

Strategic Relational Leadership - Building Organizational Capacity to Change

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Table of Contents

<u>Chapter 1: My Research Position</u>	4
1.1. Educational and Professional Background	6
1.2. A Commitment to Social Constructionism	9
1.3. Developing Theory and Practice	18
1.4. Situating in the Topical Literature	23
1.5. Forming the Research Question	40
 <u>Chapter 2: Constructing Research as We Go</u>	 50
2.1. Research Episodes	51
2.2. Research as an Iterative Process	69
 <u>Chapter 3: Connecting the Research and the Book</u>	 80
3.1. Developing a model for Change Capacity	80
 <u>Chapter 4. Learning and Future Research Directions</u>	 110
4.1. My own learning	110
4.2. Future research	113
4.3. Research methods for practitioners	118
 <u>Literature</u>	 121
 Appendix 1. The full book: Strategic Relational Leadership	 132

1: My Research Position

Introduction

This paper describes the elements and progression of my dissertation research. It is a supplement to the book: “*Strategic Relational Leadership*”, which forms the other part of the complete dissertation. This chapter explains the background for my research, my curiosity regarding this topic, and describes the details of the research process. My project is inspired by action research where the focus, form, and results unfold along with the process of researching (McNiff & Whitehead 2008). For example, my early working focus was on what organization strategy looked like using a systemic – constructionist lens which subsequently evolved in into the following research question: “How can systemic - constructionist ideas and practices increase our knowledge about and ability to develop organizational capacity for change?”

The Strategic Relational Leadership book (full version in appendix 1) is a large part of the dissertation where the specific concepts, ideas, and models are a result of the research process. It has been a vital landing ground for all my research work, a space where I have used the learning and findings from the research in a more practice-oriented context. This has helped my bridge the more abstract research and the specific work with the leaders in the three case organisations. In the book, the background for my research interest and the focus of the book/research are explained in Chapters 1 and 2. My philosophical position within the systemic - social constructionist tradition is articulated in Chapter 3. The theoretical elements relevant for my change capacity model – strategy, appreciation, reflexivity and positioning are unfolded in Chapters 4 to 7. The model of change capacity I have developed as a result of my research within organizations is described in Chapters 8 to 10. Chapter 11 gives an example for how the thinking can be used in practice.

This introductory paper will describe the research process from start to finish and includes the following elements. In the first chapter, I provide the reader a bit of

background about the author to position the study in my work history. In the second chapter, I clarify my standing myself as a researcher within the social constructionist paradigm. I describe the basis of my work as a practitioner – researcher and the implication this position has for my approach to research and the progression of my research process. In the third chapter, I connect the research process and how it contributed to my writing “*Strategic Relational Leadership*”. In the fourth chapter, I use what I see as the most interesting new ideas from this research project - as both concrete examples of learning and as my ‘claim’ of having generated new knowledge.

1.1. Educational and Professional Background

In this section I give the reader a short insight into my own background. I find it relevant to give you a bit more insight than usual as my interest and my learning are the turning points of the process. As a researcher who embraces qualitative and reflexive research methods, this background material provides insight regarding my positionality in reference to the research project (see Chapter 2 for a description of the connection of positionality to the conduct of qualitative research).

I have a very diverse set of educational and professional experiences that inform my approach to theory and research. My first job and profession was as an electrician. My background as a craftsman has been and still is important to understand my approach to work. Even today as my work has become much more philosophical and theoretically focused, I always try to connect abstract thinking to something doable or actionable. As there is a large difference between having the best tools and doing great craft, so too there is a great difference between leaders who possess a great deal of theoretical knowledge or practical ideas and their abilities to act in a competent way with other people. After completing the four-year training and education as an electrician, my first job was with the Danish Air Force. Similar to many other countries, the armed forces in Denmark have a strong tradition in management training and education, and after completing the first year I had the opportunity to do my first (part-time) management study. It was an undergraduate certificate program for newly appointed managers. It gave me a first taste of what later became my professional path.

After almost four years, I left the Air Force and began a job as a production manager at the Danish Radio and TV producer Bang & Olufsen that is renowned for its outstanding design. I was head of loudspeaker production at Bang & Olufsen for four years. This included a professional in-house management program. This job gave me first-hand managerial practice being the leader of between 65 and 125 people. Inspired and 'pushed' by some of the experienced leaders I worked with, I left the job (aged 30) after five good years and moved on to study (first

Engineering and exploring other possibilities) Political Science and Public Administration at University of Aarhus. My study was guided by a special interest in studying management and organizational development (OD) in Public Organizations.

During my university years I worked as a part-time junior consultant at the Leadership and OD Department at the County of Aarhus. After finishing my MSc I got a full time job as an OD consultant in the same organization. It was in this job I first was introduced to systemic and constructionist ideas and practices (see Cecchin et.al. 1992, Harré & Von Langenhove 1999, Maturana & Poerksen 2004, Oliver 2005, Anderson et.al. 2006, Pearce 2007, Gergen 2008, Haslebo & Haslebo 2012, Hornstrup et.al. 2012, for an overview of systemic and constructionist ideas and practices). Meeting these ideas and working with these practices was an eye-opening experience. It gave me a strong theoretical and philosophical foundation for my practice as a consultant. During the six years at the Leadership and OD Department at the County of Aarhus, I learned another side of the craft and art of managing and leading as a consultant. It was in this job as a consultant my writing began. In 1997, I co-authored a book on “Developing Learning Teams in High Schools” (Gottlieb & Hornstrup 1997) and published the first Danish book on Appreciative Inquiry (Hornstrup 1999).

As part of a consultant-training program at DISPUK, a Danish consultancy that provided training and consultancy to organizations based on a systemic approach, I met Peter Lang, a UK-based philosopher and consultant who would become one of the most influential people in my professional life. His unique approach to working with leaders and organizations was based, in part, on seeing theory and practice as two sides of the same activity. Instead of making the usual distinction between theory and practice, he talked about how theories could be viewed as “tools for thinking” that guide our “tools for practice.” It helped me see how the way we develop our theoretical and philosophical grounds for understanding leadership and OD are a vital part of developing our practice. In his words, “*A practice without*

a theory is like a tool without a craftsman – and a theory without a practice is like a craftsman without tools.” So simple and yet so rich!

In 2000 I left the Leadership and OD Department at the County of Aarhus and cofounded MacMann Berg, a private consultant company based on systemic, appreciative and constructionist ideas, with Jesper Loehr-Petersen.

In close collaboration with Peter Lang, we introduced a new training opportunity for experienced Danish leaders and consultants, an MSc in Systemic Leadership and OD, in collaboration with the University of Bedfordshire, UK. I completed my MSc in Systemic Leadership and OD with the first group in 2006. Inspired by working with Peter as well as my colleagues and clients at MacMann Berg my colleagues and I published a book on a systemic – constructionist approach to leading: “Systemisk ledelse – den refleksive praktiker” (Hornstrup et.al. 2005) – published in a revised version in English in 2012 (Developing Relational Leadership) (Hornstrup et.al. 2012). The writing became and still is my way of getting a deeper understanding of both the theories and the practices regarding leadership and OD – and the way theory and practice becomes connected when we use them in daily work routines.

Through a diversity of experiences systemic relational leadership has emerged as the red thread in my work life with a passion for exploring the interconnection between theory and practice. It is this passion, which led to begin the doctorate in the Taos-Tilburg doctoral program in 2009.

1.2. A Commitment to Social Constructionism

Introduction

One's research position is not only informed by your educational and professional background, it also reflected in the particular theoretical tradition one is grounded in, in my instance, systemic - constructionist paradigm approach to theory and practice (see Barge 2007 for an introduction to systemic constructionist approaches). In this section, I want to describe the epistemological basis for my work and the implications this position has for my approach to research. In the second section, I show how my epistemological position connects to my general approach to action research. In the third and last section, I take the reader through the different elements of my research process including: casework, generative dialogues, literature studies and group dialogues. I will explain how the research process unfolded and how the different elements fit together.

1.2.1. The Researcher

In this section, I position myself as a researcher within the general social constructionist paradigm. I will describe the epistemological basis for my work as a practitioner – researcher and the implication this position has for my approach to research.

The way we understand and carry out research activities always builds on the epistemological assumptions that guide how we see the scientific process of generating new knowledge. The epistemological position of a systemic – social constructionist researcher is different from other forms of research practice where scientifically based or validated theory and research are subsequently translated into specific managerial practices, an approach that is typically referred to as evidence-based practice (Pfeffer & Sutton, 2006). There are a number of important differences between a scientific (modernist/positivist) epistemology and a social constructionist epistemology regarding how we understand acquire knowledge which has some very practical implications for how to understand my approach to the research process (Easterby-Smith, Lowe & Thorpe 2002, Whitehead & McNiff,

2008). First, there is the issue of whether the role of the researcher, should be a neutral outsider or an engaged participant. Second, there is the issue regarding what counts as the relevant criteria for evaluating the way that knowledge is created. And third, there are issues concerning the assessment of research in terms of its validity, reliability and generalizability.

First, a traditional scientific approach views the researcher as an independent and neutral objective observer whose personal interests do not influence the study whereas as a social constructionist approach to research views the researcher's interests and engagement as strongly influencing knowledge production. The former urges the researcher to closely follow a set of objective or normative principles – a scripted role that supports the position as the outsider observer (Easterby-Smith, Lowe & Thorpe 2002). It is a position that supports the ability of the researcher to be in the neutral position and to control and describe and predict the research process guided by a *modus operandi* guided by general principles or laws. A social constructionist perspective contends that researchers cannot (and should not) stand outside of what is being studied – they are active participants and contributors to what is being studied. As a result, the researcher's personal and professional interests often are the main drivers of the research process as they use their personal and moral judgements to guide the planning, the doing and the analysis/evaluation of the research process (Easterby-Smith, Lowe & Thorpe 2002). This is also an ontological commitment that underpins the social constructionist position, from which research is seen as value laden, it is morally committed with researchers seeing themselves as a part of the social relationships in local contexts (McNiff & Whitehead 2008).

The idea that researchers play an active role in the construction of knowledge through their participation in the research process highlight another key difference between the traditional and social constructionist approach to research regarding the move from an outsider or 3rd person position perspective toward research to an insider 1st-person perspective (Whitehead & McNiff 2006, McNiff & Whitehead 2008). Knowledge is dynamic, multiple, and contextual embedded and knowledge

creation is a collaborative process, which shifts the researcher from a spectator position to an active involved position (McNiff & Whitehead 2008, p. 26). Action researchers, like myself, research their own practices within the process of practicing the activities we study. This approach to action research sees the researcher as an insider within a larger system of action doing research. Action research operates from a set of methodological assumptions that views practitioners as active change agents whose aim in conducting research is to improve learning and practice, and whose methodology, is open-ended, adapted to the unique circumstances of the situation.

Harré (Harré 1986, Harré and van Langenhove 1999) makes a helpful distinction for actively involved researchers in conceptualizing “positions and positioning” as opposed to “roles” as way of highlighting moral and practical affordances and constraints that influence meaning making and acting. Where roles – such as the role of the manager or the researcher--invite a set of more or less scripted affordances and constraints, positioning invites us to see how people make sense of and act into situations that are fleeting and temporary, and shift during the process.

Being actively involved as a practitioner in your own practice makes the role of being neutral both impossible and irrelevant. Any practitioner researcher needs to make qualified judgments about situations and what to do next (Pearce & Pearce 1998). As a practitioner researcher, we are an active part of the research process where the insights and the knowledge are created in local contexts in close collaboration with the different local stakeholders. This builds on the view that managerial practices are practical and moral activities rather than a rational or technical activity (Barge & Fairhurst 2008).

1.2.2. Evaluating Theory and Knowledge

The shift toward a research approach that emphasizes social constructionism and action research highlights a change in the approach to studying organizations,

through a heightened awareness of the process of researching. This is a move from seeing organizations as stable entities to see them as processes of on-going organizing. *“The more we know about organizations and the way they are managed, the more we would like to know how they are constituted, maintained, and changed over time”* (Langley & Tsoukas 2010, p. 19). Using the noun organization, we mistake this “organization” as a thing we make when using the verb “organizing” we notice it as a process or a thing in the making (Hernes 2007). This invites us to study organizations/organizing as relational interactive processes where each new event could be a reconfirmation or a reconfiguration of existing patterns of action. The form and content of organizing is formed by the multiple interactions among the people who are part of the organizing process (Tsoukas & Chia 2002). It is in the enactment of these interconnected processes of creating sensible environments that the different stakeholders generate the outcomes of the organization (Weick 1995).

Second, a traditional view on the role of theory in scientific work is that theory should be used to create a set of stable variables that can be operationalized and used for objective studies or measurements (Easterby-Smith, Lowe & Thorpe 2002). In this view the role of research is to generate knowledge from the results of scientific studies to substantive theoretical claims – a knowledge that involves “knowing about” the phenomena we are studying.

As a contrast, a social constructionist approach sees theory and existing knowledge as an inspirational ground that can be used to frame and to guide our curiosity and our research process. When engaging in research, theories and knowledge is one of many sources of inspiration that is part of generating new local and emergent knowledge through the interaction of the people involved. When we generate new knowledge and new theories inspired by our practice, this practice as well as existing theories and existing knowledge is helping us to generate our claims and stories about learning and development. It is an approach to generating new knowledge that privileges “knowing how” over “knowing what” (Pearce & Pearce 1998) because our ambition as practice researchers is to

generate possibilities to move forward within the human systems we work with. The purpose of research has shifted from a wish to control the environment towards a commitment to understand and improving the environment and human practices by changing them from within (McNiff & Whitehead 2008, p. 10).

In this view, action research is also an activity with the ambition to 'moving things forward' in a way that the people involved find helpful or useful. In this perspective the ideas and practice have to make a "difference that makes a difference" (Bateson 1972) and also a "difference that connects" to the local logic if we want them to generate new possible practices and move the situation forward in a useful direction (Barge, 2004). This highlights that the construction of knowledge is a social process where people involved become co-researchers and practical co-authors. As active participants they co-construct interpretations within the flow of the evolving process helping them to develop a meaningful working definition of the situation (Shotter 1993). When moving into practice the distinction between research and practice become very blurred as the two are heavily intertwined. The two sides and action <-> research co-evolve and research becomes practice and practice becomes research (Barge, Hornstrup & Henriksen 2010). *"It is a wish to move action research towards an ambition to find ways of generating more practical sustainable organizational development"* (McNiff & Whitehead 2008, p. 12). And it is a position from which: *"...practical sustainability is the idea that living systems have the capacity for independent self-renewal, which is indispensable for continuing development* (Opcit., p. 18).

1.2.3. Judging the Trustworthiness of the Research

Moving from a normative scientific approach to a social constructionist approach to research also invites a different understanding of the traditional concepts of validity, reliability and generalizability. A traditional approach claims that the purpose of research is to create objective or normative principles that should guide the way we understand and work with developing social practices (Easterby-Smith, Lowe & Thorpe 2002). It is a tradition where the purpose of research is to

find the truth or as close to the truth about social phenomenon as possible and to find valid, reliable and generalizable knowledge about the subject studied (Gergen 1994). This gives researchers a set of well-defined principles from which we can judge the quality or trustworthiness of our research activities and results. In this traditional perspective validity is judged by the degree or correlation of the data of the study to the wider reality. Reliability is judged by the ability to find similar results in other studies in similar settings, and generalizability is judged by the confirmation (or contradiction) of the studies compared to the existing body of research (Easterby-Smith, Lowe & Thorpe 2002, p.52).

Again there is a big contrast to a social constructionist approach, where research is assessed by its ability to help all involved to generate valuable new practices (McNamee & Hosking, 2012). In a world where complexity and change – and especially in this study of managing organizational change the results and thereby the validity, reliability and generalizability of the findings will have a temperate nature and only be able to guide our understanding, orientation and actions for the time being (Cronen, 2001). Working from a social constructionist epistemology invites us to be very much aware on the migration of practices from one context to another. When we move from a scientifically validated knowledge 3rd-person perspective to a practice-based 1st –person approach, this influences the ideas and/or practices based upon the way these ideas and practices connect to the local context how they makes sense to local leaders and employees (McNiff & Whitehead 2008).

When looking at the three concepts of validity, reliability and generalizability, they are defined with more variance, less precision and more overlap between the definitions than we see in a traditional scientific approach. A classic perspective of a constructionist definition (if we can talk about as such) can be found in Easterby-Smith, Lowe, & Thorpe (2002). They define validity as the ability to clearly gain access to the experience of the research case, reliability is judged by the degree of transparency into how the results was drawn from the raw data the research

process and generalizability is judged by it's relevance in other settings (Opcit. 2002, p. 53).

We can see this as a move from scientific generalisation to a 'situated generalisation', that allows people to interpret and re-interpret what evidence means for them in their context (Simons et al. 2003). The systemic – social constructionist approach to presentation of ideas and practices into other context should be done with a high degree of transparency and be closely connected to the situation in which these ideas and practices where generated (Barge 2004). In the words of McNiff & Whitehead (2008) it is about how: *"Practitioners can show how they have contributed to new practices and how these practices can be transformed into new theory."* And: *"If we can show that what we know – our theory can stand up to public scrutiny we can claim that our theory has validity (has truth value)"* (Opcit. p. 18-19).

Box 1.1 summarizes the differences between a traditional scientific and social constructionist epistemology.

Box 1.1. Traditional vs. constructionist epistemology

	Traditional Scientific Epistemology	Social Constructionist Epistemology
The researcher	<p>The researcher should be independent</p> <p>The personal interests of the objective researcher should be irrelevant.</p> <p>The researcher should follow closely objective or normative principles.</p>	<p>The researcher uses personal and moral judgements to guide the research process.</p> <p>The researcher needs to make situated judgments about situations and what to do next.</p> <p>The researcher co-generates insights and knowledge in</p>

		local settings where research and practice co-evolve in collaboration with stakeholders.
Criteria for evaluating theory/knowledge	<p>Theory should be a set of stable objective facts and fixed relationships among variables.</p> <p>Knowledge involves “knowing about” particular phenomena.</p> <p>Knowledge is generated by the results of scientific studies to substantive theoretical claims.</p>	<p>Knowledge is local and emergent generated by the communicative interaction of individuals.</p> <p>The development of knowledge involves “knowing how” to move forward within human systems.</p> <p>Knowledge/theory refers to examples drawn from practice to generate claims and stories about learning and development.</p>
Judging trustworthiness of research	<p>Research should create either objective or normative principles regarding social practices.</p> <p>Validity is judged by the correlation or correspondence to reality.</p> <p>Reliability is judged by the</p>	<p>Research is assessed by its utility in generating new practices.</p> <p>Validity is judged by the ability to look into the richness of the research contexts and the ability to generate rich inspiration.</p>

	<p>ability to show similar results in other settings.</p> <p>Generalizability is judged by the confirmation (or contradiction) of existing research.</p>	<p>Reliability is judged by the degree of transparency into the research process.</p> <p>Generalizability is judged by its relevance in other contexts.</p>
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These differences in understanding some of the key qualities of action research is, in my eyes, why traditional approaches to research at times fails in noticing and utilizing highly relevant challenges when studying change processes in organizations. Seeing these processes through a constructionist lens help us to notice, name, make meaning and making use of the dynamic nature of human activities relevant for managing change (Gergen 2008).

1.3. Developing Theory and Practice

In this section, I take the next step in making my epistemological position more explicit and set both the practical stage for the research project and unfold my general approach to research.

1.3.1. Practical Theory & Action Research

Action research is a part of the wider terrain of qualitative research and it shares the ambition to explore and to understand how individuals and groups make meaning of and work with local problems (Creswell 2009). Across the different research traditions, there is a shared ambition to generate evidence from data, make claims to knowledge, link the knowledge to existing knowledge and disseminate the findings (McNiff & Whitehead 2008, p. 19). As part of this process, a vital link between research outcomes and lived practices is practical theory. It is well put by Kurt Levin, in saying that there is nothing so practical as a good theory, Pearce (2008, p. 5) describes practical theory as being closely connected to persons in a real world; it should provide a grammar for discursive and conversational practices that constitute methods for studying social action among professionals and/or clients. As such, practical theory respects the centrality of the grammatical abilities of persons in conjoint action. Practical theories should be judged by their ability to create socially useful descriptions, explanations, and change in human action and the ability to create new abilities for people involved (Opcit.).

Taking a critical stance towards traditional approaches to action research, Dutton and Dukerich (2006) highlighted the lack of focus on relational dynamics. A relational approach to organizational research should remember “...*the quality of connections between the people involved as pivotal for building a healthy, enriching, and generative research project.*” (Opcit. p. 26) Social activities are embedded in culture, language, knowledge and learning activities, as such, action research should help build new knowledge and give partners a stronger sense of ownership (McNiff & Whitehead 2008). One of the ways to do this is for action

researchers to move from trying to find ways to create outcomes that can be applied universally, and instead see how they can construct their own personal theories to show what they are learning and invite others to learn with them (McNiff & Whitehead 2008, p. 27).

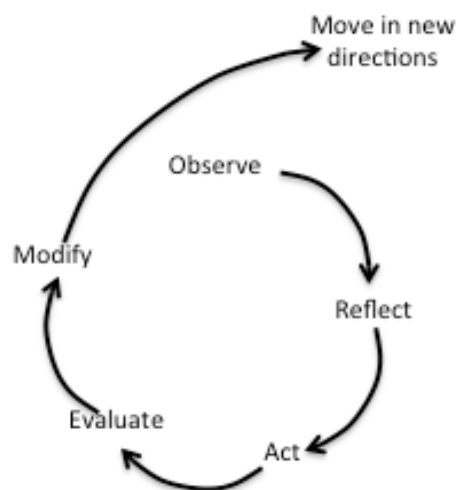
From a social constructionist perspective, inquiry into organizational process should focus on both the content of the research, but also have an eye on the language used, and how that influences the construction of the research approach. It implies attention to the meaning making processes – how do we make sense of what happens, and how do the people involved affect the process and research outcomes (Hosking & Ramsey 2000).

From a constructionist perspective we make a significant shift from seeing action research as post-positivist forms of theory building, towards a view on action research as a process with the purpose of generating practical knowledge or “practical theory” (Shotter, 1993; Cronen, 2001). One of the important implications from the invitation is to keep the mind and eyes of the researcher open to multiple explanations. If we use single explanations to capture the richness of organizational processes, it might very well make us not notice and not inquire into alternative explanations (Cronen 2001). The openness to the multiplicity and complexity of the organizational processes we study also helps us to create richer explanations and readings of the different situations, which are important elements in theorizing - building richer understandings of organizational matters (Weick 2005). The practitioner researcher has a lot in common with the reflective practitioner as described by Schön (1983). For reflective practitioners to do high quality action research that contributes to new practices and contributes to new theory, it is important that they see themselves as capable practitioners and capable theorists. The reflective practitioner should also be aware of how their knowledge and capabilities influence their work, as well as having an irreverent awareness of what he or she does not know and can not do (McNiff & Whitehead 2008).

The work with developing reflective practices and action science can give us a strong sense of forward orientation and enable researching practitioners to take action within the flow of their activities (Argyris & Schon 1996, Schon 1983). It is a way of working with research that helps practitioners to do research-based experiments within their own organization to develop practical knowledge for decision-making (Pfeffer & Sutton 2007).

Connecting to the idea of generating practical theory for practice, the action-reflection cycle can help to build a practical foundation of research process (McNiff & Whitehead 2008, p. 9).

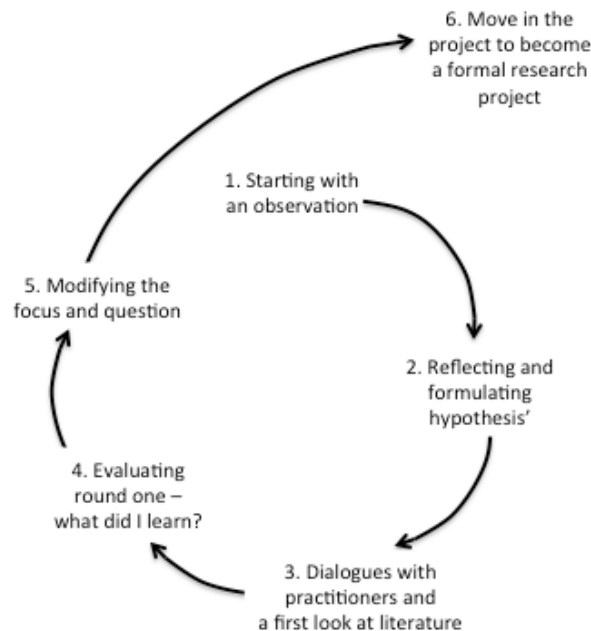
Figure 1.1. Action-reflection cycle



This model, inspired by the work of Lewin (1947) provides a point of reference or a basic structure in the flow of research activities and it can be used as a way of illustrating the dynamic process of doing action research. I will use it both as a macro frame of the process; it will also serve as a frame for looking at the different elements of the research process.

At a macro level this research project can be seen in to parts. Below is a graphical representation of the initial clarifying part that leads up to formalizing the project and the formal research project (Figure 1.2).

Figure 1.2. The clarifying process



Moving in this more practical direction, an important question is: “How is action research done and how do I do action research in this project?” When I look at the beginning of this journey, my curiosity was very much ignited by practical issues that came out of discussions with my colleagues about different observations from our practice. This curiosity centred around the observation that our systemic – social constructionist approach to training leaders and developing organizations was very popular among middle managers and HR consultants, but it seemed like more senior managers did not use our services and did not seem to draw on systemic – social constructionist thinking.

We developed two strong hypotheses for why senior managers were not drawn to systemic-social constructionist thinking. First, we hypothesized that our approach to leading and organizing did not incorporate a repertoire of ideas and practices aimed at system level processes like strategy formulation and formation, strategic change processes, system level organizational effectiveness, etc. Second, we

hypothesized that the language we used did not match that of senior managers. Based on these discussions and the two hypotheses, we formulated two questions that guided my work in the early part of this project. The questions that guided my work was: *“How can we develop systemic – social constructionist ideas and practices to be valuable for senior managers and other change agents in their work with organizational change?”* and, *“How can we revise and develop existing systemic – social constructionist ideas and build new knowledge and new practices for organizational development and change, that connect to people both inside and outside traditional systemic – social constructionist thinking?”*.

From an action research perspective, this was a classic starting point. In the words of McNiff and Whitehead: *“Action research is a form of enquiry that enables practitioners everywhere to investigate and evaluate their work. They ask, ‘what am I doing’ What do I need to improve?’ How do I improve it”* (McNiff and Whitehead 2008, p. 7).

1.4. Situating in the Topical Literature

In this section I position my research in the Topical Literature on leadership. After the introduction I describe my own journey with leadership theories followed by a section unfolding my position within the Relational Leadership tradition called Systemic Constructionist Leadership. I also describe how literature of Strategy As Practice has inspired some of my work and I close this part by highlighting some of the key elements used in my research.

The research tradition under which I see my work is in the field of Relational Leadership (RL) (Ospina & Uhl-bien 2012) and within this broader field more specifically within the Systemic Constructionist Leadership (SCL) tradition (Barge 2004, 2012). As the fields of RL and SCL are less oriented towards strategy work and strategic processes, I also draw inspiration from the literature on Strategy-as-Practice (Vaara & Whittington 2012). This literature opens up the study of leading and managing strategic processes to go beyond the usual focus on senior managers and include both consultants, middle managers, and employees as important participants in strategy work and by doing so looks at strategy as part of many different organizational practices (Opcit.).

Before engaging with the topical literature on RL and SCL, I will introduce my own journey with SCL. The purpose of this is to give a deeper insight into my professional path and how that connects to SCL.

1.4.1. My journey with a Systemic Constructionist approach to Leadership

When I describe how I see my position within the literature on leadership and OD, it can best be described as being located with Systemic Constructionist Leadership and OD (Barge 2012). From this perspective, leadership can be seen as “*a co-created, performative, contextual process*” (Barge & Fairhurst 2008, p. 232) where people, leaders and followers work together on progressing tasks that are important to them.

From the first steps of my work as a consultant, systemic and constructionist ideas and practices have been vital to my own understanding of my position and practice as a consultant practitioner.

My own journey with Systemic Constructionist Leadership over the last two decades has been a journey with my practice as an HR consultant as the turning point. This is also reflected in my writing on the subject, where practice-oriented methods for working with a relational approach to leading and organizing were the focus in the first years of my career (1995 – 2001). Here my work was published in three books on teams in High Schools (Gottlieb & Hornstrup 1997), introducing Appreciative Inquiry as a method for leading micro practices such as team building, coaching and conflict resolution (Hornstrup 1999) and a developing a method for relational team building called Team Appraisals (Hornstrup 2001). This work was informed and inspired from the pioneering work of systemic family therapy, which draws on a set of philosophies including systems theory, linguistic philosophy, and social constructionism (see Oliver 2005 for summaries of systemic constructionist philosophy). The roots of systemic constructionism goes back to the work of Bateson (1972, 1979) on second order cybernetics, a circular understanding of living processes and the idea of ecologies of relationships, and in the work of Maturana (1987 - with Varela) on the self-referential - autopoietic nature of mental and communicative processes. These deeply complicated meta-theories were interpreted and transformed into theories and practices mainly European based systemic family therapists (Oliver 2005, Barge 2007). The first building blocks of systemic thinking and practice were giving a foundation by such work as Cecchin & colleagues (1987, 1992) on irreverence, neutrality as curiosity, Andersen's (1991) work on reflecting teams and Tomm's (1987, 1988) work on circular and reflexive questioning. In this first part of my journey, the inspiration from Social Constructionist thinking came through the theory and practice of Appreciative Inquiry. The work of David Cooperrider and Suresh Srivastva (1987), added an action oriented and affirmative dimension.

In the following years (2001 – 2006), my interest in the theoretical literature grew, with an ambition both to expand my own knowledge as a theoretically informed practitioner and with an ambition to transform and translate both the different theoretical positions and practices from the fields of family therapy and social work relevant, understandable and applicable for leaders and other HR practitioners. This work was collected and published in a book under the label of Systemic Leadership – the reflexive practitioner (Hornstrup et.al. 2005)¹ and in 2006 I completed my MSc Thesis on “Systemic Leadership practices (Hornstrup 2006). In my Thesis I conducted a qualitative study of how 8 leaders that self-identified as being “systemic” in their work, used systemic ideas in their practice. In the book (with my colleagues) and in my Thesis, I tied together different voices of these leaders, with the ambition to create a more coherent platform for organizational practitioners to understand and to work with Systemic Constructionist Leadership practices. This work was greatly inspired by people who in the late part of the 1980s and in the 1990s gradually moved from therapy and social work into what became the first generation of Systemic Leadership (e.g., Oliver 2005). With this move came ideas informed by writers on Organizational Communication such as Pearce (Pearce & Cronen 1980, Pearce 1994) and Lang et.al. (1990). During the last part of the 1990s and early parts of the 2000s, I found additional inspiration from Social Constructionist ideas through the work of Gergen (1994, 1999), Shotter (1993) and Harré (1986).

In the years since 2006 and since I completed my Thesis, my interest in the academic literature has steadily grown. Working on my Dissertation the last four years has been the turning point in strengthening my interest. Through co-teaching and coaching senior practitioners doing their MSc research (in close collaboration with Kevin Barge), my interest and my insight into the academic field about both the content and the process of researching has grown. During the years I have had the opportunity to work with some of the leading people in the field, which has been an excellent opportunity to continue my own learning journey. Collaboration

¹ Published in English in an edited version Developing Relational Leadership (Hornstrup et.al. 2012).

² From the reaction – so far from Danish readers only it seems like it.

with Karl Tomm has focused on further developing his original model of Interventive Interviewing (Tomm 1988) developed for Family Therapy to a model for use in all kinds of interventive practices (Hornstrup, Tomm & Johansen 2009). In collaboration with Rom Harré, I have focussed on developing a framework for leadership as reflexive positioning (Hornstrup & Harré 2009) and in an on going journey with Kevin Barge, we have focussed on how to develop ways that make it more access-able for practitioners to do action research (Barge, Hornstrup & Henriksen 2011). I have also published articles in Danish and international practitioner journals. In Danish journals, I have published essays on the subjects of reflexivity and Strategic Leadership Communication (Hornstrup & Reenberg 2010), Reflexive Leadership Communication in Prisons (Lund, Holst & Hornstrup 2010), Appreciation and Strategic Leadership (Hornstrup & Johansen 2010), and Leadership & followership in public Schools (Hornstrup, Christensen, Nielsen & Grotkjaer 2011). In international Journals, I have published essays on developing Appreciative Inquiry to emphasise the inquiring part connecting it to systemic curiosity (Hornstrup & Johansen 2009), an appreciative approach to inclusive teambuilding (Sloth & Hornstrup 2010), and Change Leadership as a Social Construction (Hornstrup 2014).

Along this journey, my own label for my approach to leadership as OD has been Systemic Leadership and later Systemic Constructionist Leadership. The ideas have evolved in a practical context over the last two decades, but as an academic discipline it still relative new and there is still a lot to work to do; both to develop the thinking and even more to develop rich research practices.

1.4.2. Relational Leadership

The field of RL is a relative new area of studies (Uhl-Bien & Ospina 2012) focusing on the relationships between leaders and followers/employees. Within the RL field, a distinction between modernist and postmodernist can be made (Opcit.). The modernist RL traditions are built on a predominantly modernist research tradition with the ambition to discover a single, objective reality or truth (Opcit. p. 8). In line with this approach to RL, Shamir (2012) proposes a study of establishing casual

relationships the outcome and the behaviour of leaders or followers, or the quality of their relationship. In the literature on RL, also includes a focus on the leader and the follower as the main object for research. The the researcher is, metaphorically speaking, positioned outside the objects of study, trying to acquire as accurate knowledge as possible about the object or objects studied (Ospina & Uhl-bien 2012). As a contrast to the modernist RL studies, the focus of social constructionist RL scholars focus on RL as situational and contextual embedded processes with a primary emphasis on the way leaders and followers are co-constructed through discursive and dialogic practices (Barge & Fairhurst 2008, Hosking 2011, Ospina & Foldby 2010).

Within the RL studies, the focus of post-positivist tradition can be divided into roughly three groups with a focus on either: (1) the leader, (2) the follower, or (3) the relation between leaders and followers. Among the studies of RL with a predominant leader focus are studies on charismatic leadership (e.g. Conger & Kanungo 1998, Bono & Ilies 2006), transformational leadership (e.g. Ashkanasy & Tse 2000), leadership competences (Bolden & Gosling 2006), political skill (e.g. Darren 2012), control over and exchange with followers (Kacmar et.al. 2007) and working with diverse staff (Offermann 2012). Other studies have focused on the leader – follower relation with studies of leader-member exchange (e.g. Boies & Howell 2006), relationality (e.g. Bradbury & Lichtenstein 2000), emotions and emotional intelligence (e.g. Ashkanasy et.al. 2012, Butz & Plant 2006), and shared leadership (e.g. Wassenaar et.al. 2012). A third group of studies have focused on the followers with a research focus on empowerment of teams (Chen et.al. 2007) and emotions among followers (Dasborough & Ashkanasy 2005).

This research presents a number of relevant ideas about roles of individuals, leaders as well as followers and the relation between them in times of change. However the post positivist approach to leading and the focus on the entities of the leader, the follower and the leader-follower relations, seems to overlook the fluent and dynamic aspect of leading, organizing and change (Hosking 2007, 2011).

