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## Leadership between continuity and change

or: Participation + empowerment between restricted autonomy and extended democratization

Evening Lecture 2.2.2022: Good Leadership and Work in the Digital Transformation



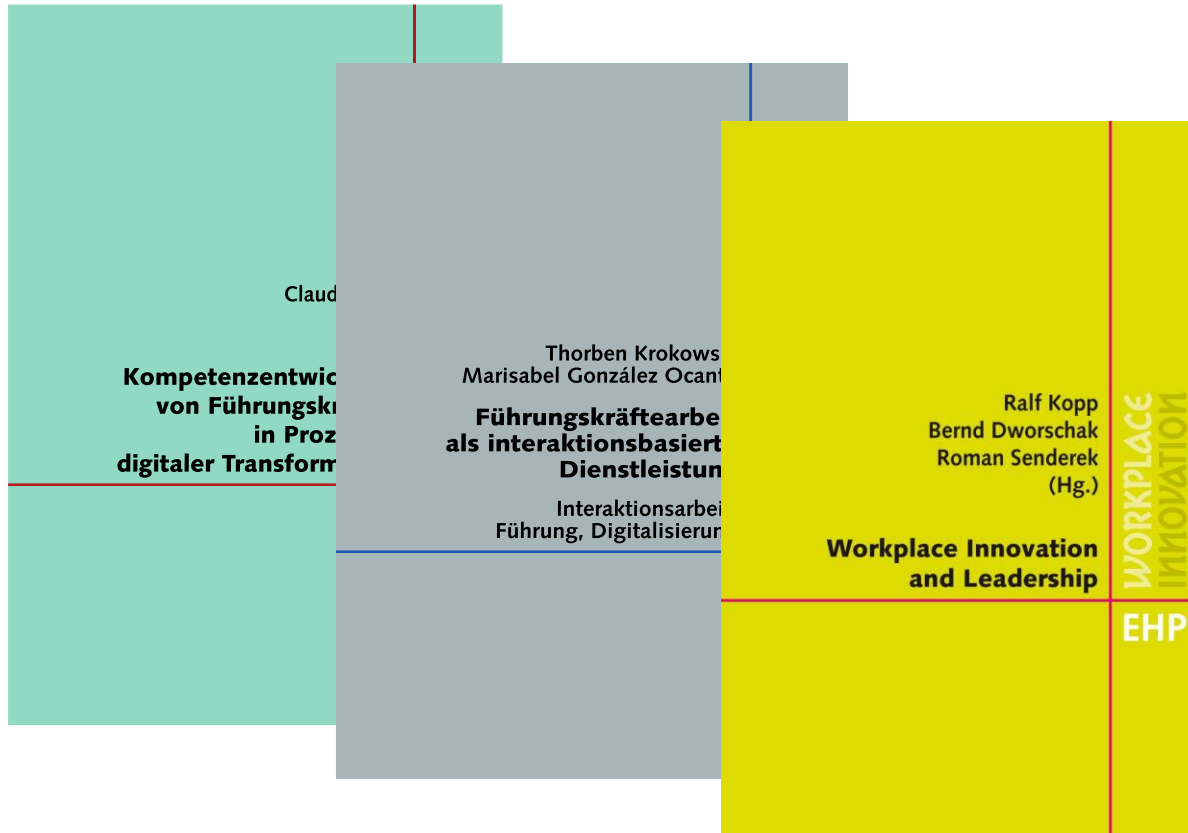
- eLLa-Leadership project
- Why leadership? What is leadership?
- Changing framework conditions
- Three types of interaction practices...
- ...between restricted autonomy and extended democratization
- Challenges for works councils / labour policy
- Conclusions



## Good Leadership and Labour in the Sociodigital Transformation

- ✓ Financed by: Federal Ministry of Education and Research (BMBF)
- ✓ Duration: October 2019 - August 2022 (3 years)
- ✓ 3 scientific partners: sfs + RWTH Aachen/FIR + Fraunhofer IAO
- ✓ 4 Companies: DMG Mori + Belfor + BEUMER + WBS
- ✓ Focus: Interaction work of managers/leaders (managerial perspective!)
  - What is "good" leadership in the digital transformation?
  - How can leaders be enabled to shape decent work?
  - What competencies do they need and how can the competencies be built up?
- ✓ Main Goal: Certificate course "Good Leadership"





