A Culture of Successful Leaders

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I   Introduction

We are living in turbulent times. Globalization and digitalization are accelerating the speed of social and economic development, our societies are increasingly networked and interdependent and there is growing uncertainty about the sustainability of the economic system we live in. Witnessing the fragility of the globes' ecology, financial structure and ethical and value systems, it becomes apparent that we will not be able to master the challenges of the future on the basis of past solutions. Issues like global warming, the economic crisis and the rapid spread of the radical Islamic State and terrorism make it clear that we are indeed entering an age of uncertainty on a global scale. This has lead to an unprecedented call for leadership in all spheres: political, economical, religious and spiritual.

This paper examines the various leadership challenges connected to the increasingly uncertain organizational environment and how present leaders are coping with them. The paper delivers a broad overview on leadership theory and development and focuses on the contextual nature of effective leadership behavior in order to explore what it takes to be a great leader in turbulent times. It concludes with recommendations.

II   Organizational Development and Leadership

Not only since the economic and financial crisis has the public's attention been drawn to the issue of whether our networked and interlocking organizations are still manageable. This question applies to the multinational companies in the financial sector as well as the range of governmental, nonprofit and other types of organizations that are undergoing a range of fundamental changes in their respective external environments. Multiple factors are currently influencing leaders, their behaviors and styles, their reasoning and decision-making. Many of the external factors can be subsumed under the VUCA paradigm (Probst/Bassi 2014): volatility, uncertainty, complexity and ambiguity, which are the main characteristics of today's external organizational environments (see Figure "The four VUCA categories").

Organizations and their leaders are subject to:

- Volatile and unpredictable economic conditions
- Increasingly influential regulatory frameworks from multiple sources (national, EU and others)
- The rise of competition/co-opetition in the global marketplace
- Changes in societal structure and values
- Complex and non-transparent stakeholder expectations
- Increasing interrelatedness and complexity of business models
- Rising knowledge-intensity of work and organizations
- Sustainability as a major challenge

Ideally, the rise of external complexity is matched within the boundaries of the organization (Ashby 1968). Here are some of the key factors that challenge leadership from within the organization:

- All-encompassing informatization of processes (e.g. Industry 4.0)
- De-structuration and de-layering of organizations
- Acceleration of processes (e.g. product life cycles)
- Increasingly interrelated and networked nature of structures
- Change in value constellations of members (e.g. Generation Y)
- Increasing flexibilization of work schedules
- Rapid rise in demand for participation
- Substantial increase in knowledge-intensity of work

The four VUCA categories

complexity

Characteristics:
The situation has many interconnected parts and variables.
Some information is available or can be predicted, but the volume or nature of it can be overwhelming to process.

Example:
You are doing business in many countries, all with unique regulatory environments, tariffs, and cultural values.

Approach:
Restructure, bring on or develop specialists, and build up resources adequate to address the complexity.

volatility

Characteristics:
The challenge is unexpected or unstable and may be of unknown duration, but it's not necessarily hard to understand; knowledge about it is often available.

Example:
Prices fluctuate after a natural disaster takes a supplier off-line.

Approach:
Build in slack and devote resources to preparedness—for instance, stockpile inventory or overbuy talent.
These steps are typically expensive; your investment should match the risk.

ambiguity

Characteristics:
Causal relationships are completely unclear. No precedents exist; you face „unknown unknowns."

Example:
You decide to move into immature or emerging markets or to launch products outside your core competencies.

Approach:
Experiment. Understanding cause and effect requires generating hypotheses and testing them. Design your experiments so that lessons learned can be broadly applied.

uncertainty

Characteristics:
Despite a lack of other information, the event's basic cause and effect are known. Change is possible, but not a given.

Example:
A competitor's pending product launch muddies the future of the business and the market.

Approach:
Invest in information—collect, interpret, and share it. This works best in conjunction with structural changes, such as adding information analysis networks that can reduce ongoing uncertainty.

How well can you predict the results of your actions?

How much do you know about the situation?

Source: Bennett/Lemoine (2014).

Organizations are under pressure to cope with their complex environments. The investments in all kinds of change initiatives are continuously rising. Be it a simple restructuring, inorganic growth through mergers and acquisitions or a profound reinvention of a business model: Organizational development is key to survival in this complex environment. And a daunting tasks for leaders.

These factors are leading to an exponential rise in internal complexity which leaders are struggling to cope with. Walking through today's organizations we hear leaders at all levels complaining about the flood of emails clogging their inboxes, endless, large meetings with no results, low engagement of the new generation of workforce, unclear strategic orientation and other difficulties that can be directly linked to a rise in external and internal complexity.

How do leaders cope with these challenges? What has changed in the way these challenges are addressed by leaders? What are the prerequisites for successful leadership today? And, finally, what makes a good leader in the light of these developments?