In contrast, other RL literature and research builds on postmodernist thinking with an emphasis on truth as emerging in the local context and where people construct

multiple local realities (Hosking 2007, 2011, Fairhurst 2007, Gergen 2008, 2009,). What becomes the coordinated version of realities is negotiated among people in their local context. The postmodern RL literature has its roots in social constructionism, a postmodern movement in psychology, where traditional modernist approaches to research with a focus on finding the truth through the use of objective methods is rejected and replaced with an emphasis on knowledge to be subjective and emerging and in the process of dialogue (Gergen 2009). An important early version of the social constructionism can be found in Berger & Luckmanns (1965) "The Social Construction of Reality. Another important early and on going contributor is Ken Gergen (1994, 2009, 2009), who drew inspiration from the philosophy of Wittgenstein (1953) and his emphasis on language and that language does not describe an objective world, the world we experience comes to be through our use of language. Social constructionism also draws on a wide variety of postmodern thinkers such as Derrida (1978) and his work on deconstruction, as well as Foucault's (2008) work on discourse. Part of the social constructionist perspective is the idea that anything we construct through language can be de- and re-constructed and, by doing so, we change our way of understanding what we see, which creates new opportunities. The discursive turn inspired by Foucault created a way of understanding Wittgenstein's (1953) notion of language games as a coherent set of narratives within a community of people, which gives people within a community access this discourse while excluding others. Moving this to studying leadership and organizations, discourse can be seen as *"...a range of disciplines where the central focus is the role of language and discursively mediated experience in organizational settings"* (Marshak & Grant 2008, p. 11).

From this perspective, leadership can be seen as a set of unfolding dynamic relationships between leaders and followers where *"the individual represents a common intersection of myriad relationships"* (Gergen 2009, p. 150), which invites a view on RL as *"relational practices, as well as communicative and organizing processes associated with the emergence of leadership"* (Uhl-bien & Ospina 2012, p. xx).

These situational and contextual embedded processes place emphasis on the way leaders and followers are co-constructed through discursive and dialogic practices (Barge 2012, Barge & Fairhurst 2008, Shotter 1993, Fairhurst 2007, Hosking 2007, 2011), relational reflexive practices (Barge 2007, Oliver 2005, Hornstrup et.al. 2012), relational positioning (Harré 1994, Harré & von Langenhove 1999, Hornstrup & Harré 2009), leadership power and politics - a critical discourse perspective (Alvesson & Kärreman 2000, Alvesson & Svenningsson 2012), communication and storytelling (Pearce & Pearce 1998, Pearce 2007) and leadership as social change (Ospina & Foldby 2010, Ospina et.al. 2012).

This means that studying the process of leading change includes awareness on how sense making plays a vital role. People's mind set and consciousness informs their expectations to life in organizations, and when this life is changing, it includes a shift in the mind set and consciousness of the involved participants (Senge et.al. 1994). Leaders in modern organization are faced with more or less continuous change, this therefore necessitates that a vital aspect of their role of is to work towards and create a more dynamic mindset and consciousness (Weick & Quinn 1999).

From a social constructionist perspective, this organizational diversity can be seen as both a set of locally constructed realities, where teams or larger units form or construct their version of what is good and right (Weick 1995). At a more macro level, this invites our attention to how organizations are divided into specialized units that are often detached from other units and create competing narratives, where the different groups try to put their own agenda and standards of judgement, values, and procedures in a favourable position (Marshak & Grant 2008). This calls for a close attention to how this struggle of creating the dominant discourse or powerful position might create serious challenges for effectively working with change processes.

Studying the process of leading organizational change from an constructionist perspective highlights that the more we study organizational change processes and the role of managers and leaders in this process, the more we need to focus on how this process unfolds over time (Langley & Tsoukas 2010, p. 19). The RL

perspective invites us to use the verb “organizing” and “leading” to make us aware organizations are processes in the making (Hernes 2007). Using the outsider metaphor mentioned above to describe a modernist perspective on studying leadership and change, from the postmodern – constructionist perspective we see the researcher as an insider, that is part of *“the stream of events and activities, thus participating in the phenomenon studied.”* (Ospina & Uhl-Bien 2012, p. 22).

1.4.3. Systemic Constructionist Leadership in Detail

The Systemic Constructionist approach to Leadership is a part of RL with additional inspiration from systemic thinking and practice (Barge 2012). SCL can be understood as: *“...a co-created, performative, contextual, and attributional process where the ideas articulated in talk or action are recognized by others as progressing tasks that are important to them”* (Barge & Fairhurst 2008, p. 232). The Systemic Leadership tradition has emerged over the last two decades driven mainly by European scholar – practitioners within the fields of family therapy and organizational consulting (Hornstrup et.al. 2012, Barge 2012). This European version of systemic thinking and systemic leadership has its roots in Bateson’s (1972) original work, where inspiration from second order cybernetics inspired a view on human systems as patterns of interaction through feedback loops and where context and context markers was seen as key to understanding mutual coordination. Bateson also introduced the idea of meta-communication and he defined information as “a difference that makes a difference” (Opcit.) This invites an attention to see how the form and context of the communication, the relation between people involved and the language used is more crucial for our meaning making than the content of the communication process itself. In the transformation from Bateson’s meta-theories to therapeutic and organizational theories and practice, emphasis was put on the importance to understand how context, communication, meaning and action should be seen as important and connected elements in understanding and working with human systems (Pearce 2004).

With the gradual integration of systemic and social constructionist ideas came an additional focus on how people construct their social worlds through language (Gergen 1994). Where systemic thinkers and practitioners was focussing on

describing *what* was happening, social constructionism invited a focus *on how* people used language to construct accounts for their experiences and how this creates their identities and relationships (Barge 2012).

Taking the Systemic and Relational/Social Constructionist approach together with a focus on studying leadership, it invites us to focus on a number of key issues. First, leadership and leadership activities are embedded in unique contextual settings of people, time, task and place (Barge 2012), where the **context** influences the patterns of communication and actions and where the patterns of communication and actions co-construct the contextual setting (Pearce 2007). Drawing on Bateson's (1972) idea of layers of contexts, Pearce (1994, 2007) develops coordinated management of meaning (CMM) theory as a way on conceptualising how the social worlds we live in can be seen as layers of contexts. The more abstract levels of context such as the cultural context of society or the organization and our personal and/or professional life script or life story, creates a contextual back cloth of how we engage in the concrete relationships between us and other people and the way we are positioned within these relationships and also of how we make sense of the specific episodes of communication and action.

Second, systemic **reflexivity** is a vital part of leadership practices as a way of engaging in leadership activities within these unique and emerging contexts (Barge 2004, Oliver 2012). Reflexivity as a leadership activity has to do with the ability to notice and work within the flow of everyday activities connecting context, communication, meaning and actions, as a way of coordinating meaning making and action (Pearce 2008). Reflexivity can be seen as an invitation to a practice-oriented awareness on how to engage in and create directions for the different organizational practices (Hornstrup 2006). This invites us to see the leaders as a reflective practitioner (Schon 1983) where reflexivity is closely connected to the idea of systemic questioning and systemic (Socratic) dialogues (Boscolo et.al. 1987). These forms of conversation invite a special form of inquiry where leaders used dialogic methods and systemic questioning as a way of enhancing the development and coordination of meaning making and action (Hornstrup, Tømm &

Johansen 2009). Reflexivity is also about developing a meta-level awareness of constructionist principles and how the positioning of the leader co-create the contexts in which these leaders find themselves as participants (Barge 2012). This invitation to reflexive positioning is inviting a critical awareness *about* how the leader's communication and actions opens up or closes down space, setting the context for how other people can engage *within* the conversation – including the leader him- or herself (Shotters 2003). This gives leaders the opportunity to engage in both “aboutness thinking” with a focus on how our ideas, values and assumptions influences our sensemaking and actions and it gives leaders a “withness thinking” position, being actively engaging in the flow of events (Opcit.).

Third, **positioning and taking up positions** is a way of capturing the dynamic process of leading. Seeing leading as positioning is an invitation to move from the traditional image of leading and managing as specific more or less scripted roles, that can be played at different times, to see leading as a dynamic process where the position of the leader (and follower) are constructed in the flow of conversations (Harré & van Langenhove 1999).

Leading is a relational process where leaders and followers co-create each other's positions through their communicative interaction (Hornstrup & Harré 2009). The follower(s) constructs the position of the leaders as much as the leader construct the position of the follower(s). This move from the idea of leading and managing as a role to see it as a more fluent process of positioning, invites us to see leading is a relational “dance” where the activities we co-perform is a result of a complex relational and dialogic process (Harré 1996). In this flow of events, leaders might use distinct positions as a way of punctuating the context and casting light on the situation from one or more positions (Hornstrup & Harré 2009). Such positions can include a strategic position with a view on the overall goals, structures or processes of the organization, it could be a professional position with a focus on competence and quality, it could be a relational position with a focus on interpersonal relationships, communication and work environment, or it could be a position of development or innovation with a focus on how to develop strategies, quality or work environment.

Fourth, drawing on Wittgenstein (1953) and his emphasis on **language and language games**, it is important to recognize that language does not describe an objective world, but emphasizes that the world we experience come to be through our use of language and that these language games are organized or framed in different more or less connected discourses (Gergen 2009). Connected to leadership and organizations, we can see that when we organize organizations with structures of teams, departments and larger units such as finance, HR, production, sales, etc. these structures partially create the context of the different language games or discourses within the organization. When people in each unit often share the same or similar backgrounds, and when the dialogical activities to a large degree follow these organizational lines, they create cohesive discourses within the units and dis-connected discourses between them (Gergen & Hersted 2013). But with our knowledge about language and discourses, we can engage in dialogic and relational activities within and between the units and help the forming how these structures and discourses are lived out (Opcit.). The discursive activities might reinforce the structures or they might cut across structures, creating a much more complex living organizations.

Fifth, the ability to be aware of and work with coordinated **sense- and meaning making** is an important part of a systemic constructionist to leadership. An important inspiration comes from Weick's (1995) invitation to see sensemaking as a an on-going social process where people use small parts or extractions from our own complex thoughts or from the complex communication processes to make sense of what is going on. This means that people extract enough about the situation to get on with their own work, and following from this, sufficiency and plausibility take precedence over accuracy (Weick et.al. 2005). This also invites awareness of the distinction between the process of sensemaking and the product of this process, the interpretation (Opcit. p. 10). As leaders engage in change processes they can be seen as engaging in sense-giving, because the making of sense is a way to structure the unknown (Opcit. p. 4). But - we can only engage in the process of sense making and sense giving with others, we can never predict

the interpretation of others. When everyone involved creates the process and the results of change activities, the quality of these change activities will be depending on a high degree of coordination between people involved. In a constructionist perspective the degree of coordination should be seen in the light of how individuals and groups make sense of the change process and their position within it.

Sixth, the actions and communication of the people inside and outside the organization is an on-going process, where each part of the process is interwoven into **webs of communication** patterns (Pearce 2007). Everyone is involved in a living process where the present activities are connecting patterns of conversations from the past with desired images of the future, which forms patterns of communication (Cooperrider & Srivastva 1987). When we see organizational activities as a continuous flow created by everyone involved, this has very important implications for the role and position of leaders, especially in times of change. Rather than seen change in the light of the traditional “unfreeze – change – refreeze” metaphor (Lewin 1947), leading change is a co-performed activity where the role of the leader shifts between multiple positions as context marker, process guide, evaluator, and participant (Hornstrup & Reenberg 2010).

The seventh and last point of reference is the focus on how **appreciative and affirmative** ideas and practices highlight leadership as an ethical practice (Barge 2012). This invites leaders to develop the ability to notice and name what works well in the organization as a way to bring forth best practices as a foundation for further development and learning (Opcit.). This ability to draw out the best in the organization often makes a big contrast to the way most leaders are trained to focus on and work with the biggest problems, which might create negativity and resistance (Barge & Oliver 2003). Appreciative practices such as Appreciative Inquiry (Cooperrider & Srivastva 1987) are one example of a set of ideas and methods that help leaders to engage in generative and future oriented practices. By focusing on best practices from the past and generating collective images of future possibilities together, people do not alone analyse the past, they actively

create visions of the future. The co-creative processes between all the people engaged in the process help them build these desired futures (Opcit.). Besides being a practice theory, Appreciative Inquiry also invite us to use these ideas as an approach to research, where action researchers are invited to do research by directly participating in the social practices studied (Opcit p. 4). Following from this, research of organizational life should begin with appreciation of people we work with and it should be applicable for these people. It also should provoke and generate new possibilities in close collaboration with those practitioners that should use the knowledge generated (Opcit. p. 10).

1.4.4. Strategy-as-practice

The strategy as practice (SAP) research tradition brings practitioners and their “strategizing” activities to the foreground (Vaara & Whittington 2012). Vaara & Whittington describe SAP as a *“focus on the ways in which actors are enabled by organization and wider social practices in their decisions and actions”* (p. 2).

The SAP literature stands on the shoulders of traditional Change Management (CM) literature but significantly differs from CM in a number of ways (Opcit.). By drawing on both process approaches to strategy and change (Mintzberg & Waters 1985), on sociological ideas from Foucault (2008), Giddens (1984) and Habermas (1987), and on theories of sensemaking (Weick et.al. 2005), it widens the scope for studying and understanding strategy and strategic processes (Vaara & Whittington 2012). First, it goes beyond the traditional CM focus on the action of top managers to include change agents or consultants, middle managers and even non-managers in the studies of strategy and change. Second, it draws on other theoretical approaches such as process approaches to strategy and change, sociological ideas and theories of sensemaking. Third, following from the linguistic turn in sociology, it includes a qualitative approach to studying strategy and change, with the ambition to move beyond analytical quantitative and statistical methods to approaches aimed at understanding the complex nature of these processes. Fourth, it opens up the number of different types of organizations studied. Besides focusing on for-profit organizations, it includes both non-profit

and public organizations. And fifth, it studies strategy and change at both a micro level with a focus on processes such as sensemaking as well as on how macro level change practices and political agendas promote or prevent participation in change processes.

At a more concrete level, the SAP research can be divided into three overall research foci. The first line of research looks at how strategic processes can enable or constrain participation (Mantera & Vaara 2008) or effective implementation (e.g. Vaara et.al. 2004, Giraudeau 2008, Kaplan 2011). These studies, often conducted as a macro level analysis of decision-making or implementing processes, invite us to understand how the process of strategic planning can be an activity that can both increase or hinder organizational cohesiveness. When looking at strategic processes in complex modern organization, more traditional rational/analytical approaches are found less appropriate than approaches creating space for collective learning and knowledge generation (Moisander & Stenfors 2009). When strategic processes are complex with multiple stakeholders involved from the decision-making process to implementation, it invites more reflexive approaches to leading strategic change, where collaborative activities are found as a way to overcome implementation barriers (Vaara & Whittington 2012).

The second line of research takes a more micro level approach, looking at what goes on in concrete episodes of strategizing (e.g. Balogun & Johnsson 2005, Balogun et.al. 2011, Steensaker & Falkenberg 2007). These studies often engage in close-to-practice studies of daily activities both within the centre of decision-making as well as at the periphery of these processes. This can help us understand the micro processes of sensemaking between both senior and middle managers and how a lack of coordination among middle and senior managers can lead to organizational paralysis (Steensaker & Falkenberg 2007). Through the studies of strategic practices as lived experiences at a micro level, we are invited to see how strategy formation and implementation are the results of how people at all organizational levels think about and act in coordinated ways.

The third line of research looks at the roles and identities of involved actors (e.g.

Mantere 2005, 2008, Nordqvist & Melin 2008, Rouleau & Balogun 2011). This is an important move, as it invites a much wider approach to the study of the people involved in strategic processes. This line of research builds our understanding of how the role of different groups of change agents such as consultants or strategic planners is a vital part of understanding strategic decision-making- and implementation processes (Nordqvist 2012). Another part of the research takes up the study of the role of middle managers in strategy formation (Mantere 2008). Both at a more formal level, as an integrated part of the planning and implementation process and even more importantly as everyday practitioners, the knowledge about how middle managers and also non-managers engage in strategizing activities should add to our knowledge about strategic organizational processes (Mantere & Vaara 2008).

1.4.5. Studying Strategy and Change with a Relational Perspective

With the ambition to study *“How can a relational – constructionist approach to organizational change help managers to understand and to work with change processes?”* Systemic constructionist and strategy as practice thinking and research invite a number of key areas of attention.

First, from a SCL perspective it invites an attention to how leaders navigate with a contextual awareness on how change activities are embedded in and influenced by contextual settings of people, time, task, and place. Studying the process of leading change calls for an awareness about how leaders are leaders of contexts – they are context markers of organizational goals and strategies as well as participants in dynamic contexts (Hornstrup et.al. 2012). Here, the context setting influences the different patterns of actions, relationships and communication and the different patterns of actions, relationships and communication influences the context and thereby the lived strategy and organizational outcomes.

Second, it invites a reflexive awareness about how leadership activities are embedded within these emerging contexts and how the engagement and activities of the researcher becomes an active part of the practices studied. Reflexivity invites an awareness of context, communication, meaning and actions, as a way

of describing and understanding how people make sense of and coordinate meaning making and action (Barge 2007). When researchers actively engage in studying lived practices from within the flow of organizational life, a reflexive awareness of how the knowledge, interest and assumptions of the researcher create a space or focus of awareness as well as a space of blindness. Choosing the focus of our research is at the same time creating spaces not in focus. The reflexive awareness also extends to the way we do our research – how our way of generating “data” is in fact one of many inputs into the strategizing activities we study.

Third, positioning thinking invites us to see how researchers are engaged participants in the process of research (Hornstrup & Harré 2009). Instead of being a neutral outsider, the assumptions, ideas and methods play an active role in forming and completing the research. When engaging in research that is embedded in everyday activities it invites witness awareness (Shotter 2008) on how the positioning of the researcher co-create the contexts in which we do research. It is also an invitation for researchers to have a meta-awareness drawing on constructionist principles, which calls for a critical about-ness awareness on how research activities is part of setting the context for how other people can engage (or not engage) in the processes researched. The positioning of leading change processes and leading action research processes is very similar. So when we study leadership and organization there is a close connection between the way both leaders and researchers should pay attention to how the world we study or lead is constructed through our use of language. We organize organizations with structures of teams, departments and larger units like HR, production or sales, and we organize research according to different areas of interest such as strategy, change management or relational leadership. When we engage with people in their everyday activities, we have to be aware of how the different discourses can create different perspectives and understandings of the activities studied.

Fourth, looking at research with affirmative or appreciative eyes highlights our awareness of how the discourses – the perspective, the interests, assumptions and approaches of the research positions the participants in certain ways

(Cooperrider & Srivastva 1987).

An issue relevant for this study is the notion of resistance to change. It is an example of how a top-down perspective seems to dominate the different discourses on change (Balogun et.al. 2011, Alvesson & Svenningsson 2012). Even in classic constructionist thinking this idea seems to flourish, often neglecting to see the idea of resistance in strategic processes from both a top-down and bottom up perspective. This language game of resistance positions non-decision makers such as middle managers and employees in a negative position based on a top-down understanding of strategic processes. A SCL approach to change would see this as just one perspective. To fully understand how non-decision makers see themselves as participants in these processes, we must engage in inquiring appreciatively into their point of view. An appreciative approach to studying strategic- and change processes also invites a balanced view on what we need to change and what works well and should not be changed. When researchers (and leaders and change agents) engage in studying and leading change processes, often the focus will be almost exclusively on what has to be change. By creating this focus they can be experienced as neglecting and not appreciating past and present activities, routines, knowledge and learning. Therefore, action research into social activities such as leading change processes should including an appreciative view of what people have developed.

Fifth, strategy can be seen as a wider organizational process including people outside the top management or board ranks. SAP studies open up the notion of strategy and add additional insight into the way we should study strategy processes. By studying how consultants and other change agents, middle managers not involved in decision-making and even non-managers make a difference in the strategy process, it gives a much wider perspective on what it takes to work successfully with strategic processes. With the ambition to study how a relational approach can add to our knowledge to leading change, an important issue is on what discourses promote the integration and participation of especially middle managers in strategic processes such as change (Mantere & Vaara 2008). Often middle managers are not included in decisions about change

but they are key in moving from planned change to lived practice. This invites an open eye to the asymmetry in knowledge and influence and hence unequal distribution of power and participation between senior managers and middle managers and employees (Alvesson & Kärreman 2011, Alvesson & Svenningsson 2012).

Sixth, by looking at and studying everyday activities in the light of strategy formation and implementation, it opens up a way of seeing how the results of strategic initiative cannot and should not be seen as an isolated activity. To understand the effects of strategic initiatives, we need to blend into and study the myriad activities and processes of the organization. The SAP and RL literature invites an attention to both study micro and macro processes (Vaara & Whittington 2012, Uhl-bien & Ospina 2012). These studies should focus on how the change processes unfolds over time with a special attention to identifying the important discursive “mechanisms” that supports or prevents change (Van de Ven 2007).

1.5. Forming the Research Question

The first step to help me clarify and focus my project was to conduct an initial round of conversations with eight managers, HR consultants, and scholar as well as a look at relevant literature. The focal point of these conversations was the initial research interest: *“How can we develop systemic – social constructionist ideas and practices to be valuable to senior managers and other change agents in their work with organizational change?”* and, *“How can we revise and develop existing systemic – social constructionist ideas and build new knowledge and new practices for organizational development and change, that connect to people both inside and outside traditional systemic – social constructionist thinking?”*

Initial Round of Conversations

From these conversations, I learned a lot about how these people looked at leading and managing, about organizations and organizational strategy and change. Two key elements from these conversations made me reconsider the

scope and focus of the project. The first point was that leaders felt their biggest problem was the challenge of leading in a flow of more or less constant change. Leading and implementing change seem to be the primary challenge and a challenge with increasing importance for their experiences of being a successful leader. They expressed frustrations in relation to the “managerial tools” they had for managing complex change processes. The tools and the thinking behind them often did not match the complexity and interconnectedness of multiple stakeholder agendas and processes that needed their attention when managing change. They also commented, that the existing knowledge, or more precisely the existing practices, did not help them very much with the “human part” of the change processes. To generate a piece of research that had real value for the managers, they suggested I take a closer look at how they could develop their work with implementing change processes.

This focus on managing change from with multiple stakeholders within an on-going state of flux also resonated with the conclusion of what international top business and top public sector leaders see as their main managerial challenges (IBM 2010, 2012). This made me realise clearly what I somehow already knew, that the main challenge for managers and leaders is to build organizations ready to live with and prosper from complexity and change.

The second point, I learned from these conversations related to my ambition to develop systemic – social constructionist thinking and make it more relevant to especially senior leaders and managers. The comments they made pointed in different directions but most of them pointed out that the language and practice of systemic – social constructionist “people” did not resonate with their managerial world. They described it as a language and a practice developed by and for the field of therapy, social work, pedagogy, etc. and they found it hard to see how this included or even connected to the more traditional business school language and the language common among business leaders. Those most familiar to systemic – social constructionist ideas found the ideas relevant, but often the practices developed were what they called “micro practices” suited for coaching individuals

and teams or for leading processes with people in the same room. Some of them found that people using systemic – social constructionist thinking was often (even if officially praising diversity) excluding other organizational development approaches. They also commented that in their experience “systemic – social constructionist people” did not appreciate the fact, that money, efficiency, numbers are a very big part of senior managers jobs.

One of them made an excellent illustration of their point, saying: *“Just look at how you label your interest: “A systemic approach to strategy and change.” To approach me and other people in similar positions, you should label your ambition after it’s relevance for my practice not the theories you use.”* When asked for more details he said: *“I know something about systemic thinking and I immediately thought: He’s developing strategic thinking for social workers. Someone unfamiliar to systemic ideas would probably read or hear it as “A systematic approach to strategy and change” – and probably think what’s new about that?”* They also pointed out, that the life of top managers and leaders is one where attention is divided in many directions, between different people’s and agendas. If you want their attention you need to speak their language. They often do not have either the time or interest for you to translate something like fluffy systemic ideas into an understandable language.

Initial Reading of the Literature

From the initial reading of the literature, I learned that a key ambition for both what I labelled “systemic – social constructionist writers” and what I labelled “more traditional writers” was to focus on a shared ambition, to find a way to have people work together in a way that created the best possible results. But I also found two significant differences. The first of these was very obvious – the language used. I found the language we used as systemic social constructionist writers and practitioners has a primary focus on people, relationships, language/narratives, inclusion, appreciation of difference, etc. and we often have a high priority of people over the system. The language is drawing on inspiration from a wide

variety of sources (much wider than described in the words of senior managers above) including psychology and family therapy such as Gianfranco Cecchin & colleagues (1987, 1992), Ken Gergen (2003, 2010), Rom Harré (1986), Harlene Anderson, Karl Tomm (1987, 1988), Tom Anderson (1991), John Shotter (2003), and Sheila McNamee (2005), founders of systemic and postmodernist thinking such as Gregory Bateson (1972, 1979), Michel Foucault (1980), Anthony Giddens (1991), Jürgen Habermas (1987), Niclas Luhman (1995), Humberto Maturana (1987, 2004), and Ludwig Wittgenstein (1953), as well as other writers on leadership and organizational communication such as Kevin Barge (2007), Frank Barrett (1995, 2012), Gervase Bushe (2001), David Cooperrider and Suresh Srivastva (1987), Carsten Hornstrup et.al. (2012), Chris Oliver (2005), and Barnett Pearce (2007).

When reading the more traditional literature, it is obvious that this language reflects the life and language of Business Schools. Senior managers in private organizations commonly use the language of Business Schools and senior managers in public/political organizations most commonly use the language of traditional Political Science, Public Administration and Economy Studies. The business language in the writing of scholars such as Peter Drucker (1954, 2001), Gary Hamel (2007, 2012), Henry Mintzberg (1987-I, 1987-II, 2007), John Kotter (1995), and Kim & Mauborgne (2005) predominantly focuses on issues like management, business and market strategy, business development, performance, return on investment (ROI), market share, shareholders and stakeholders, etc.

Political or public sector language in the writing of scholars such as James March (1978 & 1989 with Johan P. Olsen, 1988), Johan P. Olsen (1990 with Nils Brunsson), Oliver Williamson (1975, 1981) predominantly focuses on issues like political strategy, political and administrative power, administration and hierarchy, bureaucracy, welfare, society, etc.

Summing up – different spheres of life, study, interest, etc. have different languages that help us coordinate with the people around us. This is not new at all it is an old discussion and truth – so old that it almost is becoming a (universal capital T) Truth. And this leads us to a puzzle. When reading systemic – social constructionist literature, I find that we praise diversity, multiplicity inclusion and at the same time we do exclude what we call modernist thinking, traditional thinking, linear thinking, etc. Does a systemic – social constructionist approach not invite or even obligates at least a curiosity towards different approaches to whatever it is we are studying or working with?

Learning from managers and initial reading

The two learning points from these initial conversations made me make a very small change in writing but a quite significant revision of the focus for the project. I changed the running title of the project from “Developing a **systemic** approach to strategic leadership” to “Developing a **relational** approach to strategic leadership”. As one of managers who, in his own words was “a very traditional thinker” replied to this change: *“By relational you mean how do we work with the human side of change – this is the real challenge. And I instantly feel that I know what you mean by relational.”* Looking at my own learning it really invited me to pay close attention to how my words and language should be connected to the people I worked with.

It reminded me of how my favourite scholar-practitioner, Peter Lang talks about language, culture and translation. Peter describes it like this: *“When you speak you language you live your culture. When you translate what you say or write from one language to another, you may translate the words but the culture remains the same. And it is your background in your own culture that guides how you understand the words.”*

Peter is talking about national languages, but it became very clear to me that what I experienced was just the same thing. People have different professional backgrounds and often we are surrounded by like-minded people and use the same professional technical-cultural codes to communicate. When moving from

one environment to another we (me as a change agent) need to have this as an explicit awareness – an awareness that in my eyes often has little or no attention among senior managers (and maybe most managers and employees) in modern organization.

Looking back at these initial steps in the process, it also was a time where I realized the importance of some of the underlying assumptions that guide our thinking and practice. In social constructionist writing and thinking, an important idea is that whatever we look at or talk about can be approached from almost endless perspectives and each perspective adds new insights to our knowing about the “thing” we observe. This very fundamental idea that the world we live in is socially constructed is made explicit in almost every written piece on systemic, appreciative or social constructionist theory and/or practice. This is not at all the case in traditional literature – often resulting in that readers are not made aware of this underlying foundation of the theories they read. This failure to explicitly acknowledge the formative power of communication often results with people staying in a traditional modernist perspective, and it also leads to tacitly accepting a model of communication that is infused with what we call transmission thinking – that we can transmit information and sensemaking about strategies and decisions from one person to another.

Different scholars both inside and outside the constructionist frame highlight how leading change has to do with people and human processes. Porter (1991) highlighted that we need more dynamic theories of strategy and that such theory building should be driven by emphasizing relational and process concerns (Porter 1991 in: Langley & Tsoukas 2010, p. 19). In a very critical voice, Hamel (2007) describes what he sees as a key challenge: *“To a large extent, your company is being managed right now by a small coterie of long-departed theorists and practitioners who invented rules and conventions of “modern” management back in the early days of the 20th century. They are the poltergeists who inhabits the musty machinery of management.”* (p. ix) Drawing on his work with management and organizational innovation in collaboration with Peter Drucker, he concludes

that: "*For the first time since the dawning of the industrial age, the only way to build a company that's fit for the future is to build one that's fit for human beings as well. THIS is your opportunity - to build a 21st century management model that truly elicits, honours, and cherishes human initiative, creativity and passion. These tender, essential ingredients for business success in this new millennium.*" (p. 255)

To me an interesting learning from reading literature, and especially re-reading known literature with the eyes of a researcher, was that I found myself looking at the literature in a more detail-oriented perspective and with a stronger eye for practical and theoretical foundation and implications of the literature. With the eyes of a researcher I found myself looking both at the writing with a higher degree of sensitivity and also seeing behind the actual wording, looking for the more implicit positioning of the author. A good example of how our assumptions about the world guides what we see can be found in reading one of my favourite authors, Gareth Morgan, and his books "*Images of Organizations*" (1986) and especially "*Imaginization: New Mindsets for Seeing, Organizing and Managing*", (1993). These books have always, in my eyes, been examples of a creative constructionist approach to leading and organizing. But I realized that other people read these texts very differently with a more deterministic view, a handbook of strengths and weaknesses within different forms of organizing. And it is actually not until the last chapter of the *Imaginization* book that he makes his constructionist base very explicit.

I realized, that even if my ambition was to find a way to bridge the different languages, the constructionist foundation should be very explicit. The challenge then was to formulate it in a way that makes sense for as many different professional cultures as possible. The first chapter of the book tries to formulate constructionist thinking and ideas in a way that connects with different cultures.²

Bringing together this learning, I realised that the complexity and the scope of the project had increased. But it inspired me to go on and also to do it in the form of a

² From the reaction – so far from Danish readers only it seems like it.

formal Ph.D. project. It also made me realize that I needed to revise my guiding question. My initial questions were: *“How can systemic – social constructionist ideas and practices be developed in a way that senior managers find them useful in working with developing and implementing strategy?”* And following from that: *“What do we need to add to the existing body of theories and practices to accomplish that goal?”*

My revised questions focused on change and cross-theoretical bridge building. My revised questions were: *“How can we develop systemic – social constructionist ideas and practices to be valuable to senior managers and other change agents in their work with organizational change?”* and *“How can we revise and develop existing systemic – social constructionist ideas and build new knowledge and new practices for organizational development and change, that connect to people both inside and outside traditional systemic – social constructionist thinking?”*

Creating a Research Question

Becoming a formal doctorate student obligated me to take a closer look at both the research question and how I best could integrate my doctoral work with this topic into my daily practice as an HR consultant. I knew that my practice should play a vital part in the work, but I also had the ambition to bring the learning out to the primary audience of my work – the leaders, managers and fellow HR consultants. To bring my ideas into the practices of this primary audience, I knew that the form and format of my written work should be in the form of articles for practitioner journals or even better in the form of a book. At the same time, from work with my previous books (Gottlieb & Hornstrup 1999, Hornstrup 1999, Hornstrup 2001 and Hornstrup et.al. 2012) I knew that the process of writing a book would help me in two ways. First, the continued writing process from day one would give me a way to hold onto and to focus the inspiration and learning of my research activities. Doing a Ph.D. study on the side of a quite full consulting agenda would be a big challenge and writing the book could serve as sanctuary of concentration. Second, it would be the best possible way to get feedback on the ideas I developed while

they were still relatively fresh. By sharing pieces of my reading with different groups of people that consulted with, I could get very valuable feedback and ideas to explore further. As such, the book writing has been a very valuable turning point of this research journey.

Besides formulating the direction of the interest guiding the research process, the research question also helped to frame the research process. By unfolding the question, it creates a statement of the research area to be investigated and it helps explain how this research project relates to existing work in the field (Easterby-Smith, Lowe & Thorpe 2002). The unfolding of the question should also position the research project in the philosophical conversations – how does this study build on and potentially contribute to existing research approaches, to the theoretical conversations – which theoretical positions does this study relate to and extend, and which topical conversation does this study focus on (Barge 2010). In this case, the research is clearly positioned within a constructionist epistemology – positioning the researcher (me) with an active first person position engaging as a co-researcher and a co-practitioner. (For more details read Chapter 3.)

This research project is part of a theoretical tradition with different labels, all of them referring to a systemic and social constructionist approach to leading and organizing. Drawing inspiration from both classic and newer systemic and social constructionist sources, the ambition is to contribute to our theoretical and practical understanding of how managers and leaders can understand and work with strategic initiatives with a special emphasis on how communicational and relational dynamic supports or prevents successful change.

To help me form the path of my research, I needed to reformulate the research interest stated above: *“How can we develop systemic – social constructionist ideas and practices to be valuable to senior managers and other change agents in their work with organizational change?”* and further: *“How can we revise and develop existing systemic – social constructionist ideas and build new knowledge and new*

practices for organizational development and change, that connect to people both inside and outside traditional systemic – social constructionist thinking?”, towards a more focused research question, that could create the direction of my work: “How can a relational – constructionist approach to organizational change help managers to understand and to work with change processes?”.

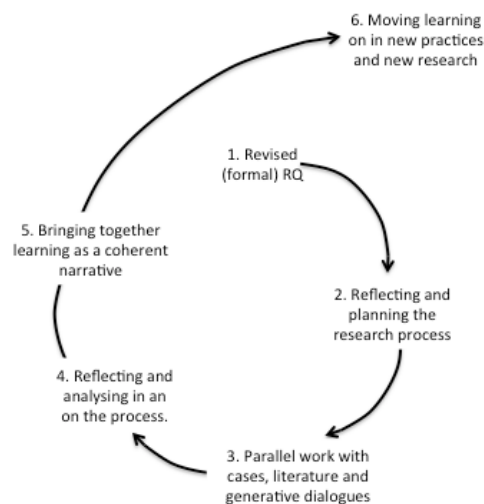
The theoretical foundation of my “*relational – constructionist approach to organizational change*” is unfolded in detail in Chapters 3 to 7 in the book, “*Strategic Relational Leadership*”.

Chapter 2. Constructing Research as We Go

In this section I unfold the different elements of my research process including the primary tools I used to generate and analyse my data—casework, generative dialogues, literature studies and group dialogues. I will explain how the research process unfolded and how the different elements fit together.