- ✓ Literature analysis
- ✓ Expert survey (20 interviews)
- ✓ Case-related analysis of socio-technical aspects
- ✓ Case studies
- ✓ Certificate course
- ✓ Final book publication

## Why leadership?

*„The need for leadership arises when a person does not fulfil the demands on its own or through other mechanisms (organisation, rules, standards, norms).“ (Türk 1984: 68)*

Reasons: informational, qualifical, motivational deficits (lack of knowledge, lack of ability or lack of willingness)

*Leadership serves to "establish conformity between social system and individual actions, when the conformity problem cannot be eliminated by the organisational function." (Lührmann 2006, p. 39)*

## What is leadership?

*"Leadership is a (...) fundamentally **interactional steering activity** that derives its legitimacy and effect from a **process of negotiation** between those involved in the interaction". (Lührmann 2006, 54 f.)*

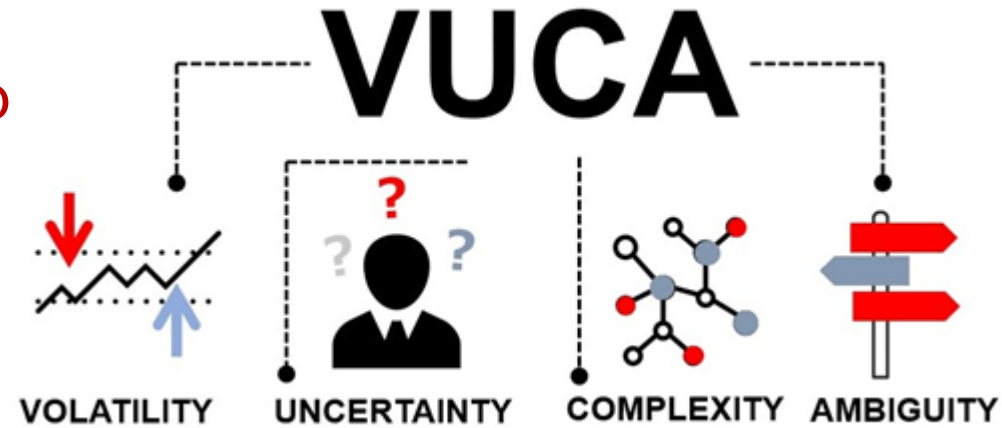
## Leadership as Co-Creation (Terry Jackson 2021)

## Pre-VUCA period: Age of certainty (World of classical Hierarchies)

- ✓ **Domination of stability-oriented interaction practices**
- ✓ Stable framework conditions
- ✓ Stable organizations and boundaries
- ✓ Focus: exploitation / optimization / increase of efficiency of products / business models
- ✓ Low dynamic / low feedback intensity (resonance)
- ✓ High predictability
- ✓ Centralization of power/knowledge/decisions
- ✓ Strict top down directive / tight control
- ✓ Linear sequential processes (waterfall model)
- ✓ Heroic leadership  
... knows what and how to do



## Changed conditions for leadership



- ✓ Demanding issues: f.e. covid, ecological transformation, change of values, digitalization
- ✓ Turbulent sales markets and procurement markets
- ✓ Demographic change / lack of skilled and unskilled worker → shift to employee markets
- ✓ Shift away from mass production → flexible specialization
- ✓ Change from an industrial society to a service society
- ✓ Strong pressure to innovate in all dimensions: technology, organization, products, business models
- ✓ Increased importance of knowledge work (intangible assets)
- ✓ Technical and social netification / platformication / projectification / Industry 4.0