III   Leadership: A Short History

Theoretical reflections on leadership are as old as human civilization. From Aristotle and philosophers like Nietzsche to today's multi-faceted realm of leadership theories, it seems that every epoch in human development has had its own paradigm of leadership concepts, theories, research approaches and models. In hindsight, it is remarkable to see how the leadership theories of an era match their societal context. Here are some major stages in leadership theory and concept development:

1.   1930s Great Man theories

Great Man theories go back to the mid-19th century when many believed that leaders are born as leaders. The idea that the traits of leadership are intrinsic and independent of socialization effects was criticized by philosophers like Herbert Spencer, who disputed the Great Man heory by concluding that heroes are simply the product of their times and their actions are the result of their social conditions.

2.   1940s: Trait theories

The trait theories believe that a person is born or made with personality features that make him or her a good leader. Qualities like intelligence, empathy and creativity, etc. are thought to be the ingredients of successful leadership. In other words, if anyone has these qualities, he or she is very likely to be a good leader. Unfortunately for trait theory, decades of empirical psychometric research have been unsuccessful in producing valid results proving the theory. Many studies have scrutinized successful leaders in order to cover the secret ingredients of good leadership – in vain. One of the main reasons these efforts failed is that the context of the leader was never considered.

3.   1950s: Behavioral theories

To counterbalance the idea that fixed traits are the foundation of great leaders, behavioral theory focuses on what leaders do and how they act instead of speculating on what they are made of. Here, leaders are made, not born. Their mental, physical and social characteristics are downplayed in favor of the measurement and analysis of leadership behavior in the field. From this moment on, anyone with the right conditioning can be regarded as a good leader – and join to the once elite club of naturally gifted leaders.

4.   1960s: Contingency theories

Contingency theory was the first one to take the context of the leader into account on a larger scale. It argues that there is no one best way of leading and that every leadership style should be related to its situation of application. It assumes that leaders are more likely to express a certain leadership behavior when they feel that their followers are responsive.

5.   1970s: Transactional theories

Transactional theories regard leadership from the perspective of the relation of the leader to the follower and focuses on the transactions happening between the two. Effective leadership in the transactional perspective means finding the right balance between reward and punishment.
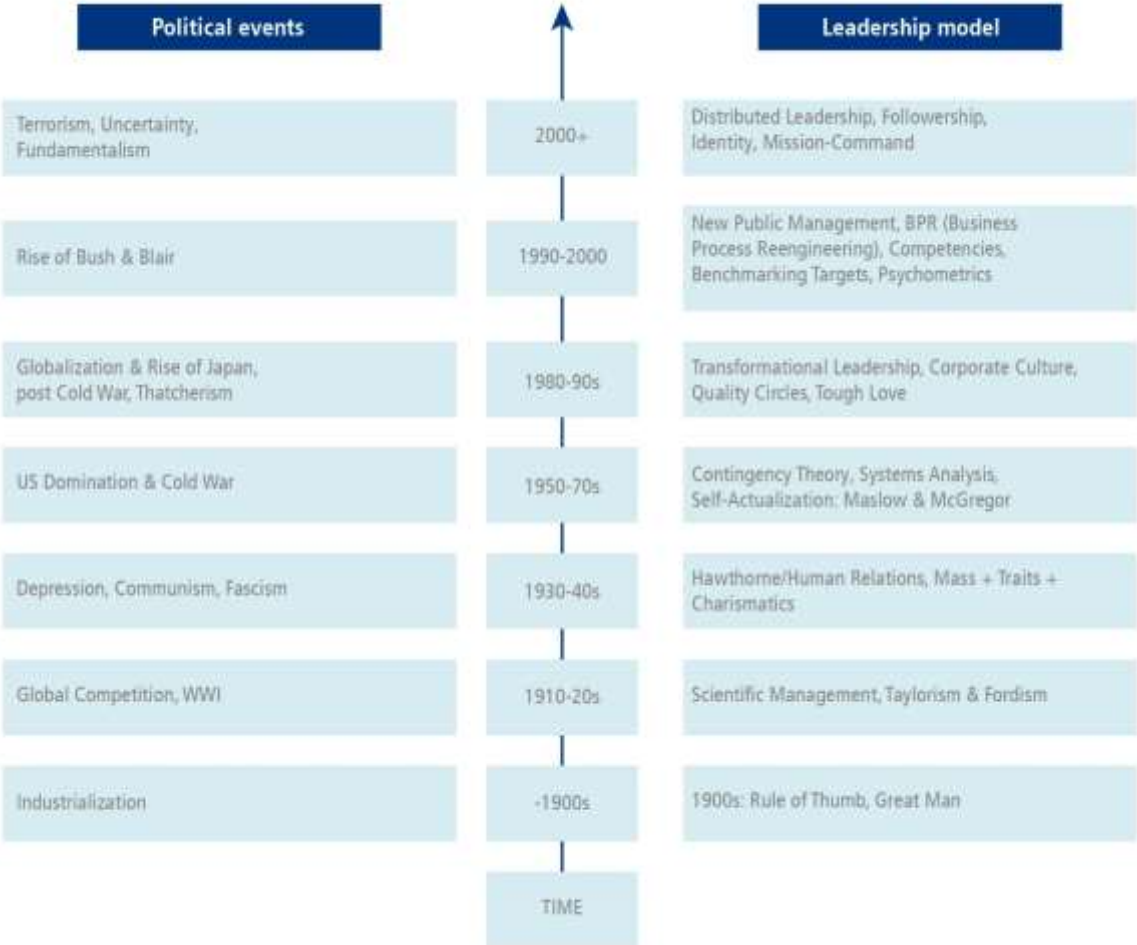
Leaders are regarded as performing most efficiently when they create a rewarding and reinforcing environment and bring organizational and individual goals in sync.

