.1-1: Brainstorming session with team using different tools such as models and sketches along with a candid and relaxed environment.

turn implies that, by promoting such structures within the team, a leader can have a positive influence on fostering innovation. In my personal experience, a culture of sharing ideas and being exempt from ridicule is important in collecting ideas and brainstorming. For this, social engagements are required to build an open and friendly atmosphere but these in themselves require time. Furthermore, flat organizational structures do undermine some of the control project managers and leaders have which could undermine progress when creativity and freedom are not required. In my time working in the design factory, a source of innovation in the Aalto community, it has occurred to me that talking to the head of the department is extremely candid and the organizational structure extremely flat. This in turn allows ideas and resources to spread with ease and be assessed by the correct individuals quickly.

For innovation to occur, expertise is also needed on the part of the leader. This is partly to provide credibility and form of powerbase as described by Yukl (2006). This is needed due to the nature of leading creative people, who possess high levels of autonomy and a strong professional identity. Expertise in turn also allows the leader to communicate more effectively with the group while also being able to relate, assess and hence cultivate a culture of innovation within the group (Mumford et al., 2002). In fact, several lines of research have found that a leader's technical skill is the best predictor of follower creative performance (Tierney, Farmer & Graen, 1999). Expertise also provides leaders with the ability to select appropriate projects, effectively evaluate proposed ideas, and provide feedback to the group (Basadur, Runco & Vega, 2000). This is extremely important in fostering innovation, because while creativity can flourish without direction, for it to be useful and hence innovative it needs to be focused. This means being able to adequately assess alternatives and provide a clear vision and path. In the case of our project, an underwater pipe laying machine, several pathways were available. Initially, a direction was chosen which in hindsight, highlighted the inexperience of the team along with myself to the problems associated with building machines underwater. It was only after more knowledge and experience was acquired that a simpler and much more realistic and working pathway was pursued and hence innovation achieved.

3.1.3. The Importance of Environment and Space in Fostering Innovation

Often overlooked, the idea of environment and space plays a major role in fostering innovation. To begin with, as suggested by Maslow and his hierarchy of needs, people require basic needs to be met before they strive for self-actualization, and other activities which would lead to true innovation. This means shelter, food and other basic needs need to be met before innovation can occur. Environment and space, however, play a more vital role than simply providing shelter. If used effectively, these factors can have a positive effect on fostering innovation. As described by Richard Florida (2002), working space designs can have a positive effect on productivity as well as creativity. In terms of environment, Santamäki (2008) highlights the importance of a healthy, functional and pleasant working environment where workers from different professions can be more effective, productive and creative. According to Santamäki, communication flow and interaction between different professions is the key element in creativity. These in turn can be promoted through an effective working environment. Other factors include resources and tools available within a given environment which can be of substantial importance for innovation (Ekvall and Ryhammer, 1999). This can be seen in academic buildings whereby computer terminals allow faster communication and collaboration which in turn leads to creativity and ultimately innovation. This idea, coupled with prototyping capabilities and free building materials and tools, is what makes the design factory even more effective than traditional spaces. As found during my project, prototypes could be

Picture 3.1-2: A typical Space at the Design Factory; Open with materials ready to be used for brainstorming and prototyping.

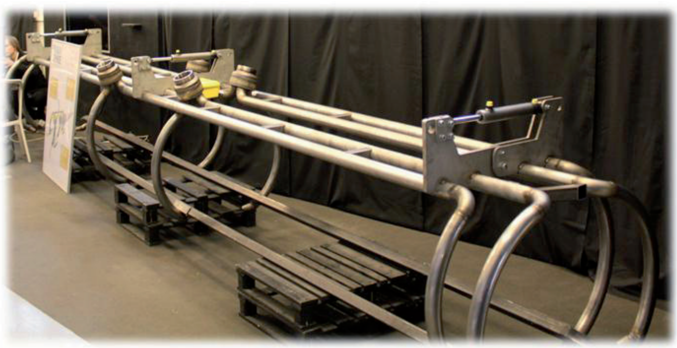
easily built using the facilities which in turn helped communicate ideas and highlight foreseeable problems. The idea of environment and its effects on innovation is also touched upon by Hollanders and van Cruysen (2009) in their study on EU Member performance in creating optimal climates for innovation. The performance in the index is based on creative education, self-expression and openness together with tolerance with the top five countries being Sweden, Denmark, Netherlands, Belgium and UK. In this case, Finland scored highly on education but apparently does not promote openness within its environment. This highlights a major problem with attempting to innovate within Finland.

3.1.4. The Importance of Managing Multicultural Teams in Fostering Innovation

Teams are often highlighted as a major source of innovation especially when they contain several areas of expertise (Cagliano, Chiesa & Manzini, 2000) along with different perspectives through multiculturalism or varying disciplines. Creating functioning teams, however, can be difficult especially if they are to be cohesive but nonetheless diverse, optimal for promoting innovation (Abra, 1994). One rule of thumb is limiting the size of the group to consist of about five to seven individuals which is shown in research to be optimal for innovation (Curral et al., 2001). If this is not possible, splitting a group into smaller subgroups is also possible and serves the same effect. As for the importance of multiculturalism, its benefits are sometimes difficult to assess. Although research suggests that multicultural teams can increase the rate of creativity and innovation (Oliver Gassmann, 2001), they can also be a source of tension, with different cultures unable to understand and relate due to language and cultural barriers. In our product development project, for example, we had a Russian a French and several Finnish engineers who didn't speak English very well. This, of course, hindered brainstorming and the sharing of ideas, mainly because language issues made people weary of speaking out. This, however, was solved by using other modes of communication such as drawings and small prototypes which could transcend cultural and linguistic boundaries.

3.1.5. Conclusion

In conclusion, upon reviewing the factors which affect and promote innovation, it seems that by paying close attention to space and environments as well as teams and leadership, innovation can be fostered more effectively. To conclude, however, this paper would not be complete without looking deeper into the assumption that fostering innovation is beneficial. Although it might seem that creating innovation would lead to growth, often there is substantial risks involved which stem from the fact that the generation of a sound idea is not always guaranteed, the development of the idea is not always possible, and the resulting product may or may not fill a current market need (Cardinal Ͳ Hatfield, 2000). For example, as shown in a cross-industry study by Stevens and Burley (1997), out of every 3,000 initial ideas, only 300 results in experiments and/or patent filings, from which only 125 advance into full-fledged projects, and from these only 1.7 products are launched, with only one finally succeeding in the market. This added with the knowledge of a Yale University survey which found that in only five out of 130 industries were patents 'highly effective' for protection, while they were deemed 'moderately effective' in only twenty more (Levin et al., 1987). With this type of odds, it would seem that companies and countries alike would fare better by applying a second mover strategy, waiting for others to expend valuable resources in innovating and then picking up after the hard work has been done.



Picture 3.1-3: The final prototype of our underwater pipe laying machine weighing in at around 400 kg and over 6 meters long.

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3.2. Issue Selling in the Middle – Middle Management Challenges

Jutta Hakkarainen

3.2.1. Introduction

3.2.1.1. Topic and DGLT

In my spring term essay I study the persuasion tactics affecting middle managers' ability to sell issues to the upper management and to the subordinates. During the first year of the DGLT course, we have addressed the communication strategy and persuasion tactic topics to some extent. In my essay I take a deeper look into the concrete persuasion techniques which influence middle managers' vertical relations to the upper management and the subordinates. The topic is a continuum to the communication strategy theories learnt in class.

3.2.1.2. Me and DGLT

In the spring term essay, I explore issue selling from the middle management's perspective since I can see myself working in a similar position in the future. I also perceive the middle manager position to be highly challenging in terms of maintaining a balance between being a leader and being led by the upper management. In this paper, I approach the challenge from the communication strategy point of view and especially with respect to the persuasive tactics the middle managers face in their vertical relations (see Figure 3.2-1).

Picture 3.2-1 Group picture in factory excursion in Tallin

I have learnt a number of new things about myself during the first year of DGLT course. I have acquired knowledge and experience on how I, as a leader, would react to and behave in various leadership challenges. These leadership challenges covered in DGLT class included topics relating to negotiations, team performance, communication strategy, leadership styles and self-examination. In the future I want to cherish all these different leadership skills and put them into practice. In order to reach this goal, I want to be exposed to different organizational challenges in a real business environment. I believe that theories are best captured when faced in a real life context. However, DGLT has given me many tools with which to encounter leadership challenges.

3.2.2. Middle Manager's Tactics Used in Selling Issues to the Upper Management and Subordinates

Dutton and Ashford (1993) define issue selling as "individuals' behaviors that are directed toward affecting others' attention to and understanding of issues" (p. 398). In this article, I cover issue selling from middle managers' perspective to two directions: issue selling to the upper management and issue selling to the team supervised which can consist of both managers and personnel. Figure 3.2-1 illustrates the perspective of the essay highlighting (in red) the particular topics of interest i.e. the vertical and hierarchical relationships. The horizontal arrows in Figure 3.2-1 illustrate the communication with the other middle managers.

3.2.2.1. The definition of a middle manager

According to Thompson (1967) cited in Kumarasinghe and Hoshino (2010:5) middle managers are often perceived to act as the "suppliers of information and the consumers of decisions made by the top-level managers". Due to the vast variety of tasks that the middle managers are responsible for, it is sometimes difficult even for the actual middle managers to define themselves as such (Franzén & Hardaker, 1994). Usually, middle managers hold job titles which do not necessarily describe their position as being in the middle of an organization. Franzén and Hardaker define middle managers as follows:

"Other managers report to you. They have personnel or managers reporting to them. And you are not (yet) a top manager; someone who reports directly to your Chief Executive" (p.2).

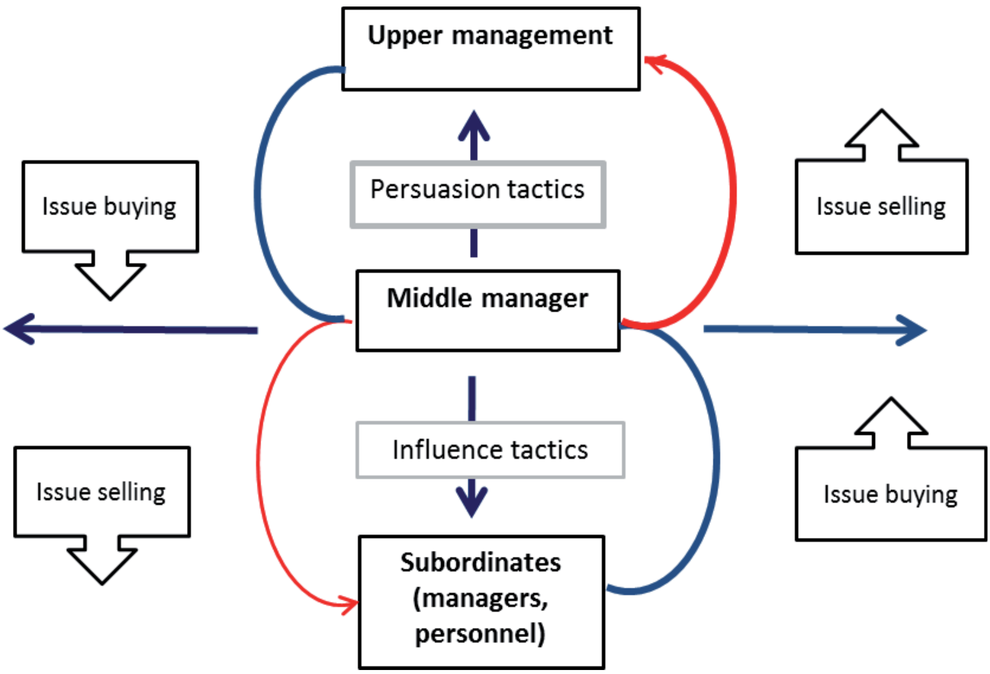

Figure 3.2-1: Hakkarainen, 2011

In my opinion, middle managers can be seen as the receivers or buyers of issues from their subordinates and as seller of these issues to the upper management (the right arrows in Figure 3.2-1). On the other hand, the middle managers can be seen as the buyers of the upper managements' requests/issues and thus as the seller of these requests to the subordinates (left arrows in Figure 3.2-1).

3.2.2.2. Issue selling to the upper management

Issue selling is widely discussed in the communication literature and therefore, it contributes to the wide array of persuasion tactics the middle managers need in their everyday communication.

There are many choices a middle manager can make in issue selling in order to guarantee and attract the upper management's attention. The following figure composed by Dutton and Ashford (1993:405) identifies the features the middle managers need to consider when planning to persuade the upper management.

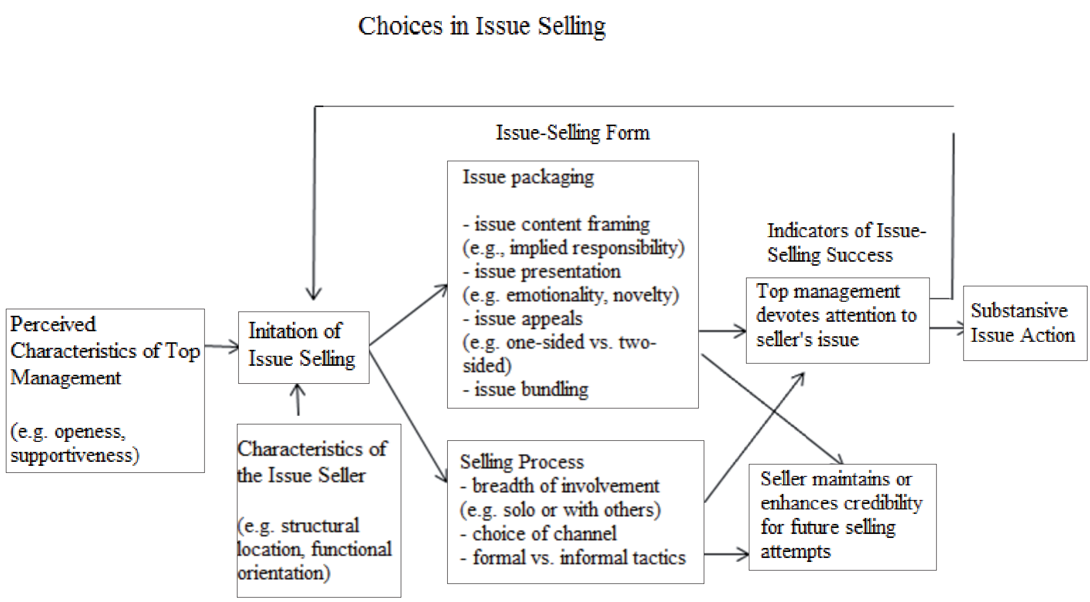

Figure 3.2-2: Choices in issue selling, Dutton & Ashford (1993:405)

Dutton and Ashford (1993) approach the features affecting issue selling from various perspectives. First, they suggest that the characteristics of the top management influence the success of selling an issue. An open-minded and encouraging top management will most likely receive issues from the middle management. According to Shelby (1988), the target audience's response is also determined by the issue buyer personality and the actual situation in which the issue is presented.

Second, the middle managers' tactics used in persuading the upper management should be determined according to the style of the target audience i.e. the preferences of the upper management. Third, the upper management is more likely to buy the issue brought up by a middle manager when the issue is provided together with a solution (Dutton & Ashford, 1993).

3.2.2.2.1. Framing tactics

The way in which the issue is packed contributes to the response of the upper management. According to Dutton and Ashford (1993), issue packaging stands for explaining "how an issue is linguistically framed, the way an issue is presented, and how an issue's boundaries are established" (p.410). Issue framing helps the middle managers address their credibility and also highlight the facts that are particularly of importance to the company. Depending on the issue at hand, the middle manager can frame the content to tackle a particular area of interest. Furthermore, the issue seller can tactically frame the issue in a way in which it addresses the central interests of the top management. Through issue framing, the middle manager can affect also the upper management's established perceptions on the issue. So-being, the authors state that the more variation there is in the beliefs of the upper management, the more likely it is that the issue gets sold (Dutton & Ashford, 1993).

According to Dutton and Jackson (1987) et al. cited in Dutton and Ashford (1993:411) the increasing degree of threat, uncertainty and urgency of the issue increases the level of upper management's attention. The upper management is, in general, interested more on the issues with higher returns which can be easily addressed through the management team capabilities.

Middle managers' issues relating to their own areas of expertise will also gain the upper management's attention more easily than the issues without a recognized experience (Dutton & Ashford, 1993).

Middle managers success in selling issues is also determined by the strategic value of the issue i.e. the long-term influence on the company performance. In order to put the issue into the strategic frames, the middle managers need to be in positions which give them access to the strategic data. This will give a different starting point for middle managers to persuade the upper management (Dutton & Ashford, 1993).

The communication literature also discusses the linguistic tactics middle managers can take advantage of when persuading the upper management. Dutton and Ashford state that issues represented with emotional and passionate language while providing new information, evidence and examples to the audience will most likely receive the upper management's attention. The authors recommend the middle managers to give concise and, particularly, two-sided arguments for supporting the issue to the upper management (Dutton & Ashford, 1993). In addition to these tactics, the middle managers can also persuade the upper management by relating the issue to the other crucial issues at hand. This tactic defined as "issue bundling" diminishes the amount of attention on a single issue and thus, shifts the responsibility of the issue seller towards a group of issue sellers (Dutton & Ashford, 1993:416).

When selling issues middle managers should consider the formality of their selling style in comparison to the formality of the company culture. The correctness and effectiveness of a persuasion style depends on the context and the company's overall communication culture. Choosing an adequate persuasion style is also essential for the issue seller's credibility on selling issues (Dutton & Ashford). Shelby (1988) also recognizes the importance of integrating the communication strategy in the corporate culture.

3.2.2.2.2. Selling process

In addition to the framing tactics of issue selling, a middle manager can consider persuading the upper management with the help of the actual selling process tactics and channel considerations defined by Dutton and Ashford (1993). With regard to the selling process tactics, the authors claim that the more experts the middle manager is able to involve in the issue selling process, the more likely the upper management's attention will be achieved. The authors also suggest the middle managers to take advantage of the public channels in order to guarantee the upper management's commitment on the issue. However, at the same time this may alter a middle manager's credibility as an issue seller (Dutton & Ashford, 1993).

According to Marie Zener (2011), the most effective written formats to persuade executives are reports, memos and letters. Dr. Zener suggests a simple, direct and clear persuasion style to be applied when attracting executives' attention. In the context of issue selling, also the conclusions should be given in the beginning of the selling process (Zener, 2011).

3.2.2.3. Issue selling to the subordinates

After the middle manager has "bought an issue" from the upper management, it needs to sell the issue effectively to the subordinates in order to ensure their correct response to the upper management's requirements. Selling an issue efficiently to the subordinates requires taking advantage of the influence tactics defined by the communication literature. Charbonneau (2004) studies the effect of four influence tactics in order to get the subordinates' engagement in a particular project or task. In this paper, a task can be considered to be a request of the upper management.

According to Yukl and Seifert (2002) cited in Charbonneau (2004:566), the influence tactics affecting the subordinates' response to a request are the following:

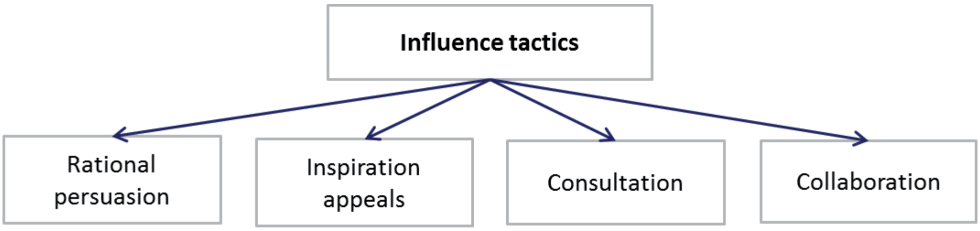

Figure 3.2-3: Influence tactics (Yukl and Seifert, 2002)

It can be noticed that possessing transformational leadership talent is highly essential when middle managers try to establish the subordinates' commitment on the upper management's requirements. The importance of influence tactics was discussed by Charbonneau in terms of their relevance in transformational leadership. The necessary skills were considered to be the following:

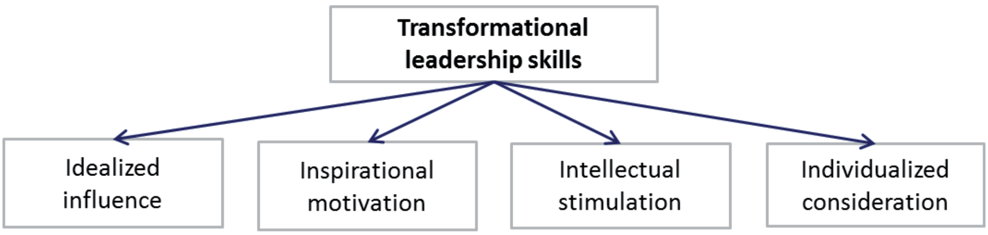

Figure 3.2-4: Transformational skills defined by Charbonneau (2004)

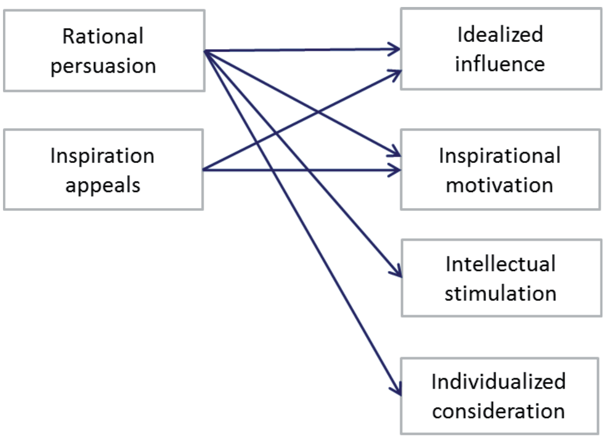

Figure 3.2-5: Influence tactics and the effect on transformational skills defined by Charbonneau (2004)

3.2.2.3.1. Rational persuasion

According to Charbonneau (2004) rational persuasion is the most valuable influence tactic when addressing the subordinates with a particular issue. The rational persuasion tactic involves using examples, illustrations, facts and visualizations when explaining the rationale behind a request (Yukl (2002) & Yukl and Seifert (2002) cited in Charbonneau (2004:566)). In my opinion, the rational persuasion tactic acts as a good tool for the middle managers to explain the upper management's requirements and requests. Hence, this type of tactic can result in a performance which meets the expectations of the upper management. When the subordinates are provided with facts and arguments the request makes sense to the audience i.e. to the subordinates.

Charbonneau's study revealed that the rational persuasion tactic is influential in all the transformational leadership features required also from the middle managers. According to Charbonneau, rational persuasion tactic is relevant in the 'idealized influence' in which the managers "appeal to subordinates' ideals and act as role models" (2004:565) with the help of facts and examples. The same benefit applies to the inspirational motivation. Keeping this in mind, a middle manager can influence the subordinates by inspiring them while providing facts on their encouraging statements. Intellectual simulation, meaning encouraging the subordinates to be creative and innovative can also increase the level of commitment and engagement when the subordinates recognize their importance in changing the organization. According to Charbonneau, a manager can also be more trustworthy when providing facts on the individual feedback (individualized consideration).