The research question should frame the research project and guide the formulation of an action plan for the research. A first vital part of setting up the research project is determining the research design and how data will be generated and interpreted (Easterby-Smith, Lowe & Thorpe 2002). Given my commitment to action research, I used the action learning cycle as an organizing principle for designing my research project. While many different version of the action learning cycle exist (e.g., McNiff & Whitehead 2008), I developed the following formulation to guide my research (see Figure 2.1):

Figure 2.1. Action cycle for the whole process



After formalizing and formulating the revised research questions, the next step in the planning process was to build an overall plan or framework to guide and support the research process. This would help me keep track of the process as it unfolded and remind me of what needed attention at particular moments. The research plan and process was formed using four parallel spaces that were used

to help me not only generate data, but to also analyse it, and to bring the analysis together into a coherent narrative. The first and most obvious space involved choosing and working with specific organizational cases. From earlier experience (Hornstrup 2006), I knew that with my ambition to do action research that choosing which cases to work with was vital. My research interest made it important to work with live cases and I knew that this would help me keep moving on with the research as part of a busy work life.

Second, interviews and generative dialogues formed a second space in the research process for generating and developing my thinking. I found the generative dialogue process I used in the pre-research process when formulating my research focus a very interesting, creative, and stimulating space, that could serve as both a space to share my ideas and thinking with others during the process and to find other inspirational sources as a part of the research process.

A third research space for developing my ideas and thinking was studying literature, a vital aspect of a research process and also an integrated part of the way I work. From my earlier writing, I knew that this part of the research process should be an ongoing part of the process. The inspiration and learning during the process would invite me in different directions, and the ongoing re-visiting known literature and drawing in new sources could inspire and help me clarify my own thinking.

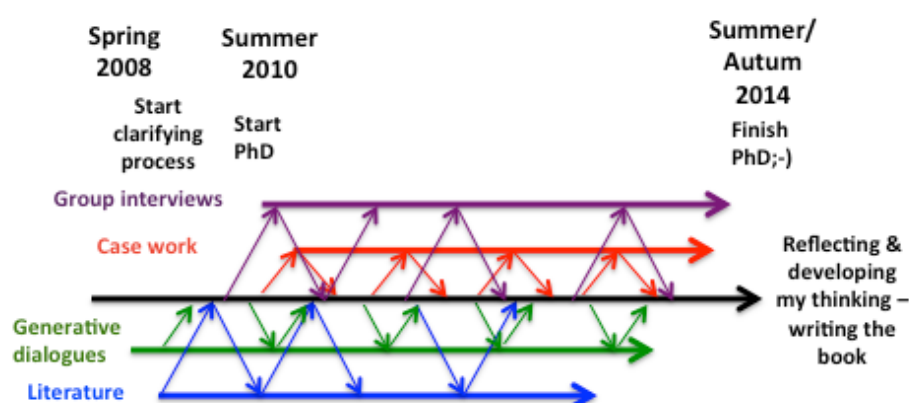
Fourth, besides the casework, generative dialogues, and literature studies, I decided to include group dialogues/group interviews with other practitioners and colleagues as a fourth space for developing my ideas and thinking. The group dialogues have been more or less structured meetings as part of evaluating, learning and further developing the casework.

2.1. Research Episodes A Snapshot of the Research Process

To describe the research project or maybe more precisely the processes of researching, I used Figure 2.2 to illustrate how the four spaces-- case work,

generative dialogues, group dialogues and literature studies—wove together to develop my thinking. The different spaces I have used to develop and refine my thinking have been woven together in a back-and-forth process with the generative dialogues as a starting point. Each space and their sequencing with one another have created new learning and new questions to explore. A vital part of the reflecting and learning process has been writing the book, “*Strategic Relational Leadership*”.

Figure 2.2. Research elements



Centre part: Reflecting and Developing my Thinking & Writing the Book

In the middle of Figure 2.2 is “Developing my thinking” which has been the pivot point for my process – a platform for both going into and reflecting on the detail of specific elements created in different spaces in the project and seeing the project as a whole. Reflecting and trying to formulate ideas and learning in writing has helped me hold on to and expand my learning and generate ideas for the next steps in my research process. Taking a retreat to our summer cottage has often created this reflective space, where I have had the time to slow down the action and give myself space for my own thoughts to constellate. Such retreats have provided the space for deep dives into literature, looking at field notes, listening to recorded dialogues and writing. These retreats have provided an opportunity for finding ways to connect the different spaces (e.g., case work) and elements of the research and to write the book that is the main piece of my dissertation. Below I will go into the parts of my research in more detail.

Part 1. Casework

The action research case studies have been a key element in my research. In the three cases I selected, I have worked as a mix of teacher/trainer, coach and researcher primarily with groups of managers and in two cases also directly with employees. To make the amount of data manageable, the research material from these case studies consists only of relevant teaching material, process field-notes from the days with coaching, teaching and training and recordings of evaluations.

Part 2: Generative Dialogues

The second part is the generative dialogues, labelled with inspiration from Cooperrider & Srivastva (1987) and Gergen (2009). The term and practice of “generative dialogues” is not a conventional research term/practice. It was developed as a part of the process as a way of describing a series of dialogues with experienced practitioners, colleagues and researchers. The purpose of the generative dialogues has been to help me go beyond my own thinking and help me generate new ideas and theoretical perspectives as well as new possibilities for research and practice.

Part 3: Literature Studies

As a imperative part of my research process, reviewing literature have both helped me to form or build the content of the theoretical framework developed and it has helped me to focus on and develop very specific parts of my action-research practice. The process of reviewing literature has been inspired by Strauss & Corbins (1998) description of literature study as an iterative process where reading books and articles, reflecting on the learning in relation to my research questions and projects, testing ideas from the literature through the projects and the generative dialogues – and going back to revisit the literature/new literature with new questions, has been an on going process.

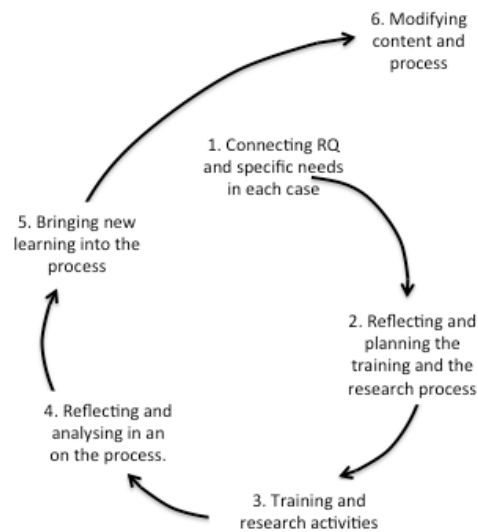
Part 4: Group Dialogues

The fourth element in the research has been group dialogues. These dialogues can be divided in two different spaces. First, it was a series of on going meetings with leaders from the three case organizations. These dialogues have mostly been very open dialogues. It has been preparation and evaluation meetings with the leaders from the case organizations and meetings as the last part of the teaching and training days evaluating the day. Second, I have had shorter or longer meetings with my (former) colleagues at MacMann Berg, where we have had very interesting in-depth discussions about different elements of the process. These discussions have had a primary focus on discussing theoretical issues – often based on reading draft chapters of the book or based on presentations.

2.1.1. Overview of the Three Cases

A substantial and important part of the research project has been my work with the three cases. During the process, my work with these cases has had two purposes. First, I have been working as a teacher/trainer with specific issues and challenges in the three organizations. From this position, it has been like other leadership training processes I do as part of my work as a consultant. Second, I have worked with the three cases as an active part of my research. From this position, my focus has been on the elements from the work that have been relevant for the focus of the research process - and only these parts have been included as research data. The elements included in the research project have included ideas, thoughts, models, and activities initiated as an active part of working with issues highlighted in my research questions as well as specific issues around analysing planning and implementing change initiatives within the three organizations.

Figure 2.3. Research process for the cases



The casework has been an integrated part of the whole research process and is connected with a concurrent reading of the literature and conducting generative dialogues with people inside and outside the organizations that served as cases. In each of the three cases the research process has involved the same basic elements:

- An initial contracting and context setting with the leaders of the organizations. This includes defining the ambitions for both the organizational development process and the research process. It also included an agreement of the overall framework for the process including the number of days for training and an outline of content for these days and specific research activities, and an agreement regarding my role as both trainer and researcher.
- A start up interview with representatives for the key stakeholders.
- A series of training days where the research component was input on my ongoing learning, the participants' feedback on my ideas, an evaluation of each day and my own field notes from before during and after the training day.
- Survey data from the change model questions outlined in the book.

The casework was integrated with the other parts of the process and the “data” from the three cases, with one exception, cannot be seen separately from the other parts of the research process.

My work with the three cases has been an ongoing process with me working from two positions—a practitioner position where I am a consultant and trainer and a research position where I investigate the process of strategic change and leadership. I have had the position as both a practitioner, in the role as a teacher, trainer and planner of leadership training and organizational development and also as an action researcher collecting data through my own field notes from relevant parts of the teaching and training and taped conversations from both planning meetings with the leader groups and on-going evaluations of the process.

The teaching and training process has been built around the same basic elements in the three cases. In each case I have conducted a series of one-day teaching and training days. These days were structured around four parts:

- Teaching – presenting a theoretical perspective on leadership and collaboration and presenting its practical implication
- Instructions and exercises where the participants used the input as a framework for discussing local issues/own cases.
- Discussions and sharing of learning about both the theoretical models and practical exercises and about their own cases.
- Evaluation of the day and the process so far.

The teaching was drawing on both theoretical perspectives and practice-based ideas and learning from the research process. By having the three cases as an outlet for sharing and testing ideas, I continuously had the opportunity to put my reflections and my learning into practice and get very valuable feedback from the different groups of practitioners. These “live” organizational spaces where the participants could connect to and use my input to work with their challenges was a vital part in keeping both my research and myself focused.

Introducing the Cases

When I decided to do a formal PhD project, the first thing I did was to find the best way for me to engage in this journey. As I see myself foremost as a practitioner, I knew that I wanted to find a way of integrating the research and my work as a consultant. I started by taking a closer look at the research question and reflected on where it would be interesting and relevant to work with and study these ideas. My own conclusion was, that it should be cases where the organizations were in the middle of, or heading for change. Even more importantly was that the organization possessed a real ambition to engage in the research project. The next step was to start conversations with potential clients that might be interested in collaborating by integrating the research in an OD project. I talked to leaders from six different organizations and I finally decided to work with three of them – all of them public organizations. The three cases that have been a vital part of this project are:

Department of Elderly Care, Municipality of Silkeborg. This case was comprised of an elderly care department (Area East) with 18 leaders and 285 employees. Elderly Care in Denmark is in a time of big transition. The combination of an increasing number of people in need of care who are often more critical and demanding than previous generations combined with decreasing budgets creates a very big challenge for organizations providing elderly care. In this case, the organization's general ambition was to develop the ability for cross professional and cross-hierarchical collaboration and more specifically to use these skills in moving from a more traditional model of Elderlycare to a more everyday rehabilitation approach. Everyday rehabilitation in Denmark is a movement towards having a more preventive approach, helping to prevent both physical and mental illness. This shift represents a huge change for employees who used to work more or less as housekeepers and now would act as trainers and motivators who would have to encourage people take much more responsibility for their own life.

Department of Anaesthesia, Hospital Unit West, Central Denmark Region.

The department has 19 leaders and 393 employees. The hospital is preparing for a very big change where different geographical units are to be merged and moved into a newly built hospital. The two former locations – about 35 km apart had seen each other as competitors for a long time. Before the political board of the Region decided to build a new hospital, there was an on going debate about which of the two existing hospitals should be closed or reduced in size. This had created a culture with little communication and collaboration across the two units – who, given the necessity of the merger, would be in a relative short time, close colleagues. The new hospital was also going to be built according to new standards which moved from a model where each unit (e.g. Orthopaedic Surgery) has it's own operation theatre and bed unit and where the treatment of patients was more or less planned according to staff (doctor) considerations, to a hospital where the flow of patients would guide the everyday planning and collaboration. This represented a big change from the tradition of each ward having it's own space to almost exclusively being co-responsible for and working in shared spaces.

Department Special Unit Autism, Central Denmark Region. The department has 19 leaders and 352 employees. This unit was formed through a merger of a number of independent units. As a newly formed organization, the focus of the project has been to support the top-leader team (four people) to create a common ground and to develop a new direction for the whole organization. The key challenges within the focus of my work with this organization have been to support the formation and sharing of a common vision for the organization and to support the building of cross organizational collaboration through building and supporting leader networking across the units from the former independent organization.

I have found and still find working with public organizations really fascinating for two reasons. First, the job of leaders in public organizations has a number of challenging parts that you do not find in private businesses. They have to work with goals that are less specific, they have to accept a high degree of public

interest and interference and they are part of an organization led by both political and organizational strategies – to mention some of the differences. To be leading these multiple stakeholders and processes in times of rapid change, seemed to be a good place to learn about the craft and art of managing change. Second, for both professional reasons based on my degree in Political Science/Public Administration and my long experience working with public organizations and also for personal reasons, wanting to actively contributing to develop better and more professional public organizations to the benefit of the whole society, I found these cases very interesting.

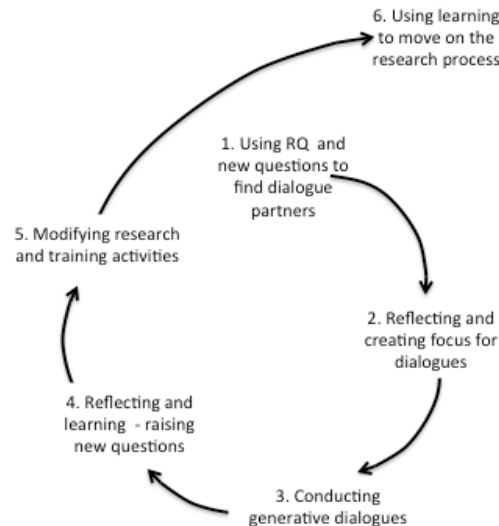
2.1.2. Working with Generative Dialogues

From the start of the process, before I decided to do a formal PhD, generative dialogues provided a more informal space, where I shared my ideas and puzzling questions to different people in my network. I often found the generative dialogues very stimulating and soon I started to record them. Listening to these conversations, I realized that they could play a vital role in the research process as an open and very generative space for thinking, reflecting, and creating. This gave me the inspiration to find a way to include them in the research process. When discussing the idea with my advisor, we agreed that they would be relevant to include, and we came up with the idea to give these dialogues a more organized structure, to enhance the quality this dialogic space. Inspired by Gergen's (2009) ideas of dialogues being a co-creative and creative space for appreciating the past and mutual supplementation, that generates new ideas, I have labelled these conversations generative dialogues. The main difference between generative dialogues and group dialogues (described below) is that as the name indicates the generative dialogues are a space for testing and generating new ideas and possibilities, where as the group dialogues are a space for evaluating and planning case work.

The overall planning and flow of these dialogues is illustrated in Figure 2.4. The dialogues were planned as the research process unfolded and was initiated by the different steps in the process, typically engage in these dialogues when I

wanted to test an idea or share a chapter from the book or when a new interesting question emerged. After the dialogue, the learning was used to move the research and/or writing process forward.

Figure 2.4. Generative dialogues



The typical generative dialogue lasted for about 2 hours – sometimes a bit shorter and sometimes a bit longer. In some cases, the generative dialogues were followed by e-mail correspondence or phone conversations about subjects or questions either myself, or the dialogue partner had thought of after finishing the dialogue.

Before formalizing the research process as a PhD project, I had 8 generative dialogues (as described above). During the process I have had 12 generative dialogues, approximately one dialogue every three months. The people involved in the last 12 dialogues have been senior managers (3) and middle managers (4) HR consultants (3) all from public organizations and the last two have been two different professors from Danish Business Schools. All the people participating in the Generative Dialogue sessions were selected from outside the three case organizations.

The generative dialogues have been a mix of:

- Presenting my learning and hypothesis and the different questions emerging in the research process.
- Traditional qualitative research interviewing (Kvale 1996)
- Generative or interventive interviewing (Hornstrup, Tømm & Johansen 2009.)
- Open dialogue about how to move on.

The generative dialogues typically followed four steps.

First, I began each dialogue by creating a focus for the dialogue. In the early part of the research process, the generative dialogues had a more open form or focus. I started by sharing what was on my mind and what I would like to be the focus of the dialogue. Later as different ideas matured, I often asked the dialogue partner to read some of my writing before the meeting. Sometimes with a very open agenda – just asking them to share whatever ideas and question they had, and sometimes I asked them to read with a specific focus or specific questions in mind. By forming the context as a mutual learning journey – with my research as the underlying or sometimes very specific theme, my ambition was to create a generative space for sharing and developing around the issues of the specific dialogue. My ability to work with this contextual part of the dialogue improved as the process moved on. Listening to recordings from some of the first dialogues, I realised that sometimes a very focused context made my dialogue partner try to be answering my questions truly and not generatively, as was my intention. Other times it seemed like we had parallel dialogues talking about what seemed to be the same but when listening to the dialogue sounded like to different and not very well connected dialogues. This led me to begin using a dialogue/questioning model developed for interventive purposes (Hornstrup, Tømm & Johansen 2009) as an organizing device for the whole dialogue and it helped me organize the dialogues as described in this section.

The next step was to make an open-ended interview with the dialogue partner, to learn as much as possible from hearing their reflections on my ideas – but also having them add on their perspectives, thoughts, experiences and ideas. After listening to the tape and realizing the lack of quality in the first couple of interviews, I used inspiration from Kvale's (1996) idea of a semi-structured interview.

Sometimes with only a very few open questions such as:

- When you listen to/read about my thinking, what springs to mind?
- How do my thoughts resonate or differ from your own thinking?
- What do you find most/least interesting about what you heard/read?
- To move on - what would you suggest that I should work with/focus on?

Other times – typically when the dialogue partner had read some of my work, the interview guide was added more specific questions:

- When you read about xx in the text – what do you think about it?
- When you see model xx and the way it is explained – does it make sense, and how?

This part of the dialogue helped me get closer to the thoughts, ideas and practices of the dialogue partner and it helped me stay (for a while) in the position as the qualitative and very curious interviewer.

The third part of the dialogue was another conversation, with the ambition to push the thinking of the dialogue partner in a more generative direction. I used parts of the interventive interviewing framework to focus on creating further perspectives on the process so far and generating new ideas for going further (Opcit.). It was an interview with no pre-formulated questions with me in a position more like a mix of a qualitative interviewer with the ambition to create “spontaneous, rich, specific answers” (Kvale 1996, p. 149) and in the position of a coach, where questions and answers are created as the process unfolds. I typically opened the generative interview with a question like:

- Based on our dialogue so far – what do you find most interesting?

- In your view - what would be the most exciting and innovative things to focus on?
- If you think about your own organization – or other organizations you know well, what next steps should I take to make my research most valuable to you/them?

This type of questions helped me push the thinking of the dialogue partner further and it helped me to open new possibilities.

Fourth, as the last part of the dialogue, we shared our thoughts about what we found the most interesting comments, reflections and new ideas during the interview. It was an open dialogue between equal partners where both of us “thought-out-loud” about what was on top of our mind at that moment. It was my opportunity to present my own learning and ideas and at the same time be open to hear the reflections of the dialogue partner – what Kvale (1996, p. 149) describes as way of “...*verifying the interpretations of the interviewer as part of the interview process.*” It was the space that helped me formulate my learning and the generative dialogues played an important role in helping me to move on in the research process.

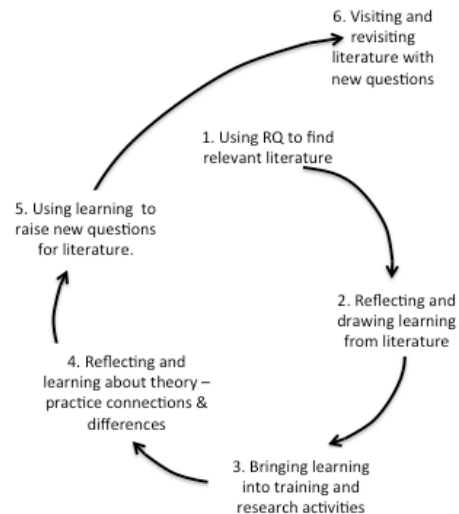
All the generative dialogues were recorded. I worked with the data from these dialogues in two ways. First, I listened to them – all of them more than once – some parts up to six or seven times. At the first listen-through I noted time slots of special interest and labelled them with a headline like “resistance”, “involving activities”, “feedback on trust in managers”. As I listened to the recordings, I moved to more detailed notes in the form of exact quotes, in a mind map form.

2.1.3. Literature Studies

In each step of the process, I have been reading literature, sometimes returning to go deeper into a specific book or article, sometimes moving into new books and articles to learn more about my curiosity at that time. Both the reading of literature

and my own writing has been a key part of putting together the building blocks of the book.

Figure 2.5. Working with literature



Similar to the other elements of the research process, reading has been a process where each book and each article has generated new insights and new possibilities. Reading the research literature especially has been a real challenge. The very dense quality of academic writing with a lot of references gave me a lot of work. My interest often moves in different directions, which means cutting across different spheres of research. So when formalizing what was an initial ambition to do a piece of practice research and development and write a book mainly for practitioners into a formal doctoral research study, one of the big challenges facing me as an experienced practitioner but relatively new scholar was how to handle the very big amount of potentially relevant literature. Here it was very helpful to hear (read) the advice of Straus & Corbin (1998): *“To begin with, let us assure our readers that there is no need to review all of the literature in the field beforehand, as is frequently done by analysts using other research approaches. It is impossible to know prior to the investigation what the salient problems will be or what theoretical concepts will emerge. Also, the researcher*

does not want to be so steeped in the literature that he or she is constrained and even stifled by it.” (p. 49).

This advice helped me from not running to the library to get hold of large numbers of article or books, ending up in a situation that can best be described as another version of Kvale’s (1996) 1000-page question: How do I ever get through reading these several thousand pages of books and articles – and how would I sort out what is relevant for my work? Instead I have selected my reading with great care – pulling in different sources as an integrated part of the process. Literature – books and articles -- plays a vital role both in my work as a consultant in general as well as in this research process. Other people’s ideas from research or from practice are a rich source of inspiration and a help to see nuances in my own work and add depth to my thinking. In a world with too little time and too much interesting literature, this advice has been a great friend.

On one hand, it made sense to keep within a relative narrow field of studies because it’s hardly possible to create an overview of the vast amount of existing research, while keeping track of new research. On the other hand, this is organized blindness, almost the same kind of organized blindness you find in organizations where we often are organized in mono-professional units each with it’s own culture, logic and language, making cross organizational communication more difficult. When presenting my work at the annual Academy of Management in 2012, I realised that just within management studies there are a lot of different traditions – often not well connected if connected at all. When we divide even a relatively narrow field such as management studies into more than 20 different subgroups that are only loosely connected, it is no wonder that the managers that should use these ideas get confused and choose the ideas that seems closest to their professional language.

This made another piece of advise from Strauss and Corbin relevant. When I use a grounded approach to work with literature, it is important to keep in mind, that familiarity with the literature I know well, to some degree influences my approach

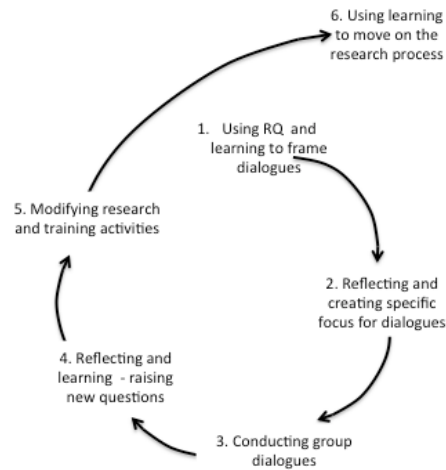
and my sensitivity to nuances in my data, just as it will make me blind to other nuances and be a potential block on my creativity (Straus & Corbin 1998). In this perspective there is no doubt that my theoretical and practical perspectives have influenced my approach to this study and what I have found interesting and relevant. I have tried to step outside my usual sphere of working first by reading a wider variety of literature than I usually would read and by incorporating the ambition to develop a survey as a part of my research. The analytic literature (e.g., Gittel 2000, 2002) and most of all working with survey methods has been a big step out my usual space of work. This move from working with leading and organizing from a dialogic approach towards using a more analytical perspective both gave me some challenges, working with an analytical approach to my practice and it gave me another way of looking at my usual way of working.

A third idea from Strauss & Corbin (1998) is to see literature as a secondary source of very interesting data. By approaching written texts (both research articles, and practitioner literature) as a sort of transcribed data, I found it easier to stay in the position of the constructionist researcher looking for ideas and inspiration, rather than seeing especially academic literature as statements of facts. When approaching literature as a data source I found that a grounded approach gave me new ways of looking for interesting patterns of difference and similarities between different writers and different academic traditions. Practice was given a more prominent position as a source of learning and theory building, while still comparing patterns in the learning and curiosity raised by the literature studies and from my other research activities. When I used the questions raised by researching practices as a source for approaching literature I experienced Weick's (1995) idea of seeing every reader also as an author. Returning to text I had already been through with a new question, made me see or co-create new ideas and possibilities.

Like the other parts of data, I used mind maps for each of the most valuable or inspiring pieces of the literature, and I brought together the different pieces of literature in themes.

2.1.4. Group Dialogues

Figure 2.6. The process of group dialogues



The last element of the research process has been group dialogues. The group dialogues have occurred in three different spaces. One space has been an on going series of meetings with the department heads from the three case organizations. These meetings have taken the form of open dialogues where we have evaluated the process and planned the next step in the process. A second space where group dialogues have occurred has been the last part of the teaching and training days evaluating the work of that day. Only the parts of these dialogues that have been relevant for the research project have been included as data. The third space for group dialogues has been a combination of shorter or longer meetings with my (former) colleagues at MacMann Berg. At these meetings the primary focus has been on discussing the more theoretical parts of the project. Sometimes I have presented specific issues, at other times my colleagues gave feedback on draft versions of the book chapters (especially Chapters 3 to 6). All the planning and evaluation meetings and the end-of-day evaluation dialogues were recorded. I worked with the recordings using the same process as with generative dialogues.

The evaluation and planning meetings with heads of the three organizations have played an important role in the teaching and training process and as such the balance between the focus on organizational development and research related activities. It has been an important space for setting up and keeping focus on this

balance and how learning from the research could be used in connection to the practice. But when looking at the meetings as data, they have played a very small role. It has primarily been a space for validating the ideas generated from the other parts of the research process.

At the opposite end of the usefulness scale have been the evaluation dialogues as part of the training days. This space has played a vital role, and as you will see in Chapter three, these dialogues have generated a lot of learning by commenting and reflecting on the inputs and discussions and by raising very relevant questions. The form or organization of these group dialogues have had a similar structure, but have varied. The dialogues have lasted from 20 minutes to about 90 minutes. These dialogues typically start with a question where the managers discuss the relevant input of the day in smaller groups based on a relative open question like: *What are your thoughts, questions, reflections and ideas generated by the work on xx issues from today?*

The process of getting the feedback from the groups has varied a lot. When we have had the time for it, I have used open dialogues where everyone could “chip in” their reflections in a free flowing process. In these processes I have (almost) been an equal participant – letting my own reflections and ideas into the discussion. As data, these conversations sometimes were very rich and sometimes they gave almost nothing. They were always hard to get hold of as coherent data – when one person started a reflection or a question without finishing it and other people completed the question/sentence or took of in an entirely different direction – because of the fluid nature of conversation.

On other occasions when we had only a little time for the dialogue, I used a design close to what Kvale (1996) describes as a semi-structured interview. The relatively short group discussion was organized as a talking/listening stick process, where the person holding the talking/listening stick gave his/her input and passed the stick on to the next person. This kind of process was a very effective way of making rolling through individual reflections very quickly. After this group reflection

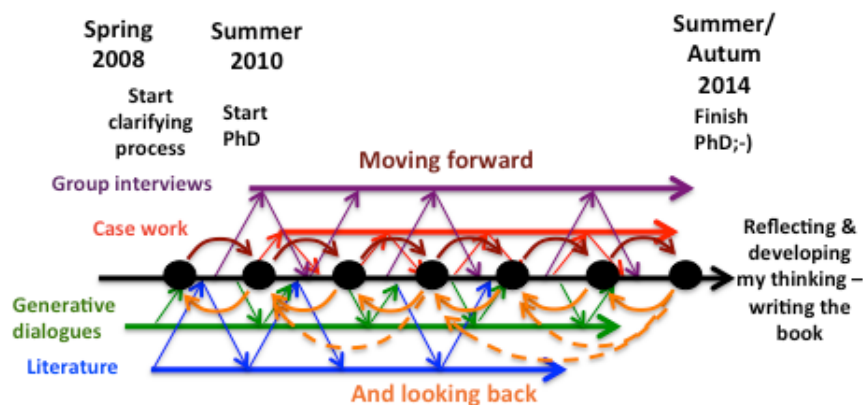
process I asked each group to pick one person to speak on their behalf – and I did an interview with each group representative taking notes using a mind map.

At the early stages of the process, my former colleagues at MacMann Berg were involved in setting the direction for the project. Besides an annual retreat for the company, where the first steps in this process began, we also spent time working through the theoretical issues at two subsequent retreats. At this two-day working process we used a mix of ways of working together. Before the two days, each of my colleagues was asked to read a draft part of the book, and provide detailed feedback and ideas for further exploration. The feedback on the reading was organized as an open learning feedback process, where we started by each person giving his or her initial thoughts, using the discussion to enrich all of us with the ideas and questions from the other colleagues. After this open discussion, we used an Open Space (Owen, 2008) process for working in self-organized groups based on the interest of each person. The result of this process was presented in an open forum, where each group shared their work.

2.2. Research as an Iterative Process

Looking at how I have worked with these different elements of the research process, it really feels like doing action research is like sailing a boat in a high sea. And it sometimes struck me that the “research” boat was still being built or rebuilt as the tour went on. When doing action research, the invitation or ambition to set up and explain our work as a rigorous and coherent process, can be somewhat challenging, and to describe my research project and process as “rigorous and coherent” (McNiff & Whitehead 2008) might just be oversimplifying a long and many sided research process. But, from the early face of the process, the research components in the form of casework, generative dialogues, literature studies and group dialogues have been planned and executed in a somewhat planned way as illustrated in Figure 2.6.

Figure 2.6. The “coherent” research process



But - if we zoom in on some of the details of these processes we will find messy, complex and confusing activities that does not look anything like the image we get when reading the words “rigorous and coherent.” In other words, Figure 2.6 provides a more coherent picture of the process than it actually was.

On this somewhat turbulent trip, I have found that an old friend has been very welcome. In both my Political Science Thesis (Hornstrup 1996) and Systemic Leadership Thesis (Hornstrup 2006) I have found that Grounded Theory (Strauss & Corbin 1998) is a great “handle”, something to hold on to as the process unfolds. In the two previous projects I have used Grounded Theory in what I think is the classic way: As an approach to generating knowledge from transcribed interview texts where themes, ideas, practices, and concepts are drawn from and grounded in material reflecting the lived experience of my co-researchers (Opcit.). This time I have used it as a way to generate learning and new ideas from on-going review of data and used this learning to move on during the whole research process.

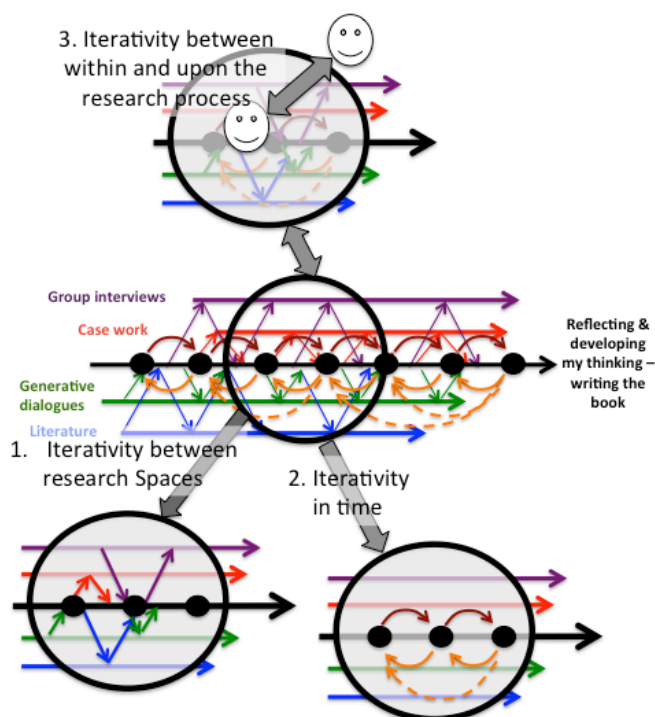
Grounded Theory was developed by Glaser & Strauss (1967) as a way to work with qualitative data where, “...*theory that was derived from data systematically gathered and analysed through the research process. In this method, data collection, analysis, and eventual theory stand in close relationship to one another.*” (Strauss & Corbin 1998, p. 12) The basic idea is that grounded theory helps and guides our work in a way that keeps our ‘research feet’ *grounded* in the data itself (Charmaz 2006).

In this project I have been inspired by the invitation to work with a less scripted and more open approach by using different strategies for working with my data

(Strauss & Corbin 1998, Charmaz 2006). It has supported my ambition to be open to multiple possibilities, as new episodes from practice or interviews, or new inspiration from reading literature have generated new ideas and new questions. It has kept my eyes and mind open for new options and for exploring new possibilities before choosing any specific interpretation of the data (Strauss & Corbin 1998). Working with this version of Grounded Theory means that analysis begins with the first research activities which leads to the next interview or intervention, followed by more analysis, more interviews or fieldwork, and so on. In this sense, the analysis generated using Grounded Theory becomes a reflection on the system of activities, which then generates the next action I took.

This process where analysing and developing ideas for theory and practice has been an iterative process where the activities of the case work and the collecting and analysing data and building theory or practice have been closely connected, can best be described as a circular process. It is a process where I have used the research spaces for collecting data, I have analysed the data, and used the learning and questions from the analysis to go back into the field with new ideas or questions and gather more data (Miller and Salkind 2002, in Dawson 2011). As illustrated in Figure 2.7, it has been a process of moving between positions in at least three ways.

Figure 2.7. An iterative



First, it has been iterative moving between the four different research activities and the ongoing work on writing the book. This moving between case work, generative dialogues, literature studies, group dialogues and writing has continually helped me to see the different elements from new angles, which has produced valuable learning. Second, it has been iterative in time. When analysing data I have been looking backwards to learn from the different episodes and I have used this learning to move the process forward with new ideas and questions. But giving attention to a larger scale to movements in time has also been important. Sometimes I have revisited notes and recordings already analysed in the light of questions or learning emerging later in the process. Third, it has been iterative as I have moved between a “within position” being the practitioner participating in the learning process, being an active co-researcher gathering data within the process and an “upon” or outside meta-position, analysing data and generating the theoretical distinctions illustrated in the book.

In my case, writing the different chapters of the book have been important turning points in this process. From the first presentation of the ideas to managers from the three cases to presenting my ideas to colleagues and other people as a part of group dialogues or generative dialogues, the writing of the different parts of the

book has been a way to hold on to learning and at the same time a way of generating new ideas and new questions. Looking back and re-reading some of the initial versions of book chapters and looking at notes from the dialogues gives a nice illustration on how different ideas were formed and reformed or rejected through the process. As an example, one of the first drafts on Chapter 4 on change, context and strategy was setting a sharp distinction between a traditional rational approach and a relational process-oriented approach. In the final version, these sharp divides were replaced with a view where a rational-oriented, a people-oriented, and a process-oriented view of strategy is presented.