6. 1980s Transformational theories

From the 1980s on, the word "trust" frequently enters the debates in leadership theory. Transformational leadership theory states that effective leadership is an interaction between leader and follower that aims at creating a solid relation based on trust. This fosters the development of intrinsic motivation of both leader and follower. The focus of the theory is that leaders transform their follower through inspiration, with the main mechanism being the identification with the charismatic leader.

Leadership concepts depend largely on the social context and general organizational function in which leadership is taking place (see Figure "Political Zeitgeist in leadership approaches"). Looking at the functions and tasks organizations and leaders had to perform over the past century, it becomes apparent how context-dependent these concepts are. From the specialized and partialized workplace of the industrial era, during which the execution of power and control were keys to effective leadership, to the dawn of knowledge work, in which delegation and motivation played a major role in practical leadership, leadership concepts remain en vogue for a while, and when the context changes, they become obsolete. This is why leadership theory is abundant with ideology, myth and biased, wishful thinking.

Political Zeitgeist in leadership approaches

Political events	TIME	Leadership model
Terrorism, Uncertainty, Fundamentalism	2000+	Distributed Leadership, Followership, Identity, Mission-Command
Rise of Bush & Blair	1990-2000	New Public Management, BPR (Business Process Reengineering), Competencies, Benchmarking Targets, Psychometrics
Globalization & Rise of Japan, post Cold War, Thatcherism	1980-90s	Transformational Leadership, Corporate Culture, Quality Circles, Tough Love
US Domination & Cold War	1950-70s	Contingency Theory, Systems Analysis; Self-Actualization: Maslow & McGregor
Depression, Communism, Fascism	1930-40s	Hawthorne/Human Relations, Mass + Traits + Charismatics
Global Competition, WWI	1910-20s	Scientific Management, Taylorism & Fordism
Industrialization	-1900s	1900s: Rule of Thumb, Great Man

Source: Grint 2014.

IV   Leadership Theory Today

Leadership theory and practice are on the move. Today, we observe a multitude of theories, models and concepts covering macro, sociological, philosophical, political and psychological fields. As the context, purpose and function of leadership are developing quickly, theoretical reflections are trying hard to keep pace. The perspective on leadership in organizations undergoing rapid change:

- Leadership is now defined much more broadly than was once the case. It is not restricted to formal solid-line reporting relationships. It now encompasses peer relations, relations in informal groups and other areas.
- Highly decentralized value creation is leading to organizational setups where leadership has to take place independently of time and space. Physical presence is not a given at all times. Effective leadership in virtual environments is becoming increasingly important.
- Leadership approaches are adopting a multi-role focus. Leaders are not seen as single, one-dimensional entities, but reflexive carriers of roles that manage the partly contradictive bundles of social expectations directed towards them.
- Leadership is now executed through leadership systems rather than through single individuals. The social, political and organizational context becomes more and more important in explaining leadership behavior.
- Legitimation of leadership and its related power base does not come automatically with the position; it has to be earned through conduct and action.
- Leadership in complex, knowledge-intensive-organizations no longer claims to know what employees know. Moreover, measuring performance in knowledge-intensive organizational environments is a complex task.
- Because of today's ever-shifting nature of organizational structures and processes, leadership and change management now go hand in hand.
- The now common differentiation between coercion, management and leadership has paved the way for understanding that there are different types of leadership for different types of situations and environments. Leadership for complex, wicked problems differs substantially from leadership for complicated problems.

Leadership theory development is responding with concepts like Followership and Follower-Centered Approaches, theories on Hybrid Configurations of Leadership, Complexity Leadership, Cross-Cultural Leadership, Virtual Leadership and concepts of Spirituality and Leadership, which focus on the contextual factors of the leader and his or her leadership. At the same time, scholars are moving towards the personality of the leader. Approaches revolving around identity, spirituality and mindfulness are on the rise (Bryman et al. 2014).