3.2.2.3.2. Inspiration appeals

The other influence tactic affecting managers' ability to gain subordinates' commitment on issues is inspiration appeals. Inspirational appeals can be defined as "the use of values and ideals to arouse an emotional response in the target" (Yukl (2002) & Yukl and Seifert (2002) cited in Charbonneau (2004:567). By using this appeal the manager can address the subordinates' values, ideologies and needs and at the same time, raise interest towards the issue at hand. Inspiration appeals are most influential in the context of idealized influence and inspiration (Charbonneau, 2004). This means that through inspiration a middle manager can act as a role model to the subordinates and in that way gain commitment on the issue. According to Bass (1998) cited in Charbonneau (2004:573), this type of behavior is also called “charismatic-inspirational leadership”.

Voinea, Naidin and Dumitru (2011) identify several communication techniques which are of relevance when persuading the subordinates. These include the existence of supportive and encouraging attitude towards the subordinate’s response on the issue, the use of neutral and supportive body language and in general, the effective use of summaries about what has been agreed on. According to the authors, the success of managers’ persuasion tactics is partly embedded in their personal characteristics and the ability to affect the other’s thoughts and behavior. This is in line with Charbonneau’s idea of linking the influence tactics with the transformational leadership skills. In my opinion, issue selling tactics should be tightly connected to middle managers’ overall leadership talent.

3.2.3. Reflection and Recommendations

This literature review provides evidence on the fact that middle managers do need to consider carefully the ways in which to persuade both the upper management and the subordinates. In my opinion, issue selling is also about cognitive awareness in the sense of selling process features. By this I mean that the issues and requests received from the upper management are to a larger extent taken as given by the middle managers. The middle manager’s task is then to communicate the requests, engage and support the subordinates to follow the recommendations. As when downward persuasion is highly motivational, the communication striving for attracting the upper management’s attention is somewhat more persuasive. In this sense, I perceive that the upper management’s style and preferences are taken as given when middle managers try to attract the target audience. These characteristics surely affect the choice of tactics when selling issues.

Picture 3.2-2 MIS girls at Tallinn

When considering issue selling to the upper management, issue framing and selling tactics are especially of importance to the middle managers' performance. In my opinion and as discovered by Dutton and Ashford (1993), a good tactic is to sell the issue as a bundle with issues that are known to especially interest the upper management. A middle manager can try to find linkages between the issues brought up by the subordinates and some other issues known to be in upper management's priorities. It can be also recommended that the middle managers attach some level of urgency or threat to the issue (Dutton & Ashford, 1993). Additionally, in order to guarantee the upper management's attention a middle manager should prove one's own expertness on the issue while involving other specialists on the persuasion process. In my opinion, middle managers could provide the upper management with examples of the problems (issues) faced by the subordinates and how they themselves see the implications of those particular issues. If the middle manager has encountered a similar problem before, the previous experience can act as a back-up proof for one's expertness on the issue.

To summarize, when selling issues to the upper management the middle managers need to:

1) Analyze the style, characteristics and interests of the upper management

    → Apply a particular form of formality that best suits the organizational culture

2) Assess one's own expertise on the issue
3) Frame the issue

    Consider the following factors:

   a) Linguistics & presentation
      - Convey emotion & passion
      - Provide new information, evidence and examples
      - Give concise and two-sided arguments
   b) Strategic importance
   c) Issue bundling
   d) The level of threat, uncertainty and difficulty
4) Consider the actual selling process
   a) Involving experts
   b) The use of public channels
5) Come up with possible solution ideas

Selling issues can be seen to happen to two directions in middle manager's vertical communication network. When middle managers receive requests from the upper management, those issues need to be sold further to other managers and personnel. In my opinion, the persuasion process differs from the one towards the upper management in the level of motivational and inspirational tactics. When selling issues to subordinates the most important values seem to be to make sense and increase commitment. Moreover, the transformational leadership skills together with the influence tactics (Charbonneau, 2004) can provide a middle manager with a powerful tool to sell issues to the subordinates.

To summarize, when selling issues to the subordinates the middle managers need to:

1) Apply rational persuasion tactics
   a) Provide examples, illustrations, facts and visualizations
      → Make sense
   b) Act as an example
   c) Encourage innovation and creativeness
   d) Give individual feedback with facts

2) Integrate inspirational appeals
    a) Incorporate emotions, values and ideals
    b) Address subordinates' own values and needs
    c) Act as a role model

Picture 3.2-3 Jose & Yiwen

3.2.4. Reference

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3.3. Stress Management in Leadership Environment

Dominik Glenz

3.3.1. Introduction

In today's increasingly complex business world a tremendous need for leaders arises, as organizations' strategic paths need to be adjusted to the business environment frequently. Leadership is hence the only effective way to provide organizations with ideas to set up successful businesses and to overcome difficult situations. Yet, leadership is still subject to discuss and there is certainly no single best approach to cope with all threats.

Especially the great threats leaders and managers themselves are exposed to, are a topic of greater interest in leadership research currently. As a result of faster and often also more interconnected business life, leaders in today's businesses have a high possibility to encounter stress in their day-to-day business.

Stress is one of the main reasons for numerous health problems occurring often in organizations today. Though, the research about stress and on how to manage it successfully is quite

Picture 3.3-1 Finland

limited. The literature about this topic is dominated by a few authors. Moreover, the topic cannot be tied to a single area of research – both business research and psychology or medicine covers the topic from various different angles and perspectives. As a consequence, a single definition for stress cannot be drawn when taking a closer look at the different stress management literature. In some cases, stress is distinguished from pressure, where pressure is a motivation driver and stress blocks productivity, in other cases, stress is defined to be either a dependent or independent variable or even a process.

Picture 3.3-2 Summer cottage

However, it is undeniable that effective stress management is crucial to keep up successful and professional leadership work. Stress arises regularly in highly responsible positions and thus a successful manager has to deal with it just like with any other issue in business life.

3.3.2. Reasons for Stress

Throughout the literature, several different reasons for stress are discussed. These reasons are rather heterogeneous but can still be integrated in a bigger framework. For this case, the A-B-C-model also mentioned in John R. Darling's lectures (Darling, 2010) is quite useful and shall thus be adopted here. Hence, a typical situation of stress consists of three stages: A triggering or activating (A) event, the beliefs (B) and thoughts the individual comes up with as a reaction to this event and the consequences (C) as a result of this reaction.

Most of the reasons for stress mentioned in the literature are activating events such as a massive work overload (Smith and Cooper, 1994) or a complex and unclear situation (Darling, 2010). Those events can arise in day-to-day business life as well as in special situations of crisis where there is a higher tension and need for achievement any¬way. One can imagine a likely situation in which an employee has a heavy workload anyway and then his supervisor comes and demands an involvement in an additional project or better achievements in work. It could even be a trivial event such as a computer system failing.

Such a triggering event in itself wouldn't be that much of a problem. But as a consequence of bigger circumstances and an environment enhancing negative mood, thoughts and beliefs arise which consequently turn this event into stress most likely. These negative atmospheres are also mentioned quite often throughout the literature. Problems such as difficult relations with colleagues or an immersion of business or even fears about the personal career enhance negative thoughts about situations like this and make stress likely to appear. Moreover, also a need for achievement (Akande, 1992) or especially reduced leisure time to take care of the family can cause negative reactions on such events. Finally and especially for entrepreneurs, also loneliness as a result of high competition is mentioned (Akande, 1992) to favor negative thoughts in specific situations.

Hence, such an activating event together with a negative atmosphere often automatically leads to negative beliefs and thoughts about the situation. This is where as a consequence stress often appears and is likely to affect the work performance which even increases the pressure again and so on. This is of course one of the main reasons for psychological health problems occurring in work environment. Well known impacts are depression or even a burnout syndrome.

Picture 3.3-3 Yiyun

The stages a stressed person then passes are also subject of research currently and can be described as follows. First, the mind is set to a so called alarm stage (Lehrer and Woolfolk, 2007).This can be compared to the state “fight or flight” which was common for stress management research some years ago. After that, the adaptive resistance stage takes place which means that the mind resists to a situation of stress. And finally the so called exhaustion stage appears which can be compared to a light version of a burnout. That’s also where the health is endangered the most. Hence, different strategies have to be undertaken to reveal the stress effectively.

3.3.3. Managing and Reducing Stress Effectively

Stress management and reduction techniques which can be found are very heterogeneous and sometimes ambiguous. Nevertheless, the best method to understand them is to categorize them. Therefore, it is possible to divide them up in three sections – the precautionary stress management, the long-term stress reduction and the short-term stress therapy. To work most effectively, thus, all of the mentioned categories must be covered in one or another way. Especially if people are likely to tend to be stressed, even more has to be undertaken, but for now, this shall be acceptable as effective stress reduction framework.

Precautionary methods to reduce stress are mostly techniques to make the working life more enjoyable. Most of those methods also have to be undertaken by supervisors since the employees themselves do not have the ability to decide over things like workload etc. Exemplary methods in this category are e.g. to balance one’s workload to avoid massive exertion of the employees. Especially for managers this can be hard since productive managers almost always have to work hard to achieve results. Another method would be to give the subordinate a sense of success whenever a project is done successfully (Smith and Cooper, 1994). This can boost the motivation and relieve a feeling of stress effectively. Also it is very important to monitor the warning signs right before a situation of stress might occur (Darling, 2010). Quite often, a situation which enhances stress can be foreseen easily and this can hence favor oneself to avoid stress.

Moreover, also long-term practices can be undertaken to cope with stress in working life. These methods have to be set apart from the precautionary methods since precautionary practices help to avoid stress in general whereas long-term methods help to reduce the feeling of stress over a longer amount of time. Hence, the belief or thought of a triggering event can be controlled over the long-term to avoid such an event to be transformed to actual stress. These methods include ideas like a healthy lifestyle – such as to balance the nutrition, to do a lot of sports and/or to reduce the consumption of tobacco, alcohol and caffeine. Moreover, also support from the family or other relatives or even the colleagues can help to reveal stress over the long term. Since the team is the core of every effective organization, a successful leader has to enhance mutual support within the team to help them to reduce stress as well. Finally, also special sports like yoga are especially designed to reveal physical and mental symptoms of stress and to cope with it over a longer period of time.

Thirdly and finally, short term methods are maybe most effective in a situation of stress, since their impact can be measured individually just at the situation. First of all, an acknowledgement of stress has to take place which is crucial for the distinct person to be willing to cope with it. As a second step, this person has to identify the root cause of his or her problem. By doing so, seemingly trivial problems can be resolved which can lead to a big improvement in the special situation. Moreover, it is also possible to control the thoughts and beliefs of oneself which transform the situation to a feeling of stress. This is maybe the main goal of the A-B-C-model and thus a far more important step one would normally think of it. For these two steps a time out is maybe most effective, just to be sure about one's goals, values and needs in the special situation but also in general (Farren, 1999). This lifestyle-assessment (as proposed in (Farren, 1999)) can reveal also bigger underlying problems and make the individual person cope with them effectively. Finally, common methods also include a better time-management, certain methods of relaxation (Lehrer and Woolfolk, 2007), delegating tasks to reduce the workload or even going on vacation to be absent from work environment for a certain amount of time. To my personal extinct, I can also claim that the pure expectations of a vacation can also reveal stress and boost the motivation for a short amount of time.

3.3.4. Stress as a Motivation Driver

Picture 3.3-4 Social time

As already discussed within the essay, stress can be and is also often the source of high motivation and productivity, at least when coped with in the right way. Of course, that's where certain researchers rather apply the term pressure (Smith and Cooper, 1994) instead of stress, since the difference between those two according to that definition is that one helps to boost motivation whereas the other blocks creativity and productivity as well. Nevertheless, it can also be considered the optimum stress point (Akande, 1992), in which creativity is not blocked but the productivity is boosted most effectively. Speaking of me, according to the Myers-Briggs Type Indicator test, I am a person which is very much pressure-prompted. As a consequence, I can work most effectively only when a certain amount of pressure or stress is already present. Hence, the feeling of stress as motivation driver depends a lot on the certain personality. Some people cope with stress better than others and are thus used to a certain amount of it. For those people, stress is clearly a motivation driver and helps achieving better results. But, as a result of the different stress management techniques, it is also clear that reducing the personal stress level helps in coping better with stress and thus enhances the positive effect – namely productivity – of it on the individual.

3.3.5. Conclusion

To sum up, leadership is very often highly connected with stress and the management of stress is crucial for professional leadership. Since leadership as a concept is not always needed except for situations in which a view for the big picture is needed, hence where a strategic redefinition of an organization might be necessary, it is also quite likely that leadership arises from stress situations sometimes. If a distinct scenario is not planned well beforehand and happens to occur, stress, which is likely to arise, is the reason for the need of a leader in that situation. Moreover, it is proven in the common literature, that stress also influences the choice of a potential leader a lot. Recent studies have shown, that people decided differently about whom to become leader when they were opposed to stress (Smith and Cooper, 1994).

As already mentioned before, I am personally quite dependent on pressure or stress to work productively. Though, I also felt situations where the stress influenced me in a negative way as to which I wasn't able to perform effectively anymore. Hence, I really much appreciate the A-B-C model of stress and would like to deepen my understanding about this concept. As I learned in the first period as well, I tend to be autocratic and egomaniac when opposed to stress. That's why I want to enhance my understanding of myself under pressure to cope with those character traits. Therefore, also the Key as a way to cope with stress helped me a lot to think differently about the situations I am in. I also appreciate the concept of engagement by Michael Gallagher which is in fact also an outcome of pressure. There, engagement is "a positive emotional and high energy state where we are focused" (Jim Loehr as mentioned by Michael Gallagher). It can thus be seen as a cause for motivation in team and organizational context. If engagement is seen as a crucial tool to achieve organizational excellence, a primary leadership goal is to engage the team. The pressure, hence, is a method to constructively enhance people's work and give them sort of a mental direction, which is exactly what engagement is searching to produce. I like to gain more knowledge of this topic and it is also my future goal to apply these methods in practice when necessary.

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3.4. An Introduction to Leading and Participating in High Performance Teams

Tatu Isotalo

3.4.1. Introduction

It is the aim of this essay to present the possibilities, strength and potential that a high performance team (HPT) may encompass. Simultaneously, this essay will try to bring out the challenges that may arise when working with and leading such teams. The theoretical, i.e. academic side, will be based on a variety of articles in the field of teams, organisational behaviour and leadership – which will be complemented with a concrete example of my personal experiences of working with and in a HPT. Albeit this essay will aim to provide the reader with an overall view and understanding of the logic and functions of a these teams, the text will be slightly skewed towards the challenges that the team leader(s) might face when working with such teams.

The flow of the paper will be so that first the basics of teamwork will be presented, after which the differences between an ordinary team and a high performance team will be illustrated. Thirdly, the leadership challenges that might arise when working with a HPT are to be highlighted, after which the author himself will elaborate on some of his own experiences concerning the matter. Finally, a summing up conclusion will be made on the topic. As the scope of the essay is to be kept rather concise and limited, the cultural factor in teamwork will be left out, and hence, the theoretical and practical examples are set in a relatively generic context.

3.4.2. An Overview on Teamwork

The awarded basketball coach, John Wooden, once said: “teamwork is not a preference, it is a requirement” (Werner 2010:10). Even though the phrase is taken out from a professional basketball context, the message can be considered applicable to the modern work environment as well. Laszlo, Laszlo & Johnsen (2009), for example, compare the skill to work in a team to a professional core competence, and that collaboration can even be considered a premium these days. It also argued that in today's world a significant percentage of the work in an organisation is executed by teams – a matter that may not always be apparent from the outside (Ancona, Bresman & Caldwell 2009), and "in today's hyper-competitive world, those teams need to do that that (sic.) work better and do it faster" (ibid.:223).

Figure 3.4-1: Focusing on Team Basics

Source: Katzenbach & Smith (1993b)

Katzenbach & Smith (1993a:112) define a team as "a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable". However, along the lines they present, it is often forgotten that teams may have various functions and different purposes. For instance, teams can be ones that recommend actions, execute them – or ones that run operations, and if this is not kept in mind, the true potential of these compositions will not be made use of (ibid.), as they all have different functions and purposes. In addition, Richardson and Denton (2005) include the concepts of ad hoc teams, work teams, cross-functional teams and teams to organize teams to the list, which only illustrates the complexity of the use of the word team these days. Ancona, Bresman and Caldwell (2009) present that the traditional model of a team is for it to focus on internal aspects such as cohesiveness, trust, and decision-making, while simultaneously supporting honest and open communication. Thus, another way of describing teamwork would be that of having clear targets that are accepted by all members of the team, and a plan how to reach the goals (Richardson & Denton 2005).

When working efficiently and under the adequate leadership, teams can be more productive, stable, innovative and profitable than individuals working alone on the same cases (Werner 2010). This being said, it is possible to believe that on an overall, performance-seeking level, a shift in the approach from the work of an individual to teamwork has occurred. Hoyte, Greenwood & Gong (2010:8), for example, present that "the importance of teams in the workplace cannot be overestimated" – despite how common the use of teams is these days.

Nevertheless, as Lencioni (2003) notes, "teamwork is not a virtue in itself. It is merely a strategic choice". If working together can be successfully implemented it can be a great source of competitive advantage, yes, but simultaneously, teamwork might not always be the key to success – not all individuals are suitable for working in a team. He further argues that teamwork has become some degree of a characteristic of a good corporate citizen, and something to strive towards (ibid.). Similarly, Kets de Vries (1999:69) claims that "expressing the wish to be a team-oriented company is both easy and popular; actually implementing that wish is difficult in the extreme". Has the concept of teamwork become an absolute value, and even taken for granted in organisations these days?

The basic foundations of teamwork, as presented by Katzenbach & Smith (1993b) are illustrated in Figure 3.4-1. The basics include, inter alia, matters such as size, purpose, goal, skills, approach and accountability. The guiding principles for the basics (Figure 3.4-1) is on performance and results, personal growth and the collective work products, supported by the commitment, accountability and skills that are shared within the team. Given these basics, the challenge for individuals to become an actual team would be to step over individual borders of accountability, skills and commitment, in order to create a more comprehensive unit. As one path to creating this cohesiveness in an organisation, Kazenbach & Smith (1993b:9) suggest to focus on the team basics (Figure 3.4-1) and performance, instead of merely "trying to become a team", as these two elements would deliver the required results and actually seem team-like behaviour. As "a deficiency in any of these basics will derail the team", it is of utmost importance to have the basic foundation laid properly before engaging into actual teamwork (1993b:2). Daniel &

Davis (2009), on the other hand, expand the importance of commitment to the overall community in the team as well by balancing deadlines, quality standards and personal relationships simultaneously. Katzenbach & Smith (1993a, 1993b) raise the notion of commitment as the key element for a team, as when it is not present, the supposed group of people is merely individuals, yet when it is present, the individuals become a unit that might actually work together – as a team. This type of commitment, however, "requires a purpose in which team members can believe" (1993a:112).

Nonetheless, before anything else – in my opinion – the most important decision for an organisation would be whether to engage in teamwork or not for that particular task. Furthermore, the next matter to ponder would be whether or not the teams can be developed to become high performance ones – and would it add value to the end result? Investing in a team to become a HPT may be a tough decision, as calculating the ROI on a HPT may be a difficult task – especially if the additional degree of performance is not truly essential for the task. Although coach Wooden claimed teamwork to be a requirement (Werner 2010), it ought to be left to the group to decide whether to become one or not, and fundamentally, for the organisation to realize and keep in mind that teams can be used for different purposes – as not all work calls for team work necessarily.

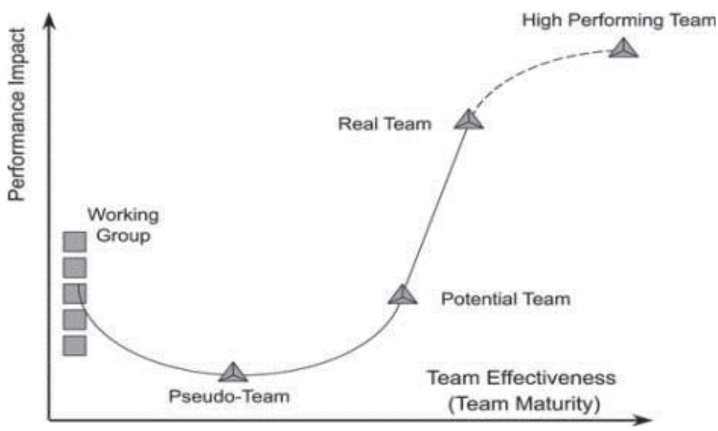
3.4.3. The Principles of a High Performance Team

Peter Drucker was the first to point out the potential high effectiveness of a team-based organisation (Katzenbach & Smith 1993a), and compared the essence of a HPT to be the music played by a symphony orchestra exceeding that of the combined talents of individual musicians (Laszlo, Laszlo & Johnsen 2009). Keeping the above in mind, the next step would be to examine what a HPT is and the transformation from a team to a high performance one.

Before elaborating on the topic, two concepts are to be defined: that of a real team and a high performance team (Katzenbach & Smith 1993b). A real team is a unit of performance, with a small group of people having complementary skills and working towards the same goal. A HPT, on the other hand, is a team that not only meets the definition of a real team, but are committed to each other's personal and professional growth, development and success as well – together – while having a stronger team identity, accompanied with increased enthusiasm and greater accountability. The Team Performance Curve by Katzenbach & Smith (1993b.) is presented in Figure 3.4-2, which exemplifies the growth and development of said teams, and their relationship towards each other in terms of maturity and potential performance. It ought to be pointed out that the transition of a real team to a HPT is illustrated with a dotted line, which demonstrates that only a few teams actually become high performance ones. As Katzenbach & Smith (1993b:4) phrase it, "the true high performance team – that is, one that outperforms all other like teams, and outperforms expectations given is composition – is very rare."

As an overall rule, the features that differentiate a HPT from an effective one are related to deeper, stronger, increased and greater levels of commitment, accountability, communication and autonomy. For example, as Katzenbach & Smith (1993a) raised the concept of commitment as the fundamental requirement for a team, it may be derived that the members of a HPT have a higher level of it than any other composition. Dumaine (1994 in Richardson & Denton 2005) refers to HPTs as self-managed teams, which brings out the essence in said teams.

Figure 3.4-2: Team Performance Curve



Source: Katzenbach & Smith (1993b)

In contrast to work teams that are managed in the traditional way, the greater level of autonomy in HPTs correlates positively with increased effectiveness (Laszlo, Laszlo & Johnsen 2009). Richardson & Denton (2005:417), on the other hand, present the HPTs as "the ultimate team experience and the one that holds both the greatest challenge as well as opportunity to improve productivity". As much as pursuing teamwork may be a strategic decision (Lencioni 2003), whether to engage, coach and foster that team to become a high performance one, ought to be a strategic decision of at least equal importance, in my views.

Werner (2010) illustrates that the fundamental characteristics that make a team a HPT are those that are considered soft skills – i.e. how we connect with each other, whether we can face conflict, communicate effectively and play for the team instead of ourselves. In line with Werner, Losada (1999) claims that when taking into account the complex dynamics of HPTs, it is the connectivity of the team that correlates with its performance.