Using Grounded Theory in this flexible way can both be a good way of tracking, noticing, reflecting and learning on the move, but it might also be a slippery slope, if the methodology becomes too loose. Here, I find Strauss & Corbin's (1998) distinction between grounded theory as a methodology and as a method helpful.

As a methodology, Grounded Theory can help provide a way of moving towards: "...*a sense of vision*", (p. 8). Within the complex process it should help me as a researcher to work with my research activities in a flexible and creative way and still have a strong sense of direction. The vision that often guides research projects – and the vision that has guided my research are very much carried by the research question and with it the inspiration that got me started on this journey. It helped me make important decisions about staying focussed when different new ideas and possible new trajectories for further research open up and it was an important under-laying source of energy and passion that kept me going in times of turbulence or lack of all the time I would love to have spent on the project. When using circular forms of working, it implies going back and forth and around a theme or an idea to allow new perspectives to arise as a part of the research process. It is in processes like this that all the elements and details can make us lose sight of the vision of the project, a time where we should remember: "...*having fun while doing it.*" (Strauss & Corbin 1998, p. 13)

Grounded Theory, as a method is a way of: "...*bringing that vision into reality*" (p. 8) by providing us with a set of procedures, that help us work with the craft of

researching. The different procedures can be used as analytic approaches to working with smaller or larger amounts of raw data and to identify and develop the different ideas and concepts as important building blocks of theory (p. 13). One of these methods that has played a vital role in my project is conceptual ordering (p. 19), a method where I generate descriptions from data by organizing data into the different categories such as the change capacity model. This process keeps the data and the ideas generated from data connected to the contexts that inspired them. It is a way of keeping connections alive between what we see and hear within the flow of action and research activities and the more abstract learning or theorizing these activities are generating.

2.2.1. Making Choices from Within an Iterative Process

No matter what research philosophy we are building our work on, we always have to have some ways of assessing the quality of the work we do. McNiff and Whitehead argue that as researchers we have the obligation to link the claims we make about developed ideas to the ontological values and epistemological standards of judgement that guide our research (Opcit. p. 152). In Chapter 1, I formed my research based on a social constructionist epistemology with a focus on the positioning of the researcher, criteria for evaluating knowledge and how to judge the trustworthiness of the research.

When formulating criteria for evaluating knowledge from a constructionist perspective, I noticed three different elements in doing this evaluation. First, we see knowledge as local and emergent rather than universal and it is generated within the communicative and relational processes of interaction of all the individuals involved in the process.

Second, rather than generating abstract generalizable knowledge, a constructionist approach sees the development of knowledge as a “knowing how” to help moving forward within the organizational contexts we are working in. Third, the knowledge or theoretical inspiration we draw from the research should be closely connected to specific examples drawn from the practice we work with. When we generate more general theoretical claims or claims of learning and

development, we should be able to connect this learning to episodes of practice (Whitehead & McNiff 2006).

When we are judging the trustworthiness of the research we do, the traditional notions of validity, reliability and generalizability carry weight. In a constructionist perspective these words get a different meaning (see Chapter 1 for a discussion of these concepts). First, the validity of the research is judged by our ability to look into and draw on the richness of the research contexts and the ability to use the research contexts as a source for generating rich inspiration. Second, reliability is judged by the degree of transparency into the research process. By reading the texts we produce, do other people get an insight into the way we worked through the research process and the data, to get a better understanding of the different choices we have made? Third, we can judge the generalizability of our findings by its relevance in other organizational contexts. In other words, do other people working within our area of study find our ideas and learning relevant or usable?

Three criteria are particularly important to evaluate this research project. First, it is to see research as co-creation, where people involved play a vital role as co-researchers throughout the process. Second, it is to see my action research process as a way of developing knowledge that invites moving forward with both the practices involved at the more abstract theory building. Third, it is a question of crafting a research process that is valid and reliable within a constructionist framework.

The research process and the results of the research process can be seen as co-created in different ways. First, it can be seen as a co-creation between my different positions. I have been moving between the position as a practitioner consultant doing teaching and training, a position as a practitioner researcher engaging in the research process and gathering data and a position as research former and planner, and doing analysis, generating learning and theoretical models. These positions and the inter-relatedness between them, has been a vital part of co-creating my learning and the results of the research process. Second,

the research process and the research results have been co-created in an ongoing dialogue with the different elements of literature. The dialogue with research literature has been a vital part of co-creating the flow and episodes of research, and the literature on relational leadership, strategy as practice and systemic constructionist leadership has also shaped the content of research. Third, and most importantly, the different people involved have played a vital role as co-researchers. The people involved in case work, generative dialogues and group dialogues has been very active co-researchers. Within these processes I have had access to and been inspired by their work and their thinking and by listening to and giving feedback on my ideas and input, they have been very actively engaging in forming both the process and the results of the research process. The more nuanced details on how these processes have unfolded are described in Chapter 3.

The second criteria, using the research process as a way of developing knowledge that invites moving forward with both the practices involved at the more abstract theory building, can be seen in different perspectives. Using the illustrated action-learning cycles for each research activity and for the overall research process, each of these can be seen as a space for developing and bringing knowledge forward. To be more specific, I'll highlight two areas of knowledge building and sharing. First, the learning and development of knowledge with and from the practice oriented research activities – the three cases, the group dialogues and the generative dialogues have been a vital part of the process. The most tangible knowledge coming out of the process is the Change Capacity model in the book (see pages 163-214), but as part of developing this model, the different steps in the process have inspired the work with the three case organizations. Different ideas generated within the research process have been shared across the three case organizations and has been part of moving the practices within the case organizations as well as building the Change Capacity model. Second the process of writing the book, sharing and discussing draft versions of the different chapters and re-writing them over and over again have played a vital role in my own knowledge building and it has been a very concrete way for the people involved to

see and to understand the inspiration I got from doing the research project. Looking back at the research process, the ambition to do part of the dissertation as a practitioner oriented book seems like a very good idea. Besides being a space for holding on to and developing my own knowledge, it has been a way for me to keep this learning connected to practice. Writing to a practitioner audience kept me attending to some of the details relevant for practitioners and maybe most importantly, it made me write it in a language connected to practice.

Judging validity of my research can be done by looking at my ability to look into and draw on the richness of the research contexts and the ability to use the research contexts as a source for generating rich inspiration. In my case, I have worked with my sense of richness of inspiration especially in using a variety of research contexts. By including the different research spaces and writing the book, my ambition has been to build richness into the project in at least two ways. First, working with the three case studies of organizations.

In the number of generative dialogues spaces, and group dialogues, I have used a very wide variety of sources to help me generate material to answer my research question. The cases have been a valuable space for both getting inspiration and also for sharing and testing ideas or theoretical models, resulting in very concrete feedback on the usefulness of these ideas or theoretical models. The generative dialogues in the form I have used have been invented for the purpose of having these different voices as an integrated part of the process. The different dialogues have both been a space for having people outside the case organization and my own organization to help me test ideas and push my thinking further. Second, the work on writing the book and the feedback on the different draft copies of the book itself has provided me with another kind of inspiration. Often the result of Ph.D. research is published in academic articles with a relative limited direct dialogue with the practitioner audience that forms the base of our research. In my case, almost all parts of the book has been read by different people – people in the case organizations, participants in the generative dialogues (academics and practitioners), my former colleagues and a number of leaders participating in other teaching/training processes, which have been a rich source of inspiration, not only

in the process of writing the book but also as a source of inspiration for the overall research process.

With this combination of contexts of inspiration it is, in my own perspective fair to say that the criterion of having a richness of research contexts has been met. What still stands to be shown, is the ability to use the research contexts as a source for generating rich inspiration. Where it is relatively easy to show the richness of contexts, the job to show how the work with these contexts has generated rich experience is a bit harder. The best way to show how the research contexts has been a source of rich inspiration is by pointing towards the book and towards how the research contexts has inspired the becoming of the book. The book itself stands as the document to show the results of the inspiration, and in Chapter 3, I give the reader relevant details of how the different research contexts and the research process inspired the book.

When meeting the standards of reliability as the degree of transparency into the research process, my ambition is to have done this by unfolding the overall process of research in this chapter and by giving enough details of some of the micro-movements in Chapter 3.

In this chapter I have tried to describe the different steps as clearly as possible, and in

Chapter 3, I describe how I have developed the different elements of my thinking connected to a series of episodes through the research process. One example is Chapter 8 on reflexivity in the published book. Looking back I can see the idea for this chapter was started by adding on a new element to the domains model – the domain of reflexivity based on a thought that had been around in my head for a while. Domain thinking derives from Maturana (Maturana & Varela 1987, Lang Little & Cronen 1990) and should be understood as a spaces or context wherein human activities are seen from a certain perspective. When presenting this idea in one of the training sessions, one of the leaders asked me to explain how reflexivity could be done as a part of his managerial practice. To me the domains model was more of a meta-orientation model rather than a model for guiding practice. But the

question started me of on the road to write Chapter 5 on reflexivity, giving me the inspiration to see how reflexivity both can be a meta-perspective and a very concrete way of guiding you attention when working in everyday managerial practices.

Chapter 3. Connecting the Research and the Book

In this section I connect the research process and the book “*Strategic Relational Leadership*”. I will illustrate how elements from the research project inspired some of the key ideas in the book.

Introduction

In this section, I will connect the different elements of the research process and how they are associated to the book “*Strategic Relational Leadership*”. I will use what I see as key ideas generated by this research project to connect the research process and the book. The different episodes from the research process will cover the variety of ways I have been working, both in terms of how I developed my thinking but also how the research process itself facilitated my thinking. I hope this will both give the reader concrete examples of my learning and an insight into the knowledge developed through this research project.

The chapter is divided into three parts. First, I present the Change Capacity model, the framework that was developed through this research project and which became the major focus of my book project. Second, I unfold the process of building the Change Capacity model with a focus on the three dimensions of the model: (1) the Engagement & Ownership dimension, (2) the Organizational Cohesiveness dimension, and (3) the Strategic Competence dimension.

3.1. Developing the Change Capacity Model

I will use what became the final model of change capacity to explain how the different research activities came together and helped me build this model. I will describe what I see as key parts or activities that shaped both the outcome as presented in the book and shaped the next steps in the research process.

3.1.1. Engagement & Ownership

The development of the first dimension of the change capacity model on engagement and ownership was to a large extent inspired by literature, but the more detailed understanding of how to develop engagement and ownership came

from working with the managers in the three case organizations. A parallel issue in this process was the discussion about resistance to change. Even if it does not show directly in the three assumptions about engagement and ownership listed above – the importance of people taking an active part in the change process, being involved in finding and implementing solutions to changes within their own area of responsibility and having two-way dialogue with decision makers, it was a very important part of the learning process. These three elements are a constructive way of creating engagement and ownership, and on the other hand if they are absent, managers must expect some degree of resistance to change.

The Research Process

As some of the very first steps in the research process, I started to look for some of the relevant literature on change. At a first look at the literature I found the same issues highlighted in both the practitioner literature (e.g. Hamel 2007, Mintzberg 1987, 2004, 2007, Kotter 1995) and in the academic literature (e.g. Black & Gregersen 1997, Kim & Maubougne 2004, Steensen 2008). The main issues for generating engagement in and ownership to change was, unsurprisingly, the possibility to participate in the implementation process and the opportunity to be involved making decisions.

I drew out some of the key points from the literature and used this as some of the first input to the managers in the three case organizations. I presented the inspiration from literature in the form of headlines and by showing them some of the relevant quotes from the literature, as a way to engage them in a process of co-investigating the meaning and the implications of these ideas. After the presentation, I asked the managers to reflect and give feedback on my input and connect it to their own experiences and discuss how they might use these ideas in their practice. Neither I, nor any of the managers were surprised by the ideas from the literature. The general consensus was that this was common knowledge and also common sense, that being part of a decision and implemented process gave you insight and being part of forming the results of the process would generate ownership. But in all the cases the managers also raised additional relevant

questions for me to explore. The issues and questions that were raised by the managers in the three cases were not fully identical, but all of them were occupied with two things. First, it was the role of the manager in a change processes and second, it was on how to deal with resistance to change. One of the managers, in the hospital case, summed up the discussion about the literature by asking this question: *“As I see it what we say is that the conclusions from the research you quoted are hardly surprising. But what precisely do we do when meeting resistance among our employees?”*

In the Elderly Care case the turning point of the discussion was a reflection on the difference between the possibility for participation and democracy. In the word of one of the managers: *“Does this mean that involvement equals democracy – don't we as managers have a special role and responsibility in making sure that we succeed in implementing the change?”* In the Autism case the focus was a bit different. As they were in the very early days of being a new unit, the discussion was on both their role as managers but also on the very practical everyday activities, that should help them create a sense of one organization. One of the heads of the department asked this question that seemed to capture the concern of the group: *“What does good involvement processes look like? What exactly should we do to build the sense of one unit?”*

The natural interest from the managers in “doing” good involvement and in the expected resistance to change invited me to take a closer look at the literature. With the voices, reflections and questions of the managers in mind, I went back to take a closer look at the literature to see how it could help me answer the two main questions that had been raised:

- What does involvement look like and what is the role of the manager/leader?
- How can we understand and work with resistance to change?

The research into these two questions was going on in parallel tracks, but for giving the reader a clearer view of how I worked with each of them I will describe them separately, starting with a focus on what good involving practices look like.

Track one – Good Involvement Practices

The discussions with the managers really helped me approach the literature with a much more detailed focus on these questions – and, not surprisingly, I found that different researchers had defined and studied “involvement” in different ways. But I also found that it was hard to find anything very concrete about the “doing” of involvement. In some of the literature, involvement was defined as transparency on how decisions are made and that decision making processes was seen as fair (e.g., Kim & Maubougne 1997): *“Fair process responds to basic human need. We want our ideas to be taken seriously. And we want to understand the rationale behind specific decisions.”* (p.132). Others defined involvement as the possibility to participate in the implementation process (e.g., Black & Gregersen 1997, Steensen 2008): *“Successful top management is able to include the employees as much as possible in defining future activities and initiatives and conveys a sense of involvement in the process among the organization’s employees on every level.”* (Steensen, 2010, p. 12)

Besides these definitions I also found literature where involvement was defined as direct communication between decision makers and middle managers or employees: *“...the top leadership’s concrete engagement and active involvement have a significant impact on mid-level leader’ and employees’ willingness and ability to embrace change.”* (Ford & Ford, 2012, p. 14) and: *“The personal and direct form of consultation with decision makers had a tendency to maintain trust in management overall.”* (Morgan & Zeffane 2010, pp. 69-70). This conclusion by Morgan & Zeffane (2010) made the point very clear: *“This calls for greater leadership and involvement by senior managers in maintaining trust during change programs (identified in much of the practitioner literature) gains empirical support from this research. Indeed, the representativeness of the data set used here provides more support than is usual in organizational research.”* (p. 72)

With this inspiration, it seemed clear that participation in decision-making and direct consultation were vital parts of generating engagement in and ownership to

change initiatives, but it did not answer the specific questions on how to do this. One of the few specific hints was: *“For change agents and for theorists, the strategy of fostering ambivalence rather than support in the early stages of a change initiative invites a different view of how the first stage of a change process should play out. The first stage in creating change should be generating widespread conversation, rather than beginning the change process by engaging a small group of managers in identifying the desired change and later aiming to gain broader employee support for that proposal.”* (Pidrit, S.K. 2000, p. 786)

I returned to the case organizations with the ambition to hear their ideas and experiences about successful change processes as a way of getting closer to the details of the doing.

Starting with the hospital case, we worked with the issue of good involvement in two different ways. First, I set up an appreciative interview exercise with a focus on best practice on doing involving processes, which have had a positive effect on engagement and ownership to change initiatives. These interviews were done in small groups (3 – 5) where every person was interviewed in turn by another group member using these questions:

- Can you describe for us the 4-5 best experiences where you have been managing or co-managing change processes with success – creating engagement and ownership among your staff?
- Looking back on these episodes/examples, what was it that in your eyes made a positive difference – please describe the way you did it with as much detail as possible?

Once everyone in the group had been interviewed, they were asked to use these experiences to generate a list of best practice examples. The lists from the different groups (4 – 5) were shared with the other groups and in this process everyone was asked to make their own top-three list of “Best ideas for good managerial change practices”.

Second, I used the well-known exercise of having 5 to 7 people standing in a line. The first person tells a story, the second person retells it to the third and so on. After all have heard the story, I asked everyone to write down a few notes to remember the story. This part of the exercise was done just before the 45 minutes lunch break – and when we started after lunch I asked everyone to retell his or her story starting backwards. In the first case it went more or less as usual when I do this exercise. The story comes closer and closer to the original story as we move from last to the first person in the line, and as usual at some point one of the persons have changed the emphasis a bit and this change is passed on. Several of the managers made the comment about how much they forgot about the details of the story after just 45 minutes.

After the exercise I gave a short lecture on communication in a constructionist perspective using the construction vs. transmission distinction and on the information vs. exformation distinction (Hornstrup et.al. 2012), as a theoretical background on the purpose of the exercise. The exercise and my input made some of them reflect on their everyday practice and about how often they would give some important oral information to a group and just ask '*Any questions*'. And if no one has questions they would just assume that everyone had understood and would '*do what I would expect them to do.*' With the exercise and my input in mind, I asked the managers to have a group discussion where they shared their own top-three list (from the first exercise) and what the stand-in-line exercise and my input might have added on to their thinking.

The reflections and feedback from the managers centred around two things. The first was about one of the challenges in information processes. One of the managers put it like this: "*We should not mistake talking or sending e-mails as informing people when it come to changing something important in their work practices. If it is really important we need to have a real dialogue and we have to listen to how they see their role in the changed practices. Only then can we have some expectations of people being informed.*" Another manager continued: "Yes.

And we probably should expect business as usual even if we think people ARE informed. It is a process of continued managerial attention.”

Another issue followed from this discussion. After a very long back and forth discussion about the significance of the information and communication processes in leading change initiatives we co-generated the idea that in the process of informing people about change, the best strategy would be listening. In my own notes from the day I wrote: *“Is strategic listening the most important managerial activity in change processes?”* Strategic listening is a way of engaging in the process with the ambition to generate mutual understanding by engaging curiosity and active listening.

In the second case (Elderly Care) we did the same exercises and with very similar conclusions. But here – when standing in line and retelling the stories something interesting happened. Instead of retelling the story she had heard, one of the managers reported back how she made sense of the story: *“The way I make sense of this story is ... and the way I think about that is...”* This was a real eye opener to us all. By her telling the story with a focus on her sensemaking rather than on trying to retell the story as exactly as possible, she made it very obvious that there is a distinct difference between telling what we heard and telling how we make sense of what we hear. A nice illustration of how our perpetual sensemaking in the flow of communicating is what guides our meaning making and our actions, and that with just passing on stories we do not really get an insight into how people make sense of these stories.

This made me change the re-telling exercise in the third case (Autism Unit). Here I asked one person to tell the same story to two groups of 5 people. One group got a piece of paper with the instruction: *Write down a few notes to help you remember the story* and the other group got the instruction: *Write down how you make sense of the story you just heard*. When listening to what the different people had noted, there was a significant difference between the *“remember”* stories and the *“make sense”* stories in most groups. When sharing this

experience, we all were amazed by how different a version you can tell when shifting from remembering a story to making sense of that story.

From my own learning on the activities and sessions on good involvement, I developed this hypothesis: *When leaders balance their information activities with listening activities, they get a much stronger sense of both what (further) information is needed and how people make sense and make use of the information given.* In more practical terms, it seems like mutual understanding and dialogue was closely connected and that the strength or weakness of mutual understanding of the goals of a change process, could be one way of understanding the distance or gaps between people, units or levels in the organization.

Track Two – Exploring Resistance

As described above, an important part of forming these assumptions/conclusions was the discussion about resistance to change. The issue of resistance seemed to be well connected to managing change but it just seemed to be there and not really being questioned: *“Recent research concentrates on two main questions: 1) why people resist and 2) how to overcome the resistance. These studies, while valuable in many respects, exhibit problematic assumptions about change resistance. The assumptions derive from a management biased perspective, a rationally based approach focussing on, for example, self-interest and conflicting schemas and considering change recipients solely as individuals.”* (Balogun, Bartunek & Do 2010, p. 2) Some of the relevant comments I found were recommending that further research is needed. Drejer (2009) offered us to see resistance to change as resistance to meaningless change - because people cannot make sense of how to support changes without any real participation.

When it just stood there as a widespread assumption, how could I cast new light on the issue? It was a bit of a puzzle. On one hand, the idea of resistance to change was and had been an integrated part of the literature on managing change processes and an integrated part of my thinking as well. So the questions I started

out to investigate was: *Is resistance to change as widespread as we think and if so, what does it look like and how is it done? And: How do people describe their own “resistance” to change – and what does that invite us to do when leading change processes?*

In the literature I found invitations to see middle managers as having key positions within change initiatives (Mantere & Vaara 2008). Balogun et.al. (2011) highlighted the role of middle managers: *“There has been a growing awareness that middle managers have a particularly complex role to play in many organizational changes. Middle managers have a key impact on the eventual success or failure of major change initiatives in their organizations. Thus the reactions of these managers are critical.”* (Opcit. p. 3)

Planning the next events in the two cases where discussion about resistance to change seemed to be most important (Elderly Care and Hospital cases) I decided to ask the managers to focus on this issue. I planned to do it in a way that should make them reflect on how they saw their own way of acting as managers in connection to the level of resistance they seem to experience in their own departments. I set up a three-step exercise to have them work through and look at the issue from their own position and from the position from the hospital managers. First, I asked them to discuss the issue from their own position, looking at their employees with a focus on these questions:

- How much resistance do you experience among your employees – from 0% to a 100% (just as a rough estimate)?
- How does this show – what are the specific examples you can remember?
- What are the effects on your/Your abilities to implement change?
- What challenges does this give you/You as leader(s)?

After a hesitant start (it was difficult for most of them to find the % answer), the exercise generated a very lively discussion. Both the managers from Elderly Care and the Hospital experienced some resistance among their employees and they

found it very challenging to be leading change initiatives when employees did not fully support these initiatives. No one really questioned the assumption behind the exercise, that resistance should be expected, and as the exercise invited the managers to see it from a top down approach, this was hardly surprising.

Inspired by the “*management biased perspective*” in the literature highlighted by Balogun et.al. (2011), I wanted to see if a change in perspective could invite new ways of seeing and understanding resistance. So as the next step, I asked them to reflect on their own degree of resistance – but seen from the perspective of the senior managers:

- How much resistance do you think the hospital managers/heads of elderly care experience among you, the front line leaders – from 0% to a 100% (just as a rough estimate)?
- How does this show – what are the specific examples they might come up with?
- What are the effects on their abilities to implement change?
- What challenges does this give them as leaders?

A general feedback from the managers was that they experienced an important shift in the perception about resistance when they shifted from their own position to the position of the top managers. One of the reflections from one manager (Elderly Care) on the exercise was: *“The second round made me see the resistance of employees in a new light. If I asked them, they would probably see it like I see my own role in relation to the top managers... Not resistance but just a natural scepticism and lack of opportunities for participation.”*

Another manager connected the discussion about resistance to the discussion on the strategy of listening: *“To me it’s pretty much the same discussion as last time. What is seen as resistance from one perspective can be seen as a lack of real curiosity from another. If you experience your leader just talks, without expressing any real curiosity, this just means that he or she don’t care about your point of view.”*

In the hospital case one of the heads of the department raised the question: *“Isn’t this also related to an issue about how we handle people who might be very critical towards the new initiatives but who do not show up when they are invited to discuss these issues? And still they go on complaining about no involvement or the people making the decisions do not know about their work!”*

What he was referring to was the fact, that when we started the project at the hospital, a number of the head doctors did not want to participate and only after being informed that it was obligatory to participate, all but one of the head doctors came. And at the first meeting some of the head doctors seemed very critical towards the project (my experience) – but the critical attitude disappeared (again my experience) only a few hours into the first session. This came when they realized, that the issues we should work with both were issues related to my research project but the detailed focus of the work was ultimately decided by the participant – issues that they found challenging in relation to their work in leading the preceding change process.

A long and intense discussion followed this comment about critical voices. One of the important issues in the discussion was about the way the participants in the hospital case were informed and invited to be part of this training and research project. Some of the head doctors explained that in their view there was very little real information in the first invitation and that they saw it as an open invitation to participate or not. About being critical, one of the head doctors concluded that part of the discussion like this: *“I think it is fair to say that a number of us were critical – and I like that better than being seen as resistant. It was only after the morning of the first day I realized how important it was for me to participate in these discussions.”*

A comment most of them seemed to agree upon and something that resonated with the findings in the literature: *“Even if they only see employees who oppose change as short sighted, managers are tempted by the language of resistance to*

treat their subordinates as obstacles. Thus, the label of resistance can be used to dismiss potentially valid employee concerns about proposed changes.” (Pidrit, S.K. 2000, p. 789)

Another issue that was raised in the discussion was the issue of lack of information from the start of the project - how we could have made the information about the project better, for people to understand the purpose and their ability to put the things on the agenda they found most relevant. It was an issue that was relevant but still I felt like we (Department Heads and I) had tried by making the early invitation as good as possible and that the head doctors did not take up this invitation by staying away from the information meeting and the first training session. To get some help on this matter and learn from this example, I asked the group to pause the open plenum discussion and have a discussion in groups around the question:

If you should plan a similar project with a similar group – how would you do the initial planning and information to get both positive and more critical voices aboard? And please use the learning from the discussions we have had about good involvement and the conclusion on curiosity as a strategy at the last training session and the discussion on resistance and how to get critical people aboard from today, to guide your discussion!

When asking for feedback on the discussion from the groups, the main conclusion was that to give people any real information you need them to be in the room and you should create a space for dialogue. The last group presenting made what they saw as the common denominator of the feedback: *“You really need to get the important people involved and you need to make sure that the important and critical people are there - you have to insist on their involvement. And you should remember to listen. Not to give them the right to decide (not to participate) but to make them and their critical stance a constructive part of the process.”* This notion of insisting on involvement became an important lead in a lot of discussions

afterwards and it made me realize that this was what we did when starting the process.

In the hospital case, one of the head doctors never attended any of the training days – and we all found neat excuses for his absence. And - it worked very well until one day we realized that other critical people probably would use his absence, as an excuse not to participate in activities where their participation was important. As one of the head doctors commented: *“I have been giving excuses for him not to be here – and only now I realize that some of my other colleagues among the doctors probably will point at him as an excuse sometime when I want to them to get involved in something they don’t really want to.”*

This discussion on resistance and insisting involving is a vital point of learning, one that deserves further attention and further research. Managers (and change agents) that do not insist on having face to face dialogue with important critical voices, often have a vital part of the responsibility for creating what we later on see as resistance to change. By way of leaving room for the critical voices to flourish in different corners of the organizational life outside the formal discussions about change, we create a perfect space or “greenhouse” for the critical/resisting voices and attitudes to grow.

During the research process I had used the different elements and learning from the steps described above to draft an early version of the book’s Chapter 10 on responsibility and ownership, which gave me a good overview of how I saw the different parts fit together. What I still wanted to do was to distil down the most important questions to ask, to get to the most essential qualities of the practices, which would generate engagement and ownership to change activities among people who should contribute to success. In this process, I both turned to the literature once again and read it with a focus on what key qualities would generate engagement and ownership to change activities. I also used two of my generative dialogue partners in this process – one of them an experienced change practitioner and HR consultant the other was a senior scholar in Leadership and

Organizational Development (OD). I asked the dialogue partners to read the draft of the book chapter with a special focus on:

- a. Reading this draft chapter - what do you see as the key factors in creating engagement and ownership to change activities?
- b. What other issues could be relevant to include in this chapter?

Both dialogue partners found the discussion on resistance to change and the idea on insisting on the participation of the critical voices the most interesting and it was also what they both cited as an important contribution to the field. In both dialogues, we spent by far the most time on these issues and the conclusion was that the issue called for a more research. They also found the idea of curiosity as a strategy very interesting and especially the scholar urged me to work much more on that issue: *"You should be able to make some relevant connections between the strategic curiosity and the systemic ideas on curiosity and reflexivity."* He also commented on the overall frame of the chapter and the three key items identified. *"It is not new that participation and being part of making decisions create ownership, but to me the direct communication between the people making decisions and the people responsible for implementing them in practice makes sense. I think if organizations lived up to that, they would be far better off than most of them are today."*

When I asked them to highlight what they saw as key factors in creating engagement and ownership to change activities they both highlighted a high degree of participation in the change processes. But as the highest priority they both saw the direct dialogues between decision makers and front line managers. The HR consultant explained why, in his view this was important to emphasize: *"When you read the most common literature on change management there is a lot on involving people in one part of the literature and on creating burning platforms in other parts. The emphasis on direct engaged dialogue between decision makers and front line managers and on insisting on involving the critical voices are essential in my eyes. And it is that parts of your work that stands relatively weak in the literature I know."*

Connecting the Track One and Two

The back and forth process of discussion with the managers in the case organizations, the generative dialogues and the “dialogue” with literature helped me form the basic elements of the Engagement and Ownership dimension.

In one track of research I looked at what supported engagement and ownership in change initiatives. Here I found a series of seemingly important elements. From Kim & Maubougne (1997), I learned that people want their ideas to be taken seriously and they want to understand the rationale behind managerial decisions, and from Steensen (2010) I learned that successful top managers should include middle managers and employees as much as possible in defining future activities and initiatives to create a sense of involvement throughout the relevant parts of the organization.

From Ford & Ford (2012), I learned that concrete engagement and active involvement by top managers have a significant impact on mid-level leader' and employees' willingness and ability to embrace change, an issue also highlighted by Morgan & Zeffane (2010). In their research, they found that a personal and direct form of consultation with decision makers is vital for maintaining trust in both managers and the decisions. From Pedrit (2000) I learned that top leaders could gain support for proposed changes by generating widespread conversations throughout the organization.

From the case organization, I learned that there is a big difference in the telling and retelling of a story and understanding how people make sense of the stories/information they get. The managers in the case organizations also highlighted real dialogue and having a strategy for how to listen to how employees to understand the situation, as an important part of leading change processes.

In the second research track, Exploring Resistance, I learned that from the perspective from a non-decision maker resistance to changes amounts to “a

natural scepticism” and that resistance seen from the top leader perspective can be seen as a lack of real curiosity by middle managers and employees. The managers from the hospital case also focused on how to handle people who might be very critical towards the new initiatives and who do not show up when they are invited. The notion of insisting on involvement highlights that when managers accept non-participation by important critical people, they actually play an active role in generating a potential resistance to change, something that Pedrit (2000) connects to how the use of a language of resistance to change positions non-decision makers as obstacles and potentially dismissing valid concerns about the proposed changes.

The sum of this learning helped me create three statements that formed the basis for the Engagement and Ownership dimension of the Change Capacity model:

1. If we want to create engagement and ownership in change initiatives, it is important to create opportunities for people to contribute with their ideas and experiences.
2. If we want to create engagement and ownership to change initiatives, it is important to have people involved in finding and implementing solutions to changes within their own area of responsibility.
3. If we want to create engagement and ownership to change initiatives, it is important to create space for a two-way dialogue between decision makers and front line leaders and employees.

3.1.2. Organizational Cohesiveness

The process of developing the ideas that became the organizational cohesiveness dimensions of the model, were very much inspired by the casework and generative dialogues. The ideas about this dimension started early on in the work regarding engagement and ownership and unfolded during the process. During most of the research process, my working focus was on developing a more concrete understanding of participation and involvement practices, but gradually I became more and more aware of how there might be another issue about

organizational gaps, what eventually became the organizational cohesiveness dimension.

Organizational cohesiveness is vital for building capacity for change and has to do with the ability to quickly form new working relations or new patterns of working together in new relationships. The distance between people and units often creates barriers that can be hard to bridge in the middle of a change process. Therefore, it seems like organizations with a readiness or capacity for change must focus on building strong relational capabilities.

The Research Process

A while after the first training sessions, I listened to the recording of the feedback/discussion session on participation and resistance and read through my own field notes and notes from the literature. The discussion that followed the exercise on resistance had a lot of nuances that made me focus on the organizational gaps that seemed to be inherent in these organizations. Even if the discussion on resistance to change was put in perspective (based on the question: How much resistance do you think the hospital managers/heads of elderly care experience among you, the front line leaders?) and gave a more nuanced picture on how top managers might experience the situation, the managers still expressed frustrations about the distance between the different managerial levels. The expressed frustration about these gaps resonates well with some the literature on change that focuses on the distance between decision makers and front line managers and staff (e.g. Morgan & Zeffane 2010, Ford & Ford 2012). One hospital middle manager highlighted an experience of a very top-down system: *“It sometimes seems like we are living on different planets. I don't know how well they experience the ‘downwards’ flow of information to me as a front line manager – it seems very unclear to me what they expect. And getting information the other way seems totally hopeless.”* Even if the discussion was more nuanced, most of the front line leaders clearly experienced that the Hospital Management was far away.

In the Elderly Care case, I heard a similar discussion with a slightly different focus. Here it was about a lack of collaboration between front line leaders and different support functions (Finance and HR). The support function was located physically close to the Head of the Unit and away from the front line leaders. The front line leaders described the employees in the support units as inwards looking and un-attentive to the real challenges of the front line leaders. One of the front line leaders described it this way: *“They seem to think that they know about our work, but they clearly don’t. Sitting close to the Head (of department) makes them think they know about how it is to be a manager. I wish they would be much more outward going.”* In the discussion, this critique was connected to the position of the Head of department, because the middle managers saw the support units as acting on behalf on the Department Head.

In the autism case, some of my observations made me think in line with the same issue - the seemingly big gaps or distances between the different managerial levels. In a group dialogue with the four heads of the newly merged autism unit, the focus was on how their position as leaders for a much larger unit would call for new resources and competences. When asked about which kind of challenges they were facing that called for new resources or competence, they described their situation this way: *“The team of directors expect us to take a much more strategic position and they also sent us lot’s of stuff to answer. It is about finances, HR, communication etc.”* I asked them how they discussed these issues with their leader – the Director of Social Services. They said that there was not much dialogue about these issues, and that most communication went through the employees or managers from different support units. The unfolding discussion resembled the story from Elderly Care – that support units was inwards looking and acting on behalf of the director, and that there was not a lot of real on going dialogue with the Director.

The three cases seemingly addressed the same issue though in different ways; organizational gaps created a lack of mutual understanding. The lack of connectedness has also been addressed in the literature quoted above as a

distance between top managers and front line managers and staff that could cause a lack of trust in management (Morgan & Zeffane 2010, Ford & Ford 2012). Morgan and Zeffane describe the important role of trust in change processes, as trust is an essential organizational quality when uncertainty takes over. (p. 55). The writing on resistance also addresses the issue of cohesiveness and change issues. *"The resistance to change seems more to be related to a lack of cohesiveness between managerial groups at different levels..."* (Balogun, Bartunek & Do 2010, p. 6) No doubt that communication plays an important role in change processes and that communication was an important part of looking at organizational cohesiveness, but as Ford and Ford (2012) concludes: *"Communication is the most essential part of creating successful change. But there is very little concrete descriptions about what is seen as good communication."* (Ford & Ford 2012, p. 30)

The combination of inspiration from literature and casework made me curious about the perceived distances within these organizations. These distances seemed closely connected to how formal structures guided the everyday collaboration within units and lack of collaboration between units. And from the discussions about creating engagement and ownership, it seemed like these distances could be a serious problem for effectively creating organizations ready for change.