Summarizing, we observe five trends in recent leadership theory: 1) the object of investigation shifts from the person to the contextual conditions of leaders and their behavior, 2) leadership is more and more regarded as a process of communication and discourse as opposed to a static situation to be managed, 3) leadership is increasingly seen as being executed by leadership (peer) groups or systems rather than by single persons, 4) leaders are being progressively regarded as developing identities (as opposed to stagnant entities), 5) leadership is connected more directly to change and innovation management.

V   Decision-Making and Judgment Calls

Over many centuries, decision-making has been regarded as the pivotal occupation of the leader. Leaders are measured by the decisions they make and execute. But as the context of leadership changes, our perspective on decision-making and judgment calls is changing, too. Due to the exponential rise in complexity in the decision-making process and the respective relevant factors preceding a decision, judgment calls and decision-making are becoming a collective, multi-stakeholder engagement effort. Collaborative leadership models suggest the erosion of the idea of a single decision maker who ponders the pros and cons of a decision by ingeniously applying his knowledge and wisdom in order to boldly select one out of many explicit options (Chrislip 2002).

In the traditional view, judgment calls were regarded as being analytic and rational, and decision-making processes took place in a single, static moment as the result of thorough reflection on knowable and quantifiable variables. In the more social, process-oriented perspective, they are characterized as a dynamic processes that unfold and encompass rational as well as emotional elements, including many factors that lie beyond the leaders' domain and relate indirectly to the issue to be decided upon (Tichy/Bennis 2007). Good leaders prepare by engaging and energizing stakeholders; they ask for feedback and they are able to make adjustments according to that feedback. In other words, they learn publicly.

Leadership judgment calls
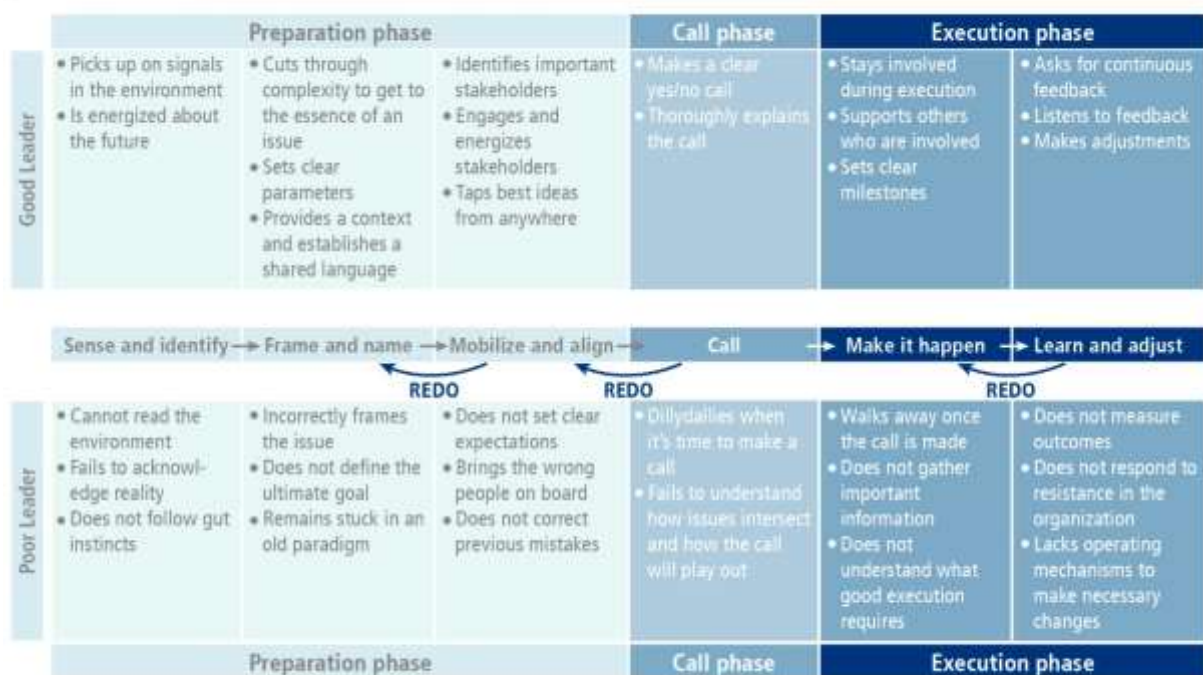
Source: Tichy/Bennis (2007).

# VI   Culture as Context of Leadership

Complex leadership environments call for adequately complex leadership behavior. As leaders and leadership are becoming more dependent on and influenced by their context, successful leadership finds its essential function in influencing and shaping its complex social, political and organizational context. A leader's most important context is the culture of the organization. It represents common symbols and meanings which provide the shared rules governing cognitive and affective aspects

of membership in the organization and the means by which they are shaped and expressed (Geertz 1973).