Communication seems to be one of the key issues for Richardson & Denton (2005) as well when discussing effective teams – and accentuating the importance of vertical and horizontal movement of information in the organisation. In practice, this would all be linked to a greater deepening of the team dynamics and synergies. For instance, in a regular team, it is expected that all members know which way they are headed towards. Then again, in a HPT, the essence of its existence is that all members "buy into the concept and accept greater responsibility and accountability" (Richardson & Denton:419). As accountability helps to generate results (Keegan 2005), it is not enough that the members of a HPT know where they are going, but ensure that all members of the team get there, together.

However, the concept of an HPT reaches far beyond than having a strong degree of communication and accountability; it is also about adopting a genuine concern for not only the team as a whole, but its members as individuals as well. The team members ought to be truly committed to the team instead of merely complying with what is going on, yet fundamentally maintaining a focus on results, as they are the ones that are expected and primarily evaluated. In addition, it is not uncommon that the leadership role is passed around within the team as different strengths are played out, yet ultimately, everyone contributes their own share of the work (Phelan 2008). These features, can be, some of the reasons why only a small percentage of real teams become actual high performance ones (Katzenbach & Smith 1993b).

As concrete examples of HPTs, Keegan (2005) presents teams such as SWAT, as the members are highly coordinated to work both systematically together and autonomously making quick decisions and being accountable for them. As an alternative, the team under the World Bank that was in charge of coordinating the reconstruction of Afghanistan may also be considered an HPT, through the process of its creation – selecting the most suitable individuals to form such team and act in times of crisis. Thirdly, Keegan (2005) mentions the NASCAR pit teams as an example of a HPT, due to the coordination and demand for performance, as one mistake may cost the whole team the lead. So-being, HPTs are by no means restricted to business organizations. On the contrary, the more diversity of HPTs enables other organizations to learn from one another, just as the US Army has studied NASCAR team operations in developing their own medical evacuation protocols in efficiency and responsiveness, for instance (ibid.).

3.4.3.1. The seven skills of high performance teams

Werner (2010:9-10) presents the seven skills of high performance teams, as concluded by Hughes & Terrell (2007). The seven skills are of these teams are defined as: i) team identity; ii) motivation; iii) communication; iv) conflict resolution v) awareness of individual and team emotions; vi) handling stress and vii) having fun and positive mood.

As a part of a HPT, it is the team identity, i.e. a sense of purpose and meaning that acts as the foundation for everything. As Katzenbach & Smith's (1993b) team basics (Figure 3.4-1) illustrate commitment as one of the guiding themes of the model, team identity could be considered to a similar degree – as "each member creates a personal association and sense of unity with the team" (Werner 2010:9). This, in turn, would promote establishing a notion of commitment for all. One crucial matter to identify in this skill is whether the member is aware what the team stands for, and whether there is a sense of pride and belonging among the team members or not.

I would personally argue that motivation is the root for all sustainable success. On a short term, we all can perform tasks that we do not necessary like, but without an adequate degree of motivation or interest, long-term growth and commitment will not be achieved – at least in a sustainable manner. Werner (2010) brings out the role of motivation as a tool to not only increase personal responsibility, but also to create a deeper cohesiveness among the team members, and hence, ease the path for moving towards the mutual goal. In practise, the notion of motivation is based on what each team member values and what has meaning for each (ibid.).

Picture 3.4-1 Yiwen, Jutta & Nicolas

As presented earlier, the importance and role of communication (Ancona, Bresman and Caldwell 2009; Richardson & Denton 2005) is of extreme value in teams – and increasingly so when it comes to high performance ones. Constructive feedback can be considered somewhat of a requirement for overall development, both individually and collectively, and in a HPT it can even be described as an expectation or a norm. As "direct conversations occur when necessary to move the team forward" (Werner 2010:10), the degree and intensity of open communication in a HPT is beyond the ones in other teams. Nonetheless, as we all are aware, reaching a point where open and honest communication is the rule rather than the exception can be a tedious – and sometimes an impossible – process. Perhaps it is thus why reaching a HPT position requires a long maturity, according to Katzenbach & Smith (1993b).

Somewhat in relation to the strong degree of communication, Hughes & Terrell (2007, in Werner 2010) raise the concept of conflict resolution as one of the skills of HPTs. It goes without saying that avoiding conflicts creates an awkward sensation, and hence, dealing with conflict productively, in an open and trusting manner, would seem like a natural requirement for advancing in any composition. Perhaps the differentiating factor between regular teams and high performing ones is the prevailing degree of commitment and communication, which, in turn would lead to better conflict resolution management.

The concept of being aware of both individual and team emotions would go under the soft skills that Werner (2010) mentions as a carrying theme for HPTs. As the team – ideally – would share a deep level of communication, it ought to somewhat come along to have the required emotional intelligence to understand if something is going on and not downplay others' feelings. However, as Werner (2010:10) illustrates, it is not only about being aware of others' feelings, but also that "each member is aware of how their own feelings and behaviours play a role in team dynamics" – a matter that may not always be taken into consideration. Nonetheless, since the degree of being aware of both individual and team emotions is related to prior skills, such as communication and conflict resolution, inter alia, it perhaps may not be the easiest topic to define as an individual skill – but rather as one link in the chain.

The skills of handling stress is an interesting matter to list as a skill of HPTs, as one may argue that that is the fundamental skill to master if one wishes to succeed in anything. However, Werner (2010:10) phrases it in a more elaborate manner, when stating that "team members come together and bounce back after setbacks", as it not only brings out the stress-handling skill, but also accentuates the cohesiveness and actual team spirit that would be prevailing in the team.

Having fun and a positive mood would theoretically and ideally be a foregone conclusion in terms of working in a professional organization, yet regrettably too often that is not the case. As humour does have a positive impact on our mood and social well-being, implementing the concept of fun would be almost too obvious to incorporate in any team, not just high performance ones. Nonetheless, Werner (2010) brings out the interrelation of a positive atmosphere to team performance. Yet again, this would seem something that would be perhaps too obvious to pay attention to it, and thus, it is important to be reminded of this matter.

The seven skills of high performance teams that are concisely presented above are aimed to provide some degree of understanding of the basics and foundations of said teams and the way they function. Nonetheless, it is left open whether a team may become an HPT when all of the qualities are not fully addressed. As a guideline, however, I would personally be inclined to seek for a golden mean in all aspects, as overly-focusing on one corner might put the entire structure out of balance.

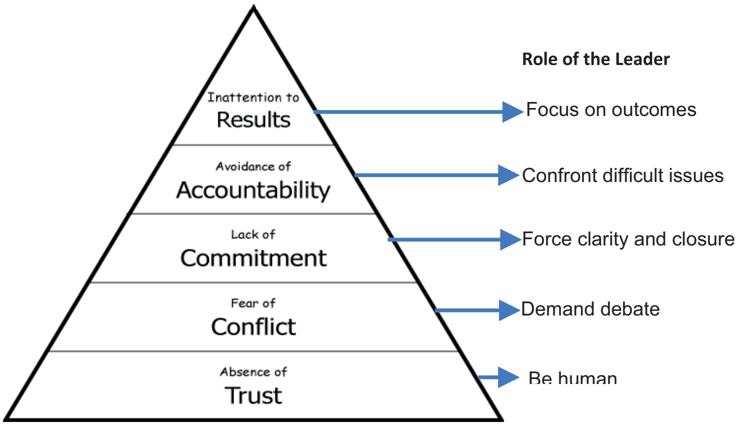
3.4.3.2. The five dysfunctions of a team

After the overall definitions of what differentiates a team, a real team and a high performance team and having presented the defined seven skills of HPTs according to Hughes & Terrell (2007, in Werner 2010), it is time to move on the leadership aspect of the essay. For this matter, it is the Five Dysfunctions of a Team (Lencioni 2003) that will presented (Figure 3.4-3), as it is a practical model on the challenges that the team itself might face. Especially, if encountered, it is the leader(s) of the team who will have to address the dysfunction(s) accordingly. However, in the name of giving the appropriate merit to the correct people, my first encounter with Lencioni's model was during the Leadership course taught by Prof. John Phelan at Queen's University in Kingston, ON, Canada in the fall of 2008. Despite the fact that Lencioni's five dysfunctions of a team are related to all teams, as such, the model will be used in the context of HPTs, for the sake of further discussion on the role of leadership in these teams.

Creating a functional team with a results-oriented attitude, by all means, is not easy – especially when strong personalities with large egos are present in the same room. Nonetheless, under the proper leadership and guiding, the team can be developed and coached to become a high performance one – in accordance with Lencioni's (2003) model.

As the basis for the model (Figure 3.4-3) is trust, it goes without saying that there will be not much progress in teamwork if it is missing from the equation. However, trust per se is insufficient, but having a sense of trust based on vulnerability is what makes the difference (Lencioni 2003). In practice, as Lory (2006) phrases it: "Commitment can be inspired. But the willingness to drop our guard and extend our trust when the outcome is uncertain is the basis of vulnerability-based trust." This, in turn, is the outcome of an atmosphere where mistakes and weaknesses can be admitted, and one where there is a certain comfort level among the team members (Lencioni 2003) to be able to be vulnerable.

Figure 3.4-3: The Five Dysfunctions of a Team and the Role of the Leader in Them



Source: Lencioni (2003); Phelan (2008)

Similarly, if the trust is missing from the team, it cannot be expected that conflict would be dealt with. Without conflict, actual debates or discussions will not be conducted, and thus, hindering the outcome of the performance. Albeit seeking for productive conflict may sound a tedious process, if issues are not dealt with, they will – most likely – come around and haunt the performance and outcome of the team in the future. On a further note, commitment is a factor that has been mentioned numerous times already, and hence, its role for the development and cohesiveness of the team cannot be sufficiently highlighted. However, Lencioni (2003) elaborates on the concept of commitment, not only within the group, but especially when it comes to decisions. Committing to the made decisions, and finding commitment in the decision-making process are skills that can be considered of extreme importance for teams – not just high performance ones.

Nonetheless, commitment comes through facing conflict instead of avoiding it – which in turn is impossible to reach without trust. As the layers of Lencioni's model (2003) build on each other, adequate accountability can only be reached if the commitment of all team members is appropriate. In an ideal situation, people should not have to be notified or reminded when they are not pulling their part of the weight. The existing trust, open dialogue and commitment, on the other hand, would all contribute to the possibility of understanding and adopting clear accountability – a factor that contributes to the overall performance and results of the team (Keegan 2005).

Beyond every characteristic, however, it is ultimately the results that the group delivers that matter. A nuance that ought to be highlighted is the concept of collectivism – i.e. that of the group reaching the goals collectively. If individuals put more weight on individual success than the results of the entire team, it has the ingredients to become a collective disaster. It goes without saying that as part of human nature personal ambition, egos, and the desire for recognition (Lencioni 2003) come somewhat natural, yet if the team is to work as one, personal group work-hindering characteristics ought to be kept aside and under control.

3.4.3.3. The role of the leader in HPTs

Leadership in HPTs is an interesting topic, as ideally, the team would be a self-managing, autonomous and self-directing one (Dumaine 1994 in Richardson & Denton 2005; Keegan 2005; Phelan 2008), and hence, the requirement for one, particularly appointed leader, would be – in theory – inexistent. Instead, all members of the team would be considered leaders, balancing out each other's' strengths, skills and capabilities. Guttman (2009:48) presents the situation as "on a high-performance team, not only are team member held accountable for results by the leader; they are expected to hold one another accountable – in the most significant departure or all – they are expected to hold the leader equally accountable." So being, in this part of the text, the term "leader" will be expanded to all members of the team, instead of implying the existence of one, single leader.

Together with the Five Dysfunctions of a Team, Lencioni (2003) presents the role of the leader, in order to address and overcome the presented dysfunctions (Figure 3.4-3). The success and implementation of these suggested guiding actions, however, requires a solid foundation on the principles of leading people: knowing yourself (Phelan 2008). This concept of knowing yourself can be broken down into five fundamental areas to ponder, those being i) self-awareness; ii) personal values and principles; iii) motivation – i.e. what motivates you; iv) support team and v) integrated life – i.e. how can you find fulfilment (George and Sims 2007 in Phelan 2008). Through exceling in these skills, the individual can be assumed to have the required background in order to act accordingly – as a leader – in the situations that they might face in teamwork. In any case, the methods of solving possible dysfunctions and conflicts within a team are those that one may not necessarily think of automatically, as they do seem quite obvious, initially. However, one factor that I would like to point out is the foundation of the pyramid, trust, and how to address that matter: by being human. Too often it is forgotten that team work is carried out among humans, after all. Thus, the best way to accomplish results on trust is by acting accordingly.

Image source: Blackbox Nutrition (2009) **Picture 3.4-2**

On the other hand, if there is a prevailing atmosphere where conflict is avoided, the way that is suggested to address this dysfunction is to demand debate. This way, not only the leader – whoever it may be – would encourage the team members to express their opinion, but also open the environment for discussion. Simultaneously, the way to develop a sense of commitment is to force clarity and closure. It ought to be essential for the team to have a clear direction where they are headed towards, and hence, clarity is key. In addition, the concept of closure enables the team to actually advance in their journey, instead of grasping to past arguments or disagreements. Confrontation would seem to be the way to go if accountability is an issue, as openness and assuming responsibility are reached through it. Nonetheless, if the lack of results is the issue hindering team performance, adopting a product-oriented approach, i.e. focusing on the outcomes could be a way to work through the dysfunction. (Lencioni (2003); Phelan (2008))

However, as stated before, instead of having one, single and particularly appointed leader, it is the core of a HPT to have multiple members of the team being able to step up and take upon the leader's role when needed (Phelan 2008). This, in turn, calls for highly skilled individuals, working together for a common cause – together with an open atmosphere where matters are tackled and addressed, instead of hiding and avoiding them. On the other hand, finding a team of the adequate individuals who not only are committed team members, but also are able to act as leaders when necessary does seem extremely challenging. Is this why HPTs are so rare?

3.4.4. Case Example: Aiming to Become a HPT

When deciding on a concrete, real-life example of participating and leading in a potential HPT to present, I realized the possibility to take my former basketball team, the platoon I commanded in the army or the committees at the European Youth Parliament that I have worked with, inter alia as examples. However, the case that I decided to illustrate will be the team formed as part of the Leadership course at Queen's University, as part of that task was to particularly evaluate whether we could become a HPT or not (Phelan 2008). The aim of the project was to create change, through a project or rally in the Kingston community.

Our team was formed randomly, composed of students enrolled on the course and we had completely different backgrounds – which, in turn was both an asset, as well as a challenge, at times. After a heated discussion, our five-member team concluded to create a campaign to promote the awareness of breast cancer on campus and the Kingston community and also raise funds for the Canadian Cancer Society (CCS). However, the first thing we did was getting together with our recently-formed groups to talk and get to know each other, as this would ease the road towards the future. As the timetable for the course was a relatively tight one, we had to take on the divided work quickly. The set goals for our project were: i) raise awareness; ii) increase the education on the matter; iii) raise funds for the CCS; iv) lead by example in creating change and v) motivate other members of the society to take action as. The actual fundraising was carried out through selling Thingamaboob key chains (Appendix 1) not only on campus, but also during Pink Park Day – an additional opportunity presented to us by the CCS. Furthermore, we aimed to motivate people to wear pink on Wednesday, the 29th of October (Appendix 2) all over the Queen's campus, as it is the national breast cancer awareness day.

The project was carried out on time, yet a level of frustration was present occasionally, as some of our personalities clashed quite hard. Be it cultural differences or differences in backgrounds, approaches or mentalities, it became clear that the team was far from having the foundation to become a HPT. Nevertheless, despite falling short from our initial goal of raising $1000 CAD, the project was able to raise $630 CAD for the CCS. The amount of raised awareness is difficult to measure or quantify, as a total of 126 Thingamaboobs were sold, T-shirts were given out, flyers passed and a newspaper article was even written about our project. Despite the team failed in becoming a HPT, we were able to create some degree of change and raise awareness on breast cancer. With hindsight, I would argue that it was the variance in the level of commitment that we had that was the key issue – some of us were personally attached to breast cancer, while to others it was only an extended class project. So-being, the difference in commitment also lead to different challenges, those including accountability and interest, for instance. Although it can be open left for discussion what the outcomes would have been if we would have been a HPT, it can be noted that you do not necessarily have to become one in order to perform – our out-come was fine, yet some people would not contend with fine when they can have excellent. So-being, the benefits of becoming a HPT are clear – together with understanding why true HPTs are so rare.

3.4.5. Conclusion

Teamwork can deliver great results when it works properly. Combining different backgrounds, skills, competences, approaches, knowledge and ways of thinking can create more value than individuals working separately (Laszlo, Laszlo & Johnsen (2009). Nonetheless, as much as I would like to agree with coach Wooden's claim of teamwork being a requirement (Werner

2010), I am inclined to agree more with Lencioni (2003), as engaging in teamwork is, ultimately, a strategic choice – especially when not everyone is suitable to work together. So-being, it is not only the process of teambuilding and growing together that matters, but especially the selection process to form the team that adds value.

Nevertheless, the development from a real team to a high performance one can be both an interesting as well as a challenging path. Being fully aware that the process requires not only time for the team to grow together, the team members ought to also recognize not only their own personal strengths and weaknesses, but also realize the potential that they all hold – especially when working as one. After all, it is the degree of commitment that differentiates HPTs from ad hoc working groups – and in particular, the commitment of team members to one another (Katzenbach & Smith 1993b) is what distinguishes them.

Peter Drucker compared a team-based organisation to a symphony orchestra (Katzenbach & Smith 1993a), and hence, a HPT could be compared to the Royal Concertgebouw Orchestra in Amsterdam or the Berlin Philharmonics, for example, being the best of their kind. However, the reality is that the teams that actually become HPTs are only a few (Katzenbach & Smith 1993b), which demonstrates the challenges and dedication that are required become such. Furthermore, the potential turnover of team members is also a factor that must be taken into account in today's world – incorporating fresh members always takes its time for things to run smoothly once again.

As presented earlier, leadership in HPTs varies slightly from regular team-based organizations, where usually a team leader is held responsible and accountable. In HPTs there is no need for one, appointed leader, as the team itself is a self-guiding, autonomous group of individuals, all committed to not only one another, but to their common goal(s) as well. As the Five Dysfunctions of a Team (Lencioni 2003), together with the Seven Skills of HPTs (Hughes & Terrell 2007 in Werner 2010) were illustrated, these teams would not only tackle and address the potential issues rising up, but actually learn from the challenges, and hence, deepen their commitment, communication and accountability. In today's fast-paced work life, however, it may be so that the creation and development of HPTs would seem too tedious and demanding, and thus, it might be more beneficial for the organisation not to aim for a high performance one, when an ordinary team or working group may be able to execute the task adequately.

This being said, one would be inclined not to perceive teamwork as a requirement, but more as a strategic choice – especially when it comes to fostering and pursuing HPTs. Although the basics would seem straight forward and easily achieved, with a strong level of commitment, good communication and real accountability, it all sounds quite natural in theory. As we all know, however, realities may hit quite hard in practise. The successful approach would require a strong level of self-awareness from each team member, and hence, I would encourage the initial selection process to be carried out carefully – with the most important interview questions being: are you able to not only hold your ego in check when necessary, but also communicate successfully and hold yourself accountable for your work? If the respondent hesitates in any one of these, the candidate might not be the one after all.

However, whether or not for a team to push to become a HPT, it is a question that I cannot answer, as quite often the investment may simply not be worth it – especially when team member turnover is a factor in the equation. After all, we all are human individuals and others are more receptive and flexible towards working together than others, never mind being committed or accountable. Coincidentally, trust is the basis for Lencioni's (2003) pyramid – and the dysfunction can be remedied by being nothing more or nothing less but human.

> *"People fail to get along because they fear each other; they fear each other because they don't know each other; they don't know each other because they have not communicated with each other."*

– Martin Luther King Jr.
(Phelan 2008)

3.4.6. Reference

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3.4.7. Appendix 1

A Thingamaboob, a key chain aimed at raising awareness on breast cancer.

The lumps or represented on the key chain are the real-size lumps that may appear in breasts, on a scale of 1:1, illustrating the different stages and the maturity of the cancer that can be found through different screening methods.

Source: Iqbal et al. (2008) **Picture 3.4-3**

3.4.8. Appendix 2

The team's stand present at the Goodes Hall atrium, at Queen's University, during the campaign.

Source: Iqbal et al. (2008) **Picture 3.4-4**

PART FOUR:
LEADING CHANGE
AND STRATEGY SHIFT

4.1. The Role of Leaders Prior to Organizational Change and Strategy Implementation

Jenna Hakkarainen

4.1.1. Abstract

The essay attempts to discuss the role of leaders prior to organizational change process and strategy implementation (pre-contemplation stage) in terms of uncertainty and behavior management. In this paper, pre-contemplation stage reflects a stage where an organization is preparing for the event of change and has announced a new strategic direction. The essay attempts address the topic through a literature review but also great emphasis is put on reflecting author's own experience in an organization which is currently experiencing a strategic turnaround. The paper concludes with considerations on "who am I as a leader".

4.1.2. Importance of the Paper

Picture 4.1-1 Social fun event

A lot of literature has been written about the role of leaders in the change management process and in the implementation stage of a new strategy but less literature has addressed the role prior to the strategy implementation. Some articles acknowledge the different sentiments and concerns that employees may face in terms of change and uncertainty, but few articles are concentrating on the role of leaders in addressing those sentiments and behaviors before implementing change. Although the topic is somewhat untouched, similar themes and issues have been highlighted during Developing Global Leadership Talent course, especially during Mary Nash's lectures about change management. Initially, the topic was derived from real life working experience in Nokia which is currently experiencing one of the largest strategic changes of all times.

4.1.3. Who is a Leader?

Many pieces of literature define a leader as somebody who develops a vision for the future, aligns people by communicating the vision and inspires people to overcome possible hurdles and bottlenecks (Wells and Peachey, 2010; Starke et al., 2011). Some articles identify two kinds of leaders; transactional leaders and transformational leaders. Transactional leaders are said to be leaders who manage by an exchange process based on positive reinforcement, concentrating on rules and procedures while transformational leaders meet the higher order wants of employees by appealing to employees' moral and intellectual sensibilities. Thus, transformational leadership is the practice of influencing major change in the attitudes and assumptions of employees and building commitment for the company's mission and objectives. Visionary transformational leaders pay attention to psychological needs of employees and appreciate them as employees in the company. Four dimensions of transformational leaders are revealed: 1) Charisma meaning articulation of a future vision and building trust and respect, 2) Inspiration meaning communicating purposes and expectations through simple devices, 3) Intellectual stimulation indicating encouraging efficient problem solving, judgment and aptitude, and 4) Individualized consideration meaning teaching and motivating employees individually and with personal attention (Wells and Peachey, 2010).

Prior to change and strategy implementation it seems that transformational leadership style is crucial since it attempts to communicate the reasons for change to employees, shake people's assumptions and attitudes and simply create hope, trust and motivation towards change. I argue that transactional leadership style, meaning the focus on contingent reward, active management and passive management by exception and laissez-faire, may act as a bottleneck in the pre-contemplation stage of change and may even feed the uncertainty and negative behavior among employees. Especially in the Nokia context, leaders adopting transactional leadership style and forcing employees to neglect their true feelings and to adopt a certain behavior model caused sadness and anger among employees. The role of a transformational leader will be discussed throughout the text while identifying the different levels of uncertainty and behaviors of employees in the pre-contemplation stage.