To help me move towards an understanding of how distances influenced capacity for change, I turned to some of the thinking that I knew addressed this issue. As part of my work with Danish public organizations, I had come across literature on social capital (e.g. Svendsen & Svendsen 2006, Kristensen, Hasle & Peitersen 2008) and writing on relational coordination (Gittell 2002, 2009). Social capital is a very wide concept used to understand how the quality of relationships within human systems affects the capabilities of these systems (Christoforou & Davis 2008). Writers on social capital in public organizations define it as being comprised of a high degree of mutual trust, high quality collaboration and justice in decision-making processes and as a way of creating cohesiveness in local units (bonding

social capital), cross hierarchical cohesiveness (linking social capital), and cross sectorial cohesiveness (bridging social capital) (Svendsen & Svendsen 2006). Relational coordination is defined as “...a *mutually reinforcing process of interaction between communication and relationships carried out for the purpose of task integration*” (Gittell, 2002, p. 301). The Relational Coordination builds on the two dimensions – communication and relationships, where communication is defined as frequent, accurate, timely and problem solving communication and relationships are defined as shared goals, shared knowledge and mutual respect.

As my own knowledge was limited on the practical aspects of working with social capital and relational coordination, I invited a consultant who knew these ideas both as a researcher and as an experienced consultant, to be part of a generative dialogue. She helps me bridge the social capital/relational coordination thinking with my work on Organizational Cohesiveness. Before the meeting I asked her to read the draft paper on responsibility and ownership (Chapter 10) and a very rough outline on the cohesiveness chapter (Chapter 8). And I asked her to think about how I could connect her experience of using social capital and relational coordination in her research and consultation practice to my research on change. In the dialogue, we spent most of the time talking about two issues. The big issue was how the cohesiveness dimensions of social capital could be connected more to a reflexive practitioner thinking, to give the dimensions a stronger connection to systemic - constructionist ideas. The other issue was on how the ideas of relational coordination could be connected to change and what would be some of the key qualities to learn from this.

As the conversation was initiated by the issue of organizational gaps and the frustrations among some of the front line managers about these gaps, the first part of the dialogue was focussed on the expressed lack of respect from top managers. We had deep discussions about the difference or similarity of the notion of “trust” from the change literature: e.g. trust in top managers (Ford & Ford 2012, Morgan & Zeffane 2010), the use of trust in social capital literature (Svendsen & Svendsen 2006), the use of “respect” in relational coordination (Gittell 2009) and the use of

appreciation in the constructionist literature (Cooperrider & Srivastva 1987, Barge & Oliver 2003). Making a very long story short, we found that the invitation in these different approaches to trust, respect and appreciation was to see people and their relationships as a very important part of managerial attention, especially in relation to change processes. We also found that the way respect is used in relational coordination theory (do others respect your contribution to xx work process?) (Gittell 2002), was the most precise definition and it also seemed a very relevant definition when talking about managing change.

A second topic of discussion was about creating clarity and mutual understanding of expectations in change processes. A part of the generative dialogue was about how dialogic – relational approaches to change and more analytical approaches would see the issue of bridging organizational gaps. The most interesting part of dialogue was when we focussed on how an analytical approach could supplement the constructionist - dialogic approach. This discussion was initiated by the talk about the use of surveys (the relational coordination theory is built on a 7-question survey) (Gittell 2009). This mix of an often deep philosophical dialogue about connecting constructionist approaches and ideas and the modernist linear discussion of the value of more rational approaches to change was very interesting. It brought us right back to some of my thoughts from the initial stages of the research process, how to mix different theoretical traditions

When listening and analysing the dialogue I came to think about one of the discussions I have had with the managers in the hospital case on the Head Doctors' lack of willingness to participate in the beginning of the process. Going back to the analysis of these, I found a short but interesting turn in the dialogue that I did not notice the first time. When discussing what we could have done to make them attend the information event and the first training session, one of the Head Doctors explained: *"You should have been much more clear about what was expected from us. We did not come because we could not see the relevance of being there – and it was not made explicit until later, that it was obligatory to be there."* Shortly after, in the same discussion the same Head Doctor, this time

praising their opportunity to discuss what they found the most challenging: *“This was a really good process because we could work with real problems, not just something of interest to you. Working with the real problems of this process change is at the centre of our work as managers. Now we have a strong mutual understanding and commitment as a whole group.”*

At first I see this as to contradicting statements – on one hand we should be clear and make decisions and on the other we should open space and let people co-create the content of the process. But on the other hand, they could also be supplementary. That to be able to create an orientation when initiating change we need to be as clear as possible AND we should make sure that we have key people as participants in the process. So instead of seeing managers as decision making and creating clarity around change processes as an opposite to creating space for involvement, we can see the two as mutually supporting. Creating clarity can help us generate cohesiveness by bridging the expectations of decision makers and front line staff, and making space for involvement can generate engagement and ownership to the change processes.

This also seemed to connect well to another part of the generative dialogue with the researcher and consultant. The last part of this dialogue was on how the cohesiveness thinking within the social capital literature could be connected to my focus on organizational gaps. The immediate conclusion in the conversation was, that my thoughts on organizational gaps and organizational cohesiveness were about the same issues: enhancing collaboration across organizational units. We made connections between social capital, relational coordination and systemic – constructionist thinking as a way of creating a more solid theoretical and practical foundation for understanding organizational cohesiveness.

When listening and analysing the recordings, some of the issues that I found especially interesting were the discussions about how we could make the “linking” of decision makers and front line staff both more solid and more operational by using inspiration from relational coordination, which included how people work

from shared goals (Gittell 2009). We discussed and compared the more linear idea of our ability to “share” something with Weick’s (1995, 2005) work on sensemaking. We discussed the difference between the linear idea of sharing where it would be possible to share goals in an objective sense and a Weick inspired approach where the knowledge and goals would be seen as a process of co-creating a coordinated sense of goals. This organizational cohesiveness or coordination or lack of cohesiveness/coordination then could be seen as closely connected to a stronger or weaker ongoing coordination and sensemaking process.

Connecting the elements of the research process

When bringing together the ideas above about respect as a very important part of creating strong relationships with the discussions of and reflections on how the importance of both creating clarity and creating a shared sense of goals, it seemed to form a strong triangle for understanding organizational cohesiveness

The idea to place cohesiveness as a key part of creating organizations’ readiness for change came from the discussion about organizational gaps in the three case organizations but was also connected to literature. In the discussion on resistance to change, Balogun et.al. (2011) describes these gaps as a lack of cohesiveness between managerial groups at different levels, and see this as an important part of what ultimately is part of generating resistance to change.

The managers from the three case organizations describe this in different ways. In the hospital case there was a discussion about the poor quality of “downwards flow of information” to the front line managers, which created a sense of very unclear expectations and they also echoed this in the initial part of the research process, where they described a lack of clear goals and expectation. They also described how the insisting on their participation has created “*a strong mutual understanding*” among Head doctors and Head nurses across the different units.

In both the Autism and Elderly cases, middle managers point towards the role of support functions such as Finance and HR as an important part of a lack of cohesiveness. In what they see as an inwards/upwards attention towards the senior managers and less attention outwards the middle managers, these support functions are part of creating some of the experienced organizational gaps. In the autism case, the heads of the unit describe it as a downward flow of communication from the Director creating a relationship where there's "lot's of stuff to answer" without a chance for real dialogue.

Both in literature on change, social capital literature and relational coordination literature trust is seen as a vital part of bridging managerial levels (e.g. Morgan & Zeffane 2010, Ford & Ford 2012), different professional groups (Gittell 2009) and horizontally between organizational units (e.g. Svendsen & Svendsen 2006). In the systemic and constructionist literature, the use of affirmative and appreciative approaches and language are connected to organizational development and change.

This learning can be summarized in these three statements:

1. If we want to create organizational cohesiveness in times of change, it is important to create a clear context of how people should participate in change initiatives.
2. If we want to create organizational cohesiveness in times of change, it is important to create a sense of shared goals and shared understanding of the aims of the process.
3. If we want to create organizational cohesiveness in times of change, it is important for especially middle managers and employees to feel that their experience, knowledge and ideas are valued and respected.

3.1.3. Strategic Competence

As mentioned above, in this process of moving between reading, working with the three cases, and having generative dialogues, while trying to understand and

connect the ideas and models on Engagement and Ownership with Organizational Cohesiveness, a third idea emerged – the Strategic Competence dimension (book Chapter 9). Strategic competence was developed as a way of supplementing the relational focus unfolded in the section above. When diving into the practice of the three cases it became obvious, that even if a systemic constructionist perspective create a relational focus, the sensemaking, communication, and action of individuals and groups also play a vital role in change processes.

The Research Process

The idea to look into this direction came from a mix of observations from case practice and from reading literature on relational coordination (Gittell 2009). From the case observations, I found what seemed like a few but important people could have a very positive or negative impact on the ability to implement change initiatives – e.g. the one head doctors, that did not attend the training day or a nurse in the Elderly Care unit showing little respect for the assistant nurses. The literature on relational coordination (Opcit.) highlighted that when different professional work groups supported cross-functional and cross-organizational collaboration it had a very direct impact on performance. And - if one professional group did not engage in collaboration and support common goals, it could have an equal negative effect on performance. Even if this focus on individuals or specific groups did not correspond with my relational focus, it seemed like this would be important to include in the total “equation” on managing change.

Initially, I had a bit of trouble finding a way of understanding and connecting this idea or perspective to the rest of my work, and it took some time before I got hold of it and made it a constructive element in the overall model. One of the times when I listened to some of the older recordings from evaluating casework within the hospital case, looking and listening for inspiration, for some other questions, I found something interesting. In the early part of the training process, I presented the positioning model (Hornstrup et.al. 2012) for the leaders as a way of moving from traditional role thinking, towards a more dynamic positioning thinking. At the end-of-the-day evaluation the presentation and the work with positioning initiated a

longer discussion around how positioning thinking could be related to leading change. Some of the groups had discussed and connected the idea of positioning and the discussion on how the active participation in the change processes could create a higher degree of engagement and ownership. As a reflection on this discussion, a manager in one of the groups connected the pieces of the group discussions in this comment: *“This means that the formal label as a leader plays a less important role. We should think much more about finding ways of positioning the attention of everyone more from the whole.”* This notion of “seeing more from the whole” became the first working title of strategic competence. When looking at both practitioner and research literature it seemed like an issue not well covered and I could not find something that could support the idea. This made me use first a generative dialogue session to help me sort out the ideas and then turn to the managers in two of the cases (hospital and Elderly Care), to try out the ideas with them.

I invited a very experienced HR consultant to be my dialogue partner. Before meeting her she had read about the positioning thinking (in the Danish version (2005) of Hornstrup et.al. 2012), and at the beginning of the dialogue, I presented her my ideas about this dimension and the inspiration from the quote from the training session and that the idea was generated from working with positioning thinking. In the interview I asked her to take a look at her own experiences from practice and talk about: “How do you see the relevance of the idea of ‘seeing from the whole’ when working with change processes?” I also asked a follow up question: “If it is relevant, what are the examples you come to think of, where the people were or were not ‘thinking of the whole’ – and what difference did it make?” She used a concrete example to reply to both questions. The first was about a newly merged organization with a number of almost identical units. As part of the merger process, all the different organizational units were invited to implement a set of new guidelines to create more client-focused work processes. In some of the units they discussed the issue and started to implement the guidelines with good success and in other units they also discussed the issue, but nothing seemed to happen. To her, she experienced the same amount of initial frustration

and positivity in the successful and unsuccessful units and she thought that people were having the competences to do it; and yet with very different results.

The way she connected the example to my questions was, that in the light of the “seeing from the whole” perspective, she experienced the attitude or culture of the units and especially the attitude of the leaders quite differently. She described the culture in the less successful units as: *“They had a kind of sheltering culture and especially leaders who saw their role as protecting the unit from outside disturbance or influence. The other units were just as critical towards the new guidelines but they seemed to be able to take an outside perspective on the matter as well”*. Especially the leaders of the more successful units were described in a different way: *“They met the critical voices with respect but also challenged it by asking question about the possibilities the guideline thinking might give them.”* We ended this part of the dialogue with a dialogue about what “seeing from the whole” was – was it just an idea to let go of or was it something worth pursuing?

The name of the element “strategic competence” came a bit out of the blue. A short time after this dialogue, I did a presentation to an audience outside the research project. In a break, one of the participants approached me and asked: *“What exactly do you mean by developing more strategic competence?”* My response was that I did not know the term strategic competence – but the reply back was: *“But I heard you say it!”*

Going back to the generative dialogue – we turned to the generative interview part. Here we turned the focus from the specific changes of guidelines in her case story towards a focus on what my dialogue partner described, as: *“It seems almost like a difference in cultural quality in the different units. Like a kind of readiness to look at new things from another angle.”* The rest of the interview was a very engaged conversation around the issue of how we could get more into what my dialogue partner called *“cultural readiness for change.”* At the end of the session my dialogue partner commented on our discussion with these words: *“I think what you are working with is something deeper than managing change – something about*

organizations or units with this special ability to be critical and still open to new things.” These words just keep resonating in my head – it seemed like there was something important but it was still not clear what it was.

After the dialogue, I went back to revisit my notes from the literature, revisited a couple of articles and at the next training session I presented the idea of “seeing from the whole” and with the thoughts connected to the positioning thinking to the to managers from the Elderly and Autism case. The reflections from the managers were quite different but in both cases the feedback was that the “seeing from the whole” – now labelled as strategic competence, would add to the quality of the thinking. Especially, some of the leaders in the Elderly case connected to the idea. They described as an extra dimension where, “...*involvement, participation and good relational cohesiveness is important. But there also is this inside out perspective – how the individual manager of a group of people act. If they support the success of others or keep to their own.*”

Sitting in my summer cottage putting the pieces together, I found that the positioning thinking and the strategic competent contributor (or the lack of strategic competence) fitted nicely together. Being strategically competent could be seen as way of positioning oneself to see things from several positions and that the manager or leader as a strategic competent contributor would be seeing their own job and units “from the whole” (organizational position) and would actively support cross professional collaboration (profession’s position) and cross organizational collaboration (relations positions).

In the same period, I also revisited my literature notes with the question/comment from the last generative dialogue in mind “...*something deeper than just managing change.*” And suddenly it clicked, when I read a quote from Ford & Ford (2012) that gave me the hint to move from managing change to developing a capacity for change: “*To create organizational capacity to change leaders have to focus on developing individual and organizational capabilities to communicate and create connections.*” (Ford & Ford 2012, p. 6) It was so obvious once you see it – but still,

I don't think I would have noticed this without all the hard (fun) work doing reading, working with cases, listening to recorded conversations, etc.

The dimension of Strategic Competence was the last to emerge in the process, partly (I think) because my attention was more on involving processes and good relationships than on the significance of the individual person or unit and partly because it was not highlighted in the reviewed literature. It was a learning that emerged from listening to recordings and re-visiting notes from the case work and I got good help from my generative dialogue partners to get a bit deeper into the idea.

In the literature on relational coordination I found that when different professional work groups supported cross-functional and cross-organizational collaboration it had a very direct impact on performance.

From the three cases, I was inspired by a combination of the fact that one Head Doctor not attending the training days could make a difference as a context marker for others to follow and on what was described as *"positioning the attention of everyone more from the whole"* and the discussion about *"if they support the success of others or keep to their own."* This learning made me realize that that individuals or groups of people could play a vital role in supporting or not supporting different initiatives.

The generative dialogue helped me ground for my thinking. The description of leaders who created *"a kind of sheltering culture and especially leaders who saw their role as protecting the unit from outside disturbance or influence"* and as it's opposite the leaders who balanced the internal focus and still managed to *"take an outside perspective on the matter as well"* helped create my orientation towards the importance of having *"a kind of readiness to look at new things from another angle"* as a vital part of the qualities it takes, to build organizations with a capacity for change.

My inspiration and learning especially from working with the cases made me formulate these three statements as a summary of what seems to be vital:

1. If we want to create strategic competence, it is important to develop system awareness – a thinking of the whole with awareness about how my actions supports or prevents the success of others.
2. If we want to create strategic competence, it is important to create strong cross-professional collaboration to enhance the cross fertilization between multiple perspectives.
3. If we want to create strategic competence, it is important to create boundary-spanning activities across organizational columns and units.

Chapter 4. Learning and Future Research Directions

In this chapter, I give the reader an insight into my key personal learning from doing this research project and outline some possible future research directions.

In this chapter, I begin by reflecting on how this research has influenced my learning, including building the model of Change Capacity, my learning from combining analytical and dialogical approaches to study leadership, and finally, how doing the research project has added to my capabilities as a consultant. In the second part, I highlight two new possible areas for future research focusing on how we can improve our understanding of the notion of resistance to change and how we could enhance our understanding of leading change by combining relational leadership, strategic relational leadership, and strategy as practice based approaches to research. Third, I suggest some new generative applications and methods for research that could invite more practitioners to do action research.

4.1. My Own Learning

When looking back on the research journey with learning eyes, I find my own learning has developed at two different levels. First, there is the learning about the subject of leading change with a focus on its relational dimensions. The second learning is meta-level learning regarding how to use the double positioning of being both an action researcher and practitioner participating in the everyday flow of activities while simultaneously keeping myself in an analytical position as a research planner and data analyser.

Looking at the content of the research project, most of my learning is unfolded in the book, “*Strategic Relational Leadership*”. I will highlight my three most important learning points. First, I have developed the ability to use a relational lens to analyse, understand, and to work with system level change. Developing the Capacity for Change model has given me insight into how some of the micro practices unfolded by relational leadership thinking can also be useful to

understand and to work with macro-level change processes. Developing each of the three elements of the model, Engagement and Ownership, Organizational Cohesiveness, and Strategic Competence and each of the three sub-dimensions within each element has given me valuable detailed insight into how the micro movements on a local/personal level are connected to some of the overall dynamics of change processes. Working with the Engagement and Ownership dimension has enabled my understanding of how we can understand and work with involving processes in different ways and how these different forms might support the overall change initiative. Working with the Engagement and Ownership element has also made me develop a new awareness about the widespread notion on resistance to change. Depending on the perspective, resistance might be seen as lack of meaning, distant decision makers and decision-making processes or lack of real participation in change processes. Working with the Organizational Cohesiveness and Strategic Competence parts raised my awareness about how the people focus and the relation focus is mutually supplementary elements of strong collaboration. Diving into the detail of how we can understand Organizational Cohesiveness and Strategic Competence respectively, I learned a lot about some of the dimensions we should keep in mind when working with organizational development, both in times of change and in more stable circumstances.

Second, I learned about keeping dialogic approaches and more analytical approaches to change alive and in a productive tension with each other. During the research process, it became clear, that if we want to contribute to the theory and practice of leading change at a macro level, dialogic and analytical principles must go hand in hand. The analytical approach can be seen as a distant rational approach to change, but it can also be seen as adding another language, that helps us to see more of the important features of the bigger picture, than a traditional dialogical or qualitatively/explorative approach would give. And – it is a valued language for senior managers, that when excluded from a relational and discursive approaches to research exclude valuable insights and perhaps more importantly, it neglects to see the value of how these leaders approach change.

Third, working as an action researcher has generated important learning about how to utilize the movement between a content-level as an active participant to a meta-level as an analysing researcher, seeing these practices from another perspective. As a researcher practitioner, I have developed further skills and methods for preparing, planning and conducting my work as a consultant, which develop my competence for participating in and analysing work processes, and for evaluating and learning from the outcomes of these processes. At a very concrete level, I have further developed my abilities to take active part in leadership training or organizational change processes and at the same time taking a researching position within these processes. This awareness helps me to attend to some of the important nuances and details within the client system or in my interplay with clients and helps me to make use of these as the process unfolds. The process of researching described in Chapter 3 has become a more natural way of working, for me as a consultant. The learning from this process helps me to keep an analytical eye open for the different signs of progress in desired directions, new opportunities emerging in the process and a way of feeding these observations back into the system as a way of enhancing learning.

At a meta-level, planning and managing an action research process as it unfolds has in itself been a study of leading change. Moving between the position of the responsible researcher balancing the different research spaces, and being an active participant in these processes probably resemble leading change processes in many ways. Moving between the planner/analyser position and the participant/actor position and using emerging learning and knowledge from both to move the process forward, has been an important part of the learning, a learning that I'm probably not yet fully aware of, while still being at the edge of the process. I have also learned to deeply and relevantly apply research methods. Working with a Grounded Theory approach to understand the data from the different research spaces has given me valuable knowledge about how, the ability to see patterns of movements across time and space could be an integrated part of my work as a consultant. In this perspective – as noted in Chapter 1, there are many similarities

between working as a reflexive practitioner and a constructionist action researcher.

4.2. Future Research

My research project raises at least two important and relevant areas for future research. The first regards future research on relational leadership and change. The research presented in this study and the thoughts and models presented in the SRL book are just a first take on this topic. It opens up a space for further connections between systemic constructionist leadership research, specifically the relational leadership research tradition and the strategy as practice research tradition. A second area for future research is the idea of resistance to change, an issue that seems to be overstated and under researched (Balogun, Bartunek & Do 2010).

4.2.1. Future Research on Systemic Constructionist Leadership

This study has highlighted some of the elements that seem to be relevant if we want to develop organizational capacity for change. The three parts of the Change Capacity model each hold a number of dimensions that call for further research. Besides further studies on the different approaches and methods to promote participation in decision making or implementing processes as described above, the intersection between Organizational Cohesiveness and Strategic Competence dimensions calls for attention to how relational and discursive approaches can be used to supplement each other, as a way of furthering knowledge about leading change.

I find it relevant to highlight, the distinction between what is labelled “entity” and “constructionist” leadership researchers (Opcit.) where there seems to be an obvious space for mutual inspiration (Hosking 2012). Not with the intention to merge the different perspectives, but to create a productive interplay among these perspectives (Uhl-bien 2006, Van de Ven 2007). If we use different research perspectives, this can add on to our understanding of the subject studied, and help

us “illuminate different variations of the leadership phenomena” (Ospina & Uhl-bien 2012, p. xxi). Uhl-bien (2006) takes the first steps in this direction in her Relational Leadership Theory: “*Relational Leadership Theory is the study of both relationships (interpersonal relationships as outcomes of or as contexts for interactions) and relational dynamics (social interactions, social constructions) of leadership.*” (p. 667) This is an important first step to make difference in theoretical and methodological perspectives an asset rather than opposites. But even if both Uhl-bien (2006) and Hosking (2012) promote this integration, we still know surprisingly little about relational aspects of leadership on the living process of organizing and also how Relational Leadership is connected to how relationships form and develop in the workplace. (Uhl-bien 2006, p. 672) To gives us a deeper understanding of both the people/unit (entity) and relational/dialogic (constructionist) dimensions in the complexity involved in organizational change and transformation processes, we could start by integrating research on Systemic Constructionist Leadership with Relational Leadership (Ospina & Uhl-bien 2012) with research on Strategy as Practice (Vaara & Whittington 2012). If Relational Leadership (Ospina & Uhl-bien 2012) and Strategic Relational Leadership (this study) approaches are connected to and further researched with a SAP (e.g. Vaara & Whittington 2012) focus of how the results of strategic change initiatives are the result of the engagement and activities of all members of the organization, we could develop our understanding of how relational approaches can add to our knowledge about leading change.

With a focus of the personal and relational dynamics of the leader – follower collaboration and coordination (entity studies) and the focus on dialogic – relational processes (constructionist studies), the RL literature can provide us with valuable knowledge about how the relational micro dynamic processes of modern organization might enhance or prevent our ability to effectively lead change initiatives. SAP literature could supplement this in at least three ways. First, some SAP literature (e.g. Mantere & Vaara 2008) has a specific focus on change – and the role of change agents, middle managers and non-managers in the studies of strategy and change. Second, the SAP studies have a tradition that includes both

qualitative and analytical quantitative and statistical methods for exploring and understanding the nature of strategic processes and change (Vaara & Whittington 2012). And third, it studies strategy and change at both a micro level with a focus on processes such as sensemaking as well as on how macro level change practices and political agendas promote or prevent participation in change processes (Opcit.).

Combining these different areas of study we could focus on at least two areas of further research. First, it could be on how to understand the interplay between relational micro processes with teams of top- middle or front line managers and the overall macro processes of participation of modern organizations in times of change – e.g. by studying resistance to change as unfolded below. How do processes within and between the managerial groups at different organizational levels enhance or prevent cohesiveness, strategic competence and engagement in change? Second – and following this, it calls for combining different research approaches. The analytic quantitative approaches can give us one kind on insight, and combined with constructionist qualitative and explorative study would give us other kinds of knowledge. Combined, they should be able to give access to new and valuable knowledge.

A second line of further research could be a follow up on some of the steps taken in this project on building the model about Capacity for Change. From the reviewed literature, we have learned that engagement and ownership comes from people at all organizational levels being actively involved in the change process (Steensen, 2008), it is affected by how the top managers construct engagement and active involvement (Ford & Ford, 2012) in a personal and direct form (Morgan & Zeffane 2010). Even if these studies give us some hints on how to understand what might create or prevent successful change, we still know little about the phenomenon of capacity for change. Each of the three dimensions: Organizational Cohesiveness, Strategic Competence and Engagement and Ownership calls for further research on their own, to give us a deeper understanding of Capacity for Change. One line of research that has been addressed in the research literature is

Organizational Cohesiveness. It has been addressed in literature on Social Capital with a focus on the wider Society (Putnam 2000) and in organizations (Olesen et.al. 2008) and in the study of resistance and change (Balogun, Bartunek & Do 2010), but we do not know much about how the degree of Organizational Cohesiveness influences organizational ability to change.

Where traditional research on change has a dominant focus on logic and rational dimensions (Balogun et.al. 2011), other researchers have privileged sensemaking (Bushe 2009) or emotional dimensions such as cynicism and trust (Morgan & Zeffane 2010) or scepticism (Folger & Skarlicki 1999), this study invites an integrated view off these approaches. One way of furthering this move could be by using the Organizational Cohesiveness dimension that builds on domains thinking. The model unfolded in the book on SRL (Chapter 8) is built on three dimensions, a rational dimension (domain of production), a cognitive or sensemaking dimension (domain of explanations) and an emotional dimension (domain of aesthetics). To be more specific, the domain of production would give emphasis to formal structures and formal communication processes, formal roles and responsibilities and formalized plans and goals, the domain of explanations would give emphasis to sense- and meaning making and the degree of coordination of meaning and the domain of aesthetics would emphasize attitudes and emotions. A study of how the three dimensions mutually form the ground for creating stronger relationships and more cohesiveness would add valuable knowledge to our understanding of how stronger or weaker relationships influence the capacity for change.

4.2.2. Future research on resistance to change

The second direction of future research is about the widespread “truth” that we should expect resistance to change. There is little doubt that resistance and change seems to be an un-separable couple in both practitioner and research literature. As Balogun et.al. (2011) notes: *“Recent research concentrates on two main questions: 1) why people resist and 2) how to overcome the resistance. These studies, while valuable in many respects, exhibit problematic assumptions about change resistance. The assumptions derive from a management biased*

perspective, a rationally based approach focusing on, for example, self-interest and conflicting schemas and considering change recipients solely as individuals.”

(p. 2) Seen from a constructionist perspective, the almost automatic use of the label “resistance to change” in itself can be problematic as it positions non-decision makers in a negative position, disregarding the relational nature of leading change processes. As the notion and definition of resistance to change is closely connected to the Change Management literature (Kotter 2011), it would be highly relevant to challenge this primarily top down view on change processes. What we need to know more about is how the different language games connected to change influence the sense making among different participants in change processes. We could start by looking at how different language discourses around change e.g. deficit discourses such as narratives about resistance, about opposition or about lack of trust, or affirmative or appreciative discourses such as narratives about engagement, coordination or trust prevails in different organization. And following from this, it would be useful to explore how these discourses are connected to how people in different positions describe both their own perception about change and also their stories about a wider organization-cultural perception about change. This could help us in at least two ways. First, we could learn about how different peoples’ narratives influence both local and more organizational wide ways of sensemaking around change. What are the different discourses about change and how can these discourses and narrative help us build a broader variety of ways to understand and work with change?

A second line of research could focus on the communication processes around change initiatives positions non-decision makers in the change process. A relevant area of further research is how we can understand to role and position of followers – e.g. middle managers who are supposed to be active in implementing change without being an active part of the decision making process. Different researchers have looked at e.g. how strategy processes affects the successful implementation of new strategies (Steensen 2008) and how the strategy process itself might prevent or promote middle managers participation in these processes (Vaara & Whittington). But this still leaves us with an open question around how a systemic

constructionist (or relational) approach to leading change might make a difference. Further research might follow in the footsteps of Bisel and Barge (2011). They find that one of the challenges in creating engagement among employees in change processes is the use of a transmission approach to change communication (p. 274). Bisel and Barge suggest an approach where transmission communication is supplemented with constructionist – discursive approaches to change communication. I find it highly relevant to move this notion further by looking at how a reflexive use of both transmission and dialogic communication can increase the level of perceived engagement and ownership, and thus decrease the perceived resistance to change. Using inspiration from this research project, a focus on how transmission versus dialogic communication strategies influence different groups participation and/or perceived resistance in a change process. Valuable knowledge could come from studying what difference a transmission communication strategy and a mixed transmission and dialogic strategy makes for the level of perceived engagement and ownership to change initiatives among middle managers. This could be done by comparing the top leader teams internal communication processes around a change process with the communication process between top- and middle managers and how this influences the internal communication processes among middle managers.

4.3. Research methods for practitioners

A last request or wish is for all of us to promote the opportunity for more practitioners to do action research in their own practice. As described above, doing action research has been an effective way of developing my knowledge and my practice as a consultant and it has given me valuable “tools” to continue to do so. One important issue when doing research with practitioners is a request for getting the results back in action rather quickly. So if we want more practitioners to do research, they should follow the recommendations from Cooperrider & Srivastva (1989) – that action research should be both generate new ideas and theories but it should also generate applicable practical knowledge. And as Ospina (2012), I

see a wide-open space for developing more creative and generative research methods beyond the suggestion above to mix existing research methods. In my work, I have made one small contribution by taking a questioning model (Hornstrup, Tømm & Johansen 2009) developed for interventive and generative purposes and to put it into a research context. This has been a strong way of combining a research ambition to generate new ideas and it has also helped me test the generated ideas with practitioners. Many OD practitioners have a wide variety of generative methods for creating organizational development and change, methods that in my eyes could form the base for new research methods. I hope that my contribution is just one small step of many in our effort to create more generative and practitioner oriented approaches to action research.

Endings and new beginnings

Finishing this paper has generated a lot of new interesting questions to pursue – and new practice-based research projects are ready. I like the ideas presented in the book, and they seem to be very helpful for a lot of people as a new way of seeing strategy work and especially seeing the role of leaders and managers in strategic change processes.

I also hope other researchers will pick up the ideas and move them on (or tear them down). We very much need good relational ideas and practices to support living in and leading organizations in a very complex and changing world. The question or maybe the meta-learning to me, after having presenting the ideas from the book since September 2013 and after having a lot of rich discussions with top leaders (as hoped from the beginning of the journey) is that the dimensions presented in the book can be related to change. Based on the research and on these rich conversations I developed a new hypothesis: The organizations with a high degree of change capacity probably have a lot of other capacities or capabilities. With a high degree of cohesiveness across the hierarchy and across organizational boundaries, with strategic competent thinkers seeing their positing from ‘the whole’ and not least having well-established routines for participation, I

believe that these organizations can achieve a lot of other things than 'just' change. And I think it is one of these places we would like to work.

To me, this is the best possible place to end this journey, with the signal I that I can't stop here, there is so much more to find, to share, to develop, to innovate...

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Appendix 1

STRATEGIC RELATIONAL LEADERSHIP

Systemic leadership of change

Carsten Hornstrup and Thomas Johansen

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CONTENTS

Acknowledgements

PART 1 THE FOUNDATION

Chapter 1

Introduction

Chapter 2

Challenges in Leading Effective Changes

PART 2 THE CONCEPT OF CONSTRUCTIONISM

Chapter 3

Change Leadership in a Constructionist Perspective

PART 3 THEORETICAL PERSPECTIVES AND CHANGE LEADERSHIP

Chapter 4

Changes, Context, and Strategy

Chapter 5

Leadership as Relational Reflectivity

Chapter 6

Appreciation, Respect, and Trust

Chapter 7

Leadership, Positioning, and Power

PART 4 THE STRATEGY PROCESS AND THE STRATEGIC CAPACITY FOR CHANGE

Chapter 8

Organizational Cohesion

Chapter 9

Strategic Competence

Chapter 10

Responsibility and Ownership Through Involvement

PART 5 CHANGES IN PRACTICE – AND EPILOGUE

Chapter 11

Changes in Practice

Chapter 12

Epilogue

Key contributors to the creation of the book

List of figures

List of tables

References

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PART 1 THE FOUNDATION

Part One unfolds the foundation for the book and its ideas. In Chapter 1 we introduce some of the key concepts of the book, and in Chapter 2 we present some of the leadership challenges we address in our discussion of strategic changes.

CHAPTER 1

INTRODUCTION

This book discusses how we can manage change by addressing organizational change responsibly and efficiently through better leadership. The book is framed by a systemic relational approach to people and the world in general. As authors, our goal is to inspire, challenge, and improve your approach to leadership in order to help develop and set a new leadership agenda to the benefit of organizations, companies, and the society that we are all a part of. We do this by addressing leadership from a relational perspective and by reviewing the underlying logic and the mental models that guide your actions and those of your fellow leaders.

With this book we hope to support the development of improved leadership practices in an effort to promote more responsible and sustainable businesses and companies that are capable of making positive and valuable contributions to our society. That may sound simple, but when we are dealing with leadership, habits, and a cultural legacy that dates back more than a century, it requires us to pause and rethink.

LEADERSHIP AS THE DIFFERENCE THAT MAKES A DIFFERENCE

We hope that this book will be read and used as a source of inspiration by people who work with leadership in the broadest sense. That includes top executives and leaders who hold the primary responsibility for how we manage change and how we structure our organizations as well as all other leaders in charge of strategy and change processes, and, not least, the many employees who are responsible for projects and processes. In our view, they all practice leadership, whether or not they have formal leadership responsibilities, although we are aware that individuals with a formal leadership role have a particular leadership responsibility that differs from that shouldered by other members of the organization. Whether you are a CEO, HR manager, team manager, management consultant, educator, project manager or staff member, we hope to challenge and inspire you and the way you think and act.

Leadership is not a matter of titles and formally assigned roles. We are all involved in making important decisions through our actions and communication. Everything that we choose to say and do and everything we choose *not* to say and do has an impact on the organization's results. Therefore, leadership and a sense of responsibility for the larger whole are something that we should all actively embrace in our respective areas. That requires us all to develop a degree of awareness of and a sense of responsibility that go beyond our own specific tasks. We need to take a step up the ladder and view our own tasks and responsibilities in a larger organizational perspective. To do that, those with formal leadership responsibilities have to train, challenge, and involve their employees in a way that generates broader insights and a stronger sense of shared responsibility. Knowledge, involvement, and responsibility allow us to develop our competences and promotes dedication and ownership. And that expands the circle of what we might call strategically competent contributors.