There has been intense research on how leaders influence and form organizational culture (Schein 2010). Many examples of iconic movers and shakers of organizational culture like Lee Iacocca, Jack Welch or Steve Jobs underpin the notion that if a leader has the right charisma and tools, changing an organization's culture is feasible. Much less attention has been given to the fact that leaders are highly influenced by organizational culture – despite the many cases of leaders failing because they have apparently not taken the respective organizational culture into account. A CEO from a centralized, command-and-control culture will have serious problems executing his leadership tasks in a decentralized, delegative organizational culture. In this common case, culture becomes an inescapable frame for the leader that will eventually determine his fate. A leader can be very successful in one culture and be a total failure in another.

The international GLOBE project has provided evidence for the culture-dependence and contextual embeddedness of leadership behavior (House et al. 2004). GLOBE's major premise (and finding) is that leader effectiveness is contextual, that is, it is embedded in the societal and organizational norms, values and beliefs of the people being led.

Global cultures and leadership styles

Source: House et al. (2004).
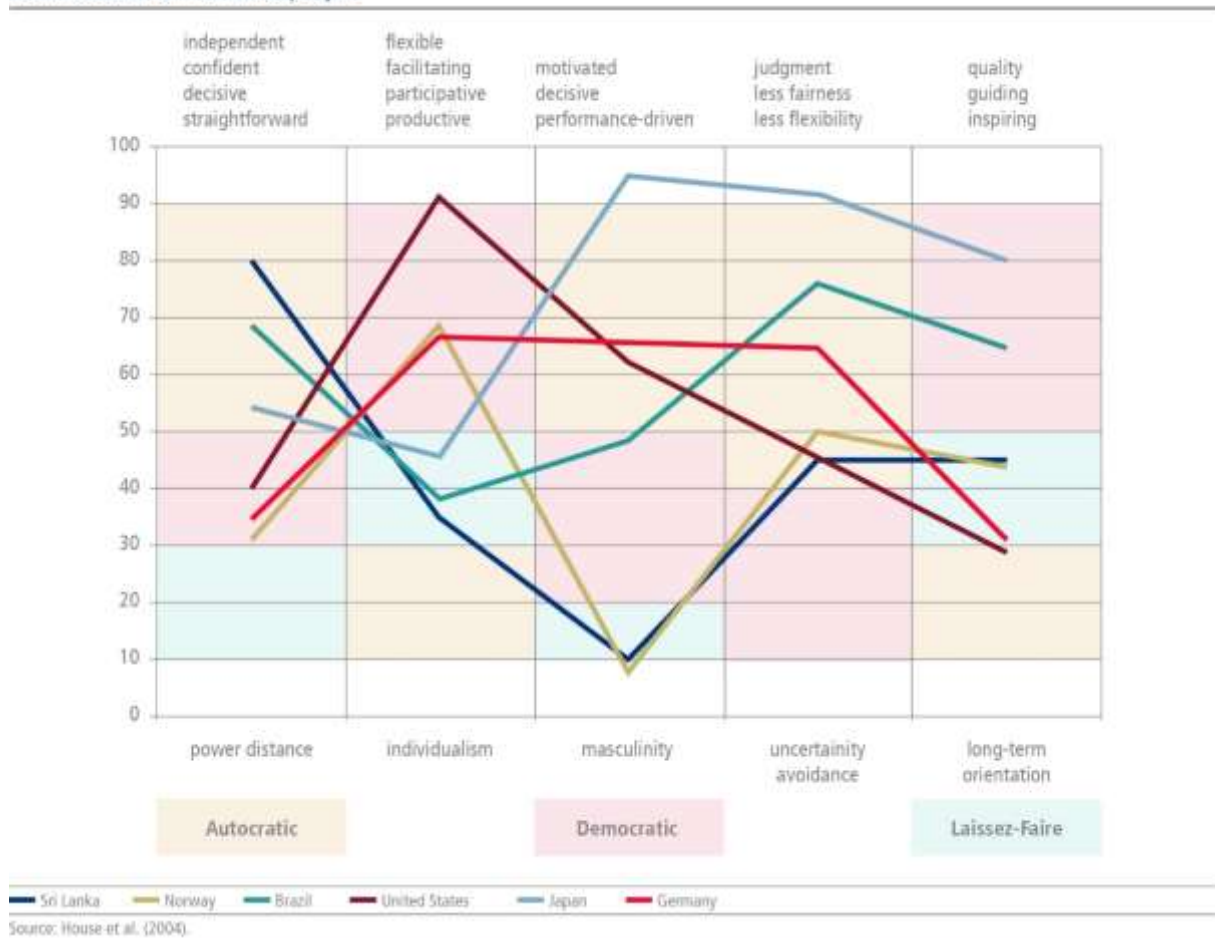
Some of the cultural dimensions capturing similarities and/or differences in norms, values, beliefs – and practices – among societies explored by the project are (see Figure "Global cultures and leadership styles"):