4.1.4. Characteristics of Change

Smeltzer and Zener (1993) propose some characteristics of change although it is argued that attributes of change are difficult to discuss. The first attribute is the extent to which a negatively-perceived change alters the status quo. This suggests that the greater the extent to which status quo is changed, the more threatening the change becomes. Given the fact that the new strategy of Nokia with Microsoft shaked the status quo, some employees considered the new strategy as threatening. The change in status quo divided employees in two; those who believed in the new strategy and were motivated to contribute to it and those who did not see the rationale behind the decision. Leaders should be able to create positive attitude towards the change in order to decrease the level of perceived threat.

The second attribute is the complexity of change. When the complexity increases, the effects are unknown and the more difficult it is to clarify information. Harvard Business Review on Managing Uncertainty reveals that acquiring emerging technologies reflects a certain type of uncertainty level; a range of future. This level suggest a new strategy to have a range of possible outcomes and thus, this would propose that the effects are unknown and managers have hard time in clarifying details. Since the organizational change of Nokia is a complex decision and the information is not clarified in detail, people may experience high level of uncertainty.

Other aspects are the emotional content of the change and the extent to which the change may be controversial among employees. The word “controversial” seems to fit well with the current behavior and attitude of Nokia's employees towards the strategy. While everybody seems to realize that this was the final stage at which something could have been done for the business, a lot of employees seem to blame poor performance on management mistakes. Employees have formed gossip groups and are pointing at the executives who ran the company during the successful days. Thus, while some people are grateful for the strategic change, some seem to be bitter. Leaders facing this kind of situation should find out the reasons why employees consider the change as controversial. The people who consider the change as controversial may influence and change other people's perceptions. If this kind of behavior is not being addressed, all the employees will become unmotivated towards change.

4.1.5. The Role of a Leader: Uncertainty Affects Employees' Behaviour

Perceived uncertainty may develop during the pre-contemplation stage and uncertainty influences employees' behaviors. Employees may be aware of the fact that business has slowed down tremendously and executives are preparing for a new strategy to address the unsuccessful business. The pre-contemplation stage may be at a level where a new strategy and change process have been announced but the process has not reached the implementation stage yet. Thus, different stages of pre-contemplation may arouse similar sentiments and concerns but the extent and the level of uncertainty may be different.

When Nokia announced that the business has gone down and employees may expect a new strategy release in a couple of weeks, people did not know what to wait for. Employees started to speculate the future and discuss possible scenarios for the next move. At this point, the organization was kept unknown what was happening and nobody, even the leaders, knew how to respond to subordinates' inquires. Due to the turbulent competitive environment where Nokia operates, employees are used to restructuring. When the strategy has been released, a new structure has usually followed in Nokia. But how does reorganization as a recurring event influence people's perceptions prior to change? I argue that since people are used to frequent strategy releases and reorganization, people do not feel as strong sense of urgency as people feel when change is a new event. I argue that people may also have different reactions to the threat of layoffs. Smeltzer and Zener (1993) state that when change becomes recurring employees are less sensitive to change, and layoffs cause little reaction. This can be noticed also in Nokia: people seem to be used to updating their CVs and waiting for the next reorganization. People are sarcastic about layoffs and seem to be confident about getting a job anyway. In this situation, it seems to be important that leaders should create a sense of urgency although people are used to similar events in order to avoid inertia and inefficiency towards change. Not feeling a sense of urgency is definitely a challenge for leaders: leaders need to be able to communicate the relevancy and urgency of the new strategy and change. Allcorn and Godkin (2011) argue that employees need to understand why the change is necessary and how to plan for the implementation. Thus, the importance of a leader in explaining the rationale behind a new strategy is important but also creating a sense of urgency, especially in companies where people are less sensitive to change, becomes crucial.

When there is a threat of layoffs, leaders need to address two kinds of problems: some employees may be afraid of losing a job and some people question their motivation and may even consider leaving the company. Especially when the announcement of layoffs is made but people do not yet know who will be leaving, employees may feel unmotivated to continue their work and become frustrated. Thus, leaders should be able to communicate how important the contribution of employees' work is, build trust and hope in employees and communicate information effectively. Wells and Peachey (2010) link transformational leaders and voluntary turnovers; transformational leaders can facilitate employee voice and leaders can ask employees to express their opinions. Employees' feeling that they have a voice in the company reduces the likelihood of employees leaving the company. From my experience in Nokia it seems that the ones that were not heard when planning for the new strategy were most de-motivated and likely to leave the company. Thus, leaders should be able to involve employees to decision making which makes them committed to the next stage, the implementation of the strategy.

According to Smeltzer and Zener (1993), rumors, culture, climate and timing had the largest impact on the introduction of organization-wide change and they were most likely to be overlooked when announcing change. The article suggests that leaders should announce and inform about the change before rumors grow, before inaccurate information is leaked to outside sources, and allowances should be made for the time period it takes the information to reach all employees. Rumors within the company may even lead in the most risk-averse leaving the company. This is what happened in Nokia as well. Inadequate information sharing, speculation and rumors led people leaving their work. Smeltzer and Zener (1993) also suggest that leaders should balance between providing no information and providing too much information: although initial announcement of layoffs and restructuring was made, employees were kept waiting for further information for several months. This might be a reason for so many people leaving Nokia since only little was shared about the new strategy and no estimations about lay-offs were shared. However, confusion may arise if employees are provided with too much information. Leaders should form a strategy to balance these issues and make the announcement coherent.

Some articles discuss the importance of unlearning and adoption of new ways of doing things. Becker (2010) defines unlearning as a process of letting go old ways and embracing new ideas, actions and behaviors. The role of a leader is emphasized since leaders may need to convince employees that letting go past practice is critical for changing. Encouraging subordinates to try new things is important in order to overcome inertia and facilitate innovations. Especially those employees that have achieved fame with the past practices, letting these practices go may be extremely difficult. According to my understanding, unlearning should be evaluated since employees may tend to move back from new ways to the old practice too easily.

Inertia and resistance to change seem to be commonly discussed topics in the literature of change management. Allcorn and Godkin (2011) discuss inertia and acknowledge that resistance to change seems to be persistent in organizations. Harward Business Review on Culture and Change acknowledges that resistance to change may not be due to opposition or result of inertia but also an outcome of competing commitments, meaning personal immunity to change. The book suggests that without understanding competing commitments, changing employee behavior becomes impossible. Thus, leaders should already prior to change acknowledge the issues of inertia and competing commitments and help employees uncover competing commitments. In addition, Allcorn and Godkin (2011) suggest that leaders should develop an open, collaborative and respectful setting that invites employees to contribute and accept the changes although they may not completely agree.

Becker (2010) also pinpoints that leaders should be able to communicate about the preparation process and support systems before the strategy implementation. Thus, communication plays an important role in providing reassurance and evidence of methods for employee participation, and by the end of the day facilitates a positive outlook prior the implementation. In terms of a positive outlook for the change, leaders need to make sure that employees understand the reasons for change, communicate success stories to motivate people for change and inform about the possible outcomes of the change. However, leaders need to be aware of the fact that if the company has had a bad history of organizational change, people may be reluctant to unlearn past practices.

Since employees may be concerned about how the change will affect their individual job and they may be reluctant to let the previous systems and processes go, leaders should address employees' feelings and provide a sufficient level of reassurance prior to implementation. Addressing feelings and communication are crucial in order to avoid inertia. Once the change has been communicated employees start to establish expectations how the change may impact them. Leaders who plan the change should engage with employees to build positive and realistic expectations at this stage. In Nokia, when the new strategy was released but implementation stage was not yet started, people started to build scenarios for themselves. When the layoffs were released leaders acted as psychologists in a way and helped people overcome their limitations: leaders asked everybody to consider and analyze one's own motivation to work for Nokia. The request was made since only the most motivated people were asked to stay and make the change happen. In addition, leaders asked people to update their CVs and they were willing to negotiate with each of us about the employment situation. In addition, leaders were willing to look for a job inside and outside the company and highly recommended people not to take the first job offer if it was not what they truly wanted. In several team meetings, team members' strengths were gone through by leaders and hope for the recruiting process was shared.

Leaders' role in establishing employee commitment to change is emphasized since it is argued that employee commitment is a better predictor of behavioral support for a change than is organizational commitment. Commitment to change is a mind-set that engages an employee with a course of action necessary for an implementation of a change initiative. Employee commitment is discussed in three levels; affective, continuance and normative commitment levels. Affective refers to employees' wants to support a change, continuance commitment to change recognizes the costs associated with resisting change and normative commitment refers to a sense of obligation to be supportive. It is argues that if a leader is supportive, employees tend to be more committed to the change. Thus, the relationships between leaders and subordinates have particular importance in commitment to change. In addition, satisfaction and trust in management establish credibility and acceptance of employees facing organizational change. Thus, leaders should embrace these quality relationships in order to commit people to organizational changes. Loyal employees want to see the outcome of the change process and are more likely to learn from change. Thus, leaders should be able to demonstrate how a change initiative fits with the company's larger strategic picture. Open and timely communication about the reason for change and creation of relationship commitment, trust and satisfaction are in the core of leaders' role (Parish, Cadwallader, Busch, 2007).

As the following paper suggests the role of a leader prior to change and strategy implementation seems to be transformational in nature: leaders should be able to communicate the reasons for change and expectations and thus, decrease the level of uncertainty, build trust, commitment and hope among employees as well as stimulate and engage people in participation of the change initiative.

4.1.6. Me as a Leader

I feel that my perception of who I am as a leader today has not changed tremendously from what I felt in the fall. I still feel that a big part of me illustrates the leadership style of a director. I tend to be action-oriented and communicate about getting things done, objectives and results, performance and productivity, efficiency and moving ahead, as well as decisions and achievements. I tend to set high goals for me and for my team and see challenges as opportunities. This spring however forced me to adopt a style of a visionary as well due to my work in Nokia strategy development. It has been nice to notice how this kind of work has allowed be to combine my action-orientation and efficiency with the passion for insights and creativity. The position in Nokia has opened my eyes to see what leadership is like in a change process and in crisis management, and the work environment and my current boss have taught me a lot about good leadership skills. In the end, leaders are for people and not solely for the company and leaders tend to act as psychologists when creating hope and commitment among employees.

Picture 4.1-2 Michael, Jutta, Antti & Yiyun @ DGLT class

As I argued in the Fall-term essay, in the future, I want to combine both a leadership style of a director and a connector. Thus, I want to be tough enough to oversee that the tasks get done, performance is solid and timelines are met. I want to be prepared for the future as well as make decisions after concerning all the alternatives and details carefully in order to be able to stand behind decisions. Thus, I think it is important to reflect a feeling that there is to some extent a level of hierarchy present. However, I want to create a feeling that people can come and talk to me and create trust and mutual relationship among employees. I value creativity and open-minded environment where people feel confident about sharing their ideas, also the wildest ones. Thus, being imaginative and innovative is important to me. Especially the work experience in Nokia has convinced me that these two leadership skills are relevant especially in the change management process and in the new strategy creation. In addition, this spring I got accepted for CEMS MIM Programme which is a Master in International Management double degree programme. I am sure that the studies and the exchange semester in Milan will provide me with further tools to develop my leadership skills. In addition, in terms of work, I am sure that my passion to look for challenges will bring me quite far in the future and I look forward what kind of challenges the near future has to offer me.

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4.2. Global Managerial Leadership in an Environment of Permanent Uncertainty and Change

Teemu Kärnä

4.2.1. Introduction

The purpose of this paper is to reflect upon contemporary leadership challenges in change management based on my life experiences thus far, an interview with two managers of a Finnish multinational industrial corporation (referred to as Star Company, S.C.), and my learning experiences during the first year of the Master in Strategy (MiS) program. My primary aim is to examine the challenges that global leaders face in the current world of continuous change and permanent pressure for organizational transformation. Furthermore, I aim to reflect on change management theory from a leader's perspective and focus my analysis on the roles, modes and styles of leaders during periods of drastic change and high uncertainty.

Picture 4.2-1 Michael, Lasse, Bernardo and Teemu in TIMES case competition in Trondheim

I selected the topic due to its contemporary nature in the aftermath of the latest financial crisis, its strong link to the DGLT course, as well as my high personal interest in it. Change management and leadership under high uncertainty have been in the spot light of academic research for several decades and a wide array of different managerial approaches have been introduced by various researchers, which makes the topic very appealing and significant. In addition, change management has been, for a good reason, one of the most popular topics of discussion in several courses during my academic year in the MiS program, including the Developing Global Leadership Talent (DGLT) course.

The essay is structured as follows: First, I will take a moment to determine why change management is important and what is the role of leadership in the mainstream change management processes. I will review these processes based on my experiences from the Star Company (S.C.) and the things I have learned during the course. Then I will take a look at the change management practices of S.C. in more detail followed with an analysis of how to overcome resistance to change. After discussing the future trends in the field of managerial leadership of change, I will identify what kind of a leader I would like to be in the future based on my findings in this paper and the MiS year. Lastly, I will conclude the paper with reflection on how my experienced about global leadership talent have developed.

4.2.2. Role of Leadership in Change Management

It is evident that strong leadership talent is ever more important for global companies as the extent of external and internal complexity and uncertainty around the organizations increase. For instance, the recent financial crisis has accelerated the rate of change in the global playing field and shifted several industries into a permanent state of uncertainty, which has resulted in an increasing need for reorganization and transformation (Heifetz, Grashow & Linsky, 2009).

Such change tends to be, however, often feared as it means disturbance of the status quo, a threat to the established ways of operation, and possible barrier to people's future interests in their jobs (Kotter and Schlesinger, 2008). Hence, it is essential for managers to understand how transformation and change can be lead successfully in a way in which the organization follows the new direction.

As making a transformation plan based on strategic choices is one of the key leadership responsibilities prior to a change situation I will first discuss the role of leadership in one of the most used mainstream change management processes introduced by John Kotter, who has been appraised as one of the leading academics in the field of change management and organizational transformation (Kotter 2007).

4.2.2.1. Modes of leadership in change management processes

Kotter's 8 step process model for change was first introduced to us by Mary Nash in her lecture about change management. According to Kotter (2007) the most general lesson of successful organizational change is that the process goes through a series of phases that usually require an extensive period of time to be completed. Furthermore, Kotter highlights the different roles and responsibilities of leaders in different phases of the process (see Figure 4.2-1 on the following page). In the following paragraphs I will discuss leadership roles in the stages model and illustrate their managerial implications with examples from my interview with Star Company managers.

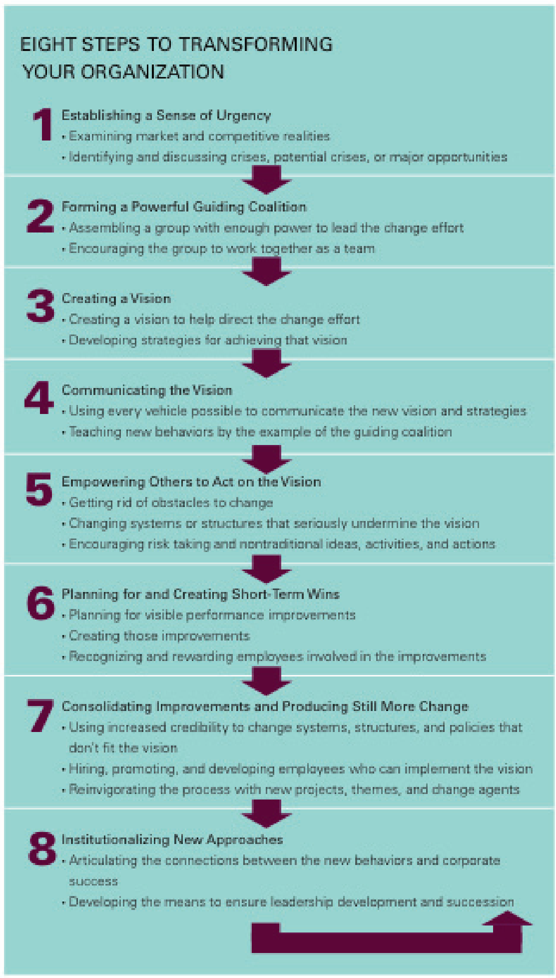


Figure 4.2-1: Kotter (2007)

4.2.2.1.1. Establish a sense of urgency

According to Kotter, without motivation people won't help and the change effort goes nowhere. Hence, the key responsibility of leaders is to drive people out of their comfort zones and create a sense of urgency by getting people to actually see and feel the need for change. Without strong leadership that communicates an incentive to change the transformation effort is doomed before it even starts (Kotter 2007).

At S.C. failure to establish a sense of urgency was one of the key pitfalls in early stages of the company's transformation effort to reorganization. For a long time S.C. employees and managers did not perceive a compelling need for change as the company was still growing and generating a profit. Furthermore, the supply chain, procurement, sales and value chain seemed to work well. The company employees were resistant to transform outside of their comfort zones and the core competences of the traditional company, although the company management attempted to initiate change. Change was simply not perceived as an important agenda when the company was performing well. Only when the need for change was constructed around a compelling story that was delivered by charismatic and persuasive leaders, the company culture changed from resisting change to actually embracing it.

4.2.2.1.2. Form a powerful guiding coalition

As there is no leader that can implement a critical change process by them selves, reaching minimum mass in order to get support behind the change agenda is essential. In cases of successful transformation efforts, leaders have gained active support from the top management of the organization simultaneously with shared commitment to excellent performance through renewal in all levels of the organization (ibid).

Seamless leadership coalitions to strong line leaders and middle managers along with top management commitment were identified to be the key issues in delivering a compelling message of the importance of commitment to the change to all levels of S.C. Especially, presuming long-term top management support was identified as one of the main challenges for leaders engaged with change efforts.

4.2.2.1.3. Create a transformation vision

Forming a clear leadership vision of the future that delivers a message of strong belief in that something has to and can be done has proven to be a successful building block for change management at S.C. For instance, developing an appealing vision and story around S.C. as an environmentally conscious forerunner of the industry has engaged S.C. employees to participate in the re-creation, re-thinking and re-changing processes of the company.

The main role of leadership coalition here is to create a story that is easy to communicate and appeals to company shareholders. According to Kotter (2007) a good vision says something that helps clarify the direction in which an organization needs to move.

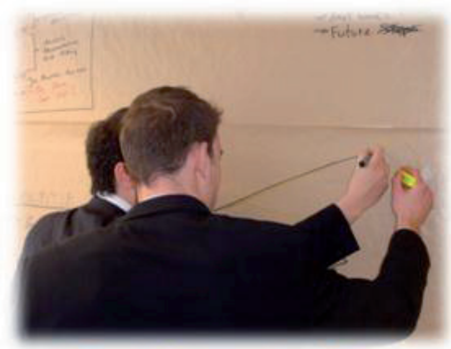
4.2.2.1.4. Communicate the vision

Without credible communication people might not believe that the change is possible or necessary, like in the early stages of change at S.C., and their hearts and minds might never be captured (ibid). Talking about how proposed solutions fit (or don't fit) into the bigger picture and communicating clear goals and benefits for the renewal with lively articles and discussion in which employees can participate are perceived as sources of success. Furthermore, communicating through leadership example and deeds was seen as the most powerful communication method at S.C.

4.2.2.1.5. Empowering others to act on the vision

Encouraging and getting others to participate in the leadership of the change process tends to result higher commitment to the cause as well as better understanding of the main drivers for change. For example, at S.C. the company included all of its employees in the process of creating new values for the organization in 2007. As a result of company-wide participation "renewal with confidence" was chosen and successfully integrated into the set of values leading the daily work.

4.2.2.1.6. *Plan for and actively create short-term wins*



Picture 4.2-2 Bernardo and Michael crafting strategies in TIMES case competition in Trondheim

Permanent transformation takes a lot of time, and a renewal effort requires a lot of patience and persistence from both its leaders as well as the employees. In a successful transformation, leaders should actively look for ways to obtain explicit performance improvements and give credit to people involved for their accomplishments (Kotter 2007). Making people proud of their success can then be used as a source of positive energy for the future.

4.2.2.1.7. *Consolidate improvements and produce more change*

In order to prevent the fragile transformation efforts from failing, successful leaders take responsibility of establishing continuous reengineering efforts in order to maintain the momentum of change. They understand that renewal efforts take several years to dig into the corporate culture and motivate people to keep their sights ahead in the future rather than in the past habits. At S.C. the main challenge has been to retain continuity in the long change efforts despite changes in management and teams. Furthermore, the company has been struggling with knowledge transfer and continuity in the renewal.

4.2.2.1.8. *Institutionalize new approaches*

Anchoring changes into the corporate culture is the last and foremost task of leaders in Kotter's renewal process. At S.C. this was done by introducing new values and social norms, which are actively being communicated to the company employees. In addition, they attempt to prevail continuous momentum for change in order to ensure adaptability and generate leadership in the organization.

4.2.2.2. Leading change at S.C.

S.C. as well as the entire competitive industry have experienced a long period of permanent change, which has caused S.C. to renew its business strategy by expanding its products and services beyond its core businesses.

As mentioned in the previous part S.C. faced a lot of challenges in the early years of its renewal effort, but it has also learned a lot of successful change management. According to S.C. managers having a compelling story, well-communicated reasons and shared will and motivation to change have been the key factors behind the transformation. Although the company does not have a specific step-by-step process for its change effort, it uses the following 6 phase framework as a basis in its change management processes.

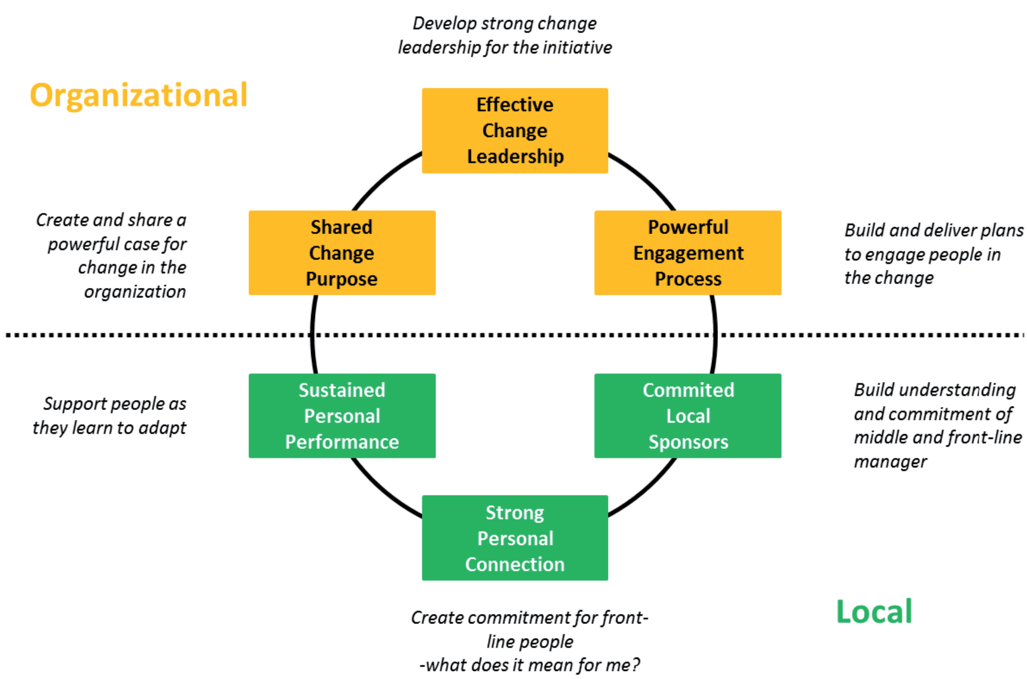


Figure 4.2-2: S.C.'s change framework – 6 critical factors
(Source: Reconstructed from S.C.'s change management framework)

As seen in Figure 4.2-2, managers have an important role of leadership in the framework both on organizational and local level. The company calls for strong and persuasive leaders that can clearly communicate a compelling vision and engage people to participate in the change process. According to the interviewees such opinion and group leaders are desired on all levels of the organization. Especially the role and responsibility of middle managers is very important in the process as moderators between the organizational and local factors.