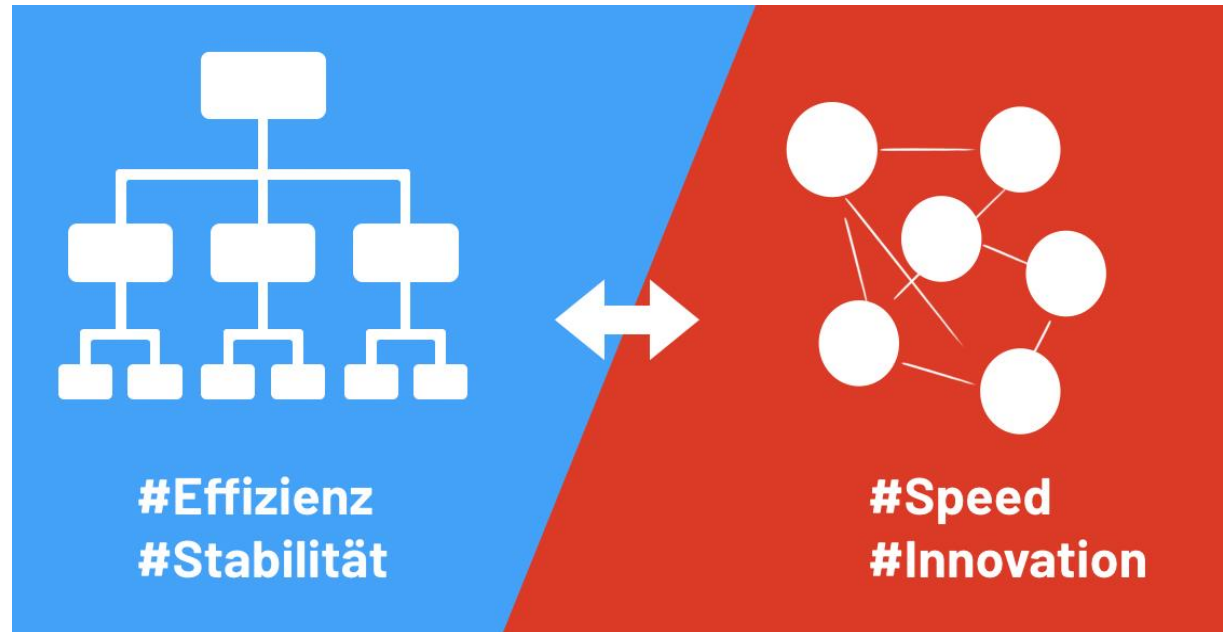
## (Advanced) VUCA period: Age of uncertainty (World of networks)

- ✓ **Dynamic-oriented interaction practices**
- ✓ Permeable organizational boundaries  
(open innovation, co-production, customer voice)
- ✓ Focus: exploration + innovation
- ✓ High intensity of feedbacks + resonance
- ✓ Decentralization of knowledge/decisions
- ✓ Uncertainty becomes a challenge for leadership





## Combination of stability oriented and dynamic oriented interaction practices (World of both)



- ✓ Hierarchies remain functionally necessary
- ✓ Modernization of hierarchies: flatter, more distributed, more temporary
- ✓ Modern hierarchies are more compatible with networks

## Uncertainty as a challenge for leadership

Leadership...

- ✓ does not know in detail what / how to do
- ✓ therefore has to enable participation + empowerment
- ✓ becomes dependent from: self-organization / self-management / self-control / self-optimization / self-motivation / self-enthusiasm

Changing role models:

- ✓ Leadership as Co-Creation / LS at eye level / LS with coaching attitude
- ✓ **Empowering Leadership**



*„Whereas the heroic manager of the past knew all, could do all, and could solve every problem, the postheroic manager asks how every problem can be solved in a way that develops other people's capacity to handle it.“  
(Charles Handy 1989)*

## Empowering Leadership = Less Control! Sure??

*“At its simplest, empowerment would commonsensically be associated with the redistribution of power, but in practice empowerment is usually seen as a form of employee involvement, designed by management and intended to generate commitment and enhance employee contributions to the organisation.” (Wilkinson 1998, p.45)*

- ✓ Promotes that employees take over initiative and act in accordance with the collective interests of the company by strengthening a proactive, innovation-oriented work attitude
- ✓ Employees are responsible and enabled for what they do

## Restriction of autonomy by external control



### Digitization broadens and deepens systemic + cybernetic forms of control

- ✓ Tight link to market constraints (cost center; targeting, quality standards, productivity indicators, deadlines)  
*„The employer steps aside and confronts the employees with the pressure of the market as a regulator for self-organization.” (Glißmann/Peters 2001)*
- ✓ Horizontal and vertical integration / standardization
- ✓ High transparency → *“activation through transparency”* (Nies 2021)
- ✓ High speed of everyday-feedbacks
- ✓ Agile set of rules and roles / Group pressure