- Power Distance: The degree to which members of a collective expect power to be distributed equally
- Uncertainty Avoidance: The extent to which a society, organization or group relies on social norms, rules and procedures to alleviate unpredictability of future events
- Humane Orientation: The degree to which a collective encourages and rewards individuals for being fair, altruistic, generous, caring, and kind to others
- Future Orientation: The extent to which individuals engage in future-oriented behaviors such as delaying gratification, planning and investing in the future
- Performance Orientation: The degree to which a collective encourages and rewards group members for performance improvement and excellence

There is no doubt that different cultural contexts of leadership provide different backgrounds for leadership behavior and that leaders adapting to the specific cultural conditions are more likely to be successful than those who don't. "Culture forms leadership, rather than the other way around: so is at least the case for the large majority of all people designated as or emerging as leaders" (Alvesson 2014: 158). This perspective has fundamental consequences for the conception of leadership. As Biggart and Hamilton put it: "All actors, but perhaps leaders especially, must embody the norms of their positions and persuade others in ways consistent with their normative obligations" (1987: 435).

Over decades, leadership research has portrayed the leader as a unidirectionally acting superior being "acting on – rather than interacting with" subordinates (Alvesson 2014: 160). It has neglected that all managers are also subordinates and thus have a hierarchy above themselves (Laurent 1978). This dimension has been overlooked in the literature and talks as well as by management gurus and practitioners (Alvesson 2014: 160).

VII Key Factors of Successful Leadership

In light of what has been said above, identifying success factors for leadership proves an impossible task. A discussion of leadership success factors is contradictory per se, because all of the factors that can be isolated and brought to bear would have to stand the "Monday morning test", i.e. the test of cultural adequacy. In former times, scholars presented an amalgam of factors like integrity, trustworthiness and goal-orientation, etc. as guarantees of successful leadership independent of context. Just like the leader him- or herself, the success factors of his or her behavior depend on a myriad of contextual conditions he or she cannot control or fully understand. This is why the quest for the discovery of success factors is in fact a never-ending story: "A key fallacy in thinking about leadership is to regard the manager as the primary force bringing leadership into being. This fallacy causes people to assume that if the manager is highly skilled, the leadership he or she produces will be highly effective" (Eckert/Drath 2009).

Nevertheless, leaders will have to bring to bear a range of qualities under the conditions a complex organizational context provides. Here are some of the more obvious ones resulting from what has been said before:

Culture sensitivity

The more sensitivity the leader is able to mobilize concerning the organizational culture, the more likely it is that he or she will be able to master it. If we include the implicit "rules of the game" of the organization into the definition of culture (Argyris/Schön 1996), culture sensitivity provides the leader with a strong lever on organizational change and development. Understanding, challenging

and influencing the implicit and explicit rule systems of the organization is an essential task of the leader.

Stakeholder orientation

Leaders will have to expand their view on who they lead. Even if the reporting lines are solid and clearly defined, the systematic inclusion of a wider range of stakeholders in decision-making and judgment calls will play a much bigger role in the future.

Role consciousness and self-reflexiveness

As the range of stakeholders broadens, expectations towards leaders are becoming more complex. Role consciousness and role management become a prerequisite of leadership success in complex organizational contexts. This includes dealing with contradictory and ambivalent elements in roles. For the leader, this requires a profound capability to self-reflect.

Stamina and revision-friendliness in goal orientation

Leadership processes that are inclusive and engaging demand of the leader to have a certain ability to focus and prioritize in order not to lose track given the many diverging expectations in the field. Strategic competencies become more important. In an ever-changing organizational environment, plans and goals have a short life span, so the revision of the leader's objectives becomes a daily task. Decision-making processes take longer and are more complex, so that the goal-setting process is becoming a sophisticated knowledge management task.

Communication intensity

All leadership is communication – even more so, as communication is the main means to explore, moderate and manage the expectations of the various stakeholders involved in the leadership process.

VIII   Leading as Learning

A range of the more progressive approaches to leadership development focus on the leader as a learning and growing individual who uses his ability to self-reflect and to contextualize himself in the leadership situation. This perspective is diametrically opposed to former ideas of the leader as a bearer of certain gifts, traits or behavioral patterns determining his success. Understanding the leader as a learner gives rise to a range of important new perspectives. Especially the work of the Center for Creative Leadership (Colorado Springs) and the Presencing Institute (MIT Cambridge) has contributed to the idea that the inner development path of the leader plays an important role in coping with the challenges of today's complex organizations. Kegan/Lahey (2009), Scharmer (2008) and others claim that the leader is indeed more than a carrier of competencies executing tasks; rather, he is a sensing, learning and growing individual transforming himself while also transforming his social, political and organizational context.