On the local level support, training and presence seen as strengths and leadership virtues in change management practices. The basic nature of human beings as being more or less resistant to change is seen as a challenge, that may be overcome with management support, open conversation, discussion and communication of the change process.

4.2.2.3. Overcoming resistance to change

Despite having an explicit need for change on a regular basis and incorporating the transformation processes presented above, only seldom major changes are welcomed with open arms by both managers and employees on all levels of an organization (Kotter and Schlesinger 2008). Instead, change campaigns tend to result resistance in forms of, for instance, weak morale, negative emotions and negligence. Most of all, as stated by Mary Nash in a DGLT lecture, one of the main leadership challenges stems from the fact that even a smallest change takes about 90 days to be grounded, which requires huge amounts of long-term persistence and dedication from both managerial leaders and employees.

Kotter and Schlesinger (2008) identify in their article four basic reasons for resistance to change, which are essential for managerial leaders to recognize. These are:

A. desire not to lose something of value,
B. misunderstanding of the change and its complications,
C. belief that the change does not make sense for the organization, and
D. low tolerance for change in general

However, as in the case of determining a single transformation process, also the issue of why people tend to have resistance to change is very complex. Kegan and Laskow (2001) argue that the underlying reason why people won't change hinders far deeper in human behavior and psychology than the examples above entail.

The authors argue that the resistance to change does not necessarily reflect opposition or stickiness to status quo. Instead, many people are unintentionally directing productive energy toward a hidden competing commitment even though they were committed to the change effort. The resulting internal conflict causes the reaction of resistance, although it is merely personal immunity to change. (ibid)

In order to overcome these barriers to change, the authors recommend leaders to seek for the drivers of resistance in open discussion with the people and attempt to collaboratively change employee behavior towards commitment to the shared goal (ibid). Kotter and Schlesinger (2008) emphasize active participation and involvement, facilitation and support as well as negotiation and agreement as tools for overcoming the main challenges to successful transformation implementation.

4.2.2.4. Future trends in managerial leadership of change

Robert Rosen (2008) captures the trend of evolution in the in the field of managerial leadership in his article with the following words: "Leadership used to be about creating certainty. Now it is about leading through uncertainty." (Rosen 2008, p. 34). According to Heifetz et al. (2009) successful leaders are required to develop a set of skills with which to embrace change in an environment of continuous urgency, high stakes and uncertainty, instead of merely coping with it in order to remain to status quo after a period of crisis.

Heifetz et al. underline the importance of leadership in fostering adaptation by equipping employees with the ability to perform in an environment of continuing uncertainty and uncontrollable change (ibid, p. 65). According to the authors future leaders need to take responsibility of continuously developing their organizations to learn new practices that will enable the organization to outperform others in the changing world.

Furthermore, the authors push future leaders to embrace disequilibrium in their organizations. This means in practice maintaining enough discomfort among the employees to induce continuous change and orchestrating inevitable chaos to be productive rather than destructive. According to the authors this very challenging task requires skills in conflict management, negotiation and persistence. (ibid).

Lastly, the authors encourage leaders to take a stand in generating leadership by engaging people to lead the process. By sharing the responsibility, a leader can simultaneously make people more committed to change effort as well as ensure more diverse and holistic outcome. (ibid).

4.2.3. Discussion

The transformation change process models presented in the second part of the paper are in my opinion quite simplistic and general, especially, in situations where internal and external complexity is high. According to my experiences from business cases and projects, even the simplest change efforts tend to be very complex and full of surprises due to the characteristics of human behavior and unpredictability of the future.

This has also been noted in S.C., where no specific change management practice exists. Instead of locking themselves into a single theoretical model or illustration of a universal change management scheme, the company seems to take every change effort as a single case. They follow the general 6 phase approach to change management and aim to exchange and share information and knowledge through guiding benchmark cases. In this way the managers attempt to engage employees to the change process in order to generate new leaders and shared leadership. Furthermore, S.C. emphasizes the importance of communicating a strong leadership vision that helps to provide direction for the entire change process.

On the other hand, one might ponder what kind or risks and pitfalls the company faces by not having stronger and more imbedded change management principles? For instance, limited knowledge transfer between leaders and teams was identified as one major challenge at S.C.

Karp and Helgø (2009) also challenge the mainstream change management concepts and direct the focus of research to how leaders should concentrate on influencing patterns of human interaction rather than change management strategies and structures during periods of high complexity and uncertainty. In their articles the authors recommend managers to focus on change management of people, identity and relationships by changing the way people talk in organizations. (ibid).

I agree with this view and in my opinion the aspects of change management of people and relationships should be more visible in Kotter's phase model as well. Human behavior plays such a significant role in the success of changing the course of an organization and it needs to be addressed in more depth while leading the change process. For example, the human behavior factor could be included in the leadership analysis by examining the underlying forms and sources of resistance on an individual level and by increasing the amount of openness in communication inside smaller teams.

Picture 4.2-3 MiS Vappu 2011 in Senaatintori

This holds true especially in the global context where also multicultural communication and negotiation strategies need to be taken into consideration while implementing change strategies. The role of leaders and their ability to lead help and provide the right tools for individuals in diverse working teams becomes more and more important as the internal complexity and diversity increases.

4.2.4. Implication of the DGLT Spring Term to My Aspirations as a Leader

Picture 4.2-4 Bernardo, Lasse and Michael– MiS Case Kids 2010-2011

After reviewing my fall term essay I was delighted to notice that I have accomplished some of the objectives and aspirations that I set for myself in the previous reflection paper. First of all, I believe to have developed more sensitivity and emotional intelligence in my interpersonal skills and decision-making. Furthermore, I have paid attention to my behavior in team projects, and I have given more space for engaging others rather than attempting to do most important tasks myself. At the same time, I have encouraged myself to analyze the behavior and roles of my fellow group members in order to adapt my own behavior and to learn how to develop more efficient teams in practice.

In addition, there are things that I want to add to my list of preferences in my personal learning journey. I aim to be able to better cope with uncertainty and try to get positive energy from anxiety. Following Mary Nash's advice I want to learn to seek and seize continuous change as it gives an opportunity to be innovative. In addition, learning how to get the most of positive energy from conflict and uncertainty would be an important asset for me as it would develop me into a more engaging global leader.

4.2.5. Conclusion

In conclusion, the spring term of the DGLT course has been a great continuity to my journey of becoming a more conscious global leader. I have taken time to examine my cross-cultural management skills, learned about developing organizational excellence through multi-cultural teams, and gained experience in negotiation and conflict management as well as effective communication strategies.

Like in the fall, I have been delighted to notice the quality of the lectures and improvement in our class participation as a group. In my opinion, we have learned to become more constructive in our discussions by taking others into consideration. The MiS group has clearly started the journey of becoming more of a team than a group, although there still is a long way to go on our way to becoming a high performing team. I hope that we will have the opportunity to pursue this life-long goal.

In terms of managing change and uncertainty, I have learned about several theories and frameworks. More importantly, I have gained experience of how to apply these principles in the very complex global playing field and I have been able to critically appraise the different approaches. All in all, I feel like being a lot more prepared to face the challenges of the global managerial world than before the kick-off of the DGLT course.

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Interview with the following “*Star Company”* managers:

Business Development Manager, Innovation Manager, Date: 19.4.2011

4.3. The Role of the Middle Manager in Large Corporations Change Management and Strategy Implementation

Bernardo Clementino

"Various studies done in the past 25 years indicate that 60% to 80% of companies fall short of the success predicted from their new strategies"

Kaplan & Norton, 2008-2

"The very phrase "Middle Manager" evokes mediocrity: a person, who stubbornly defends the status quo because he's too unimaginative to dream up anything better, someone who sabotages others' attempts to improve the organization. But…"

Quy Nguyen Huy, 2001

4.3.1. Middle Manager?

Why is there so much buzz around who the middle manager is, what are his/her duties and what is their role in an organization? Has this questioning been around forever? What is the future of such character in large corporations? In my previous work experiences as a consultant, I have had some intense experiences with middle managers and I have to confess that before researching about this topic, I had an opinion similar to that which Huy states in the beginning of his article "In Praise of Middle Management" (on the top of the text). At the same time, the definition of the term and answer to all these questions asked on the first sentences of this text were still unknown to me, therefore I chose to use the definition of Middle Manager as a stepping stone to bring up more questions to the research. According to The Business Dictionary (businessdictionary.com): "[Middle Managers] can be clearly defined as being responsible for implementing the

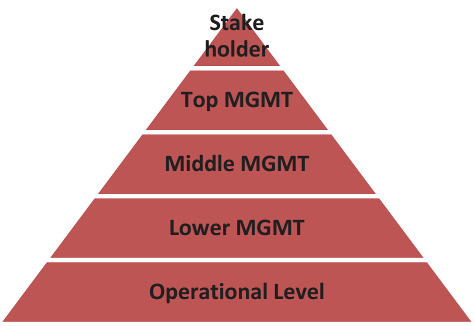

Figure 4.3-1: Inflated Organizational Pyramid

(Source: The author. "MGMT" stands for "Management")

top management's policies and plans and typically have two management levels below them. Usually among the first to be slashed in the 'resizing' of a firm, middle management constitutes the thickest layer of managers in a traditional (tall pyramid shaped) organization”. We can get a better grasp of what their position in the organization is through Figure 4.3-1, where we see that large organizations are often permeated by layers of bureaucracy. Also, Quy Nguyen Huy (Huy, 2001) gives a good and simple definition: “I defined middle managers as any person in a managerial position two levels below the Chief Executive Officer and one level above line workers and professionals.”

Still regarding the definition of the role, some people even argue the need of Middle Management in today’s organization to the extreme. Lynda Gratton (Gratton, 2011) proposes that with the technological evolutions we are going through, the role of Middle Managers shall cease to exist soon. “But [the technology advance’s] unseen legacy might be something much more fundamental: It has changed the very nature of how people work. One consequence seems clear: The classic job of the middle manager will soon disappear…”. Soon after published the article ignited responses from both academia and business world. According to Steven Spear (Spear, 2011): “Gratton’s narrow definition ignores the fact that in the most successful organizations, managers are part of a nested, adaptive learning system” in other words, Managers are needed to make sure that organizational culture persists through an adaptive learning system. Without this middle layer of people, the organization would fatally lose its capability to learn.

Thus, the role of the middle manager shows its most important facet during moments where the upper part of the pyramid needs to connect quickly and in an efficient manner with the lower part. That is in case of a crisis or a change. Most of these changes come in shape of a new strategy implementation, therefore it is in strategy implementation type of change management that this paper will touch upon, with a specific interest in how the middle manager role should be played and its most important characteristics.

4.3.2. How to Measure Effectively What is Being Implemented?

It is impossible to avoid mentioning Kaplan and Norton (Kaplan 1992) and their significant work on the Balanced Scorecard when talking about strategy implementation. As a motivation to create the tool, the authors questioned what dimensions should top management measure and follow in an organization; "…some have focused on making financial measures more relevant. Others have said, 'Forget the financial measures. Improve operational measures like cycle time and defect rates, the financial results will follow`" (Kaplan 1992). After a field study, the authors found that for any choice possible, top management would not rely in one single set of measures, since it didn't provide clear performance targets, neither clearly focused areas. The result of the research was a balanced presentation, where 4 areas are considered: Financial, Customers, Processes and Learning. The question was then who should measure these goals and indicators, once top management could not embrace all the areas alone? That was when middle management was accounted with the task of measuring and reporting goals and indicators that would guarantee that the corporation strategy was following according to what was planned. Although Kaplan and Norton do not bring up issues related to how to motivate commitment to the targets – set by executors of the strategic plan – the rest of the organization – including middle management – the BSC had proved itself efficient in several following studies from the same authors after the 1992 publication (Kaplan, 2008-1)

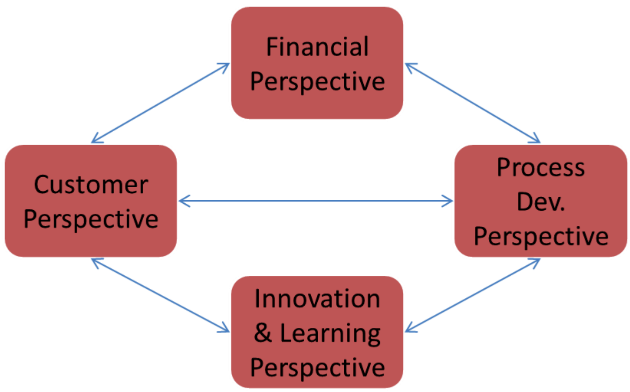

Figure 4.3-2: The dimensions of the BSC. Source: Kaplan (1992, adapated)

4.3.3. How to Commit the Organization Equally?

Identified as one of the main issues concerning the role of middle management in an organization (Marthur 2006), the conflict of interests and capacity of engagement a team in a primary task is discussed in detail by Guth and MacMillan when considering potential interest conflicts between strategy implementation and middle management self-interest (Guth, 1985). According to the authors, middle managers have a significant power over strategy implementation in large companies.

These interventions can be of two kinds, that happen in different moments of a decision making process. They can happen when a) middle managers Take a Position - During the decision-making process, the manager takes a position on the alternatives being considered, in order words: they really influence the outcome of the strategizing process. Or b) the managers can resist to decisions after they have been made. In the same article it is said that “Self-interested intervention [by the middle managers side] in organizational decision processes carries with it some risk of sanctions, if those in the organization who have the power to sanction (i.e. general management) see the intervention as inimical to the organization's interests. A middle manager's decision to intervene must take this risk of sanction into account” (Guth, 1985). Once having these risks mapped, it becomes much easier to mitigate them. While that study did not specifically address strategy implementation issues – that were tackled by Kaplan and Norton – it did focus on the degree to which managers intervened in organization decision-making processes when their interests were at stake. It provided strong evidence of the middle manager's ability to intervene successfully in decisions that impact beyond their departments, and since new strategies and strategy changes usually have substantive impact on more than one department in the organization, the study provided powerful, if indirect, evidence of how and how much middle management interventions could influence the implementation of a strategy.

In order to solve this commitment issue within middle management, Guth (Guth, 1985) provides us with 4 strategies that would solve conflicts between strategy implementers and designers. These are:

A. **Recognize and Manage Political Realities:** Political activity in organizations, such as individual and coalition intervention behavior, is the natural and spontaneous result of competing demands from inside and outside the organization on the allocation of its resources. Since these political factors are always present in human gathering context, general management must recognize, understand, and learn to manage them.

B. **Recognize the Essentiality of Middle Management Commitment:** Since general management is not omnipotent it is, in varying degrees, dependent on middle management for technical knowledge and functional skills. So, in reality, general management is rarely as free as it would like to be to 'find somebody else (or a number of others, in the case of a coalition) if they don't like it'. This results in the need, to take the demands of middle-level managers seriously and to find solutions to conflicts over strategy and policy.

C. **Use Classical Political Tools:** Accepting that strategy and its related policy decisions must be both effective in the competitive market place and capable of gaining commitment from organizational members, some political tools, used by politicians for centuries, can be helpful to general management in managing the implementation of strategy. These are for example: Equifinality, Satisficing, and Generalization.

D. **Manage Intervention Behavior:** The application of expectancy theory above suggests that there are three fundamentally different sources of low to negative individual manager commitment to implementing a particular strategy: low perceived ability to perform successfully in implementing that strategy; low perceived probability that the proposed outcomes will result, even if individual performance is successful; and low capacity of the outcome to satisfy individual goals/needs. Each of these sources requires a different approach, if implementation is to be effective. Thus the first problem that general management faces is in anticipating sources of low to negative commitment.

4.3.4. Why Do You Need Middle Managers in Change Implementation?

Given these methods and recommendations presented in the previous session, general or top management should be able to commit the middle management into a more effective process of strategy implementation. It is obvious that depending on the type of strategy (expansion, turnaround, merger or acquisition) the response from middle management should be differently taken in account. Some authors such as Quy Nguyen Huy (Huy, 2001) even argue that there are specific types of middle managers for each type of challenge that the company may face. In the executed research, the author concludes that Middle managers turn out to make valuable contributions to the realization of radical change at a company, such as a strategy implementation process. Contributions that might even go largely unrecognized by most senior executives occur in four major areas: adding entrepreneurial ideas, leveraging informal networks, fine tuning to employees emotional needs, and finally managing the tension between continuity and change. Huy also recognizes that not all middle managers can add value in all the four areas, but draws a stereotype of what would be one that thinks exclusively in adding value in the change process through one of the cited areas:

- **The Entrepreneur:** They're close to day-to-day operations, customers, and frontline employees-closer than senior managers are-so they know better than anyone where the problems are. But they're also far enough away from frontline work that they can see the big picture, which allows them to see new possibilities, both for solving problems and for encouraging growth.
- **The Communicator:** middle managers are also uniquely suited to communicating proposed changes across an organization. Change initiatives have two stages, conception and implementation, and it's widely understood that failure most often occurs at the second stage. What's less understood is the central role that middle managers play during this stage. Successful implementation requires naturally clear and compelling communication throughout the organization.

- **The Therapist:** Radical changes in the workplace can stir up high levels of fear among employees. Uncertainty about change can deflate morale and trigger anxiety that, unchecked, can degenerate into depression and paralysis. Middle managers, though, have no choice but to address their employees' emotional well-being during times of radical change, if they ignore it, most useful work will come to a grinding halt as people either leave the company or become afraid to act.
- **The Tightrope Artist:** If too much change happens too fast, chaos ensues. If too little change happens too slowly, it results in organizational inertia. Both extremes can lead to severe underperformance. Even during normal times, middle managers allot considerable energy to finding the right mix of the two. When radical change is being imposed from the top, this balancing act becomes even more important - and far more difficult.

4.3.5. Recommendation

"Middle managers are at least as important as senior executives in facilitating radical change" (Huy, 2001), particularly if the company has suffered a major loss of institutional memory at the top. But it isn't always easy to identify the middle managers who will be most helpful. In the same article, Huy (Huy, 2001) presents us with useful hints on how to effectively choose a middle manager. Structured in five main characteristics, the advice is to search for a small number of change agents deep in the organization once it is unrealistic to expect everybody to be instantly enthusiastic about a proposed change. According to the author as executives strive to find their change champions, they should search for the following characteristics:

- **Early Volunteers** that may have felt constrained under the previous regime and now see an opportunity to realize the changes they had promoted without success in the past.
- **Positive Critics** are needed once Senior executives need people who are constructively critical, as opposed to inveterate naysayers and those who are married to the status quo.
- **People with informal power** largely exceeds their formal authority; they're middle managers whose advice and help are highly sought after by people all around them.

They have accumulated a lot of social capital inside the organization, are at the center of a large informal network, and know how to pull the right strings.

- **Versatile Individuals** have voluntarily adapted to relatively major changes in the past-things like shifts in career or geographic location. They are more likely to become early adopters if they think the change is aligned with their personal goals.
- **Emotional Intelligence** individuals who are aware of their own emotions and those of others, and actively take steps to manage their feelings, are more likely to adapt to fresh environments. Research on emotional intelligence suggests that beyond a functional IQ threshold of no to 120, emotional intelligence is a much better predictor of social influence and success than IQ is.

Accordingly, once identified potential allies are identified in the middle management, they just need to be put to good use. Holding regular informal meetings and running strategic thinking through them. Or even developing a more formal advisory group. The author (Huy, 2001) concludes that “Pay attention to middle managers' interests and recognize their psychological needs. When people think that their intellectual and emotional worth is valued, they're far more likely to stay and help. In my research, I found many middle managers who dearly wanted to become "intrapreneurs" -to build something that could improve the organization's effectiveness and leave a lasting monument. Senior executives can help make that happen”.

4.3.6. Conclusion and Personal Learning

My personal take away from this short research merges with the whole Developing Global Leadership Talent Course in a smoothly manner. From the research side I was able to understand better what the role of the middle manager was during a change management process facilitation, while during the course I understood thoroughly what are the best practices of change within an organization. As I began this text, I stated my limited knowledge regarding the importance of middle managers in a change process. At the same time, I also admit my ignorance about the best ways on promoting efficient change in organizations, even though, Mary

Nash (Web: The Nash Group) presented us with a very efficient Change Management process for behavioral change (Figure 4.3-3).

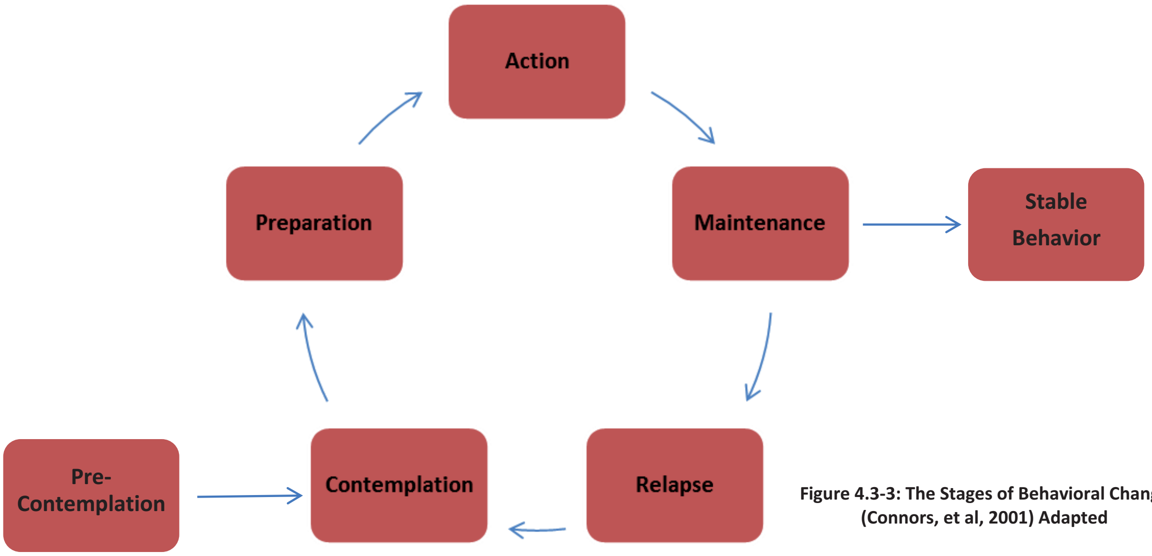

Figure 4.3-3: The Stages of Behavioral Change (Connors, et al, 2001) Adapted

Despite already with both the tools and knowledge about the role of middle managers and the efficient stages of change, it was not before I started writing this report that it came across my mind how these two themes interact, and how the answer to the change issue was always under my nose: the middle manager is the best one to help an organization to undergo change efficiently. Especially in large organizations, where the power distance between the decision takers and the executers is still, unfortunately, so huge.