When we choose to focus on developing more strategically competent contributors it is because we see this as a crucial element in developing the company's strategic capacity for change. An investment in the company's strategic capacity for change is a long-term investment that enhances the organization's overall capacity for meeting challenges and generating new possibilities (Judge, 2011). Such an investment includes the organization's other partners and stakeholders – paid as well as unpaid – in a combined effort to generate added value. Not just for the organization but also for society at large. Ultimately, this investment will lead to even better enterprises, as people's willingness to make an active contributions requires a mission or a purpose that goes beyond the simple bottom line and shareholder dividends.

FOUR TRENDS WITH SIGNIFICANT CONSEQUENCES FOR LEADERSHIP

With a firm foundation in systemic relational thinking and inspiration from a number of theories outside the systemic universe, this book discusses how you, in your leadership role, can handle vital leadership challenges more efficiently. We base our discussion on four important trends that we feel challenge our way of understanding and practicing leadership:

1. Obsolete mental models with roots in the industrial era often form the basis of leadership philosophy and practices

2. A more closely and interconnected world has led to increased complexity
3. Accelerating change poses a challenge to organizational cohesion
4. A growing pressure on resources poses a challenge to traditional growth philosophy and management.

The four trends will be explored further in Chapter 2 as parameters that define the outlines of the world we live in and of the emerging future for our leadership practices. Next, Chapters 3-7 focus on a number of theoretical leadership perspectives that follow from these four trends. This discussion is framed by a systemic relational leadership paradigm with a focus on practicing leadership in and of change with the goal of generating effective results by means of organizational cohesion and strategically competent contributors with a sense of shared responsibility and ownership of the changes, whether these contributors are fellow leaders, employees or external partners.

WE WRITE AS LEADERS TO LEADERS ABOUT LEADERSHIP

We write this book as leaders and owners of a consultancy firm that has worked with leadership from a systemic perspective for more than 12 years in Scandinavian organizations in the public and private sectors as well as volunteer NGOs. Therefore we refer to ourselves as 'we' in the text. Although we also work as consultants, we primarily view ourselves as leaders who work with leadership and with organizational and business development, both in our own firm and in a large number of private companies, public sector organizations and volunteer organizations. Our focus and our business are to develop practices aimed at leading people, changes, and processes in order to create results in practice. Nevertheless, we also introduce and draw on a range of theories because we view theories as scaffolding or vantage points that enable us to develop new understandings and insights into the practice and the challenges we face.

AN EXTENSION OF THE BOOK *DEVELOPING RELATIONAL LEADERSHIP: RESOURCES FOR DEVELOPING REFLECTIVE ORGANIZATIONAL PRACTICES*

To us, this book is also a natural extension of the systemic and constructionist understanding of leadership and organizations. We took the first major step in this direction with the book *Developing Relational Leadership: Resources for Developing Reflexive Organizational Practices* (Hornstrup et al., 2012; Danish edition 2005). The original Danish edition of this book has sold more than 25,000 copies (per 2013). It has also been published in Swedish. Much has happened, however, since the Danish edition came out in 2005. Not least, we have had the pleasure of applying the ideas in practice, which has provided valuable feedback and sparked new ideas for a further development of the theoretical and practical foundation.

INSPIRATION FROM PRACTITIONERS AND FELLOW PROFESSIONALS

The book has also developed in close interaction with clients, external partners, and our colleagues at MacMann Berg. Shared work and many years of teaching in our own master's program in systemic leadership and organizational development in combination with productive collegial discussions and persistent curiosity have created a professional environment that has inspired many of the thoughts and models that appear in the book.

Key elements of the book derive from an action research project (PhD)³, where we work with several organizations (Silkeborg Municipality, East, Department of Health and Care; Department of Anesthesiology, Regional Hospital West Jutland, Central Denmark Region; and the Special Area for Autism, Psychiatry and Social Service Department, Central Denmark Region) in an effort to develop and test the book's ideas in real life. This joint endeavor has helped anchor our thoughts and encouraged us to describe and publish our ideas in the current form.

A BRIEF OVERVIEW OF THE BOOK – CHAPTER BY CHAPTER

³ The project focuses on a strategic relational approach to developing an organization's strategic capacity for change.

One option is to read the book cover to cover. However, if you are pressed for time or if you are particularly curious about specific themes you can also choose to dive into the chapters that seem most relevant to you. Here is a brief overview of the individual chapters in the book to help you navigate.

The book falls into five main parts. Part one is comprised of Chapters 1 and 2. Here we establish the overall framework for the content. We examine how four main trends or challenges affect companies and thus the leaders and staff who have to deal with the challenges.

1. The first challenge stems from the globalization of our world, which has made us far more closely interconnected and led to **increased complexity**; this in turn has led to reduced transparency and a lack of cohesion (see e.g. IBM, 2010, 2012). This situation requires a capacity for handling complexity and for simplifying without oversimplifying.
2. The second challenge is about a **pace of change** that does not appear to be letting up but is in fact accelerating (see e.g. Hamel, 2007, 2012). That requires organizations and companies to improve their ability to act flexibly and proactively in relation to the future that is emerging.
3. A third important challenge is a **growing pressure on resources**, which challenges a traditional growth philosophy, where the automatic response until now has been to increase the pace and the pressure on employees, nature, resources or the economy (see e.g. Nielsen & Lyngsø, 2011; Kolind & Bøtter, 2012). It is no longer sufficient to aim for optimization within a traditional management logic or a linear bottom line approach. We need to focus on cooperation and responsibility on every level – and that may in fact prove to be really good for business.
4. A fourth challenge is the fact that much leadership thinking and many leadership practices rely on **obsolete mental models** deriving from the early industrial age. These models are no longer adequate in a complex and rapidly changing world. This calls for a new mindset, a new mental map to navigate by and lead from. (Hamel, 2007, 2012).

Chapter 3 makes up Part Two. Here we address the fourth challenge: the mental models. In this chapter we introduce some of the epistemological basis that form the foundation for the systemic approach to leadership and organizations. Based on the concept of constructionism we present an epistemological basis for our approach to major change decisions. By addressing these ideas from a personal, a relational, and a general organizational and strategic perspective we present the reader with a basic framework for the argumentation in the book.

Part Three consists of Chapters 4 through 7 and presents four theoretical perspectives on change leadership. In Chapter 4 we turn to the organizational context and address strategy and change leadership. Here we look at the strategic context for working with changes, how we can understand strategy as a concept, and what role it plays for our ability to manage strategic change processes. Specifically, we look at strategy from three angles:

1. Strategy as the stated goals and plans that provide a framework and direction for development
2. Strategic work with change with a focus on the strategically competent contributor as an actor
3. The strategic processes that bring the factors mentioned above – the organization and the actors – together in a strong and meaningful unit.

This lets us establish a framework for the model for the strategic capacity for change that we introduce in Chapter 11.

In Chapter 5 we look at reflectivity as the ability to maintain a curious and challenging stance in relation to the attitudes, values, experiences, habits, cultures, etc. that govern and guide our individual and joint attention. With the introduction of meta-reflectivity – as a perspective where we look at the conditions for achieving coordination and cohesion by means of communication and relationships – we provide a leadership platform that lets us maintain the constructionist perspective. This allows us to explore and challenge strengths and challenges in the existing habits and interaction patterns, and it gives us an opportunity to shape new habits and patterns to facilitate the changes we aim to accomplish. In addition,

we focus more specifically on personal reflectivity in the form of self- and other-reflectivity, relational reflectivity in the form of language and communication, and, finally, organizational reflectivity within a holistic organizational perspective.

In Chapter 6 we focus on appreciation, trust, and respect – three vital concepts for achieving results in cooperation with others. We unfold the appreciative mindset with a focus on the individual in the form of appreciative and trust-building relationships, language, and communication, and we explore appreciation in a larger organizational perspective. In addition to describing appreciation, trust, and respect and their vital role for our ability to generate and develop productive relationships on both a personal and an organizational level, we also challenge the common misperception that appreciation is about focusing on positive aspects. In our own work we have come across many leaders and employees who can hardly bear to hear about appreciation and about the requirement to maintain an exclusively positive slant in their language and focus. They perceive the appreciative mindset and practices as a tyranny of positivity that leaves no room for discussing the things that are not working or the issues that they view as urgent and essential. We consider this a profoundly unhelpful approach. The first question we should ask ourselves as leaders is, “What is it important to focus on?” That may be the aspects that are difficult, and which are not working, the aspects that frustrate us or drain our energy. The important point is how we discuss these issues. Rather than dictate what we are allowed to talk about, the most important contribution of the appreciative approach is a way of discussing and addressing the problems by maintaining a task-focused, forward-looking, and vitalizing perspective. Otherwise, we will have turned appreciation into a modern power technology that acts, in the short or the long term, to suppress and inhibit an open dialogue.

In Chapter 7 we look at leadership as positioning, as something that unfolds in a dynamic interaction with others and in many different positions. Rather than framing leadership as a static role, position theory offers a range of different dynamic positions that we may assume and choose from, to great practical effect. This also invites us to examine the role of power in a modern organization, where the formal and traditional view of the leader’s power and influence is no longer adequate (Hosking, 1995-1). Power is a fundamental condition in any human relationship, and thus every relationship is also a power relationship. From a leadership perspective, the key is how we manage this power relationship to ensure that our power and influence produce added value on both an organization and an individual level.

Part Four consists of Chapters 8-10. Here we move a step closer to practice, unfolding the three basic dimensions that make up our model for the strategic capacity for change. The three dimensions are **strategic competence**, **organizational cohesion**, and **responsibility and ownership** in relation to change.

A key aspect of working with change is the organization’s and the involved actors’ capacity for change. This is a topic that has attracted the attention of many theorists and practitioners over the years, and there are many different perspectives on how we can understand and promote an organization’s ability to address and handle change competently. Most of these perspectives focus on our capacity for embracing, processing, and adapting to change (Conner, 2003), how organizations prioritize their resource use and facilitate and implement change processes (Schmisseur et al., 2006; Soparnot 2011), and the leader’s task of making the future and thus the desired results of the changes appear clear and relevant to the key stakeholders (Lilleøre, 2009). Many highlight the task of leadership and focus on the balance between the rational and analytical planning and articulation of plans – often referred to as Change Management (Mintzberg, 2004; Kotter, 2012) – and the softer and unpredictable side of change management with a focus on empowerment, on seeing the possibilities that arise, and on navigating and managing the emergent and often unpredictable processes (Mintzberg, 2007; Drejer, 2009; Stacey, 2011). Others instead highlight the importance of employees’ and mid-level leaders’ trust in the top leadership groups and their decisions; a trust that decreases with the employees’ perceived distance to the decision-makers (Morgan & Zeffane, 2010) and increases with their perceived degree of participation in the relevant decision-making and implementation processes (Kim & Mabougne, 2005; Mantere & Vaara, 2008; Steensen, 2009; Ford & Ford, 2012).

The framework we suggest for working with the capacity for change rests on the thoughts outlined above and on the preceding chapters in the book. We introduce our model for the strategic capacity for change, which is constructed around three dimensions that we introduce in each of the final three chapters.

Figure 1.1. Strategic capacity for change in three dimensions

ORGANIZATIONAL COHESION – THE FIRST DIMENSION

1. We present and discuss the first dimension, organizational cohesion, in Chapter 8. We expand on the thoughts presented in the preceding chapters and bring them together in a partial model that is part of our model for the strategic capacity for change. This partial model is a strategy model that represents the cohesion in the organization on four levels, which represent a further development of the domain concept (Lang, Little & Cronen, 1990; Hornstrup et al., 2005). The first level, the **domain of production**, deals with the rational perspective of communication and draws inspiration from the discussion of contextual strategy in Chapter 4. Here, strategy is defined as framework and structures with a focus on how visible the strategic changes are to the key actors.
2. The second level, the **domain of explanation**, is a cognitive and conceptual level. Here we draw on some of the fundamental thoughts in Chapter 3 about the concept of constructionism.
3. The third level, the **domain of aesthetics**, is about values and emotions. Here we draw our main inspiration from the discussion about appreciation, trust, and respect in Chapter 6. The focus is on the degree to which the relations within the organization are characterized by mutual trust and respect among the various leadership levels with a special emphasis on the relationship between the leaders who make change decisions and the leaders who have to implement these decisions in practice.
4. Last, but not least, we have the fourth level: the **reflective domain**. Here we explore the impact of reflective and curious leadership practices on our ability to activate cohesion on the rational level, the cognitive level, the conceptual level, and the level of values and emotions.

STRATEGIC COMPETENCE – THE SECOND DIMENSION

In Chapter 9 we turn to the second dimension, which is about the degree of strategic competence: To what extent does the individual actor, the individual team, and the individual department base their efforts on a holistic organizational understanding, and to what extent do the individual actors and groups interact naturally across professional and organizational boundaries? Here we draw mainly on leadership concepts such as positions and positioning which we describe in Chapter 7. This dimension concerns the degree to which the individual actor, especially the leaders and the individual units, possess competences and experiences with strategic work and thus a capacity for interdisciplinary work across organizational boundaries for working with interpersonal and inter-organizational relations in change processes.

In addition to addressing whether the individual leaders and teams base their actions on a local, inward-looking perspective or on a holistic perspective, we also discuss whether changes are addressed from a reactive or a proactive vantage point. Whether the culture in the organization and in the individual teams is characterized by initiative and an active development focus, or whether it reflects a more cautious and reactive approach to change. Finally, we also address the importance of reflective and curious leadership practices in relation to developing the strategic competence and positioning the various actors as strategically competent contributors.

RESPONSIBILITY AND OWNERSHIP – THE THIRD DIMENSION

The third dimension is the focus of Chapter 10. This dimension is about using insistent involvement to promote ownership of changes among the key actors and stakeholders. Here we draw on the notion from Chapter 3 that the individual actor's knowledge and insight is about our ability to include them actively in the change process. We also incorporate ideas from Chapter 4 about strategic actors and processes. We use these concepts to explore how we can use insistent involvement to practice insistent leadership in a top-down approach to ensure that we also activate key skeptics. But an equally important point is to explore how we can develop insistent fellowship in a bottom-up process to ensure that essential insights reach the decision-makers, and that it becomes possible and legitimate to ask inquisitive and critical questions of the decision-makers. We also address how we can work with different types of leadership and fellowship by looking at different forms of involvement strategies. Last but not least, we address how we can ensure quality and shared ownership of the specific solutions.

Toward the end of Part Four we tie the three dimensions from Chapters 8-10 together in a coherent model for the **strategic capacity for change** that will help us assess the company's overall strategic capacity for change.

The final part, Part Five, is comprised of Chapter 11 and the Epilogue. Chapter 11 deals with change processes in practice. Here we combine a model for strategic change processes from Chapter 4 with the book's other models (Strategic Relational Leadership – the SRL model) to build a coherent constructive framework for strategic change processes. The SRL model can serve both as a general framework for planning and implementing the preliminary steps of the change process and as a recognizable guide for framing and targeting the work on all organizational levels.

The SRL model can be used as an approach and an understanding of the various strategic change processes throughout the organization. It can help provide a shared understanding and a shared language for strategic change work in the organization that will serve as an important asset for coherent strategy and change processes. The SRL model can also serve as a common framework for the strategic processes and thus contribute to a holistic understanding of the general strategic analyses, processes, and goals and of the local efforts to achieve the strategic goals and changes in the individual organizational units. The point of departure for these descriptions will be comprehensive change processes that require thorough preparations and a high degree of leadership attention to implement. However, they can also be used in relation to smaller change processes or simply as a source of inspiration for the daily efforts to ensure optimum conditions for dynamic organizations with a strong capacity for change.

Figure 1.2. Strategic Relational Leadership (SRL) – a framework for change processes

In the epilogue we tie together some of the key messages in the book – and suggest what we consider the next steps in the effort to improve our understanding of the complicated process of managing strategic changes. Among other points, we articulate some of the questions raised in the book – and offer our vision of the journey of discovery that lies ahead.

Table 1.1. The book at a glance	
PARTS AND CHAPTERS	CONTENT
Part One. The Foundation Chapter 1. Introduction Chapter 2. Challenges in leading effective changes	Frames the challenges we use as our point of departure in our effort to shed light on the leadership of strategic changes.
Part Two. The Concept of Constructionism Chapter 3. Change leadership in a constructionist perspective	Introduces the philosophical and epistemological foundation of our work: the concept of constructionism.
Part Three. Theoretical perspectives and Change Leadership Chapter 4. Changes, context, and strategy Chapter 5. Leadership as relational reflectivity Chapter 6. Appreciation, respect, and trust Chapter 7. Leadership, positioning, and power	The four chapters introduce four cornerstones in our solution to building a strategic capacity for change by leading strategic changes with a focus on the organizational strategic context of the changes, organizational reflectivity, and the presence of appreciation, respect, and trust as the foundation for achieving productive relationships and leadership as reflective positioning.
Part Four. The Strategy Process and the Strategic Capacity for Change Chapter 8. Organizational cohesion Chapter 9. Strategic competence Chapter 10. Responsibility and ownership through involvement	In Chapters 8-10 we introduce the three dimensions that form our model for a strategic capacity for change that consists of strategic competence, organizational cohesion, and responsibility for and ownership of the changes.
Part Five. Changes in Practice and Epilogue Chapter 11. Changes in Practice Chapter 12. Epilogue	In Chapter 11 we tie it all together with a focus on leadership of changes in practice.

WE WOULD LOVE TO RECEIVE YOUR COMMENTS

All that is left to us now is to wish you a pleasant reading experience. We hope that you will find the ideas in the book inspiring, and we would love to hear about it. Enjoy!

Carsten Hornstrup

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Aarhus, June 2014

CHAPTER 2

CHALLENGES IN LEADING EFFECTIVE CHANGES

If the future is important, then help shape it.

PETER DRUCKER

This book is about leading change and thus about how we can shape the future we wish to see. We base our work on the questions below and offer our ideas for how we as leaders might meet these major challenges – both in our thinking and in practice:

- How can we enhance organizational cohesion to boost our coordinated capacity for action?
- How can we enhance our strategic competence – a holistic mindset throughout the organization – to enable the individual member or unit to act from a holistic perspective?
- How can we increase ownership of the changes and thus give our colleagues and employees optimum conditions for making a positive contribution and creating added value in alignment with the desired direction?

How do we achieve all this in daily organizational leadership practices in relation to people of flesh and blood and in organizations with tight deadlines, demands, external partners, clients, customers, users, frustrations, excitement, ambitions, economic factors, and a demand for high quality and performance?

Our world view and our knowledge about leadership, organizations, changes, communication and development have a major impact on the way we practice leadership. This makes **epistemology**, **theory**, and **practice** are three sides of the same issue. Instead of treating theory and practice as isolated worlds, we believe that good leadership requires a fundamental understanding that thoughts and acts rely on underlying perceptions and concepts of good leadership. But often, we are not consciously aware of these perceptions. On an unconscious level, our practices are therefore often governed by certain dominant assumptions – but what is their source, and are they constructive and helpful? Or do we need to rethink and see the world in new perspectives? What sort of mental map do we use to navigate and shape our leadership? Here it is helpful to recall an Einstein point that the challenges we face cannot be successfully met with the same basic thinking or awareness that produced them (Amrine, 1946).

We divide the world into categories based on rational principles, as if we were able to understand and operate within logically distinct units (Oelgaard, 2001; Bateson, 2010), but a complex and constantly changing world presents a drastic challenge to our thinking. What if, instead, we viewed the world (and organizations) as one coherent eco-mental system? What sort of leadership and cooperation principles would that call for?

LEADERSHIP OF STRATEGIC CHANGES IN A SYSTEMIC PERSPECTIVE

With this book, we hope to make an important contribution to the development of strategic leadership and organizational thinking and practice. The book is about managing changes with a systemic mindset and with a focus on the concept of constructionism, communication, relationships, meaning, and involvement. Over the past ten years or so, systemic thinking has become quite widespread, in particular in Denmark and the rest of Scandinavia; so much so that today, systemic thinking may be more integrated into practice in Denmark than in any other country in the world. This situation does pose certain limitations, however. Thus, the systemic ideas are particularly popular in the field of Human Resource Development (HRD), especially in the public sector and in volunteer organizations. And nowhere is it more common than in leadership within the so-called 'soft' professions (nursing, special needs education, psychiatry, general education, and teaching). In our experience, the systemic ideas are less widespread in the top leadership echelons in the public sector. Based on a growing degree of complexity and accelerating change, the classic, more linear management approach – including New Public Management and other related, rational management theories – is, however, facing increasing challenges. New challenges require new answers that spring from a different mindset – and here there is an emergent awareness of the inherent potential of systemic thinking.

The same applies to private companies, where the systemic approach finds very little use in traditional line organizations. Typically, knowledge of and experience with systemic leadership are present in the HR staff function, while it is absent on the many levels of leadership within the organization.

We need leadership that is better equipped to act in and manage complexity and accelerating change in a constantly changing world, where the strategic focus has to move from a predominantly retrospective approach to a far more forward-looking one that is oriented toward the emerging future. To a profound degree, systemic leadership practices are inspired by and spring from psychology and family therapy (Tomm, 1987, 1988; Cecchin, 1987; Boscolo et al., 1987; Andersen, 1991; Cecchin et al., 1992). This is what we might call first-generation systemic practice – systemic practice 1.0 – where Bateson's circular epistemology inspired the development of a new approach to family therapy. We were among the Danish consultants who were inspired by this practice and developed it further to make it applicable in an organizational and leadership context. This constitutes systemic practice 2.0, which takes place on an organizational micro level with the soft HR disciplines and 'person-related' leadership as its main arena. So far, systemic practice has not found much of a role in relation to the more general strategic leadership and change processes.

We would like to take systemic thinking to a new level, version 3.0. A shift from micro to macro processes. From more or less isolated HR activities to efforts on an organizational level and the level of business strategy. We hope to inspire our readers to create stronger organizational cohesion and healthier bottom lines by tying together the many organizational micro processes and the general strategic macro processes that are involved in any change process.

CONTRIBUTIONS FROM THEORY AND INSPIRATION FROM PRACTICE

In this development effort we have drawn on inspiration from a wide range of theories and schools of thinking and, not least, from many years of practice and our professional environment. Instead of focusing on the mutual differences and different epistemological foundations of these lines of thinking, our main focus will be on the inspiration that they provide.

We consider it a natural extension of the basic assumptions in systemic and constructionist theory to view differences as assets that enable synergy and innovation. This ambition is not 'only' driven by our own aspirations and presumptions. Since the publication of *Developing relational leadership* (Hornstrup et al., 2012) we have expanded our knowledge in close dialogue with clients and external partners. This pertains not only to our knowledge of systemic theory and practice but even more importantly to real life in the organizational context, where leaders and organizational consultants operate and apply various leadership and organizational tools. This is a highly complex context, which is typically dominated by a long-standing tradition for relying on what we might call a more traditional approach to management and organizational development. Thus, our ambition is to use this inspiration to link the various theories and practices to build an even stronger basis for applicable and valuable leadership and organizational development on every level of the organization.

One of the leading management thinkers today, American Gary Hamel, sees the future task of leadership as putting human beings center-stage:

For the first time since the dawning of the industrial age, the only way to build a company that's fit for the future is to build one that's fit for human beings as well. This is your opportunity – to build a 21st century management model that truly elicits, honors, and cherishes human initiative, creativity and passion – these tender, essential ingredients for business success in this new millennium.

(HAMEL, 2007, p. 255)

Many companies and organizations will probably argue that they are already focusing on human beings, creativity, and passion, and we do not doubt their intentions or their efforts to do so. It is our point, however, that our assumptions as leaders about how to understand the character of interpersonal, relational, and communicative processes often have a profound impact on our leadership behavior. By supplementing Gary Hamel's thinking with that of other distinctive leadership and strategic thinkers, including Karl Weick, Henry Mintzberg, Edgar Schein, and Gareth Morgan, as well as classic systemic thinkers, including Gregory Bateson, Humberto Maturana, Kenneth Gergen, David Cooperrider, Barnett

Pearce, and others, we discover some very interesting contributions to understanding and handling some of our most vital current and future management challenges.

One remarkable and important management contribution in the 1990s was Karl Weick's '*Sensemaking in Organizations*' (Weick, 1995; Weick et al., 2005). With sensemaking as his key focus, in this book he zoomed in on the organizational challenges we face when we seek to optimize coordination and connectedness among people and across organizational units. If we add Weick's later work with the concept of *sensegiving* we can see and understand sensemaking not simply as a retroactive process but as a shared future-oriented construction process and speak of *sense-cocreating* in leadership, where leadership becomes a matter of coordinating the communication and the acts that generates a coordinated sense and understanding of the future and of the actions that are needed to get us there.

We are also inspired by Edgar Schein, who brings culture, values, and the underlying assumptions into the foreground. That enhances our awareness and understanding of the organizational culture and its importance for leadership – not least in relation to building organizations that are capable of handling change (Schein, 2004). By linking Schein's thoughts on culture with Luhmann's ideas we can view organizations as islands of more or less cohesive communication (Luhmann, 2005). When we as leaders build relationships to connect organizational units we create the conditions for bridges to emerge between the units and for the different cultures to nourish and inspire each other.

In relation to strategy, both as content and process, we are very inspired by the Canadian management and strategy thinker Henry Mintzberg, who has dominated the scene for more than three decades, and who has influenced several generations of leaders. In particular, his contribution to a clarification of the strategy concept and his idea of placing leadership processes over control processes (Mintzberg, 1987-I, 2004) mark an essential contribution that has served as an important source of inspiration. In addition, we have found valuable inspiration in the research into 'Strategy as Practice', which focuses on the micro processes that go into shaping what becomes the company's lived strategy (Balogun, 2005; Balogun & Johnson, 2007; Vaara & Whittington, 2011; Vinther-Larsen, 2011). Unfortunately, this research is only rarely applied and integrated into practice.

Finally we would like to highlight the organizational theorist Gareth Morgan and his use of metaphors to illustrate the strengths and challenges of management theories; this effort has been an important source of inspiration for our own work (Morgan, 1986, 1993). His metaphor of "*organizations as flux and transformation*" (Morgan, 1986, p. 255) and the awareness of the internal and external complexity that characterizes modern organizations point to the need for complex theories and models for capturing the complexity as well as the need to reduce complexity in order to be able to navigate and act in daily leadership practices. These thinkers and practitioners and others have contributed to our journey and helped shape the foundation for this book.

FOUR TRENDS AND THE LEADERSHIP CHALLENGES THEY PRESENT

This book is focused on leadership of and in change. Before we turn to our own points and messages, we want to outline four important leadership challenges as we see them. The reader may agree or disagree with the image we present and our take on the trends; we offer this outline primarily in order to make our own thinking and logic transparent. By unfolding these vital organizational and leadership challenges we hope to clarify the underlying issues behind the ideas and the possible answers that we discuss in the following chapters. With this we hope to avoid presenting strategic relational leadership as a postulated answer to questions that were never stated or perceived as relevant; instead we hope to present it as a clarification of the surrounding meta-context that shapes the following answers in relation to a new mindset for leadership and leadership practice.

We identify four key trends that challenge much of today's leadership practice in organizations and companies. Briefly stated, these challenges are:

1. Much leadership thinking and practice is based on **obsolete mental models** from the beginnings of the industrial age, which no longer produce the desired effects in a new reality. That calls for a new mental map to navigate by and lead from.

2. A globalized world has made us all much more interconnected and led to **increased complexity**, which in turn has led to a lack of transparency that challenges organizational cohesion. That requires us to develop a capacity for managing complexity and for simplify complexity without over-simplifying it.
3. **An accelerating pace of change** that does not appear to be letting up similarly increases our need to be able to act flexibly in relation to the emerging future in order to strengthen organizational cohesion.
4. **An escalating pressure on resources** challenges a linear growth philosophy, where the automatic response until now has been to increase the pace and the pressure on employees, nature, resources, and the economy. It is no longer sufficient to optimize based on a traditional linear management logic or a one-sided focus on the bottom line. We need to incorporate responsibility on every level.

These four trends can be compared to ocean currents: They may be invisible to the naked eye, but they have a profound impact on life in the oceans and on land. Some of the currents are cold. Others are warm. Over long periods of time they might change direction, with huge consequences for the climate, the weather, and the conditions for life in and around the currents. That is also true of the trends we have outlined above. Whether we like it or not, they affect us and our way of thinking and thus also our practices – as human beings, as leaders, and as organizations. Below, we unfold the four trends and the challenges they present for much of the leadership that is practiced in organizations and companies today. This in turn forms the basis for Chapters 3-7, where we explore the challenges in depth and look at how we might rethink leadership in a constructionist paradigm, which in many regards offers a highly relevant alternative to many other leadership and management concepts that fail to produce the desired results or effects. The conditions are different today than they were at the dawn of the industrial age, when many of the mental management models were conceived that have prevailed to this day.

OBSELETE MENTAL MODELS DOMINATE THE LANDSCAPE – THE FIRST TREND

Let us open this discussion by turning to Gary Hamel, who puts this point very succinctly and perhaps somewhat boldly:

To a large extent, your company is being managed right now by a small coterie of long-departed theorists and practitioners who invented the rules and conventions of “modern” management back in the early years of the 20th century. They are the poltergeists who inhabit the musty machinery of management.

(HAMEL, 2007, p. ix)

Many of the principles that guide the way we organize and lead our organizations today were invented in a very different era. Most of these principles stem from the same background as Frederick Taylor (Taylor, 1911/2006) and his ideas about Scientific Management and Max Weber’s ideas about bureaucracy (Weber, 1905/1995). They are rooted in the earliest years of the industrial age and organizational thinking. The automobile had just been invented, and the telephone was a fairly new and rare contraption. The challenge for leaders was to build organizations that would create the conditions for large-scale industrial mass production. Many of the employees were unskilled laborers, and the goal of management and organizing was largely to make people part of automated processes like semi-programmable robots, capable of carrying out their tasks with little mental involvement. In every respect, it was a different world than the one we live in today.

Nevertheless, much of the leadership that is practiced today is rooted in and related to the traditional ideas from the early years of management thinking, although it often appears in new and more sophisticated versions such as Performance Management (Daniels, 1985), Management by Objectives (Drucker, 1954), Porter’s Five Forces (Porter, 2008), and Quality Management based on ISO principles (Schmidt, 2008) in the private sector. In the public sector, New Public Management (Hood, 1991) and Evidence-Based Management (Pfeffer & Sutton, 2006) are similar examples of management models with obvious Taylorist features. Management DNA is based on the principles that were developed by Henri Fayol, Frederick Taylor, and Max Weber in the early years of the 1900s. As long as this DNA is allowed to guide our leadership practices we have little hope of developing leadership and organizations that are able to meet the challenges of a hyper-complex world.

Although much has been written over the years on the need to apply a more dynamic view of organizations (e.g. Schein, 1985; Senge, 1990; Agyris & Schön, 1996; Morgan, 1986, 1993; Weick, 1995; Weick et al., 2005; Mintzberg, 2004, 2007), to a high degree we have to concur with Hamel's fairly harsh assessment that our ideas about management and the way we structure our organizations are strongly influenced by the ideas developed by the much earlier organizational theorists in the early years of the 1900s.

The key assumption in Scientific Management is that the world and people function according to a linear model where we can change the output by tweaking and regulating the right levers. If we wish to increase productivity, we simply increase the pace of what we are already doing. Everybody picks up the pace a little. The problem is that people do not act or react in accordance with a linear logic or an instrumental approach. The interaction is far more complex than that. At some point, the increased pace may result in dissatisfaction, a lack of perceived meaning, a deteriorating working environment – all factors that may cause productivity to drop, which is the exact opposite of the desired effect. This insight can be traced as far back as the Hawthorne Experiments at Western Electric in the late 1920s, which fostered the Human Relations Movement (Mayo, 1933).

Although research has long since documented that top-down strategy rollouts do not work as intended (Steensen, 2009), this continues to be a common way of managing strategic change. We have met countless managers – and continue to meet them to this day – who have launched and 'rolled out' major strategy processes with the best intentions only to see their efforts are frustrated, because the employees fail to see the point or the need for the new direction or restructuring and therefore continue to stick to their old, familiar routines (Drejer, 2009). The manager then tries to explain the importance of the new approach by speaking even more emphatically, producing even more PowerPoint presentations or sending even more e-mails. When this still fails to produce the desired effect, management attributes the failure to widespread resistance to change among the employees. That may lead to dismissals and the recruitment of new employees, etc., and in short order, the same old pattern is reestablished.

In today's far more interconnected world, the collapse of the U.S. housing market affects Danish families' ability to borrow money in their local bank, and Danish unemployment rises. A terrorist attack in the United States, a tsunami in Japan or economic turmoil in Greece all affect your organization and thus your leadership. The high complexity and pace of events today stem in part from increased globalization and digitization. And that has irrevocably changed the conditions of our actions and the environment in which we do business.

Much leadership is still based on an underlying linear logic and a retrospective understanding where we seek to control and direct the future by extrapolating from past experiences. That is like driving a car while spending most of our time looking in the rearview mirror. It is certainly possible, and it works, provided we know the road, and there are no sudden or unexpected road works, pot holes, traffic accidents or diversions – not to mention other motorists. That is when things go wrong. We cannot respond quickly enough if we rely exclusively on our rearview mirror. The same is true of leadership and organizations.

A changing environment requires a much more plastic organization and a dynamic leadership approach that looks toward the emerging future and the vision that we strive to achieve. A leadership approach that enables employees to act as strategically competent contributors and sees them as important partners who essentially have the same task as the leader: creating organizational value and a good working life for everyone.

Our mental models thus have a profound influence on our practice. Behind every act and every thought lie certain fundamental assumptions that we are often unaware of, but which nevertheless play a crucial role. Like the ocean currents, which are not visible to the naked eye, but which have a crucial influence on life in the oceans and on land. The new map that we propose is based on a systemic constructionist paradigm because it represents a concept that is sufficiently complex to grasp the complexity of the world we live in, for example the role of meaning, trust, relationships, communication, involvement, and clarity of context.

INCREASED COMPLEXITY CHALLENGES ORGANIZATIONAL COHESION – THE SECOND TREND

Every two years, IBM conducts a global survey where they ask more than a 1000 CEOs and senior public sector leaders what they identify as their main challenges, and what they, consequently, view as their top leadership priorities. In the 2010 survey (IBM, 2010) some of the conclusions are:

- *The world's private and public sector leaders believe that a rapid escalation of "complexity" is the biggest challenge confronting them. They expect it to continue – indeed, to accelerate – in the coming years.*
- *They identify "creativity" as the single most important leadership competency for enterprises seeking a path through this complexity.*

A growing degree of complexity that shows no sign of tapering off presents a radical challenge to organizations and companies. What makes this complexity an ever greater challenge is the fact that organizations and the leadership that is practiced are essentially unable to handle the complexity. The more complex and the less transparent organizations and the environment are, the harder it is to maintain the meaningfulness of a linear and rational management logic: *We occupy a world that is connected on multiple dimensions and at a deep level – a global system of systems* (IBM, 2012). Or, as the British management researcher Ralph Stacey puts it, *"In complex systems we are not able to forecast things in a linear way"* (Stacey, 2011).