In former times, management development was seen as a mere addition of the various competencies that promise to be helpful for the leader in coping with his environment such as conflict resolution skills, feedback skills, tools and techniques, etc. This idea of a "horizontal" accumulation of skills does not reflect the necessity to also focus on the inner growth of the leader as an individual which Kegan, Scharmer and others highlight. As the discussion turns towards leading as learning, they have paved the way for taking a thorough look at the vertical development of the leader, i.e. his or her own inner path of growth and development. The following figure

compares the vertical development stages of Kegan, the Center for Creative Leadership (CCL) and the Torbert/Rookes Action Logics (See Figure "Adult level of development").

Adult levels of development

Level	Kegan Levels	CCL Action Logics	Torbert & Rookes Action Logics
5	Self-transforming	Interdependent-Collaborator	Ironist (>1%)* Alchemist (2%) Strategist (5%)
4	Self-authoring	Independent-Achiever	Individualist (11%) Achiever (30%) Expert (37%)
3	Socialized	Dependent-Conformer	Diplomat (11%) Opportunist (4%)

* Study of 4,510 managers. The percentages denote the number of managers measured at each stage of development using the sentence completion test.

Source: Petrie (2014).

Petrie (2014) states that the coming decades will increasingly see managers take on challenges that require them to engage in strategic thinking, collaboration and systems thinking, while also leading change and evincing "comfort with ambiguity". These are all abilities, that become more pronounced at Level 5 of the Kegan scale. Yet according to studies by Fisher, Rooke and Torbert (2000), less than 8 percent have reached that level of thinking. This may in part explain why so many people are currently feeling stressed, confused, and overwhelmed in their jobs. Many in the workforce are performing jobs that cause them to they are overwhelmed on a daily basis (Kegan/Lahey 2009). There is an ongoing debate about the wording of the different levels of adult development in the various approaches. What they have in common is the idea that vertical development of the leader is key to effective leadership in complex organizations.

IX   Making Leaders – The Trap of Leadership Development

During the financial crisis, the classic management development programs like Business MBAs were blamed for having paved the way to that crisis on the individual level (Kotter 2009, Hamel 2012). The curricula did not include ideas of social, environmental or financial sustainability. Instead, the programs were driven by the ideologies of profit, individual gain and a radical economic perspective. "Over the past decades, there was a hugely increasing demand for management education. That industry, if you will, was sitting on a Caribbean island in the sun. They didn't have to do anything, because the number of people banging on their doors wanting a MBA degree grew year after year. There wasn't much pressure on the whole industry to be self-reflective. There is no question that we have produced far too many very smart, very analytical finance guys that have gone out and created the derivative products that are now bringing the system down. They didn't fall out of the sky – they came straight out of MBA programs" (Kotter 2009: 14).

There are few alternatives to the classic MBA curricula. Looking at the landscape of leadership development today, a range of institutions is developing new and innovative curricula catering for both the horizontal and vertical perspective of leadership development. Their agendas reflect the qualities stated in Chapter 7 of this article and encompass a multitude of development measures for strengthening important new competencies, such as personality development, skills for leading change management, learning to learn, understanding the emotional aspects of individuals and groups, group dynamics, role consciousness and clarification, building and maintaining networks, organizing multi-stakeholder change, providing orientation in turbulent times and many others. The

25 areas of the Bertelsmann Leadership Development Investment Matrix are a good example of this pursuit (See Figure "Leadership Development Investment Matrix").

Leadership Development Investment Matrix

Level of System Targeted	Goal of Development Effort				
	Individual Capacity	**Team Capacity**	**Organizational Capacity**	**Network Capacity**	**Systems Capacity**
Individuals	1. Develop capacity of individuals for self-awareness, ongoing learning, and exercising initiative	2. Develop capacity of individuals to work together in groups and lead teams	3. Develop capacity of individuals to understand and lead organizations	4. Develop capacity of individuals to cultivate and leverage peer relationships	5. Develop capacity of individuals to see the big picture, understand root causes and influence systems
Teams	6. Develop capacity of teams to develop and elicit the full potential of all team members	7. Develop capacity of teams to define and attain purposes	8. Develop capacity of teams to enhance organizational performance	9. Develop capacity of teams to align their goals and activities across boundaries	10. Develop capacity of teams to prototype systems change
Organizations	11. Develop capacity of organizations to support staff, volunteer, and board member development	12. Develop capacity of organizations to support effective teamwork	13. Develop capacity of organizations to foster internal collaboration to effectively adapt to challenges	14. Develop capacity of organizations to collaborate with one another	15. Develop capacity of organizational coalitions to lead systemic change
Communities	16. Develop capacity of communities to learning and engagement of community members	17. Develop capacity of communities to foster and support inclusive group initiatives	18. Develop capacity of communities to sustain organizations that promote community well-being	19. Develop capacity of communities to learn together and align efforts toward common goals	20. Develop capacity of communities to advocate systems change
Fields of Policy and Practice	21. Develop capacity of fields to cultivate innovative thought leaders and practitioners	22. Develop capacity of fields to organize around shared interests and goals	23. Develop capacity of fields to organize and disseminate knowledge and field best practices	24. Develop capacity of fields to find synergies across institutional silos and disciplinary boundaries	25. Develop capacity of fields to generate policy solutions and transform institutional practices and culture