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PART FIVE:
STRIVING FOR ORGANIZATIONAL EXCELLENCE

5.1. The Leadership Agenda in a Globalized Era

Pardeep Maheshwaree

5.1.1. Literature Reviews

In my view, the goal of effective style is to achieve organizational excellence and manage change when paradigm changes. The main ingredients of organizational excellence as stated by Darling (1999) are: care of customers, product innovation, committed people and management leadership. The focus of this essay is on management leadership, which in my opinion essentially sets the organizational culture oriented towards customer, unleashes potential of people to come with innovative ideas and ensures their commitment and loyalty.

I use the book "Engaging leadership" (Marlier et al., 2009) as the main basis of this essay and my theoretical model. I support and add to the content with several other sources.

Picture 5.1-1 Authoritative leadership

Authoritative Leadership:

"You must follow me"

Leadership challenges and leadership style have been in constant evolution. If we take a brief look at the history, after World War II we see a huge demand of products and services across the globe due to devastated infrastructure and there were no peculiar leadership issues since companies were able to make their living quite easily ad authoritative (paternalistic) style of leadership dominated in that era.

This continued until 1980s, which saw the growth of MBA and scientific leadership, backed by quantitative analysis. Focus on strategy was an important issue, as the organizations became complex structures. This was the beginning of knowledge economy and had put “content leadership” at its dominant style. Leaders were supposed to know more than others.

Picture 5.1-2 Scientific leadership

Scientific Leadership:

“You should follow me, because I know more than you all”

Previous era lasted for some time but complexity in global business and pace of knowledge development saw an unprecedented growth (due to rise in information technology) and in the mid 1990s it became apparent that mastery of content is not what is expected of leaders. Access to knowledge has virtually no barriers and knowledge itself has become a commodity. Superior leadership content does not seem to be based only on the knowledge of the leaders but equally on the context/process of leading. It can also be reflected by the growing dominance of strategy process research in the strategy development, alongside strategy content research. This gave rise to new form of leadership style “engaging leadership” (Marlier et al., 2009).

There are numerous new management challenges faced by leaders of 21st century e.g. social responsibility, ethical governance to name a few. And engaging leaders raise/prioritize these issues, they run/guide the problem-solving process rather than trying to solve every problem themselves, which would have been suboptimal solution given the present complexity of business world.

Picture 5.1-3 Engaging Leadership

Engaging Leadership:

"Let us solve this issue together"

Marlier et al. (2009) propose three agendas of leadership, if mastered could ensure that organizations stay alert, flexible, and driving the change rather than painfully adapting to it. The agendas, based on Aristotle's three modes of persuasion are:

- **Logos (Intellectual agenda):** When working on this agenda engaging leaders co-create clarity, purpose and meaning around it. It has to have intellectual appeal to the people.

  This is achieved by inviting people in the organizations to engage with the strategic/intellectual agenda of the organization and giving them time and space to explore the agenda, work with it, propose their concerns and contribute their intelligence (hence co-creating).

  In my opinion, this can also be done at strategic level by using discourses in strategy process which promote participation in the strategy process as described by Mantere & Vaara (2008). They describe three kinds of discourse through which it can be done, including:

  A. **Self-actualization:** Strategy process aims to find meaning in organizational activities. In my view, this also relates to ethos agenda (as discussed later) as it uncovers sense of purpose in individuals and organizations. Ideally, this leads to emancipation at individual and organizational levels. All organizational members can in principle participate in strategizing. Strategy then is defined in organization as a “collective journey” and process being more important than the result.

B. **Dialogization:** Strategy process involves dialectics between top-down and bottom-up processes. Ideally, this involves a constructive dialogue between different groups. All actors that have a vested interest are to participate in strategy processes. Strategy is a negotiation process. I think the rationale here is that employees are not barriers, when properly involved they become partners

C. **Concretization:** Strategy process is seen as a natural, almost mundane part of organizational decision-making. Effective strategizing requires concrete and transparent rules and practices. Call for clear-cut and transparent rules helps to demystify strategizing and legitimize wide participation. This makes the participation of people in co-creating intellectual agenda focused, goal oriented and simple.

- **Ethos (behavioral agenda):** It refers to an appeal to leader’s authority. An engaging leader knows that people observe his behavior closely so he has to ensure that his leadership style and behavior support his declared intentions as inferred by logos.

  There is a tendency amongst leaders to forget that people scrutinize their behavior all the time. It is leader’s behavioral style along with organizational values which makes the culture of organization positive (inspiring) or negative (discouraging). The authors describe eight behaviors, which result in higher performance, they include:

A. **Listen actively:** It refers to the ability to understand context, navigating through other person’s ideas and moving from assuming to clarifying.

B. **Ask open questions:** It refers to the quality of exploration and questioning.

C. **Summarize:** Ability to comprehend once every while and ensuring the direction of discussion

D. **Support and constructively challenge:** Reducing stress and fear of failure in people by coaching them

E. **Clarify:** Ensuring that, before the parties end the discussion, there is an intellectually compelling and emotionally binding contract between them.

F. **Ask for time-out:** Slowing down to enable the team or the process to speed up afterwards, giving them time to step back from details and re-assert the big picture

G. **Give feedback/run a review:** It is about closure and reflecting over the process to learn and understand its functioning and hence being able to continuously improve

Behaviors are critical to organizational success, using inappropriate leadership style would switch the followers off and they withhold their energy and knowledge and set the organization on dooms path.

In a similar vein Barrows (2005) argue that you cannot just order people to think or act in a new way; a leader has to lead by example, set the right atmosphere and motivate the right behavior.

- **Pathos (emotional agenda):** It refers to an appeal to audience' emotions. Engaging leaders create an environment where positive emotions flourish and hence creativity and commitment is ensured. It can be done through a metaphor, simile or a story, etc.

  Humans need a strong sense of purpose in order to survive. They also have the need to be able to influence and control in order to remain positive. The sense of purpose is emotionally connected (people refer to emotional image first and then intellectual data), aspiring (people need a challenge or target to pursue) and inspiring (lets people create their own dream and their own way of engaging in it), flexible and solid at the same time.

  The authors also describe an energy model which describes four psychological states: relaxation, excitement, anxiety and boredom, people can be classified into, as shown in Figure 5.1-1

  They create four emotional states: performance zone, stress zone, depression zone and parking zone. Engaging leaders keep their people in the performance zone almost all the time.

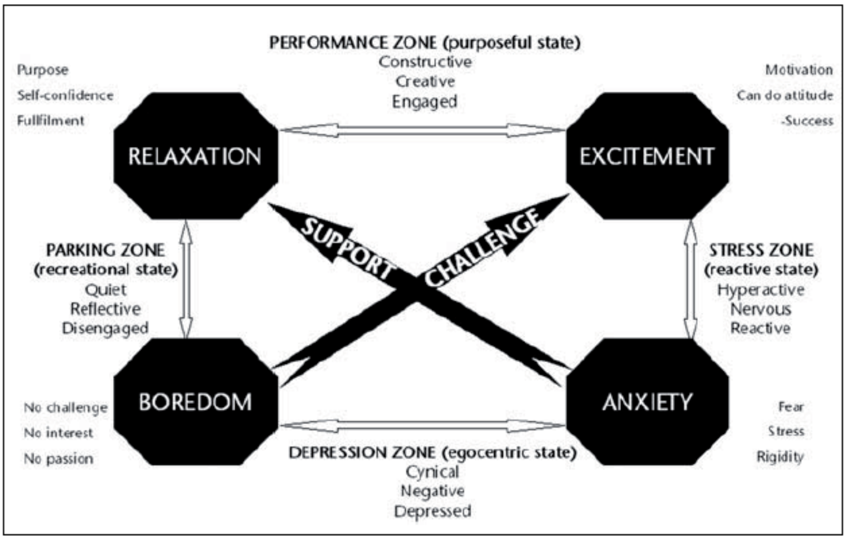

Figure 5.1-1. Energy model adapted from Marlier et al. (2009)

A. **Performance zone:** It is about keeping the people in a state of "flow". It is done by co-creating a sense of purpose and shared vision, ensuring people have confidence and faith in them about the work to be done and ensuring they are proud and satisfied of what they are doing.

B. **Stress zone:** People in this zone experience fear and stress. Energy is reactive, people tend to do several things but are not using their potential.

C. **Depression zone:** People in this zone are anxious to do something but they feel helpless. Signs of cynicism and negativism are there.

D. **The parking zone (or neutral state):** This zone sometimes exhibit positive energy and at time negative energy. Positive, when it is used to reflect upon and creating a space to recover. Negative, when it drifts into disengagement and neutrality. People in this transient zone prepare themselves for performance, stress or depression zone.

Engaging leaders use two levers, to get their people/teams to performance zone if they are not, namely:

A. **Challenge:** When people are in boredom leaders should provide them with ample challenge, raise the bars, encourage them and motivate them. In my opinion, this can be done through appealing logos and pathos.
B. **Support:** When people are in anxiety, leaders should coach and support them by listening to their concerns. I think effective pathos could help them recover.

Leaders have to master these three arts to have strong persuasive arguments and appeal. If leaders focus on just strategic agenda (content) nothing gets done. The authors use a metaphor of a car to describe these agendas: GPS as logos, Car body as pathos and Fuel to engine as ethos. Without logos there is no direction, without pathos nothing moves/happens and without ethos even if things are in place they don't move.

Next step would be "empowering leadership" which should aim to develop a individual/team's capability to lead without the presence of a formal leader and to support such team autonomy (Carmeli et al., 2011). And I think this would evolve into a style where each individual of the organization is made capable to develop and work on the three agendas himself or within a team and work as a leader in his/her capacity. I think such an awareness and capacity could create a culture of creativity with harmony and lead to a shared organizational vision and identity where every individual has realized his full potential.

5.1.2. Self Reflection

5.1.2.1. Who am I as a leader today?

My personality is strong in concept formulating and analytically understanding a situation and laying out a execution plan, so I believe I am a good planner and in this role I can be visionary leader myself and/or strategic advisory to a leader, since my strength, in terms of domain knowledge, is in strategy.

Seeing from the current framework, I have been more and more focused on intellectual agenda. But I have not been consciously putting effort on pathos and ethos, yet. So I have been more of a "content leader", in my capacity. I can reflect this point in my office work as well.

But as stated in my fall-term essay I would like to focus on soft aspects as well. In this sense, this framework provides me a good conceptual starting point to start working on my behavioral agenda and emotional agenda.

5.1.2.2. What kind of a leader do I want to be in the future?

I want to be a visionary and empowering kind of leader, who can really unleash the potential in others and I think for this logos, is a necessary but not sufficient condition. I have to master other modes of persuasion (pathos and ethos), in order to lead.

5.1.2.3. How to get there?

I started my journey with MS Strategy and then I started another master's degree of CEMS' Master in International Management alongside. I think I have multiplied my opportunities to gain access to different "world views" (by enhancing my peer group, since I meet many people from different countries in CEMS program) and at the same time I get access to different hard content of international management alongside strategic management. But in order to realize these opportunities and to become an empowering leader I have to start analyzing things from different perspective and the Aristotle's "modes of persuasion" perspective is definitely going to help in it. And as stated, my relative strength is in my intellectual agenda I have to put more effort on my behavioral and emotional agendas when communicating with people.

5.1.2.4. What has been your personal learning journey this year toward this goal

It has been very sound until now. DGLT course content has been very good this year, with Micheal Gallagher broadening my view regarding leadership in organizations in general and communication skills enhancement by Mary Zeiner's seminars. This year I have been more focused on my office work but that provided me a time to reflect by staying in relaxation energy zone (see Figure 5.1-1). I think the practical experience I got really helped me see things differently and I have been constantly trying to apply my intellectual agenda (strategy content) at my workplace. And when I am reflecting I now realize the fact that having good 'logos' is not sufficient to get people's support/commitment in practice.

I am now switching back to full time studies this summer by starting my thesis and then getting into CEMS courses, which of course would provide me more opportunities to improve my skills in being more effective and empowering leader. So that I am able to rightly address the global issues of 21st century!

Thanks Mona and Yiwen for your wonderful support and to our DGLT colleagues who have made this learning experience a fun.

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5.2. Striving for Organizational Excellence through Leadership

Macarena Pallares

"No person or company should be content to stay where they are, no matter how successful they now seem to be."
Stephen R. Covey

5.2.1. Introduction

Organizational Excellence is in most of the cases difficult to define and therefore difficult to achieve. Throughout this essay I will define organizational excellence and link it to leadership, which is placed at the center of the success of an organization. Organizations are defined as social units of people systematically structured and managed to meet a need or to pursue collective goals on a continuous basis (Business Dictionary, 2011). Therefore in the heart of all the organizations there are people and consequently the organization can and will only mirror the attitudes, beliefs and behaviors of their leaders and their stakeholders. During this essay I will also try to come up with a summary of the key characteristics of leaders that enables them to motivate and drive excellence from the people around them. Finally, the main objective of this essay will be for me to reflect on my personal development as a leader throughout this year of Developing Global Leadership course, and to determine which traits and characteristics, based on the ones enlisted, I need to develop in order to be a leader that drives organizational excellence.

5.2.2. Defining Organizational Excellence

Organizational Excellence is defined as outstanding practice in managing organizations and delivering values to customers and other stakeholders (Moulin, 2007). This definition emphasizes the importance of converting the organization from something ordinary to something exceptional that rewards both internal and external stakeholders. Therefore organizational excellence is seen as something extraordinary, that not all organization can achieve.

Organizational Excellence has also been defined by Shelton et al (2001) as the combination of Leadership Values, Transformational Strategies, and Quantum Skills.

Organizational Excellence = Leadership Values

+ Transformational Strategies

+ Quantum Skills

Figure 5.2-1-Foundations of Organizational Excellence

The leadership values will enable to inspire, unify and transform the persons around the leader as well as the organization itself. The transformational strategies will enable to create high performance organizations by creating a culture of excellence and responding to change. Finally the quantum skills will allow the organization to improve their perceptions by improving first their beliefs.

Both definitions presented above give an overview of how organizational excellence could be defined. As highlighted before, defining and understanding organizational excellence can be challenging since the concept is difficult to grasp due to its high level of conceptuality. Nevertheless the key of organizational excellence is a continuous transformation of the organization as a whole to something superior that is developing at each stage of the process, but how to achieve this?

To achieve an excellent organization, all the functional responsibilities should work together to achieve a central mission while continuing to grow and evolve to meet new challenges. An excellent organization should also have a vision, streamlined business practices, integrated information sharing, great resilience, motivated workforces, a distinct and positive culture, and high performance towards specific goals and objectives. In an excellent organization, as stated before, employees are satisfied and fulfilled. Although it might seem overly complex to achieve Harrington, J. (2005) has come with a framework that focuses only on 5 things that need to be managed in order for an organization to excel. These are called the 5 pillars of organizational excellence and will be briefly defined below:

- **Pillar 1: Process management**- A process is a series of interconnected activities that take input, add value to it and produce output. It is the day to day routines. The organization should clearly define how these operate (Input required, output required, process and feedback).
- **Pillar 2: Project management-** Projects are the means by which organizations improve their processes. Project managers should be able to finish the project in the allocated time with the allocated resources.
- **Pillar 3: Change management-** Successful changes need to follow 3 steps: defining what will be changed, defining how to change it, making the change happen. A very crisp vision is needed in order to be able to achieve this pillar successfully.
- **Pillar 4: Knowledge management-** Defines as proactive, systematic process by which value is generated from intellectual or knowledge-based assets and disseminated to stakeholders. Knowledge needs to be transferred from individuals to processes and behaviors.
- **Pillar 5: Resource management-** Includes all the resources and assets that are available to the organization, and the management of those. Communication, teamwork, empowerment and honesty are key characteristics that allow the resource management to be more successful.

The key to success is that all five pillars should be managed simultaneously. It is at this stage where the leadership, especially in top management but also throughout all the organization, plays a decisive role since only through leadership the organization is able to move each pillar and eventually move the pillars forward at the same time.

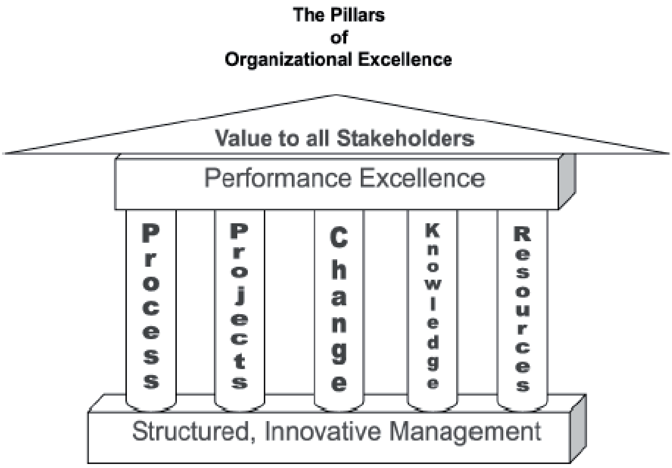


Figure 5.2-2-Pillars of Organizational Excellence

5.2.3. Linking Leadership and Organizational Excellence

As discussed previously only through leadership are the organizations able to excel, and achieve above ordinary results. All throughout the 5 pillars of organizational excellence leadership skills and traits are needed and moreover when the 5 pillars need to be moved simultaneously forward. Most of the organizations are not well prepared for the challenges of the future and the lack leadership skills are in the center of this gap (Uhl-Bien, 2007) Identifying and developing effective leadership behaviors is extremely important to organizations. Clearly, organizations wouldn´t be able to meet their performance targets unless those in leadership positions are able to carry out their roles in a suitable way (Manning, 2011), consequently excellence can´t be achieved unless leadership is displayed.

Organizational excellence always has to begin with leaders who embrace change and new ideas. This will enable the leaders to anticipate opportunities, remain transparent, and take well calculated risks. To do this, leadership strategies and skills are required that will enable leaders to rise above the status quo and create high performance organizations. (Shelton, 2001).

In the current business environment, where there is continuous and disruptive change and the necessity of quick adaptation to changing environment is key for success managing and embracing change is one of the key items that will ensure excellence in an organization. Modern organizational theory has become smitten with the notion of change – how to manage it, how to create it, and how to avoid becoming engulfed by it. Leadership is often at the center of this conversation and is viewed as a necessity in the face of ever-increasing complexity, uncertainty, and competition. When considering leadership in this context, a particularly important responsibility of leaders is to facilitate positive organizational change (Lee, 2011). Besides managing change, another fundamental challenge of leaders is in alignment with how a company organizes in such a way that the positive potential of its people, products, and services can be fully realized and the organization has the ability to respond successfully to its critical challenges and opportunities (Whetten, 2004). By managing these challenges (2 pillars) and the other pillars, organizations can ensure that they are on the track of excellence.

In the Universal Business Excellence Model framework developed by Sharma, A. & Talwar, B. (2007) leadership is placed as the initial key item to develop excellence. Leadership is seen as enabler of longevity, sustainable growth, enhanced profitability and employees' pride in an organization. According to this model, leadership will smoothen the flow of processes and resources (materials, finances, information, knowledge, product and services etc.) through strategic planning to enhance people values, partners' values, customer values, and key business results to align its vision with universal wellbeing for attaining the sustainable success.

Finally by understanding the importance of leadership, identifying leadership styles, and employing appropriate leadership techniques, an organization can create a vision of the future, motivate employees toward common goals and value individual contributions toward the realization of short-term goals and long-term visions (Emerald Insights, 2011) thus ensure the strive for excellence and success.

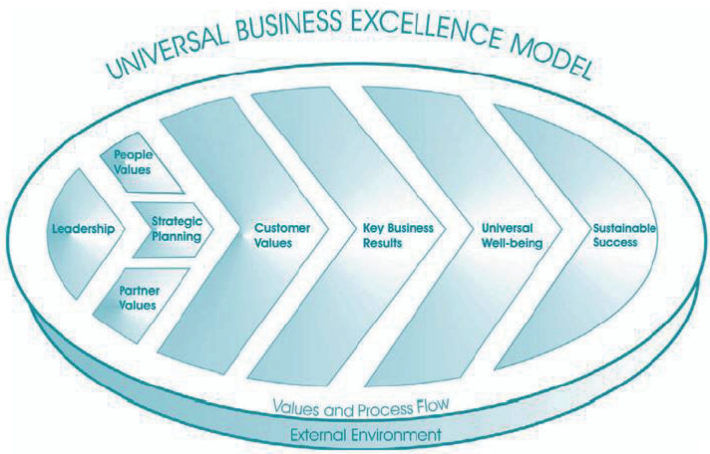


Figure 5.2-3-Universal Business Excellence Model (UBEM) Framework

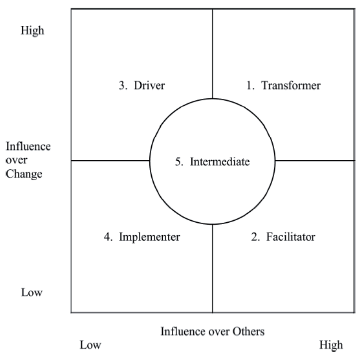
5.2.4. Leadership skills needed to achieve Organizational Excellence

As formerly discussed leadership is in the center of excellence, but are there some leadership skills that are more important than others in order to achieve organizational excellence?

The ‘‘dynamic leader’’ research assessment identified the following seven very important characteristics of leadership (Manning, 2011):

- **Vision**- Communicating a compelling vision, articulating the overall strategic direction and doing so in ways that will appeal to hearts and minds.
- **Source-** Tuning into the wider environment, the source of the vision, both within and beyond the organization, and combining information using kaleidoscope thinking.
- **Macro-** Transforming the vision into action at the organizational level by building support networks, developing teams and promoting a culture of excellence.
- **Interpersonal-** Being visible and listening to, supporting, developing and involving staff.
- **Traits-** Being self-confident, showing perseverance and persistence, being consistent and being willing to learn from experience.

- **Tasks-** Organizing and implementing tasks, derived from the vision, in a focused and structured way.
- **Creativity-** Coming up with original solutions to problems, being open to new ideas and showing independence of thought



Leadership situation	*Essential characteristics*
1. Transformer	Interpersonal, macro, task, traits
2. Facilitator	Traits, task, interpersonal
3. Driver	Macro, interpersonal
4. Implementer	Traits, interpersonal, macro
5. Intermediate	Macro, interpersonal

Figure 5.2-4-Types of Leadership Situations and Essential Characteristics needed for the situation

As showed in Figure 5.2-4 depending on the situation, influence over change or influence over others, the different traits and characteristics that should be used in order to achieve the ideal outcome.