When leaders nevertheless often continue to apply this thinking in practice it is often because they are not aware of their own underlying assumptions, because they fail to see alternatives, or because the rest of the management team lacks awareness. Leaders are often recruited among the most competent professionals in a team or at least from within the same profession as the people they are supposed to lead. This is true across the field, from manufacturing companies and service providers to hospitals, court houses, schools or special needs facilities. As most organizations and companies in the Western world today are knowledge-based and have a high degree of professional specialization, the high degree of complexity presents a challenge to leaders with this traditional background. If we as leaders are too rooted in this tradition of representing the highest professional competence we risk becoming the main obstacle to good leadership. When we appoint a brilliant heart surgeon to be director of specialty services, the only thing we can be sure of is that we have lost an excellent surgeon. There is no guarantee that we have also gained a competent leader. Leadership is a profession, and like all other professions it has both a theoretical and a practical dimension that one needs to learn in order to act competently. We need to be aware that the climb up the corporate ladder, from staff member to leader, from a leader of staff members to a leader of leaders, etc. requires us to abandon our former professional focus and develop new skills and competences – while unlearning others (Dahl & Molly-Søholm, 2012). If we fail to do that we risk having leaders and thus organizations with inferior leadership performance. Instead of remaining rooted on the level that we came from, as leaders we need to move a step up and view the world from our current position in order to be able to view the organization and its challenges in a wider perspective.

In addition to pointing to growing complexity as one of the main challenges, the IBM survey from 2012 (IBM, 2012) also mentions some points that the surveyed top executives view as answers to the challenges:

- *They are creating more open and collaborative cultures – encouraging employees to connect, learn from each other and thrive in a world of rapid change.*
- *The emphasis on openness and collaboration is even higher among outperforming organizations – and they have the change-management capabilities to make it happen.*

In extension of the above discussion about promoting the most competent team member to a leadership position, we are instead invited here to examine how we can build more cohesive and cooperative cultures. That is important for enabling highly specialized members of the organization to generate synergy and added value in close interactions across professional boundaries. When the individual member's professional knowledge becomes cross-disciplinary organizational knowledge, it often increases in value. That has implications for the leader's role: from being a leader who is anchored in one's original professional to leading from the current vision and values and leading complex knowledge sharing and innovation across disciplinary and organizational boundaries. As leaders, we must abandon the notion of being a leader within our original profession.

It is also not enough for the leader to ensure that the communication and information trickle down through the organization and the levels of leadership. Here, the vision is crucial, because the leader should base his or her leadership on the vision and help clarify, on a daily basis, where the organization is headed in order to create optimum conditions for

the employees and other leaders to act and contribute in a strategically competent manner. That is why the ability to communicate and convey the organization's vision and strategies for change is so vital. However, when leadership is more about creating connections, leaders have to focus equally on the essential communication and information flow in the other direction: bottom-up in the traditional organization diagram. The experiences that are made in the contact with clients, customers or users are vitally important for competent leadership decision-making.

Steen Hildebrandt has made the same point, in slightly different words. He points out that leadership is less about developing rationally based models to shed light on the workings of organizations (Hildebrandt, 2007) and instead invites us to develop a larger and more complex conceptual framework that is capable of capturing the complexity that characterizes a modern company and its environment. In other words:

We grasp the world by means of our concepts. What we cannot conceptualize we cannot grasp.
(HILDEBRANDT, OP.CIT.)

This underscores the importance of paying attention to the impact our thoughts about organizational design have on life in the organization. Recalling Hamel's point about the poltergeists who govern the way we organize organizations, we risk falling into the pitfall of believing that we can change an organization merely by changing charts and structures:

Consider ... how charts and diagrams tend to dominate thinking about organizational design. They're a product of the static understandings generated by a mechanical view of organization. ... Organizational charts are useful tools, but they can also be extremely limiting because they entrench the idea that one's organization is a structure that can be engineered and reengineered to produce appropriate results.
(MORGAN, 1993, pp. 6-7)

One of Morgan's key points is that our ability to understand and organize organizations must be adjusted to match the challenges we face, and that while the traditional challenge was to "get organized", the future challenge is to develop organizations that live in a state of constant flux:

...the challenge of the future is to find ways in which we can remain open to continuous self-organization: so that we can adapt and evolve as we go along.
(MORGAN, OP.CIT., p. 17)

Growing complexity places a growing number of complex issues on the individual leader's agenda, and under less static conditions there is less and less time for the individual issues. Many leaders also find that their performance is assessed on an expanding set of parameters. In addition to economic figures, quality, and productivity, many now face a growing emphasis on employee well-being, development, and involvement, and on customer and user relations and satisfaction. Other key parameters are environmental factors, corporate social responsibility, and, not least, the leader's role as a strategic actor in implementing the company's new strategies.

These new conditions are all consequences of a growing degree of mutual dependency and complexity. We are connected with the rest of the world in one large eco-mentality of people, relations, ideas, information, and actions. The same applies internally in the company, where the individual teams and units are increasingly dependent on internal coordination. This means that we cannot simply mind our own little corner of the world; we cannot focus merely on the organization or department we are put in charge of. In the functional organization structure where each unit handles a specific function, often representing a specific professional focus, the units risk operating as isolated silos with their own goals, professional orientations, economies, and cultures. The strength of the familiar functional organization structure is clarity and transparency, but in a changing world there is too great a risk that essential and valuable experiences, information or ideas fall into the cracks between the units as each unit mainly aims for optimization within its own isolated context.

As complexity becomes a basic condition, static master plans and projections based on past events become increasingly inadequate. If we consider other complex systems, we may find inspiration in the birds. Most of us have

probably marveled at seeing huge flocks of birds consisting of thousands of individuals that turn, twist, and swoop in close, elegant, and synchronized coordination as they settle on a field or take to the sky. Amazingly, they never collide. They are able to keep the flock together and move in a highly synchronized fashion, seemingly without any overriding master plans and analyses – and without the individual bird possessing anything even remotely close to the human intellect. If we view this flock of birds as an image of highly flexible and dynamic organization and leadership, it becomes interesting to ponder, How is this possible? Who leads the flock, and how?



Figure 2.1. Murmuration: Thousands of starlings amazingly avoid collision by observing three simple principles concerning speed, distance, and direction.

Research has shown that the individual bird acts in accordance with a small set of simple principles, and that when all the birds adhere to these principles the total system is able to handle a very high degree of complexity. The flock does not have a strong leader – at least, there are no indications of any command or communication pattern. The patterns are not predetermined, as that would require a brain capacity that goes beyond what the birds possess. However, as long as each bird observes a simple set of rules concerning speed, distance, and direction in relation to the nearest bird, each bird is continuously able to act in a competent and appropriate manner in relation to a complex whole. In this sense, the skill that makes the murmuration possible relies on emergent properties in the system where each individual adheres to a small set of simple rules or principles (Pearce, 2007; Stacey, 2011).

Transferring this understanding to organizations, we can compare it to the idea that the degree of coordination and cohesion we achieve is a result of what everybody says and does as well as what everybody *does not* say and *does not* do. Leadership in complexity means giving up the idea that centralized control can enable us to navigate successfully in constantly changing waters. Framework and direction – goals and strategies – are important indicators of direction, but we need to supplement them with principles that empower the individual leader and employee to act in a smart, forward-looking, and strategically competent manner in relation to the organization's main task and desired vision.

THE PACE OF CHANGE IS ACCELERATING, WHICH LEADS TO FRUSTRATION OVER THE LACK OF STABILITY – THE THIRD TREND

Growing complexity and an accelerating pace of change can be viewed as two sides of the same coin, mutually creating and influencing one another. As the pace increases, complexity often increases too, and growing complexity leads to less predictability and stability, which in turn leads to a higher perceived pace of change. If we assume that stability is the norm, and that change is simply a passing condition before we return to renewed stability, change will almost inevitably be perceived as a threat.

What if, instead, we viewed change as the norm, and stability as the deviation? How would that affect the level of frustration, given the knowledge that our concepts and visions of the future are the source of our present behavior? In our experience, the level of frustration is often significantly reduced when we challenge the leaders' perspective and expectations, proposing continuous change as the most stable, indeed, perhaps the only stable condition. "*The resistance to change goes away if change is made part of every day's work*" (Kolind, 2006, p. 79). In fact, the frustration over the lack of stability and predictability stems from the false assumption that stability is even an option. For the vast majority of us, stability is not an option – or only very rarely and for limited periods of time. Change initiatives, political decisions, and changes in our environmental conditions are constantly replaced with new changes or initiatives that directly or indirectly affect the organization's economic situation, conditions, and primary service or product. That calls for a different mental model, one that is aimed at embracing the changes, understanding them, and acting on them, lest the pace of change lead to overheated organizations where we as leaders lose our orientation because our mental models are out of step with reality. Otherwise we may wind up responding to other people's decisions and outside factors rather than acting in a forward-looking and proactive manner and enhancing our capacity for change.

That requires a different leadership mindset and new leadership competences with a focus on creating cohesion, promoting insistent involvement, and taking action in relation to individuals who do not contribute actively to the team effort. Thus, with your leadership practice, your communication, and your behavior you help your fellow leaders and the employees you lead to become skilled and strategically competent contributors. You help the individual organization member and leader grasp the organization's vision clearly, positioning the vision as the strategic mirror that all actions and all behavior and communication are reflected in. That requires a persistent daily leadership effort. In return, it unleashes energy and a sense of responsibility in the individual, because perceived and actual responsibility and involvement are two of the most vital single factors for employees' well-being and job satisfaction – and a source of organizational results (Steensen, 2009; Kristensen, 2009).

We often encounter leaders who find changes challenging. And who face changes increasingly often. These changes stem from new technologies that both enable and require us to act in new ways. They stem from changes in the market and in the overall environment as a result of increased competition and of customers', clients', users' and politicians' expectations and decisions.

One source this accelerating pace of change is that we live in a highly interconnected and interacting world where any advantages we might have and benefit from in terms of know-how are becoming increasingly short-lived. Others are quick to learn from us or copy our approach.

When changes come at us at a growing pace we need to develop our capacity for living and leading in a state of continuous *flux* and *mobility*. The capacity for change is not just a leadership task. Unless the entire organization is geared for mobility we will not be able to adapt quickly enough. In the organizations where change leadership is something that is thought up and implemented by the top leadership, and where the classic approach of "Unfreeze – change – (re)freeze" (Lewin, 1947) prevails, many leaders will experience a high degree of resistance against change. In our experience, this resistance occurs when those who are subject to the changes fail to see the changes as meaningful, and, in parallel, that the top leadership has failed to build an organization that is capable of embracing change. To succeed, the leader has to lead by example and help build mentally agile leadership and a culture where change is something that everybody is prepared for and takes active part in. If the organizational culture is based on silo thinking and firm habits and routines, such a culture will often be much stronger than new strategic initiatives.

In recent years, research has made interesting contributions that suggest the need for a more holistic and relational approach to leadership and organizational development in order to handle complexity and the accelerating pace of change (Balogun, 2007; Stacey, 2009; Steensen, 2010; Morgan & Zaffane, 2010). This is not least about good relations based on

trust, perceived and actual responsibility for the individual, and ongoing coordinated vertical and horizontal communication in the organization in combination with insistent involvement and feedback on performance in relation to the primary task.

On a micro level, findings from both Danish (Olesen et al., 2009) and international research (Gittell, 2012) show that the strength and the quality of relations and communication have a crucial impact on employee performance. Recent research into 'strategy as practice' indicates that the ability to generate an understanding for the changes and, not least, trust in management are vital ingredients in leading strategic changes, and that involvement is the primary means of building and developing relations of trust (Morgan & Zaffane, 2010; Vaara & Whittington, 2011).

In Denmark, a survey of 200 private companies similarly found a strong correlation between the leaders' approach to strategy processes and the organization's performance measured in terms of profit ratio, market shares, and other indicators. The survey found that organizations with traditional top-down leadership

... have a negative performance development and clearly have a lower internal efficiency on all partial goals than companies where the employees are more involved in the strategy processes.

(STEENSEN, 2009:11)

According to the survey, the reason that companies with top-down management have poorer performance than others in the market is that

The top-down management of processes gives the employees a poorer understanding of the company's strategic development direction, demotivates them, harms internal cooperation, and causes employees to become less innovative and react more slowly to changes in demands from the customers the marketplace.

(STEENSEN, OP.CIT., p. 13)

By comparison, companies that involve leaders and staff more in the strategy processes do better.

The effect [of involvement] is not marginal but rather substantial, as this factor alone explains 30 percent of the variation in the company's overall organizational efficiency.

(STEENSEN, OP.CIT., p. 13)

Hence the conclusion:

Thus, when successful top management is able to include the employees as much as possible in defining future activities and initiatives and conveys a sense of involvement in the process among the organization's employees on every level.

(STEENSEN, OP.CIT., p. 12)

GROWING PRESSURE ON RESOURCES PRESENTS A CHALLENGE TO THE TRADITIONAL GROWTH PHILOSOPHY – THE FOURTH TREND

For most companies, internationalization, and globalization have already led to a much higher degree of interconnectedness, interdependency, and mutual influence. Not only in the form of increased complexity and accelerating change but also as a pressure on resources in a broad sense. From raw materials in the global market to resources in the form of time and money. The public sector has an almost insatiable demand for resources. In hospitals today, for example, we can perform increasingly sophisticated operations and treatments, at increasing costs. With increasingly sophisticated equipment and our emphasis on diagnostics we identify more and more diseases that we wish to offer treatments for. That is staggeringly expensive and puts a huge pressure on our healthcare budgets. Many other areas are characterized by a similar logic. We want more and more for the same money – or less. But there is a limit to the amount of pressure we can put on employees and leaders to deliver more and more, lest the end-result be dissatisfaction or stress, as long we are

working within a quantitative logic and a quantitative rationale. It is not enough simply to increase the pace or to introduce indiscriminate optimization and efficiency measures across the board. That works up to a point and for some time. Then we need to rethink and find new approaches to get to the next level.

Futurologists are now talking about a new mega-trend: a shift from **more** to **better** (Skare-Nielsen, 2011). The challenge is that within a wide range of areas, the idea of getting more for less is no longer interesting. In the Western world, many of us do not need more food or more TV channels; instead we could use *better* food and *better* TV channels. In an organizational context, we do not need more leadership, more tasks, more studies, and more evaluations. We want *better* leadership, *better* studies, and *more useful* evaluations.

Thus, the escalating pressure on resources challenges the prevailing growth philosophy that has been the dominant mental model in the Western world since the Age of Enlightenment. In many cases, this thinking has put nature, the economy, and people under maximum pressure. A pressure that aims to increase efficiency and maximize the output from the raw materials we use and the time we spend and have available. A pressure that many leaders have handled within the framework of a traditional management logic and a linear bottom line approach.

In that light, the ability to enhance the quality of interactions among the different actors in the organization therefore becomes crucial. That requires both leaders and employees to develop a new capacity for cooperation, knowledge sharing, communication, and strategically competent behavior. Many organizations and companies are already focusing on interactions and cohesion. Not only with regard to the organizational cohesion among people but also in a global and environmental perspective, where sustainability and sustainable leadership are on the agenda. Sustainability thus goes beyond environmental concerns, recycling, and social responsibility.

In a society characterized by resource pressures with growing demands for and expectations of increased efficiency and quality for less money, leadership becomes a crucial parameter. Leaders cannot be allowed to pose an actual obstacle or hindrance to the use and unleashing of the employees' experience, knowledge, and contributions – leaders must act as catalysts for vital and valuable processes that optimize the organization's overall capacity for meeting new and greater challenges.

NEW LEADERSHIP PRACTICES REQUIRE NEW TRAINING

Together, the organizational and leadership issues we have discussed above concerning obsolete mental models, growing complexity, accelerating change, and an escalating pressure on resources pose a radical challenge to the way we understand and practice leadership. This calls for a new approach to understanding and practicing leadership in order to reach the desired results.

Figure 2.2. Changes – trends and potential challenges

New mental models are not enough, however. We need new practices. But new practices do not emerge out of nothing. They are something that every leader has to train deliberately to achieve. Obviously, leadership is a craft that cannot be learned merely by reading this and other books on the topic. At best, reading can provide inspiration for your own subsequent and ongoing training in leadership practice. There are no shortcuts. Ongoing training is the only way to achieve true mastery.

Unless we as leaders engage in daily training to improve our own and the organization's capacity for building cohesion by means of improved communication and relations and our ability to handle the conflicts that inevitably occur, we risk developing isolated organizational silos. We begin to focus on conflicts instead of shared goals, and job satisfaction withers away into frustration, stress, and increased sick leave. The most competent, passionate, and dedicated members leave the organization, and the organization develops a reputation as a dysfunctional workplace. That makes it difficult to attract new competent employees. That makes your leadership effort vital, and as leaders we therefore have to ask ourselves every day: What am I practicing today? What patterns of relations and communication, habits, and teamwork cultures am I promoting with the behavior and the communication I bring to the table? What would it be helpful for me to do less? Do more? Stop doing? Or begin to do that I am not already doing? Look to yourself first – and then ask the same questions of your direct reports and your team employees.

In this book, we focus on the leadership challenges we have outlined above and delve into the themes that spring from them. These are themes that we view as vital leadership issues and competences which we need to focus on, both now and in the future, in order to meet the challenges we face. Therefore, strategic relational leadership involves developing the competences that we might call strategic curiosity – where we have a stronger focus on the requirement for leaders to lead and connect – as a contribution to the concept of leadership and organization now and in the future. This is mainly because the companies that are able to build relational and communicatively connected and coherent organizations stand to hold important competitive advantages in their ability to handle changes and generate new knowledge and learning across the organization – both vertically and horizontally. This applies to private companies as well as the public sector and volunteer organizations.

Strategic relational leadership is about creating a general framework and goals that are meaningful and relevant to everybody in the organization, in a way that maximizes the individual organization member's ability to act with *strategic competence*. It is about improving the company's ability to draw on the employees' resources thanks to stronger relational and communicative *organizational cohesion*. Thus, it is not only about increasing the top-down pace in the sense that strategic management decisions are translated into action more quickly and efficiently by the relevant organizational actors. Even more, it is about improving the quality of bottom-up cohesion and cohesion across the organizational units. Mid-level leaders and employees often have specific competences, experience, and knowledge that may be vital to other organizational units and, not least, for top the ability of the top leadership team to make strategically competent decisions. And it is about strengthening the sense of dedication and ownership of the organization's vision for the future throughout the organization. Commitment and ownership are promoted by ensuring that the relevant actors are involved in finding answers to the challenges we face. And as leaders we need to lead by example and create the conditions and thus the potential for new ideas and possibilities to arise and for the employees' creativity to grow in new relationships.

Is change leadership different from everyday leadership? Our answer is 'no'. In a time of constant change, the ability to handle small and large changes is a basic requirement. That is why we view change leadership as an essential discipline to master. We are not suggesting that everything is always changing, far from it. But if we have a misguided perception of everyday leadership and change leadership as opposites, with the former perceived as 'stability or maintenance leadership,' we are making a greater mistake than if we view everyday leadership as a dynamic discipline where providing leadership in relation to small and large adjustments and changes is part of every leader's daily practice.

Change leadership can be compared to sailing a ship. It is characterized by constant dynamics and motion. The wind varies over time and depending on the environment, creating calm waters or heavy swells. The currents vary, and the waters we navigate may be open and free of reefs or narrow and filled with dangers. There are other vessels in the same water – few or many, close up or farther away. And the ship we sail may be large and heavy and thus less maneuverable or small and light and thus more agile. At the same time, more and more people experience that the ship they are sailing is being constructed or modified as they sail. They cannot anchor up for any amount of time in order to adjust or restructure. All the adjustments have to be made while the ship is sailing. As leaders, we have to manage changes during operations – as part of everyday life in the workplace.

These metaphors illustrate the importance of our particular approach to change leadership and our need to develop the capacity of our organizations for navigating changing waters. Is it plain sailing with pleasant weather and fair winds? Are we in the eye of the hurricane, or is our situation more akin to white water rafting? Do we have a sound, stable ship that only requires a little trimming, or do we have to engage in major reconstruction as we sail? These conditions make a big difference for our ability to handle change. And if our assumptions above are not too far off the mark, we might describe leadership as sailing on rough seas with a ship that is difficult to steer, with a destination that is not necessarily obvious to everyone.

Leading the minor changes of everyday life and spear-heading major organizational turnarounds are demanding disciplines, but the two disciplines do share certain characteristics in terms of developing the leaders' and employees' ability to be active contributors in periods of change. If everyday leadership is seen as stability leadership, the company will often lack the basic conditions for managing minor and major changes. They risk becoming reactive, always responding to changes – and to competitors that move at a much faster pace than they do.

PART 2 THE CONCEPT OF CONSTRUCTIONISM

Here we introduce the philosophical and epistemological foundation that our work rests on – the concept of constructionism and the consequences it has for our approach to leadership as a communicative discipline.

CHAPTER 3

CHANGE LEADERSHIP IN A CONSTRUCTIONIST PERSPECTIVE

It is natural to take our perceptions as objective, yet nothing could be further from the truth. Women see situations differently from men. Salespeople see a different reality than engineers do. Chinese see a different world from Americans. This is not good or bad. It is human.

PETER SENGE

Epistemology is about how the human process of acquiring knowledge about the world we live in. It describes how every act, thought, and notion rests on certain underlying assumptions and ideas about how we perceive the world. We sense the world through these assumptions – often unconsciously – which act as filters or lenses for our perception. The underlying assumptions are always present, and they make us see and focus on certain things, while other things remain invisible. As leaders we can use this knowledge to be aware of our own and others' attention focus and blind spots. Blind spots that may be crucial, especially for our ability to lead change processes.

In a changing and complex world, our assumptions about our surrounding world play a key role: *“For a social discipline such as management the assumptions are actually a good deal more important than are the paradigms for a natural science. ... management deals with the behavior of PEOPLE and HUMAN INSTITUTIONS. Practitioners will therefore tend to act and to behave as the discipline's assumptions tell them to”* (Drucker, 1999).

We base our work on a systemic and constructionist epistemological paradigm. A constructionist epistemological paradigm is a mindset or a system of ideas that are based on the notion that our world or reality does not exist independent of us but only as it appears to each of us as the result of a construction process. The constructionist paradigm differs from a positivist rational paradigm, which has objectivity as a basic assumption, meaning that we can understand the world objectively and speak of Truth with a capital 'T', and that accurate and sufficient observation and analysis will enable us to prove how everything works. This assumption of objectivity also implies the notion of transmission: that knowledge can be transmitted from one person to another. These two basic epistemological positions have a huge impact on our understanding of the world, people, learning, communication, development, and change. And, not least, leadership. The constructionist and the positivist paradigm suggest different practices and approaches. It is not our ambition to determine right and wrong here but rather to state clearly that in our view, the constructionist paradigm offers a far more suitable basis for understanding leadership and organization, not least with regard to change leadership.

When an engineer or a technician bases their concrete knowledge and analyses on physical phenomena, as we do when building houses, cars, bridges, etc., it makes sense to take a rational view of the objective conditions that determine success. But when it comes to leadership and organization, it is a different matter. Here there are no laws of nature but people with ideas, meanings, and emotions who have to find the answers by means of mutual interaction and communication. Here we need to bracket our objectivity (Maturana & Varela, 198; Maturana & Poerksen, 2011) and take a reflectively curious stance to build relational and communicative bridges to connect the actors.

In our perspective, therefore, it makes a crucial difference whether we operate within a positivist objective transmission mindset or a systemic relational constructionist mindset. First of all, as leaders we have to enhance our awareness that our communication and actions are always based on certain fundamental assumptions or mental models, which we rely on to grasp the world and understand reality.

One of the major challenges we face as leaders is change leadership. Gary Hamel underscores that much of what we do as leaders and the way we organize organizations rests on assumptions about leadership that are rooted in the industrial age. These assumptions are in fact more than a hundred years old and stem from a time when the world looked very different, and yet we often (unwittingly) navigate on the basis of mental maps that have outlived their usefulness.

Get into your car, and type your destination into the GPS. If the map is outdated the GPS will have to calculate alternative routes repeatedly, if it is even able to locate your destination. You may continue driving, using the GPS, but the device will become increasingly less efficient and useful. So it is worth taking a critical look at your own and your fellow leaders' mental map.

If we look at leadership in a more strategic perspective as something that unfolds in a larger system, the importance of being aware of epistemological factors and mental models becomes even clearer. In a world characterized by increasing

complexity and accelerating change we need to be able to manage and profit from a high degree of complexity and variability. When change is the only stable condition, leaders and organizations have to develop a high degree of flexibility and a strong capacity for change while maintaining a firm sense of direction. Structures have to facilitate and promote optimum conditions for cooperation and learning across departments and teams to avoid the development of isolated silos, as a holistic understanding and cohesion are key factors for the organization's capacity for acting in a professional manner and accomplishing the desired results.

Both leaders' and employees' ability to act independently and situationally and with a high degree of coordination is becoming increasingly important, as more and more decisions and actions carry strategic implications – wherever they occur within the organization.

PERCEPTION, THEORY, AND PRACTICE – THREE PERSPECTIVES ON LEADERSHIP

We view perception, theory, and practice as three important perspectives on leadership. Our constructionist framework invites us to consider how a relational and communicative perspective on leadership can improve both our theoretical understanding of leadership and our day-to-day leadership practice.

Figure 3.1. Practice, theory, and perception – three perspectives on leadership

With inspiration from Peter Lang⁴ we choose to view all three levels from an action perspective. To a large extent, good leadership is about having good leadership tools for handling practice – what we call these **tools for action** – but they cannot stand alone if we want to be strategically competent leaders. The tools for action are based on a set of principles – a theoretical foundation that underpins our practice. Those two factors are not (should not be) separate but should be connected. Therefore we see theories as **tools for thinking** in the sense that they form a crucial basis for thinking about and reflecting on our actions in practice. Thus, a theoretical awareness is an important point of departure that helps qualify our understanding and use of tools for action. But as with the relationship between theory and practice or between tools for thinking and action, there is one more level behind the theories – a fundamental **epistemological** level, which plays a crucial role for our understanding of the theories and, not least, for our actions in practice. It is this epistemological basis that is our focus in this chapter.

The basic idea of this book is that if we wish to master the complex task of leading strategic change processes in practice, we need a strong foundation of tools for thinking or theories to match the complex reality we operate within. In addition, our theoretical and practical point of departure for our work as leaders always rests on certain fundamental epistemological assumptions about the nature of mental and communicative processes (Pearce, 2008; Hornstrup & Johansen, 2009). As illustrated in Figure 3.1., we view tools for action (practice), thinking (theories) and awareness (perception) as aspects of our approach to leadership. Each of the three dimensions can be viewed as a perspective that offers a certain understanding of leadership and thus a more reflective understanding of our own position and of our environment. The dimensions can play an important role in qualifying our leadership practice.

PERCEPTION AND PEOPLE IN A RELATIONAL PERSPECTIVE

Our inspiration for an epistemological theory for relational leadership springs from three interrelated yet different sources. First, we will look at the individual in a personal perspective, examining 'the person in the organization' with a focus on the organizational micro level. Here we describe some of the key elements in a relational epistemology and its impact on leadership and organizational development. Next, we turn our gaze to communication and relationship, the language we use, and the impact of communicative and relational processes on our perceptions. Finally, we look at perceptions in a larger organizational macro perspective and the impact of the larger system of communication patterns and culture on our perceptions and thus our ability to understand strategic leadership in a relational perspective.

⁴ Peter Lang is a management and organizational consultant and a family therapist. He is a key source of inspiration in our approach to linking perception, theory and practice.

PERCEPTION IN A PERSONAL PERSPECTIVE

In practice, building a coherent organization often involves substantial and important challenges. If the entire organization is to act with a sufficient degree of coordination, the coordination begins (or ends) with the ability of individuals to coordinate their understandings and actions with their immediate surroundings. Without a strong coordination on the organizational micro level, we cannot expect coordination on a macro level.

Organization always hinges on the creation of shared meanings and shared understandings, because there have to be common reference points if people are to shape and align their activities in an organized way.

(MORGAN, 1993, p. 11)

In our effort to grasp the various elements in the perceptual process on an individual level we can find valuable inspiration in the concept of the perceptual or construction process as something that takes place in each individual as a simultaneously closed and open autopoietic process (Maturana & Varela, 1987; Maturana & Poerksen, 2011). Autopoiesis means that we are self- (auto) referring or communicating (poiesis) entities who develop our understanding of our surroundings in a closed biological and mental process. More specifically, this implies that our meanings are formed in the encounter between our own knowledge, experience, and fundamental assumptions and the world around us. In that sense, the individual's specific opinion will always be unique, as it depends on the person's interpretations of the specific situation. Furthermore, we will never be able to communicate fully with others, because so much of what we rely on to interpret the situation will be determined by what our senses 'allows' us to observe and by unconscious mental processes.

Thus, our perceptual construction of our surroundings will be closely related to the features we direct our attention at. How we direct our attention leads to distinctions that construct what we subsequently come to view as reality.

Observing means applying distinctions to the world that were not present previously. In other words, observing involves making distinctions and characterizing and thus giving and making meaning.

(LUHMANN, in Tække & Paulsen, 2008)

This perceptual process stands between us as observers and the reality we observe. And since perception is a process that links our observations – what we see, hear, and sense – to our stories in the form of our knowledge, attitudes, and feelings, perception is not a depiction, a reflection or a representation of what we perceive as reality. Perception is an individual construction of reality. (Luhmann, Op.cit.).

This means that our perceptions cannot be the same as others', because our individual perceptual processes are closed internal processes:

All those who think that their ideas are true in an absolute sense make a fundamental mistake – they confuse believing and knowing.

(Maturana & Poerksen, 2011)

Many people who have taken management training will have seen the drawing of two persons in Figure 3.2, and most of us have tried standing in a line and retelling a story from person to person and seeing how different the final version of the story was from the original. That is constructionism in action.

Figure 3.2. Constructionism in a personal perspective

Each of the two individuals in Figure 3.2 forms an impression of the situation that is 'correct' from their particular perspective. However, if they are unaware that their interpretations are different they might well go about their business,

acting in the belief that they have a shared impression. They base their actions on the assumption that they have a mutually coordinated understanding of the facts.

Figure 3.3. Constructionism in an organizational perspective

Shifting our focus from the two individuals in the example above to a situation where multiple individuals (Figure 3.3) attempt to retell the story they just heard to the next person in line, the same principles applies – only the complexity is multiplied. The details in the story change, and the meaning is altered every time the story passes through another link. When we transfer situation from the classroom to everyday life in the organization where the hierarchy of top leadership, mid-level leadership, staff, and others rarely have the opportunity to be together in the same room, the implications of the constructionist concept are even more significant and far-reaching.

We see how the relatively simple invitation that the illustrations suggest is based on a set of fairly basic ideas with profound implications for our understanding of leadership. We see that leadership and organization is often not shaped by the understanding suggested by the constructionist mindset as outlined in Figures 3.2 and 3.3. Although we know that we cannot transmit information, knowledge, experiences, etc. from one individual to another or, more precisely, from one mind to another (Pearce, 2007), organizational structures and leadership practices often appear to assume that we are indeed able to transmit a vision (the star in Figure 3.3) to others virtually unchanged.

In addition to the personal perceptual process, it is also important to see perception as part of a relational and communicative process. The world that we perceive as real is also affected by our language and communication and shaped in relational interactions with others. Language is not something we use to describe the world around us or to convey knowledge, experiences or observations. Instead, our language and language use actually build the world we inhabit (Gergen, 2010).

Ludwig Wittgenstein used a lamp as a metaphor. Speaking of something is like shining a light on it in terms of our language use and the focus of our attention. At the same time, something else is now in the shade. Imagine that you find yourself in a completely dark room. You light a lamp. That lets you see what falls inside the cone of light, but whatever is above, below, and to the sides of the cone remains in the dark. That part of reality remains invisible to you. That does not mean that it is not there. It is, however, inaccessible to you as you direct the light and your attention in another direction. A similar image applies to our everyday life, where we can view our everyday attentive focus as a light cone. Our attention creates the framework for what we perceive as real. That lets us use our language and communication to shed light on new ideas and possibilities. If we wish to hear or see something that differs from what we normally see or hear we could ask other questions than we usually ask. New questions are a highly effective way of generating new possibilities. If we do not we will likely produce the same familiar answers and results. If we want to achieve new results or generate change in a given direction we can use language and our own curiosity to shine a light on something else today than we did yesterday. Otherwise we are simply reproducing questions and answers and thus behavior, actions, and results from the past.

Language also invites us to see the world we are discussing in a particular light. When we speak of leadership, organization, communication, etc. they may seem as concrete, objective things. If instead we talked about leading, organizing, and communicating we would highlight qualities that we consider more closely related to actual life in the organizational structure. An organization can be represented on paper as a structure, and we can discuss it as an objective fact. But there is a substantial difference between the organizational structure that we can capture on paper and the living organizational processes that we act within as leaders.

It is the generative power of language and its ability to conceptualize phenomena that enable our perception (Berger & Luckmann, 1966; Gergen, 2003). In this perspective, a substantial part of the perceptual process is attributed to language and communication in a complex interaction among people and between people and their environment. This dialogic perception process can be described as a communicative construction of the world we experience where construction occurs in the language while we are in constant motion:

We mentally assemble the landscape of the world from within our own language – as we are moving in it. Life by its very nature is dialogic. To live means to participate in dialogue.

(Gergen, Op.cit.)

This means that our perception of the situation is created in a relational and responsive process where meaning is continuously generated:

The meaning is in the next move – in the next action, in the response and in the response to the response and so on. Each move co-creates the meaning – and the meaning belongs to no one.

(Gergen, 2010)

This means that the perceptual process that unfolds through language and communication can be viewed as an ongoing process where our perception in the present frames a meeting of past and future:

Forming itself in the atmosphere of the already spoken, the words is at the same time determined by that which has not yet been said but which is needed and in fact anticipated by the answering word. Such is the situation of any living dialogue.

(Bakhtin, in Shotter, 2008; Shotter's emphasis)

Another important element in understanding our perceptual process is inspired by Bateson's definition of information as *the difference that makes a difference* (Bateson, 2000). This means that our perception is derived from a limited selection of the 'signals' we receive from our environment. Many signals (potential information) may never reach us or only reach us in a vague form due the way in which they are communicated. Or perhaps they reach us in a terminology (jargon) that we do not understand. Perhaps we fail to grasp the importance of the information, or the message it contains does not match our own current understanding of the situation. Thus, there are many thresholds that determine what we perceive as important information. What we perceive and take in as useful and meaningful information is constantly being determined on the basis of selected signs that reach us – and often these are the signs (words, phrases, gestures, intonations, etc.) that match our own current position; signs that we automatically choose to include in our perceptual process, often without being consciously aware of our selection (Weick et al., 2005).

An example in the present book of a difference that makes a difference is the way you, the reader, see and thus interpret words. As your eyes move across the sentences and see the words '**relational** leadership,' you may misread it as '**rational** leadership' because the two words look fairly similar. The small difference that makes a difference is whether you read *rational* or *relational*.

Thus, we move our focus from viewing the actual content of the information as the most important element in interpersonal communication to prioritizing the process, the relations, and the context of the information. Language and our relations with the people we communicate with play a major role in determining which exformation (what we say and what we intend to convey) actually becomes information (what the other person hears and understands)⁵.

Weick uses the term 'reader-editor' as a way of describing our active sensemaking process. In that perspective, when you read this book you are both a *reader*, seeing, reading and making sense of the words we have chosen to write, and an *editor*, selecting which sections to read and how to apply them in relation to your own practice (Weick et al., 2005). Of course you are not literally altering the book. But by looking at what we have written and by attempting to understand our intention in choosing these words and structuring the book the way we have, and, not least, by drawing on your own knowledge and experiences to put the text into a meaningful context of your own construction you do become your own editor, actively making sense of the words and sentences in the book. The words on these pages only become meaningful to you when they relate to your own world, where you are now, and where you are headed. In other words, every book has a great deal to say *between* the lines. This is the content that we add ourselves as we bring the messages of the book into the framework of our own understanding and practice.