Source: McGonagill/Doerffer (2011).

X   Conclusions

The conception of leadership has always been a volatile endeavor. Depending on the Zeitgeist, leadership concepts and models have changed so fundamentally that the observer is tempted to ask if anything solid exists beyond the ephemeral concepts that have emerged over the decades. What we do know today, however, is that leadership perception and performance are more intensely depending on the respective cultural context surrounding the leader than on anything else. In light of today's turbulent business environments, this has fundamental consequences for leadership and leadership development.

It's the end of leadership (as we know it). Kellerman (2012) has paved the way to a critical understanding of leadership that defies the very notion of leadership as it is perceived, understood and taught today. In *The End of Leadership* she includes the concise observation that 'becoming a leader' has become a mantra. The explosive growth of the 'leadership industry' is based on the belief that leading is a path to power and money, a medium for achievement, and a mechanism for creating change. But there are other, parallel truths: that leaders of every stripe are in disrepute; that the tireless and often superficial teaching of leadership has brought us no closer to nirvana;

and that followers nearly everywhere have become, on the one hand, disappointed and disillusioned, and, on the other, entitled and emboldened."

In the light of what was argued above, the consequence of this radical approach is simple: Contexts make leaders. So leaders will have to develop skills to seriously engage with their contextual environments and grow as persons while they do so. In our world of interlocking systems, they will have to understand that sustainable success of their actions very much depends on whether they are able to take the social, political organizational and cultural world around them into account.

XI   Recommendations

Providing generalized best practice recommendations is certainly not an appropriate way to foster more openness and understanding for the context-dependence of leadership in today's organizations. Depending on the type and sector of the organization, there exist numerous approaches for generating a conducive organizational environment that favors of a more context-sensitive leadership. Nevertheless, a few broadly sketched ideas might provide some interesting points of departure for the practitioner.

- **Developing a collective mindset** that leadership needs specific and concerted attention in the organization is a first step towards a context-sensitive leadership culture. Fostering open debate on the do's and don'ts of leadership is just as important as attention and commitment to the issue on the part of top management.
- **The design of the organization's structural setup** is a very important framework for leadership. Conducive job and role designs and flexibility of structure and process are factors that support new leadership models and approaches. If not addressed adequately, organizational structure can prove to be very detrimental to the development of a new leadership culture.
- **Incentive systems** play an important role in the rules and regulations of an organization. They influence leadership behavior on many levels including explicit (pay and other benefits, etc.) and implicit aspects (power and access to elite circles, etc.). KPIs that include peer and team performance measures, contributions to employee job satisfaction and other areas are a good start. Recalibrating the explicit as well as the implicit incentive systems is an important part of organizational development towards a new leadership culture.
- **Room for individual growth** is another important area of action. If a collective idea exits of what good leadership really means in and for the organization, the individual leader should be supported in his or her learning path. Peer coaching and mentoring programs are good examples of potentially impactful methods. Leaders need the tools and methods to understand and influence their context (horizontal development) as well as the time, space and opportunity, to grow as leaders (vertical development).
- **A culture and infrastructure of knowledge sharing** is an essential prerequisite for the development of context-sensitive leadership. The ICT infrastructure has to allow for collective data, information and knowledge sharing. An important area for action on the path towards a new leadership culture is enhancing the data and information transparency of the organization. Employees, and not only those of the younger generation, expect a certain '*open source*' culture when it comes to data, information and knowledge.
- **Change career path logics from upwards to sideways.** The new leadership approaches lend themselves to career models that differ substantially from the classic "up or out" logic. If leadership becomes a learning path, lateral career development is an equally attractive alternative. As organizations will be structured much more laterally in the future, Human

Resources Management will have to invent alternative career paths for leaders and employees that prove to be as effective in retaining staff as the classic models.

▪ Finally, **practice what you preach** is becoming a key phrase on the way to a new leadership culture. Those who are in the driver's seat in terms of shaping organizational culture (so practically everybody in other words) need to be truthful in their endeavors. A context- and culture-sensitive approach to leadership requires leaders to say what they think and do what they say.

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