At the end leadership is partly an art, and there is no secret combination that will be successful in all situations. A real leader needs to assess which skills are needed in a certain environment and use them based on his/her previous experience and the knowledge and feeling from the environment and as stated by Kotter, J. (1997) " When it comes to transformation of any significance inside an organization, the process demands that you motivate many people to play a leadership role in their own domain ". A leader must always empower and create other leaders in order to have organizational excellence.

5.2.5. Self-Assessment on Leadership Skills

To finalize this essay I would like to asses myself on which leadership skills I have at the moment, based on the ones enlisted before and which are the ones I need to develop. The assessment is based on all the feedback and comments I have received during the ”Developing Global Leadership Talent” course that has been taking place during the autumn 2010 and spring 2011 semester. The skills would be graded from 1 to 8, where 1 is the least skill that I display and 8 is the one I display the most.

Leadership Skills	Grade
Vision	3
Source	6
Macro	5
Interpersonal	7
Traits	8
Tasks	2
Creativity	1
Empower others to be leaders	4

This self-assessment will help me understand and develop the skills that I need to further improve, and keep developing the current skills that I have. Repeating Stephen Covey´s quote “No person or company should be content to stay where they are, no matter how successful they now seem to be “. Therefore I know that although I have come a long way and developed myself a lot from the beginning of the course; I still have a long way to go. One of the main learnings that I have got during the course was the ability to do self-reflection and self-assessment, and to be honest with myself. I think that the ability to exercise introspection and the willingness to learn about our nature and our purpose can only direct to the personal development as a person, and therefore to being a better leader.

5.2.6. Conclusion

As a conclusion, leadership is the center of organizational excellence, and only through consistent leadership throughout the organization it is possible to go through the path of continuous improvement and try to excel. Although organizational excellence could be defined and described in many different ways, the key is that there should always be an incessant search for improvement in the organization as a whole, and the people that form part of the organization should display the characteristics and skills that the organization wants to showcase. There are some key important leadership skills that should be tried to develop in order to be a better leader, but at the end leadership is also part art and there is no secret formula to it. Finally during the self-assessment I was able to understand better who I am as a person and as a leader and how do I need to develop , for organizations as well as for humans the path of excellence is a continuous search for development and I intend to follow this path.

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5.3. The Role of Leaders towards Corporate Social Responsibility

Thomas Coicaud

5.3.1. Introduction

For several years already, Corporate Social Responsibility (CSR) has emerged as a concept whereby organizations tend to integrate progressively social and environment concerns into their business operations and in their interactions with their stakeholders.

Actually, my academic background in a leading industrial engineering school in France has made me aware of the significance for business and industry to behave responsibly and contribute to the development of a sustainable society. Thus, I have gained insight into the challenges that such social and environmental concerns raise for companies. Therefore, this Spring Term Essay is the opportunity for me to deepen this concept of CSR and to address it from a leadership perspective by investigating the role that leaders are asked to play nowadays towards CSR.

Through this essay, I first look at the influence of the CSR approach for organizations and to what extent this relatively new concept is related to leadership issues. Then, the next section addresses the rising role of leaders in promoting CSR through the new challenges and the main actions that it implies. Finally, I discuss what kind of leaders do organizations need to overcome such challenges and what are the implications in terms of leadership development.

Picture 5.3-1

5.3.2. Influence of Corporate Social Responsibility on Organizations and Relation with Leadership

In order to start the reflection, the objective is here to understand what CSR exactly is, what makes it today so important for organizations and to what extent leaders can help to address such issues.

5.3.2.1. The Corporate Social Responsibility approach

Being a best-in the world organization is no longer enough in today's business environment, people are now demanding that organizations also be the best for the world and not just provide results to increase share holder value. That's why in response, more and more organizations are embracing the practice of Corporate Social Responsibility.

This new approach enhanced by social and environmental concerns implies that now companies have to be responsible not just towards their shareholders but also towards a large range of stakeholders as shown in the model developed by K.Wah Group (Figure 5.3-1):

Indeed, society expects that companies generate benefits, beyond their direct interests and law requirements, for all stakeholders through their products, services and initiatives. (D'Amato, A. & Florence, S. & Henderson, S., 2009)

Figure 5.3-1- Stakeholders in a CSR approach (Source : K.Wah Group)

In addition, this trend is, in my opinion, enhanced by the progressive decline of public trust in institutions and powerbrokers. Thus, society tends to challenge organizations and wants to make sure that companies adopt and implement ethical conducts, prevent corruption practice, guarantee job security, support the needs and concerns of their employees and protect the environment. All this means in the end that organizations have a great deal of work to do in getting the great global public thinking better of them.

5.3.2.2. Progressive emergence of Corporate Social Responsibility within organizations

In this perspective, many organizations have taken the step of CSR and developed CSR approaches. Nevertheless, I noticed that these approaches are still often defensive rather that rally proactive, what can be explained, by the golden circle (Figure 5.3-2) of S.Sinek (2009), addressed during M. Gallagher's lectures.

Indeed, according to this model, while many organizations think about their business from an outside-to-inside perspective, knowing perfectly what they are doing but wondering still why, Sinek recommends to think in the other way and stresses that everything starts from the "why?". And to my mind, this reasoning is really helpful for organizations and leaders to understand the significance of a CSR approach. Indeed, Sinek demonstrates that people trust you and are more likely to do business with you not just thanks to your offerings but because of your purpose and why you run your business in such a way. It means for me that organizations should discard this compliance towards CSR and transform it into a real conviction that being a responsible corporation is not just a nice thing to do but makes sense for the company and all its stakeholders.

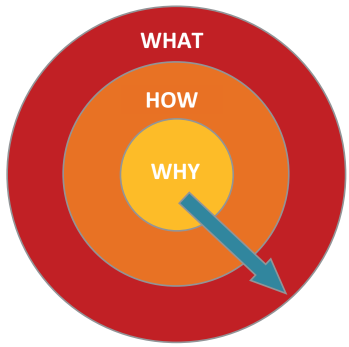

Figure 5.3-2- Golden Circle (S.Sinek, 2009)

According to Van Velsor & McCauley. & Ruderman (2010), adopting such approach may actually lead to many important benefits. Corporate responsibility and sustainability represent an opportunity for organizations to develop a strategic competitive advantage towards competitors and one of the most powerful drivers for growth and innovation. Thus, contrary to the common belief that such approach is a cost rather than a source of benefits, leading organizations, in terms of CSR, report that it helped them, for instance, to increase their revenue and reduce several cost headings. It also tends to improve their staff retention since such a corporate conviction helps organizations to hire people who share the same belief and want to perform and achieve this respectable goal that is not just profit-oriented. Moreover, I'm convinced that it leads the organization and its staff to think about their business "out of the box", and that it favors creativity and innovation to improve the organization from a global perspective.

5.3.2.3. Relation between Corporate Social Responsibility and Leadership

Nevertheless, implementing a new way of doing business is not an easy task and Baltes & Quinn (2007) emphasize for instance two main difficulties for executing this CSR change. First, the CSR approach relies on the concept of Triple Bottom Line, that describes sustainable and responsible development as a combination of the economic, the social and the environmental dimensions. But it seems that there is usually within organization and its culture an insufficient understanding of this concept since financial interests and objectives remain often the priority. Secondly, the lack of leadership and organizational support tend also to brake the development of CSR in organizations.

Indeed, in order to define and implement CSR programs and initiatives within organizations that are often global, leaders appear as the key players to instill this new culture of responsible business. D'Amato, & Florence & Henderson (2009) discuss this idea of leader's pivotal role in the initiation and development of CSR approach through the perspective of the globalization. They stress the fact that in today's global business world, leaders' responsibility and decisions go beyond the strict area of their business and can influence worldwide both economies and societies.

Therefore, if the CSR approach is likely to spread among organizations to fit societal concerns, the central role, that leaders are supposed to play in the definition and the promotion of such initiatives, has to be examined carefully.

5.3.3. The Role of Leaders to Promote Corporate Social Responsibility

Thus, in this section, I would like to address the role leaders have to play towards CSR through the main challenges that CSR approach implies for leaders and what they should do to promote and implement it in practice within organizations.

5.3.3.1. New challenges for responsible leaders

To be able to effectively incorporate CSR into organizations, some key issues have to be taken into account. Leaders need to ensure that CSR is an integral part of the organization's strategy and that the appropriate structures, systems and procedures are developed and aligned to the CSR goals. Further, the organization needs to engage fully with all its staff so that they can be aware and understand the impact of CSR issues on their business.

Thus Quinn & D'Amato (2008) describe three main challenges for leaders trying to develop CSR business practice.

First, leaders have to set the direction and the tone of the CSR program. It implies to develop a vision that should find its origins in the company's values and strengths and state the goals to be achieved at different levels of the organization and the steps to achieve these goals. The second key challenge is then to align the program with the rest of the business to keep the change as smooth as possible. This requires mainly to shape the program by taking into account all stakeholders' opinions and to communicate the implications of the strategy so that they can be understood by every stakeholder. Eventually, gaining and maintaining a full commitment from the people in the business is also a great concern for leaders. Indeed, whereas leaders' commitment to CSR remains usually quite strong once the organization decided to launch a CSR strategy, I imagine that the other members of the organization are more likely to see in every negative contextual events such as business downturns, a reason to come back to short-term profit priorities rather than to head off to long-term sustainable strategy. And actually, I experienced this situation during an internship within an automobile supplier that had decided to launch a new CSR project aimed to control and reduce the environmental impact of its own suppliers. Despite the strong economic downturn in the automobile industry in 2008-2009, the top-management had decided to continue this sustainable strategy that should prove beneficial on the long term. However I talked with some people in the middle management who meanwhile were disregarding the project and were more worried about the current low profitability of their business unit. So finally they almost forgot the global CSR strategy to focus again only on economic concerns.

5.3.3.2. Practical actions steps to implement a CSR strategy

Even though it's important to discuss these challenges, the concrete actions that leaders and organizations have to lead in order to create the direction, alignment, and commitment are even more important to move the CSR strategy into the everyday work of each organizational member. In order to see the range of actions that may be implemented, Van Velsor & McCauley. & Ruderman (2010) have developed 8 keys leadership practices that are directly linked to the challenges discussed above and that can be illustrated through various examples of practical actions (Figure 5.3-3).

If all these practices are essential to implement a successful CSR strategy, based on my own working experience, the last one is particularly critical. Indeed, when a manager is succeeding to lead that kind of CSR initiative and gets its subordinates committed, the smallest discrepancy between is exemplary professional behavior and its personal behavior out of working hours may prove really harmful. For instance, even if it seemed insignificant for him, I saw a manager showing up one morning in a brand new 4x4 car whereas he was for months trying to make its employees aware of environmental concerns in the factory. The employees' reaction was immediate and they feel then much more reluctant to trust the manager about such topics.

This lack of tact in the manager's behavior demonstrates in my opinion, that any supposed leader is not necessarily able to deal with such important topics and that a new model of leaders is now emerging to address these CSR issues successfully.

Challenges	Leadership practices	Examples of actions
Direction	Developing Vision, Strategy and Policies	- Setting CSR goals on every level of the organization - Screening for CSR in investments, acquisitions and partnerships
	Getting support from top management	- Creating dedicated CSR position(s) in the organization - Maintaining continuous efforts during difficult times
	Make CSR operational	- Integrating CSR in everyday processes - Specifying CSR goals locally for every team and employee
Alignment	Engaging across boundaries	- Conducting CSR surveys with all stakeholders - Making organizational efforts and goals publicly visible
	Developing communication systems and practices	- Encouraging two-way communication (up and down) - Translating materials and CSR policies into local languages
	Empowering and developing employees	- Training, mentoring - Promoting employees' CSR initiatives and projects
Commitment	Managing performance and accountability	- Doing CSR audits - Pursuing certifications
	Acting ethically	- Leading by example - Consistency of personal and professional behavior

Figure 5.3-3 - CSR leadership practices (modified from Van Velsor & McCauley. & Ruderman - 2010)

5.3.4. A New Model of Leaders and Implications for Leadership Development

Thus, I'm going to look at the kind of leader and the qualities needed to translate efficiently CSR principles into practice and eventually, I will discuss the new academic challenges it represents to train leaders with the suitable profile.

5.3.4.1. Reflexive abilities to successfully address CSR issues

If many organizations have today recognized the significance to set out on the path of CSR, they still seem to struggle in defining what leadership abilities to operate successfully at the intersection of financial, social and environmental objectives. Indeed, if having a long-term view, good communication skills and a large influence are key when introducing in organization an approach that tends to challenge the existing beliefs of the current system, it seemed that a new model for responsible business leadership was needed.

Thus, the concept of five reflexive abilities has been recently developed and defines the core characteristics of responsible behavior. These abilities are in fact a mix of skills, attitude and knowledge sets and can be considered as the key competencies to integrate social and environmental concerns into responsible business decision making (Hind, P. & Lenssen, G. & Wilson, A., 2009). Based on these findings, I tried to define briefly each of these reflexive abilities in Figure 5.3-4.

5.3.4.2. Other elements that shouldn't be neglected

In addition to this model, several cultural predicators of CSR leadership have been identified by Waldman, D. & al. (2006) and provide a new insight in the ability of leaders to address CSR issues successfully. Indeed, it appears for instance that the wealth and the standard of living in leaders' countries influence their willingness to take into account community's well-being in their decision making. Thus, leaders in poorer countries seem more concerned about the impact on the society as a whole and focus less their attention just on the shareholder's benefits. This may be explained by the fact that local governments and institutions are there less able to deal with such concerns. Whereas in wealthier countries, leaders may feel less responsible as they know these institutions are normally supposed to manage these issues. For instance, I remember a Romanian manager, in a company I worked for, who succeeded to make the company reconsider a promotion event project that was likely to force a Gipsy community to move away. I don't know if the following example can be made general but the sensibility of this manager to the Gipsy cause, that is a big community in his home country, shows to my mind that cultural factors may also matter.

Reflexive abilities	Explanation
Systemic thinking	Ability to reason beyond your own business and to understand at the broadest possible level the interactions across a complex system.
Embracing diversity	Ability to accept diversity and to use it as a driver to deal with complex situations by promoting ideas sharing and learning across different groups.
Balancing local and global perspectives	Ability to evaluate the implications of local decisions on the global stage and to set a global framework of values without disregarding local specificities .
Meaningful dialogue	Ability to listen to all stakeholders' opinions, to promote dialogue and to integrate stakeholders into the decision making process.
Emotional awareness	Ability to demonstrate in your decisions that you care about the implications on others and that you're not just driven by the economic rationality.

Figure 5.3-4 - Five reflexives abilities

5.3.4.3. Other elements that shouldn't be neglected

In addition to this model, several cultural predicators of CSR leadership have been identified by Waldman, D. & al. (2006) and provide a new insight in the ability of leaders to address CSR issues successfully. Indeed, it appears for instance that the wealth and the standard of living in leaders' countries influence their willingness to take into account community's well-being in their decision making. Thus, leaders in poorer countries seem more concerned about the impact on the society as a whole and focus less their attention just on the shareholder's benefits. This may be explained by the fact that local governments and institutions are there less able to deal with such concerns. Whereas in wealthier countries, leaders may feel less responsible as they know these institutions are normally supposed to manage these issues. For instance, I remember a Romanian manager, in a company I worked for, who succeeded to make the company reconsider a promotion event project that was likely to force a Gipsy community to move away. I don't know if the following example can be made general but the sensibility of this manager to the Gipsy cause, that is a big community in his home country, shows to my mind that cultural factors may also matter.

Besides, if I found this model of reflexive abilities quite relevant to address this issue, I see more these abilities as a kind of combination between usual leadership skills and management skills rather than really new concepts. Indeed, a responsible business leader is on the one hand, in my view, someone with individual characteristics and beliefs such as for instance acting with integrity and being honest. Those skills are actually intrinsic and thus are almost impossible to teach since they can only be developed over a long period of time. Nevertheless, on the other hand, the management skills are much more tangible and can be taught to enhance the expertise of leaders in dealing, for instance, with stakeholders relations or partnerships building.

5.3.4.4. Challenges for leadership development

Thus, the issues that arise are to understand the implications for the way these "new model" leaders are developed and to look at the academic answers that may be provided to include CSR dimensions in leaders development.

It appears indeed not that simple to teach such new abilities or to influence existing personal qualities in order that they can be then effectively put into practice and resist to organizational pressures (not necessarily CSR-oriented).

Three main themes seem actually to be taken into account. First, the traditional content of management programs in universities and business schools has to be rethought, in order to address the fundamental principles and questions arisen by CSR and to let people build their individual world view and decision-making process while being aware of this new approach.

Then, experiencing different situations related to CSR environment and decision-making is also essential and should be promoted through practical learning techniques perhaps not compatible with the traditional classroom environment. Finally, the too frequent "cultural imperialism" that promote implicitly the social, political and economic norms from a developed world perspective should be avoid to favor the appreciation of cultural diversity and not to skew future leaders' view. (Hind, P. & Lenssen, G. & Wilson, A., 2009)

However, based on my own background in a French engineering school, if the two first aspects begin slowly but progressively to be taken into account to integrate CSR issues into academic programs, the latter is anchored deeply in the way many different subjects are taught. That's why, I think a real effort should be made in order to think out of this 'developed world' box and also address perspectives that are maybe more unusual but surely as relevant by many aspects. For instance, in the relation that people and companies have towards nature and environmental impact in France and Finland, I already noticed huge but complementary differences. And in my opinion, this tends to demonstrate that even if these countries are supposed to think through the same perspective of well-developed countries, they actually offer quite different approach and considering this diversity is in my view essential today to deal with CSR.

Eventually, the biggest challenge both for the academic community but also for organizations is to integrate this CSR approach into existing business thoughts and subjects. Indeed, rather than pointing it out as a new theme that can be addressed apart from everything else, the aim is to make CSR approach natural for people to sink into any of their decision and action.

5.3.5. Conclusion

Through this essay, I have tried to address different aspects of Corporate Social Responsibility that are in my view essential to understand the role that leaders may play towards this approach. Thus, I looked at the emergence of CSR to understand that this concept is more and more linked with leadership. Then, I examined the challenges that leaders are now facing and how they can proceed to overcome them successfully. Eventually, I noticed that some new requirements in terms of leadership qualities are now needed and that it creates a challenging agenda for management development and training.

And in addition, even though, I have always been quite interested in sustainable development issues, this reflection about Corporate Social Responsible Leaders definitely helped me to shape my view through a new perspective and I am convinced it will prove beneficial for the future manager that I am.

Picture 5.3-2


Picture 5.3-3

5.3.6. Reference

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PART SIX:
HOW TO RECRUIT AND KEEP TALENT?

6.1. Human Resources in SMEs

Antti Tenhola

In my spring term essay I decided to combine two big interests of mine, human resources and small and medium sized enterprises (SMEs). Human resources and work psychology has interested me for a long time, already before I started my studies at TKK. In high school, I remember reading study guides and thinking that the single most interesting topic for me was work psychology and leadership offered by the department of IEM at TKK. With this humanistic side in me I have sometimes felt quite lost in the middle of overly technical surroundings. At the end I ended up choosing strategy as my major, although, if I'm honest, mainly because of the unpopularity of work psychology. The interest for human interactions and their explanations was always there. Maybe genes play some role here too; my mother did a long career in human resources and other of my two sisters has so far worked also only in human resources. Through all the experiences with our International Business Linkage Programme (IBLP), including personality tests, self assessments, peer evaluations and interpersonal relations within our group, I learned to know that my strengths also lie in the same area.

Picture 6.2-1 MiS group picture

The other part, SMEs, and moreover entrepreneurship came into picture gradually even earlier. As an interesting option it had been in my mind already from middle school, but the idea got stronger during my studies at TKK. The field where I would start has been unclear all the time but I always had a feeling that eventually I would come up with some great idea. Only during the last academic year it really hit me how much I would enjoy setting up and developing an own business, not alone, but rather together with one or more people. Since then I can really say that being an entrepreneur is definitely one of my life dreams. Being responsible of everything and being able to clearly see your own achievements sounds much more tempting and motivating than working as a tiny component in a huge system. During the last semester I was lucky enough to get a chance to develop a business plan and financial plan with a good friend of mine for our franchising concept in fast food industry, which was a truly rewarding experience.

So, how well these two topics fit together then? I found three aspects to support the relevance of investigating this combination. First, Heneman et al. (2000) analyzed survey data from 156 growth oriented young entrepreneurs about fields where they needed additional learning. The results showed that human resource topics are regarded as highly important by leaders of small enterprises, both in professional and personal level. All human resource topics combined (employees, recruitment, retention, motivation, rewarding, compensation and negotiation) scored a frequency of 15 percent, almost 50 percent higher than any other single topic, such as growth or management.

Second, according to USSBA (2011) small and medium sized companies represented 99.9 percent of all the firms in the US in 2009 employing half all private sector employees. In addition, SMEs produce 31 percent of the export value, create more than half of the nonfarm private GDP, have generated 65 percent of the new jobs over the last 17 years and produce 16.5 times more patents than large firms. Even though these figures are from the US, the importance of SMEs to economies all around the world is clearly enorous.

Third, it is not enough to take a look at any human resource literature when SMEs are concerned. Deshpande & Golhar (1994) found considerable differences in effectiveness of human resource practices between employers of varying size. Heneman et al (2000) points out that because vast majority of the research in the field is done only within large organizations, and the theories for most parts do not extend to SMEs, there is only limited use of this information for the practitioners, and often the most relevant problems are left unanswered.

Since human resource issues are important for SMEs, SMEs are important for the economy and human resource theories of large organizations do not apply for small, it is evident that further investigating the field is important. In this essay I will discuss several most important human resource topics that came up in the CEO focus groups and survey of young entrepreneurs researched by Henemann et al (2000).

Let's start with recruitment and employee retention, topic which ranked the highest in the focus groups and second highest among young entrepreneurs. Recruitment and its methods is definitely one of the most interesting areas for me. Personally I don't have extensive experience about recruitment processes in firms, not even from the other side of the table i.e. as an applicant. The only time when I have been in a real interview, was for my summer job 2007 for Starkki hardware store. "Real" interview here rules out the cases when I had good connections inside the company. To the interview in Starkki I went rather sceptical. The job was a salesperson at tool section, and I didn't have a slightest clue about anything related to tools or construction. Main part of my building experienced was based on one Ikea desk that I had assembled. I saw honesty as my best chance and said: "I only know hammer and screwdriver... But I'm enthusiastic to learn!" I got the place already during the interview.

Obviously the process at Starkki was not really professional and my selection was most probably highly influenced by a combination of urgent need for an employee and absence of capable applicants. But still, it is exactly the quest for finding the fine balance between skill profile and matching personality, which makes recruitment process so intriguing. At Starkki the emphasis was put totally to personality, actually against what literature suggests being the typical way.

According to Heneman et al. (2000) the traditional human resource practise focuses on matching the applicant's knowledge, skills and ability to the job requirements. In 1991 Bowen et al. presented an alternative idea of person-organisation fit, which according to authors yields excellent results when applied in certain type of business environment. If company is working with short product life cycles, sophisticated technology, growing globalization or shifting customer demands, it is more important that worker fit to the overall philosophy and values of the organization rather than to a certain task, since tasks are changing all the time anyway. It is obvious that many small enterprises fulfil these elements of rapid change. Probably all SMEs that are growing rapidly are more or less in a constant state of creative chaos. This would indicate that typically for large and stable organizations recruitment process would be task-fit oriented whereas for small ones person-fit oriented.