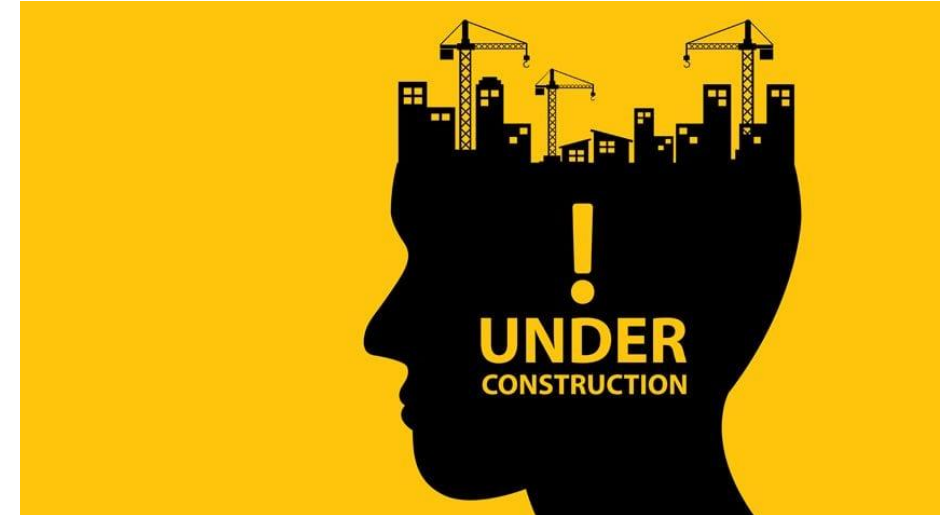
Where hierarchical and systemic control fail,  
they are replaced by a strong corporate culture!

- ✓ Self-realization
- ✓ Passion
- ✓ Mission statements
- ✓ Purpose
- ✓ Values / Moral
- ✓ Attitudes
- ✓ Mindsets (agility)
- ✓ Compliance
- ✓ Alignment
- ✓ Commitment
- ✓ Emotional intelligence
- ✓ Feedback culture

## Restriction of autonomy by moralization and stimulation of internal dispositions (identity)

*"Organizations are (...) resorting to internal mechanisms to ensure that the workforce identifies with their goals. Instead of subordinating them to 'top-down control,' companies now seek to shape their employees into active 'autonomous' units for internalizing, representing, and reproducing the corporate culture that is, committing them to its general principles, values, and goals."*

*(Cabanas/Illouz 2019: 116)*



*"The contract of employment (...) which established reciprocal and complementary duties between the parties has now been replaced by a **moral relationship** based on mutual trust and a shared commitment. This is an entirely new contract, according to which **the interests of the company and its employees are not complementary, but identical**. Trust and commitment thus become the other side of employee self-control."* (Cabanaz/Illouz 2019: 16)



## Challenges for employee representatives

*“The majority of professionals and managers in Germany work in hierarchical companies with a one-line management system.” (Stepstone & Kienbaum 2016).*

Restricted autonomy could be a welcome first step to some more democratization but executive leaders need ‘help’ by employee representatives!

### 1. „Help“ to do the first step



## 2. Detecting contradictions

- ✓ Many companies enter the world of self-organization only from a defensive position and allow it only rarely and only there where is no other way.
- ✓ New self-organization concepts often remain ambivalent in their effect on working conditions. (f.e. agile approaches)
- ✓ Self-organization is restricted by standardization and horizontal/vertical integration.
- ✓ Contradiction between interests of company and interests of employees
- ✓ Contradiction between interests of company and community or societal interests

### 3. Broaden the focus



## Conclusion

- ✓ Increase of systemic control / digital assembly line / digital twins / platforms
- ✓ Increase of attempts to align the personality/identity of employees with corporate interests
- ✓ Invisibilisation of increasing contradictions
  
- ✓ Increasing demands for good work from employees
- ✓ Increase of dependence on acceptance, trust, creditibility
- ✓ High risks in case of conflicts and crisis
  
- ✓ Increase of possibilities to design work places und job designs
- ✓ New possibilities for bargaining (f.e. resources, allocation, competence development strategy, co-determination)





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