This makes very much sense to me. If I think about a situation of hiring first outside employees for my yet imaginative co-owned company, for sure the ultimate criteria would be how well personalities match together with the owners. Skills would be important too, but only secondary. In small company it often happens that responsibility areas are very loosely defined. The most important is that everyone gets along with everyone because the company is so small, effectively only one group, as long as it has less than 12 members, as we learned from Mr. Mathur (2011). Great results are achieved only when group shares common core values; shared mindset is the key to take off towards the excellence. I would suspect this same guideline for recruitment to stay dominant relatively long also. My gut feeling says, maybe based on what I have heard from friends, that in many bureaucratic companies too much emphasis is put on the skill set. In Starkki that was obviously not the case. They realized that eventually anyone can learn the job quick enough, and on the other hand realized that the main point is to fit into the group.

Bowen et al. (1991) further analyzed person-organization fit as a selection criterion and recognized three main benefits which can be achieved. The first is more favorable employee attitudes, including job satisfaction, organization commitment and team spirit. Second, you will reach more desirable individual behavior such as better job performance and lower absenteeism (turnover) and third, you will reinforce the organizational design including support for work design and desired organizational culture.

Unfortunately, all this might come at a cost; Bowen et al. (1991) identified five potential problems as well. First of all, it is found that the hiring investments rise if companies use person-organization fit technique because hiring an assembly worker becomes almost as expensive as hiring an executive. On personal level it might also increase stress due to the higher level of involvement at work. In addition, the selection support methodology is relatively undeveloped and unproven. Heneman et al. (2000) recognized the same problem and noted that validity, utility and adverse impact of infrequently used selection methods including personality tests and person-organization profile comparison as a whole should be examined.

Further problems include difficulty to implement the full system to any established company, in which case also the greatest benefits are not achieved. Thus, new companies are optimal to adopt this alternative selection method. Finally, there is a danger that organizational diversity is lost on the way because everyone is too similar. This would lead to reduced adaption ability and risk of stagnation if everyone shares also the same weaknesses and blind spots. Even though this posses a big risk, I believe when it is recognized it can be also avoided. Often surprisingly different people get fantastically well along. I'm not sure at what level the similarities has to be in order to form this bond, but I believe versatility don't necessarily take anything out of strong organizational culture. Diversity just has to be just consciously and continuously preserved. All and all I share the view of Bowen et al. that in many cases the benefits for sure far exceed the drawbacks.

I believe the people who best fit to small firms are most likely to be entrepreneurial type themselves. Someone who hasn't got enough courage to start his or hers own firm can see it as an exciting possibility to join a small growth company and this way get to be part of that same feeling. Everyone working for a small enterprise must love change because nothing is constant. Everyone should also be able to think like an entrepreneur, see things from another perspective, create bold and innovative solutions for problems out of scarce resources and think about customer's needs at every point.

Those entrepreneurial types are also the ones who most likely end up applying into a small firm in the first place. Yet, many small firms are surely having difficulties in drawing in skilful workforce in an expansion phase. The safe and "normal" choice for people is to join some of the big famous multinationals, and for many working in such a firm brings already status as such. So what could a small or medium sized enterprise do to appear more attractive in the labour markets? Williamson (2000) introduced a term employer legitimacy describing the perception held by job applicants that an organization is desirable and a proper employer. The two most important attributes legitimacy consists of are recruitment procedures and HR policies. Procedures include for example where and in what way the jobs are advertised, and policies can consist of compensation policies, diversity policy, benefit plans and work-family practises. In each industry there exist norms to define these attributes. According to Williamson, by imitating these industry-specific norms, small firms can achieve greater level of hiring success. Very small companies are highly unlikely to have professional HR function for hiring, and thus, this strategy of isomorphism normally yields best results for firms having over 100 employees. The bigger the size of the business, the greater is the probability that it has the proper HRM structures to support the understanding and implementation of the norms.

Now, let's assume we have managed to be attractive enough to lure skilled workforce to apply and we have used clever methodology to pick the most suitable ones. But how to be able to keep them? Person-organization fit followed by higher involvement and employee motivation is directly linked to retention as well. The key to keep people in the organization is high overall satisfaction and motivation, of which many parts are supported by the person-organization method. Sense of belonging to a group that you can gladly and proudly present is an important part of that. In addition, challenging work tasks and decent monetary compensation is needed. For many people also varying tasks, which small companies can often offer is an advantage. A major part of an ability of a small firm to keep good work force has to do with the overall performance and growth rate of the firm. Nobody would probably leave a firm that is rising like a rocket, but a stagnant small firm does not sound too tempting.

In the young entrepreneurs' list of additional areas of learning, motivation ranked right after recruitment and retention, but in the focus group it was surprisingly almost at the bottom. On the other hand, rewarding and compensation which can be seen as parts of motivation ranked second in focus groups but second to last in young entrepreneurs list. This makes one wonder if older entrepreneurs have more old fashioned and money oriented attitude towards motivation and the new generation would see it in wider sense. Doubtfully the matter can be so black and white, but I do share the view of the young entrepreneurs that motivation as a whole is much more important than pure compensation.

In my current summer job, I have often times thought to myself how remarkably much more productive I would be if I was doing the job with full motivation. Difference of just doing things and doing them with full effort is vast. This has made me realize just how critical skill it is to be able to motivate people properly and to be able to find someone who does the job with passion. Money is surely only small part of that magic.

The last stop on our journey through acquiring and keeping personnel in SMEs is training, an integral part of adaptation of workforce. Training ranked high in young entrepreneurs list being fourth and even took the place right after the top in focus groups being third. Kuratko (1990) researched critical issues of small firms in human resource field and analyzed, among others, the training practises in use. The most commonly used technique was on-the-job learning, which was used in almost all firms. Coaching ranked second and was used by three quarters of the firms, followed by seminars in half of the cases and apprenticeships in every third. Virtually all companies used at least two forms of training. The two most popular forms were also perceived as to be the most effective ones. Differences between the practises in use in relation to the company size were also studied but the three size groups within small firms showed no distinctive variation.

Banks et al. (1987) studied the differences between the criteria of choosing a training method in small and large companies. The conclusion was that both small and large place considerable emphasis on the judgment of superiors, subject matter, cost and time, but no significant difference was observed. According to the authors, this does not necessarily mean however, that small and large firms would end up choosing the same programmes for training. A study of the ability of generic programmes to meet the needs of small and large firms would be needed.

Along the way through human resource practices in small and medium sized enterprises, we have discovered how to attract applicants and on what grounds to choose them, as well as how to keep the acquired employees and how to motivate and train them. To conclude, I have chosen three citations to strengthen the clear message we obtained already in the beginning. Hornsby & Kuratko (1990) researched the critical human resource issues by firm size within small firm segment and found out that the three size categories had no significant differences in order of concerns. Sophistication of the practices utilized was affected by the size, but the problems stayed almost the same, up to 150 employees. Also in this study the highest ranking issues were related to obtaining and keeping quality workforce, with wages, availability of workforce and benefits on top followed by job security and training. McEvoy (1984) studied personnel functions in small firms and found that the areas of accounting, finance, production, and marketing all dominate personnel management. Gatewood and Field (1987) identified the problem that many small business owners do not even recognize their own failure to deal with personnel issues.

It seems that whoever writes about human resources in small firms agree on two things: human resources are important for SMEs and management of SMEs have big gaps in their skills for managing human resources effectively. This leads to a common conclusion in the literature – more research on the subject should be done. So it seems the table is served for researchers. However, during my study I found relatively lot studies, enough for my taste, let's say. In fact, I found several very fascinating articles which touched areas I could not include to this essay. For example, how human resources develop when company grows? What is the role and value of human resources at the time of IPO (initial public offering, Cyr et al. 2000, Andrews & Welbourne, 2000)? These questions I will leave for coming Masters in Strategy generations to discover.

I wish to thank everyone related to our programme for an inspiring year!

PS Based on what I learned during this essay, it does not sound at all bad idea to include a HR specialist to a founding group of a new venture. Let's wait and see if that role will become reality for me.

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6.2. Leaders Finding Leaders; Enhancing Recruiting Efforts at Aalto University

Michael Walker

6.2.1. Introduction

"Dinner is served." A group of well-dressed and highly sophisticated young scholars proudly converse with the leaders of today's business world. The room is filled with the scent of a roasted meat, fresh vegetables, and gourmet cooking. *"Would you like another glass of wine?"* The bottles of fine wines seem endless, a dream for culinary fanatics and fine diners. Where are we? No, we are not in a five star restaurant, but rather, we are in the midst of a recruiting event for the students at Aalto University in Helsinki, Finland.

Formal events like these are very common. On a daily basis, students at Aalto University receive email invitations to excursions and recruiting events to local businesses. Sometimes, these events are disguised as opportunities for students to have fun with local professionals, ask questions, get to know people, or to simply have a relaxing time. But in reality, they are all focused on one topic; Recruiting. It is no secret that today's top companies want the best and brightest students and likewise, these students want to work for these established companies. So what is the best way to create these connections? Companies have adopted many recruiting methods such as open and rolling applications, recruiting through Linked-In, online advertising, hosting academic competitions, and what is most commonly known at Aalto, the company sponsored events and excursions.

Such proper situations like presented in the recruiting events are rare to students. They are much nicer than the go-to meal of instant noodles washed down with a low-cost soda. On the special nights, some of us students will even be able to mix some canned tuna-fish into our warm noodles. This aspect of student life is also no secret. Many students live under constricted financial resources, using small amounts of reserves in attempts to make something out of themselves. But we, as students, are ok with it. As a matter of fact, it has become an international trademark, almost like a brand; the poor student that drinks cheap beer straight out of the can. We, as students, will most likely never turn down free food or an extra paycheck, but more importantly, we are comfortable with this low-cost and untailored student lifestyle.

Picture 6.1-1 Aalto Strategy students enjoying student life; casual attire and plastic cups

So why are all these companies trying to pull students out of their comfort niche? Who or what do they expect to see? Yesterday, the student was eating frozen fish sticks, and today, they are dressed in a suit and tie, pretending to be a professional? Doesn't sound like an accurate representation…does it? Certainly, these students are not acting as themselves, but rather as an actor, with a well-practiced script and wearing a costume designed to impress the recruiting company.

This essay will explore and analyze the recruiting efforts used to recruit student leaders from Aalto University. It should be noted that this is a report written through my personal perspective; a student that has attended many of these recruiting events and experienced the feeling of multiple recruiting events, the application processes, interviews, and final decisions. In the first section, the recruiting efforts of these companies are described, and some possible flaws are identified. In the second section, literature and findings from distinguished recruiters are presented. Finally, the essay concludes with my personal recommendation as to how to enhance recruiting efforts and a personal reflection of my development.

6.2.2. The Image of Leadership

I would spend hours the night before, washing and ironing the one and only suit I have, in attempts to make it look nice for these professionals. I made sure to shave, remind myself of my table manners, and practice my "elevator pitch." I tried to make sure that when we step into the room at the recruiting event, these companies see a leader fit for their needs. But after all of these hours of preparation, I had only drifted away and separated myself from my true personality. Do these recruiters at big and established companies see that?

Picture 6.1-2 Students can feel entrapped and out-of-place when attending these recruiting events

Likewise, the host company has spent weeks preparing for this recruiting event reading through resumes and cover letters, ordering meals, selecting wines, and preparing company presentations. By the time the students arrive to the event, the company is ready to present itself as the perfect fit for the students in question; Ready and able to provide a strong and developing career path for all 50 people selected for the recruiting event. But, in fact, there is only one vacancy for the position they are recruiting for, and the other 49 student candidates will be left empty handed. Do students seeking these students see that?

At the end of these events, all of the 50 students go home with an excited and motivated feeling. They are convinced that the host company is the place where they want to work. They have been filled with convincing arguments of why to apply, and how that company will ensure an interesting, exciting, stable and suitable internship position for them. All 50 of these students will then spend weeks preparing the perfect cover letter, reiterating the same topics discussed at the recruiting event; why I am the perfect fit for that position, the company, and the group of people at that company. After an undisclosed amount of nervous time has passed, the decision is made, and a lucky candidate is selected; 49 are rejected. These 49 people are then in awe. “Why was I not selected?” I spent hours talking to the employees at the company; the company invited me for dinner, and encouraged me to apply for this position. What happened?

One could argue that the end result of this recruiting event created a level of distrust. Of course, it was very nice to be able to eat a nice dinner, and drink fine wine. But the main point of me going there was because I was interested in a position at that company. They gave me such hope, and such a promising feeling that I would be the one. But instead, I, and almost every other applicant received a letter starting with the famous text:

“Thank you for your interest in our company, but due to the high amount of extremely qualified applicants, we were unable to select you for the position this year….However, we encourage you to apply again in the near future. Please visit our careers website to find something that is suitable for you.”

Really? Should I feel grateful and thankful at this point? I spent so much time preparing for the event, and preparing my application and end up with a rejection. Furthermore, I was personally told by the company that I should apply for the position because they see me as a good fit. But instead of any encouraging feedback, all I get in return is a generic and automated letter stating that I was not, in fact, the right candidate. So what kind of image does this set for the recruiting company? It could very well be that many of these students feel so let down that they are unwilling to apply again. In some cases, the students develop a grudge towards this company. Is that the image that the company wants to set out?

Many of these companies pride themselves on the idea of being an “equal opportunity employer;” not differentiating between sex, race, culture, or religion. But the implications of these events might not reflect that equal opportunity mission. Some may see a dinner invitation as a serious step to building a relationship. Other cultures can see a rejection letter as a permanent obstacle constricting future relations. At the end of this large, expensive, and time consuming recruiting process, the end result is one very happy student accepted for the position, and 49 students disappointed, insulted, discouraged, and upset. The unfortunate truth is that this is a trend that has been seen throughout many companies in Helsinki, and has broken the hears of countless students, year after year. Is that how leaders should recruit leaders?

6.2.3. Expert Opinions

"All of us in the profession feel a sense to make the profession stronger and better when we leave it than when we entered it. We want to have the new thinkers in. It's inevitable that organizations should be ready for the changing of the guard and bringing in new ideas"
Lorraine Koc, National Association of Woman Lawyers
(Excerpt from: Slade, 2007, page 54)

As has been made clear by Lorraine Koc, and many other recruiters, students are valuable because of their innovative new ideas. In his article "2011: Back to the Future," Jeremy Eskenazi (2011) describes a new human resource phenomena that he calls "candidate care" which helps make sure that these student candidates receive the right treatment. In his article, Eskenazi (2011) explains "While poor candidate treatment by companies is nothing new, a person's experience during difficult times tends to be magnified to them as opposed to when times are good. As a result, people remember how they were treated over the past couple years, and I've seen employer brands suffer." To increase the image of these employer brands, Eskenazi (2011) recommends five steps that employers can take to increase their candidate care

A. **Measuring Candidate Satisfaction.** Use a survey to conduct a satisfaction survey of the recruitment process. This should be done for three levels of candidates (New Hires, Candidates invited to interview and not hired, and candidates not even invited to interview).
B. **Taking Action on Candidate Feedback.** Use the data from these surveys to adjust and revise the candidate recruiting process.
C. **Use declined Candidates as Sources.** Use the rejected candidates to see if they think they know others to fit the roll in question

D. **Developing Managed Candidate Communities.** Keeping in touch with candidates and building relationships, even after they have not been accepted to the position

E. **Improving Process Transparency for Candidates.** Communicate the recruitment process to candidates by providing them with a "bill of rights" when they arrive at a recruiting event. This will explain the whole recruitment process and time schedule.

(Eskenazi, 2011)

Eskenazi (2011) continues by noting the increasingly important relationships with HR. In my perception, it seems like HR either functions as a bridge that easily connects a candidate to staff, or a large wall inhibiting that connection. Many times, I have been told by organizations that they would be interested in working together, and that I should "just contact HR." (As if they are some authoritative god that establishes these future opportunities). Eskenazi (2011) also sees HR in the same light and notes that the relationships with HR should be increased in both staff and candidates. "Another trend I see continuing into 2011 is the continued improvement of relationships between the staffing department and other human resource teams" (Eskenazi, 2011). Increasing this relationship will allow HR to be involved in finding the perfectly fit candidate. Today, I think HR is commonly assigned to find those best fit candidates, but unless they know the student well and the associated team the student is applying to, they are unable to visualize that best fit. Eskenazi's (2011) HR relationship building will help recruiting efforts on both the company and student perspectives.

In another article "Planning for the Future of Talent Acquisition: Meet the Talent Broker", Susan Burns (2011) elaborates the necessity of developing a clear talent acquisition strategy. "Developing a talent community strategy can answer many of the organization's needs. Depth of knowledge about the existing workforce and external talent market work in synergy to frame an effective strategy" (Burns, 2011). With this strategy unveiled, all stakeholders in a recruiting process can be aligned to make sure it happens smoothly with the proper outcome.

6.2.4. Recommendations to Link Current and Future Leaders

Eskenazi's (2011) five recommendations could all be applied to the current recruiting efforts. All five provide very valuable insight, and with slight customization, can be aligned ideally for Aalto University students. Rather than listing them in the same order Eskenazi (2011) presented them, I will modify each of his recommendations and then present them in the order of importance according to my personal perception.

A. **Improving Process Transparency for Candidates.** If companies were able to communicate the recruitment process to candidates prior to selection, candidates will be much more prepared for likely results and also see the company as a more open and trustworthy company. For example, if the initial email invitation provided the recruitment schedule and number of open positions, students will be prepared and less tense during the recruiting event time of applicant evaluation. Also, they could also communicate the idea of developing a future relationship and being part of the future "candidate community." This will ensure that students will feel more appreciated by the company and will see the company in more of a leader position among other companies recruiting.

B. **Developing Managed Candidate Communities.** Keeping in touch with candidates and building relationships with students will encourage these students to keep in touch with the company and re-apply. They will also be a valuable source of recruitment process feedback.

C. **Measuring Candidate Satisfaction.** Using a survey could be a valuable way of receiving feedback. However, in many of these leading firms and leadership students, a generic and quick survey could seem as a tacky representation of a company. It is important to receive feedback; however, companies need to make sure that the survey is given after a strong relationship has been developed so that students are willing to give honest and constructive feedback.

D. **Taking Action on Candidate Feedback.** This step goes hand-in-hand with the measurement process. However, it should be re-iterated that I believe the relationship needs to be built prior to the receiving feedback. Taking action on feedback from a less promising candidate could be detrimental to the development of a recruiting process seeking to find interested student leaders.

E. **Use declined Candidates as Sources.** I purposely listed this as the last recommendation from Eskenazi because I am very reluctant to believe that it is an effective method. Why would a rejected candidate be encouraged to refer someone else for a position? On the contrary, I think that a rejected candidate would purposefully refer a less qualified candidate in hopes of increasing their own chances in a future application. Nevertheless, it could be a valuable source if a relationship were to develop to that point.

6.2.5. The Recruitment Process Made Me a Stronger Global Leader

After countless attempts of finding a summer trainee position, I began to accept the fact that I would most likely walk away empty handed. At first, I was very confident, thinking that my chances of receiving a trainee position would be high. I thought that my background, character, future goals and academic achievement would be sufficient to be hired by someone; somewhere. Unfortunately, it did not appear to be that way, until finals week; when I thought it was too late. Though the hours of applications, recruiting events, and interviews did not return an internship, I feel like I have developed a profound understanding of these common recruiting methods; and more importantly, the methods that they use to communicate their leadership character.

In my particular circumstance, I have come to realize how important it is for companies to establish these relationships. It is certain that in the coming years, most of the 49 student candidates that received a rejection letter will be in a leadership position in some other company. More so, these companies may be in the need of each other's services or networking connections. In the fall, Mary Nash, (owner of the Nash Group and visiting professor from George Mason University) came to Aalto University to speak about the importance of cooperation and open communication with other organizations, even if they are your competitor. If such an honest and open communication scheme were to be implemented into recruitment efforts at Aalto, the initial student candidate can leave recruitment process with a warm and appreciative feeling towards that company. In my case, I can say that there were a select few companies which I felt had this open communication, and because of that open communication, I am more likely to be open to future cooperation with them. It is my hope that I will also be able to develop and implement the open communication talent that some of these companies possessed. If I am in the position where I could interview multiple candidates, I think every individual candidate has the potential to bring value to my purpose, whether it is through a position in my office or externally. Therefore, it is very important for me to develop the open communication talent.

A second aspect of that I think I was able to improve in was my personal resilience. Global leaders need to be prepared to lead through tough times, and be ready to accept alternative outcomes. For me, it was very difficult to hear that I was not accepted, time after time, month after month. However, I kept trying to tell myself that it was “the nature of the game” and “part of life.” At first, my personal reassurances did not really help. However, I think that where I did become a stronger leader is through realizing that sometimes the outcome is not as desired. In the fall, John Darling (PhD and distinguished visiting professor from the University of Texas) elaborated to our class that as leaders, we should expect great things to happen. If we do, those great things are more likely to happen. Though this sounds contrary to my resilience statement, I think it is actually fairly aligned. Despite not being accepted to a summer trainee position, I kept expecting to eventually find a fit position for myself. However, the experience of applying to these summer trainee positions allowed me to also accept the fact that success cannot be constant, and that it is important to envision future success despite periods of failure. If in the future I have the chance to lead a team through global situations, I will be more mentally prepared to deal with unsuccessful situations such as a proposal not being granted, or the project we were bidding for was given to someone else. I can, and should be grateful had this experience as a student while applying to personal trainee positions, rather than later, when I possibly have other people working with me.

6.2.6. Reference

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PART SEVEN:
FINAL WORDS

7.1. Keep Walking

Yiwen Wu

I joined International Business Linkage Program in August 2009. At that time, I didn't realize I would be so connected with the program in the following two years. I had a fantastic IBLP year in 2009/10 as a guest student, and then witness the progress when IBLP was developing and upgrading to Master in Strategy (MIS), as a first year student and a personnel in the new degree program. At the moment, when I am reading and editing this year DGLT essays, I cannot help but also begin to think about my learning experience in IBLP/MIS.

Though there is no perfect or most ideal leadership style, there are at least two very important aspects of good leaders: deep self-understanding and flexibility when the situation is changing. DGLT is designed to improve students' leadership from these two aspects. By attending classes lectured by scholars and senior consultants from different cultural backgrounds, and by self-studying the popular topic in the field of leadership, students can have an objective reflection on themselves from different dimensions. At the same time, the after-class activities, such as Nationality Night & Social Fun Event, give student good opportunities to learn cross-culture in a real context, thus build a more solid understanding on different culture, as well as the flexibility when working with different cultures.

Last but not least, I would also like to take this opportunity to express my deep appreciation to my DGLT teachers: Satu Teerikangas and Mona Roman, who are always so encouraging and providing me with so many great learning opportunities. I would also like to appreciate all the nice friends I have met in the linkage program, who make my linkage experience so special and so happy.

IBLP/MiS is and will be different in every year. However, self-exploration and self-learning in an open and multi-cultural environment will never be changed. The journey continues and all we should do is to keep walking.

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