Figure 3.4. Information – multiple layers of communication

⁵ The concept of exformation is unfolded in Chapter 2.

Looking at perception in a communicative perspective, another important point is that the difference that turns something into information may lie both in what we say and do – and in what we *do not* say, and what we *do not* do. The reason that we view what we *do not* say and *do not* do as potentially important is that *not doing* something for others can carry an important message that makes a difference. In a relational leadership framework this is important because much of our credibility as leaders depends on whether our communication and our actions live up to others' expectations of us. Thus, a leader's credibility is also affected when he or she *does not* do the things that others expect.

An example of the potential impact of a leader's failure to act is when change processes require us to increase cooperation across departments and professional boundaries. If the leader holds this up as important but fails to act to bolster these relations, his or her inaction sends very strong signals that may be interpreted as a lack of support for the official goals about cooperation and/or as a lack of credibility. In these situations, the lack of response from management may be seen to speak volumes. Whatever our motivations or intentions for *not* doing something, as leaders we have no influence on the meaning that others attribute to our failure to act. Their perception of the situation determines their interpretation of the leader's reasons not to act. This failure to act can lead to a lack of credibility for the leader, because a leader's credibility is determined by everyone who is part of the context where he or she operates – and because leaders are expected to lead by example in change processes.

INFORMATION AND EXFORMATION

If we take a closer look at the communicative process between people and their environment, a traditional transmission perspective would describe mutual communication as a way of conveying knowledge with maximum precision and minimum distortion (Pearce, 2007; Morgan, 1993). In a constructionist perspective, the fundamental assumption will be that you (the recipient) are the only one who can create information for yourself in the sense of meaning, understanding, coherence, etc. In this perspective, information literally becomes in-formation – what we construe as meaningful information is generated in a meeting between external factors and our own sensations in an internal perceptual process where we rely on our own knowledge and experiences, attitudes, etc. to understand what is happening in our environment. What others do and say – their communication – may be viewed as 'exformation', that is, potential information. By exformation we mean all the things that others say and do – and do not say and do – which the recipient attributes meaning to. Exformation also includes facial expressions and body language as well as thoughts and intentions (Hornstrup et al., 2005, p. 27).

Figure 3.5. Information and exformation

The term exformation thus implies a strong invitation to distinguish between the leader's or the 'sender's' messages, communication form, and intended messages on the one hand and what actually becomes information for the 'recipient.' This underscores that if we wish to build organizations that appear coherent, clear communication is not enough. Coherence emerges when the sender and the recipient coordinate their understanding of the message, and when this coordination is sufficiently effective to enable coordinated actions. That is an important point to note in connection with changes. Here the leader possesses considerably more knowledge about the changes because he or she will have participated in the decision-making process. But in many cases the leader is not quite aware of the consequences of failing to pass this knowledge on. When we communicate we have an image of a future: an image that includes the changes we know and have accepted. The recipients, on the other hand – employees or mid-level leadership – have a different image, which is typically an extrapolation of the past. The recipients' interpretations and our messages as leaders are therefore based on two different images of the future, which can be quite disparate.

From a traditional transmission perspective, it makes sense to view intranet, e-mail, and other electronic media as essential channels of information to the entire organization, based on the assumption that knowledge and information can be transferred among individuals, groups, and larger units. In a constructionist perspective, we view these transfer formats as channels of exformation. Thus, the content of e-mails or the intranet is potential information, but it does not become actual information until the recipient actively relates to the messages. In a management perspective, this implies that

electronic channels of information are best suited for maintaining a certain general level of information within the organization. They are most credible when the information we wish to share is easily decoded, that is, when it does not deviate from 'business as usual.' In connection with change processes, which involve new or complicated messages, we need a much more direct communication approach to facilitate mutual understanding. In that context, long lines of communication risk generating unhelpful modifications in the messages on their way from the decision-makers and executives.

To avoid unreflected and simple explanations to complex issues, we also need to consider how language and communication influence our understanding. By viewing perception as an internal personal process as well as a relational and communicative process, we develop an even clearer understanding of perception as a continuous living process.

Although our perceptual framework is constructionist in nature, however, it remains important to take a more nuanced look at the difference between construction and transmission on both a perceptual and a practical level. Although we ascribe in principle to the idea that information cannot be transmitted from one person or mind to another, that does not mean that we cannot, on a practical level, use transmission processes in connection with change. We just need to be aware that the information we convey by means of e-mail, the intranet etc. should be considered exformation, since we cannot know whether and how the intended recipients relate to the content we send.

Taking a closer look at the two different approaches to communication in practice, we see that each has its strengths and weaknesses (Table 3.1.).

Table 3.1. Strengths and weaknesses in the transmission versus the construction approach

	TRANSMISSION APPROACH	CONSTRUCTION APPROACH
Strengths	Simple and efficient for non-complex information in stable environments.	Efficient in generating a coordinated understanding of complex topics/issues in complex environments.
Weaknesses	Neglects the risk of 'local' interpretations of information.	Often takes longer and may produce ambiguity if the communication process is not well structured.

(Hornstrup & Reenberg, 2010, p. 8)

The strength of the transmission approach is that we can use very simple means such as e-mail or the intranet to reach a large number of individuals at once. It offers a potentially highly efficient form of communication, especially if the message is sufficiently simple, and the recipients' background enables them to grasp the message. In organizations with a high degree of professional, ethnic or language diversity, however, we need to be aware of the many local interpretations that may emerge. The constructionist perspective proposes direct communication among decision-makers and executives as the most efficient form of change communication (Morgan & Zeffane, 2010). That is the most efficient form of communication because it offers an opportunity for a more profound clarification of the complex issues that often characterize change processes. However, in large and complex organizations with multiple locations, shaping efficient communication and information processes can be a challenge.

The opportunities offered by video conferencing and other online media give us a new set of options for creating online connections that can help build efficient paths of communication between decision-makers and executives.

THE PERCEPTUAL PROCESS – IN A CONTEXTUAL PERSPECTIVE

If we turn our gaze away from individuals and close relationship and instead consider the whole organization, a constructionist perspective invites us to see organizations as patterns or systems of more or less cohesive communication (Bateson, 2010; Luhmann, in Tække & Paulsen, 2008). In that light, it is interesting to examine the relational and

communicative patterns that we as leaders stimulate and develop in our organizations as a result of our daily leadership practices as well as the organizational structures and processes we help create. Are we contributing to relationships and communication patterns that promote cohesion and connect people in a way that stimulates the organization's capacity to achieve results? Or are we contributing to organizations consisting of disparate units where the work and the cooperation processes are characterized by a local introvert logic? In a systemic perspective, organizational relationships and communication occupy a central position as features that increase or reduce cohesion and coordination among individuals, groups or larger units. So how can we as leaders provide an example and work with mid-level leadership and staff to build relationships and communicative patterns that create cohesion where it is of vital importance?

Thus, our focus on leadership as a strategic relational practice invites the awareness of leadership as a highly communicative discipline, which is thus about managing organizational processes where knowledge, meaning, and value are created in communication processes with all the involved parties (Bordum & Hansen, 2005). For the leader, communication thus constitutes a fundamental condition for building organizational cohesion, since no social systems – including organizations – can be established, maintained or changed without communication (Bordum & Hansen, op.cit.).

We can make these points a little more specific by placing the theory of autopoiesis into a social and organizational context. In this view, an organization is an overall system and a series of sub-systems that communicate in self-referring processes. For example, a team or department may gradually develop self-referring communication and cooperation modes that seem natural for the members but which involve certain linguistic and communicative discourses – codes, habits and routines – that are alien to outsiders. This self-reference may rely on a combination of the members' shared history, experiences and professional background, for example within an IT department, a finance department, a quality department, etc. The local logic takes on almost the same closed character as the personal autopoietic self-reference where access to the local collective sensemaking requires knowledge of the codes.

To provide a more precise image of the difference between individual self-reference versus self-reference in groups (social systems), we use the term 'sociopoiesis' to refer to social systems and 'autopoiesis' to refer to individuals. We make this distinction because self-referencing in groups has a degree of openness and accessibility that is not possible in personal self-referencing. While personal self-reference, sensemaking, is a combination of a closed internal process and an open relational and communicative process, over time new group members will be able to acquire the group's codes, norms, habits, routines and culture and thus become an integrated part of the sociopoietic self-reference.

Figure 3.6. Sociopoiesis.

Over time, the individual units in the organization develop an internal sociopoietic logic, which is based both on the shared internal history and on a story about the unit as part of the environment. Over time, the shared experiences and narratives give rise to a certain local culture consisting of visible elements in the form of structures, actions, and the stories that are told as well as the more invisible values and underlying assumptions (Schein, 2004). Not least the underlying assumptions may be seen as an important element in a collective or sociopoietic self-reference that affects our perception and understanding of the world. These assumptions affect what we view as important and thus our actions (Schein op. cit., pp. 30-31). Our choices about what we do and not to do rest on certain traditions and values and tend to ignore options that deviate from the local logic (Gergen, 2010).

Figure 3.7. Sociopoietic organizations

Figure 3.7 illustrates the consequences of sociopoietic organizations where the individual units have different cultures, habits, and routines, and where the units view themselves and the other units in light of their own sociopoietic understanding. One implication of this is that we tend to communicate with others in ways that match our own logic and expect communication from others that lives up to the same logic. If we occupy a position where our top priority is people, working environment, and well-being, that has a significant impact on our communication with others. In this situation, we typically put a high priority on inclusion, well-being, and involvement in our communication. Someone in a comptroller position, on the other hand, will place a higher priority on correct and specific communication. In relation to this leadership challenge, awareness of the significance of a multi-cultural multi-linguistic context and the ability to act in such a context are

key competences. It is also essential to ensure that other key actors train and maintain these competences. Unless both top and mid-level leaders are aware of the importance of good organizational habits and routines concerning interactions across units and actively develop these habits and routines, the language games, logics, and rationales that frame the communication of different actors in the organization can pose obstacles to the development of flexible organizations with a high capacity for change.

Another important source of inspiration for understanding the collective processes that affect our perception is Bateson's invitation to look for and create "*patterns that connect*" (Bateson, 1979). This means that we should always view these processes as links in and parts of larger patterns, where the many different processes mutually affect each other. Bateson's idea is consistent with what we have said above about our tendency to understand social and thus organizational systems from a rational transmission perspective. Thus, in most of the organizational solutions we choose we are guided by more rational principles which therefore define how we organize organizations. Our belief in rational principles cause us to build organizations that are divided along professional or other 'objective' criteria. This increases the internal sociopoietic referencing in the individual units and also reduces the quality of key communication patterns across the units.

Thus we risk that the organization – or, in Luhmann's words, the actions, communications, and organizational processes – form individual islands of more intense communication (Taekke & Paulsen, 2008); islands that strengthen the internal cohesion of the units, but which often leave use with a lack of internal organizational cohesion.

This means that the leadership task of ensuring organizational cohesion requires special attention in the interactions among the units. However, this may pose an extraordinary challenge, as leaders often have the same professional background and experiences as the employees in the individual units; thus, the leader's competences and responsibilities are defined within these units. When we attempt to handle the various coordination challenges from a rational transmission perspective the typical solution is to establish new coordinating functions across the units or to hire coordinators to handle the challenges or build the bridges that do not emerge naturally or exist in the organization. By adding an extra link or unit to the organization we try to meet the challenges by means of rational solution logics. That may work – to the extent that it leads to added coordination and cooperation about issues such as education, working environment etc. But in our experience, there is a big difference between adding more coordinators or coordinating links to the organization and developing coordination and cohesion. In many cases, hiring a coordinator or establishing a coordinating link in the organization can help us highlight the challenges, but if it makes others feel less personally responsible for the working environment we risk losing some of the collective organizational responsibility and coordination. A good example from our own practice is that when the company wants to improve its results in a particular area – quality, for example — we appoint quality coordinators from among the employees. But often we find that their coworkers then leave too much of the responsibility for quality assurance to the quality coordinators. Therefore, the net effect is often a lower level of organizational responsibility for the quality efforts.

By developing a reflective awareness of the impact of various processes on our perception and understanding of the world we can promote patterns that are helpful and change the patterns that have outlived their usefulness. This awareness also gives us a better vantage point for seeing 'ourselves in context' and sharing our awareness with others. In this sense, the reflective 'awareness exercise' goes beyond abstract theoretical considerations and has a direct impact on our ability as leaders to create and develop appropriate and cohesive communication and action patterns among individuals and within and among groups in the organization.

THE IMPORTANCE OF THE PERCEPTUAL FOCUS

Our decision to focus on the perceptual level is a consequence of our experience with developing leadership, leaders, and organizations. By actively embracing the awareness that all practice is rooted in its perceptual foundation, we develop a stronger basis for understanding the challenges we face. That is crucial when we need to handle a growing level of complexity and change while still ensuring a high degree of organizational cohesion. To succeed we need a high degree of coordination as well as a higher strategic competence throughout the organization to enable all employees to become more reflective participants who are able to help us achieve results.

The elements we have presented in this chapter have the common purpose of underscoring the need to abandon the notion that our perception of the world we live in can ever be completely certain in an objective sense. They underscore

that we should view all human perception as a “*process rather than an outcome*” (Bateson, 1972). This also means that the distinction between the subjective and the objective no longer makes sense in relation to the way we normally use the terms. Awareness is a process that unfolds in relation to others and in a meeting of our sensations, emotions, knowledge, experience, hopes, dreams, and expectations of the future. Thus, we have to view any truth as a constructed truth that is, in principle, always simply one among many other potential truths. In a leadership perspective this underscores that we need to put a priority on articulating and linguistically coordinating the relationships that are so vital to the organization’s performance and cohesion. It is yet another insistent invitation to a relational and reflective curiosity in relation to a helpful and value-building approach to the primary task that the organization has been put into this world to perform.

The main ideas in this chapter can be summarized in four general points:

1. Every time we perceive something we do so by drawing a distinction: As observers we make a choice as to what we take in and attend to and, on the other hand, what we *do not* take in and *do not* attend to. Metaphorically speaking, we focus and shine a light on a particular aspect. That aspect moves into focus and comes into the foreground. At the same time, however, something else moves out of focus and retreats into the background or may even slip out of the picture frame altogether. The distinction we draw depends on our perception. That too is a choice that may be either conscious or unconscious, and in many cases it is in fact unconscious. In leading changes, therefore, we have to make sure to use a language that makes the changes relevant and comprehensible to others.
2. Any understanding or meaning is created as part of a relational process where we cannot meaningfully separate the person making the interpretation, the interpretation process, and the outcome of the interpretation (Maturana & Poerksen, 2011: 98). When it comes to leadership, communication, and relationships, we cannot meaningfully distinguish between persons, products and process; they are simply too closely connected. In this perspective, therefore, there is no possible basis from which we can objectively determine what the world is like. We have to bracket the notion of objectivity and instead develop a relational and reflective curiosity. The individual leader or employee has his or her own understanding of the changes – an understanding that will differ from other people’s understanding. When we as leaders encounter explanations that have become truths we must therefore always resist the temptation of certainty. We have to go from speaking about Truth with a capital ‘T’ (a universal truth) to speaking about truth with a lower-case ‘t’ (a local context-dependent truth). That applies both to our own and to other people’s truths.
3. As a consequence of this we need to reassess our understanding of leadership and the interaction of knowledge, communication, and action: We need to move from thinking that knowledge and awareness is something that we can know anything about with certainty toward an understanding where knowledge reflects something that we create or construct. Knowledge is created in a flow of relational processes, where language, words, context, individuals, conversations, etc. are merged, and where at any given time we can say, Stop! Look! Listen! (Shotter, 2008) in order to freeze a snapshot which we can use to understand and perceive a given situation. However, this understanding rests on a chosen time, a chosen focus in a specific context. Had we made a different choice, we would have seen and perceived something else – which would in turn have formed the basis for new and other actions in practice.
4. It is important to remember that all action and communication must be seen in their specific organizational context to be understood. Depending on our human perception of the context that we are a part of, we attribute different meaning to the context. Furthermore, any context should be seen as part of a larger system of individuals, organizational systems, society, etc. Together, these systems form the perceptual backdrop for any individual, any communication, and any action. The understanding that forms the basis for our actions as leaders and employees. With the concept of “*patterns that connect*,” Bateson also underscores that anything that affects a group or an individual in the organizational system also affects many other parts of the system. As leaders we cannot *not* influence, because even the things we *do not* do – the conflicts or the lack of support for

changes that we *do not* address actively – can have a significant impact. Not only because not doing something may undermine the changes but also because we allow others to interpret our motivations for inaction. If we as leaders enjoy the trust and respect of our employees, they will probably look for a plausible explanation for our failure to act or perhaps even draw our attention to the effect it has among the employees. If the employees do not trust and respect us as leaders, we can expect our inaction to give rise to critical stories. That makes it interesting and important to discover how we can communicate appropriately and connect linguistically with others in order to move on with the job that organization was put into the world to do.

Creating meaning and putting it into a relevant context is the recipient's skill (Maturana & Poerksen, 2010), because any understanding of what we see relies on a personal interpretation where we draw on our own knowledge, experiences, etc. We will never gain access to the inner processes in the individual's sensemaking. As leaders we can only interpret the external and visible signs of others' understanding of a given situation or message. I can explain it to you – but I cannot understand it for you! And if I am curious about how you understand my message, the only way for me to learn is to ask and listen.

PART 3 THEORETICAL PERSPECTIVES AND CHANGE LEADERSHIP

Part 3 contains chapters 4-7. Here we take a closer look at four key theoretical perspectives on leadership from a systemic relational point of view. The four theoretical perspectives tie the ideas we presented in Chapter 2 together with the more specific thoughts and models we introduce in the following chapters.

Figure III.1. Theory – tools for thinking

In Chapter 4 we focus on the organizational context for working with changes, and in Chapter 5 we address another systemic concept: 'reflectivity', putting it into an organizational and leadership change context.

In Chapter 6 we look at the importance of appreciation, respect, and trust in relation to ensuring that actors and organizations are ready to embrace change, and in Chapter 7 we look at leadership as reflective positioning as a framework for examining the relational and communicative dynamics that characterize change leadership and for focusing on power in a relational perspective.

CHAPTER 4

CHANGES, CONTEXT, AND STRATEGY

At this point, the term 'strategy' is being used to mean so many different things that the only thing we can say with any certainty is that the term STRATEGY is important to include – if what we want to say is important!

ELMER FLY STEENSEN

A word that can mean anything has lost its bite.

RICHARD P. RUMELT

In this chapter we focus on the organizational context for working with change. Here we describe three different angles on the term 'strategy' in order to develop a broader understanding of some of the general elements that can help us understand and work with strategic changes. The three angles focus on strategy as goal, framework and structures, on strategic actors and stakeholders, and on strategic processes.

One key concept in both systemic thinking and many other varieties of leadership and management literature is 'context'. Context is what frames any situation and the related communication, relationship, and action. Without context we cannot provide or create meaning. To understand or interpret any act or episode, we need to look at the context that the act or episode unfolds in (Bateson, 2000). In organizations, the task that the organization has been put into the world to perform naturally forms the highest context. Whether the task is to manufacture Lego bricks, caring for sick patients in a hospital or looking after preschool children, that task forms the organizational context that frames and guides the actions of leaders and employees.

Lego bricks can be manufactured in many different ways, however, and in many different qualities. There are many aspects to the task of caring for the sick – not least, our perception of whether we are treating the disease or caring for the patient (which are not necessarily opposing concepts) – and of looking after and stimulating children's development. Therefore we need a clearer view of the organizational context, if we are to understand our own position and task in a larger context. We need a story that explains *why* we or the organization are here: the organization's purpose or mission. We also need a story about *where* we are headed: the images of the future or the guiding stars that provide direction for our actions. That is the company's vision. Finally, we need a story about *how* we should work together, internally with our coworkers and externally with clients, users, patients, and other stakeholders. For this, we need a set of ethical and relational guidelines to help us manage cooperation and interactions. That is part of the corporate value base, the values that characterize the way we work together.

The vision and values give a sense of purpose and bind the organization together – it gives an image of the mission of the whole enterprise.

(MORGAN, 1986, s. 99)

We also need specific guidelines in the form of goals, a framework, and a direction that offer more specific guidance on how to translate our mission, vision, and values into more manageable concepts. This serves as the organization's strategic framework in the form of structures, processes, goals and plans for the work we do.

If the strategies are what guides our day-to-day actions, and if the word 'strategy', as Steensen points out, has come to mean just about anything, we need to specify what we mean when we speak of strategic relational leadership. Therefore, we highlight one of the cornerstones of this book by examining and unfolding our perspectives on the concept of strategy. Instead of looking at strategy from a single perspective, we offer three different perspectives and, not least, argue that each of the three perspectives is an important condition for working effectively with strategic changes.

THREE PERSPECTIVES ON STRATEGY AND STRATEGIC CHANGES

Since the concept of strategy has come to include so many facets and possible meanings we need to consider how we understand and use the word 'strategy'. In our work, like many others, we have found valuable inspiration in the work of

Henry Mintzberg. His work is absolutely essential to our understanding of strategic leadership, both conceptually and in practice. He has described a wide range of ways for us to understand and work with strategy. Thus, in our development of systemically based leadership of changes we stand on the shoulders of, among others, Mintzberg's years of groundbreaking work with strategy and leadership.

But first, we should draw a distinction, again with inspiration from Mintzberg, between two fundamentally different understandings of strategy and thus strategic leadership. In one view, strategy is seen as planning, and strategic leadership, strategic processes and plans are seen as the result of rational analyses and decision processes.

Imagine someone planning strategy. What likely springs to mind is an image of orderly thinking: a senior manager, or group of them, sitting in an office formulating courses of action that everyone else will implement on schedule.

The keynote is reason – rational control, the systematic analysis of competitors and markets, of company strengths and weaknesses, the combination of these analyses producing clear, explicit, full-blown strategies.

(MINTZBERG, 1987-I, p. 66)

On the other hand, Mintzberg invites us to view strategic leadership as a craft, where strategic leadership is about leadership dedication, and where our willingness and ability to work continuously with strategic processes are crucial conditions. An effort that is focused on the interaction of articulation and implementation in a continuous learning process, where strategies are developed and translated into action.

Now imagine someone crafting strategy. A wholly different image likely results, as different from planning as craft is from mechanization. Craft evokes traditional skill, dedication, perfection through the mastery of detail. What springs to mind is not so much thinking and reason as involvement, a feeling of intimacy and harmony with the materials at hand, developed through long experience and commitment. Formulation and implementation merge into a fluid process of learning through which creative strategies evolve.

(MINTZBERG, OP.CIT., p. 66)

Based on our ambition of developing a more holistic approach to strategic leadership and, more specifically, to focus on the role of leadership in connection with changes we are very much inspired by this concept of strategic change leadership as a craft. It is a craft where we as leaders play a key role in relation to the processes that make the many different actors pull together toward the goals. That is not to say that strategic analysis and the articulation of an overall strategy are of no importance. Far from it. However, they cannot stand alone. Strategic analyses and plans are important, but in themselves they do not generate buy-in or change. In our understanding, strategic leadership as a craft involves the ability to carry out thorough strategic analyses, in fact we consider this a vital element in working with the strategic leadership of change. Furthermore, strategy as a craft adds a crucial focus on both the actors and the processes we rely on to ensure optimal connections between the goals we have articulated and the people who are going to achieve them in practice.

Thus, we have three different perspectives on leadership and leadership communication in relation to the leadership of strategic changes.

1. **Strategy as goals and plans:** The first perspective views strategy as the organization's articulated plans and goals. The mission, which frames our strategic leadership work, the vision, which provides direction, and the formal organizational structures and processes, which underpin our strategic leadership efforts. These are key elements, all of which contribute to the foundation for leadership and organizational framework and directions.
2. **Strategic actors:** The second perspective addresses the strategic actors: internal and external individuals and groups that influence our ability to create successful changes.
3. **Strategic processes:** The third perspective addresses the relational and communicative processes that tie the strategy and the actors together and improve their ability to support the general framework and directions.

Figure 4.1. Three perspectives on strategy

We use three different symbols based on organizational outcomes to illustrate the three perspectives.

1. The box-shaped organization diagram symbolizes the formal strategy in the form of *goals and plans*
2. The organization chart in the form of thinking individuals and groups of people symbolizes the *strategic actors and stakeholders*
3. The organization diagram in the form of the many relations and connections symbolizes the *strategic processes*.

With this illustration we wish to highlight the three perspectives as equally important, as they combine to form a constructive framework that enables us to achieve results. In that sense, they are each other's preconditions, dialectically connected.

All change must be focused on promoting and developing what the organization was put into this world to accomplish, provided that task is still relevant. Similarly, the strategic goals and conditions provide an important anchor in most change processes. Therefore, we view the three perspectives as equally valid and important, although our main focus is on the strategic actors, stakeholders, and processes.

STRATEGY – GOALS AND PLANS

The closest we get to the classic concept of strategy is when we focus on strategy as the organization's articulated goals and plans and on the formal structures and processes. As an important aspect of change leadership in a systemic perspective we find it important to include this angle because it is by addressing the formal goals, plans and structures that we can create conditions and a direction that, in a relatively simple way, can help create a coordinated image of what we should and should not focus on as leaders. In recent years, this concept of strategy has been associated with a rational approach to leadership in recent years and dismissed as obsolete and useless in a dynamic world, but our view is a little different. We agree that the traditional and detail-oriented planning approach may not have much to offer in today's organizations on its own – of course it cannot stand alone; nor should it. But despite many years of intense criticism, the ideas and methods from the traditional concept and approach are alive and well, and they continue to have considerable influence on the way we structure and lead organizations. So what does the traditional approach have to offer?

Figure 4.2. Strategy as goals and plans

In our view, the traditional concept and approach offers a rational perspective that is appropriate for the – few but important – rational leadership challenges in connection with change leadership. Its strength is that it facilitates an in-depth analysis, which is a precondition for articulating change goals. Hence, this perspective offers a framework and a direction that is capable of guiding our attention, communication, and actions. Instead of throwing out the child with the bathwater by rejecting ideas simply because leaders over the years have used – and continue to use – them to address challenges that they are poorly suited for, we want to use the approach where it is appropriate: to develop a clear basis and thus define the context for making decisions and providing leadership in relation to change processes.

To provide a clear context that is firmly rooted in the organization's foundation, we need to frame strategy and changes by linking them to the organization's mission and providing direction by linking them to the organization's vision. We view the mission as the company's foundation, which articulates *why* the organization was put into the world. The mission articulates the company's basic *raison d'être* and thus what should frame its strategies and strategic changes. One well-known example is LEGO (www.lego.com), whose mission statement reads:

'Inspire and develop the builders of tomorrow'

Our ultimate purpose is to inspire and develop children to think creatively, reason systematically and release their potential to shape their own future – experiencing the endless human possibility.

In a change perspective, the mission can provide the foundation that forms a shared basis for competent and coordinated action in change processes. Metaphorically, this may be seen as the organizational continental shelf, a relatively stable foundation that preserves our original purpose over time. Similarly, the issue of *why* the changes are important and necessary should seem clear to the key actors and other stakeholders to help them understand the source of and background for the changes.

In addition to the corporate mission, the vision is also an essential context marker in working with strategic changes. We view the vision as a statement of the company's future ambitions and an indication of the direction the company needs to move in to fulfill its basic purpose – the mission. In a sense, the mission provides the foundation, while the vision acts as the guiding star that directs our actions and thus our strategies and strategic goals. If we turn to LEGO again as a familiar example, the corporate vision supports the stated mission by adding substance and, not least, a more specific direction for the future. LEGO's vision reads as follows:

'Inventing the future of play'

We want to pioneer new ways of playing, play materials and the business models of play – leveraging globalisation and digitalisation ... it is not just about products, it is about realising the human possibility.

To use a different metaphor, the vision can be seen as a beacon, a shining light that guides our actions as leaders. In fair and foul weather it guides us through the currents and waves of changes and day-to-day events. The *whereto* of the change process should be seen and communicated as a natural extension of the corporate vision. If we fail to make sure that the change processes and the vision point in the same direction we risk pulling in several different directions. Along with the corporate mission, the vision provides a shared foundation and a common direction that could and should serve as key landmarks when leaders take responsibility for the tasks and challenges that the changes entail. The more complex the organization's task and the environment, the greater the need for a strong purpose and a clear vision.

In addition to the mission and vision most companies and organizations have a stated set of values or ethical guidelines that help provide an even clearer frame for the way in which leaders and employees are expected to act – internally in relation to their colleagues and externally in relation to suppliers, clients and, often, society and the surrounding environment at large. In our perspective, this framework of values and ethical guidelines is crucial for the way in which we can and should act as leaders in connection with strategic change processes. If we fail to incorporate them into the way we deal with people and processes, they are merely 'expressed values' (Schein, 1985): values or ethical guidelines that are intended more for use on glossy paper and/or websites than for the leaders' actual communication and behavior.

In a Danish context, Mads Øvlisen has blazed new and relevant trails in the effort to integrate values and business development (Øvlisen, 2012). With the contrasting concepts of 'Heartcore' versus 'Hardcore' he focuses on the difference between a traditional economic bottom line focus and what he views as leadership with heart. With this distinction he places the person at the center of the leader's attention. *"The difference between hardcore and heartcore? I guess that is about how much the company is willing to invest in people – and how much people are willing to invest in the company,"* (Øvlisen, 2011, p. 21). He emphasizes that in the corporate world, Heartcore is also Hardcore. Generating organizational and business results requires a result-oriented focus, regardless of leadership approach: *"But make no mistake about it. There is no difference with regard to how consistent and how result-oriented the leader should be, whether he or she chooses heart or hard as their core value,"* (Øvlisen, op.cit., p. 24).

Leadership in relation to strategic changes therefore always contains a key element of values and ethics, where establishing internal trust and respect is crucial, while change work also requires (or should include) an external focus that aims to promote environmental sustainability and corporate social responsibility (CSR). The quality of the company's interactions with its environment and the general external perception of the company are an increasingly important competitive parameter. That is not only out of concern for the market and the customers or the authorities, it is a key factor in the inner life of the organization. It is essential for attracting and retaining key personnel and thus their competences; in our perspective, the company's performance in relation to CSR and sustainability is also vital for the individual mid-level leaders' and employee's perceptions of the top leadership. To earn respect and trust, leaders have to behave properly, both internally in day-to-day interactions and, importantly, externally, in society at large.

Leading strategic changes is therefore also about viewing the actual challenges in a larger perspective and over a longer time span. It is important to make the vision clear and relevant, so that it can serve as a platform for the shared attention, and to do that we have to work on and develop the organizational culture. That includes the patterns of communication and action that form the path toward the vision and the overarching strategic goals. This is part of the craft of leadership: maintaining, processing, learning, adjusting, and engaging in an ongoing, forward-looking, learning development process.

Thus, the three elements – mission, vision, and values – that form the overarching framework for the company's goals and strategies move one step closer to practice. The strategic goals indicate what we should be focusing on, while the strategic plans implementation and follow-up tell us *how*.

Figure 4.3. Strategic relational leadership – a framework for strategic changes

As illustrated in Figure 4.3, we can also use the elements indicated above to frame the strategic change process. Step one is about articulating the purpose of the changes by linking the background (why) with the direction we wish to move in (whereto). The next step is about articulating the main challenges and the more specific goals for the changes (what). The last step focuses on the implementation and follow-up (how) to ensure coordinated action.

Who articulates the strategic goals and plans depends on the level we are focusing on. Typically, the overarching goal and strategies will be articulated by the top leadership in close cooperation with the board, while other leaders are responsible, in their respective areas, for translating the overarching goals and strategies to more specific goals and action plans.

As we move closer to the specific realization of the overarching framework it becomes easier to understand the strategic changes because we move closer to the concrete reality we live and act in. As we address and specify the general statements more closely they take on a more tangible and concrete form, which is easier for many to relate to and, at times also, to take seriously. This presents an important challenge and requires leadership attention, in part because the specific goals and plans should always be seen and understood in relation to the mission, vision and values/ethical guidelines. If the goals and strategies take on a life of their own without any links to the mission, vision, and values, the risk is that the organizational units become too introvert in their understanding of and efforts to pursue the strategies. That risks producing an organization where, despite the desire for a coordinated effort we are in fact moving in different directions.

Another potential challenge if the strategies are detached from the basic framework is that when the mission, vision, and values have a more general and long-term aim, the more specific strategic goals and plans may have to be readjusted and altered as the world changes. If the individual leader's or unit's efforts to translate strategies into practice are rooted in the organization's mission, vision, and values, there is a much better chance that the necessary adjustments and modifications stay on course in relation to the goal. If the strategic efforts are more detached from the mission, vision, and values, the efforts may shift to pursuing local interests and focal points, which means that old habits and routines and local cultures might take over. This reminds us of Drucker's old point that "*Culture eats strategy for breakfast*" (Drucker 2011). We think that we are pursuing the same overarching strategy, but in practice we continue doing what we have always done and thus reproduce the same results.

A final element in what we categorize under the heading of strategy as goals and plans is the organizational structure itself. That is, the more formal organizational structures, conditions, and processes, which form an important part of the life in the organization. Sometimes, a short phrase packs a lot of meaning, as in the Drucker quote above. Another quote, by Mintzberg, underscores the importance of attending to the formal organizational structures and processes: "*Strategy follows structure*" (Mintzberg in Milner 2006). In other words, the existing culture and existing structures can play an important role in helping or hindering our efforts to develop and change organizations. The longer a company has been organized along the same basic principles, the stronger and the more change-resistant it will often be.

When we choose to include the more formal organizational structures and processes under the heading "strategy as goals and plans", we do so in recognition of the importance of the basic organizational conditions in relation to organizational changes. They help shape much of the interaction and the connections that create or limit organizational cohesion.

We agree in part with Hamel's criticism of the way we structure organizations: that they are often shaped by familiar principles. Normally this means organizations divided along functional lines where the formal lines of information and communication form vertical columns, sometimes supplemented with matrix-style structures that aim to create cohesion across the organization. This often results in relatively strong columns with a relatively low degree of mutual interaction. As the organization expands, additional layers are added, increasing the distance between the top decision-makers and the executive management levels.

The strength of this structure is that it is quite effective in creating cohesion in the parts of the organization that are closely connected. The main weakness is that it often makes it very difficult to ensure the necessary dynamics across the organization. In many cases, it perpetuates familiar patterns in interactions with familiar individuals, something that does not exactly boost the ability to manage an accelerating rate of change and complexity. Variation and complexity require us to think and cooperate in multi-professional and multi-organizational constellations. The lack of interaction between people within fixed structures and specialized units risks leading to a lack of bridge-building and cohesion. Often, this produces what can best be described as closed or introvert cultures with their own logic, language, values, attitudes, working methods, habits, and routines, which understand themselves in terms of what sets them apart from others rather than what connects them as departments and in relation to the organization's primary task.

How fixed and stable or how flexible and dynamic the basic organizational structure should be depends on the environment it operates in, both internally and externally. If the environment is characterized by many and varying tasks, varying partners, and a short time line, the basic structure will have to match this dynamic. This means that the appropriate basic format will be characterized by short-term project-based structures with new variants of organizational formats in the form of structural prototypes. This applies, for example, to environments that engage in software development in the form of three-week 'sprints.' That requires a very high capacity for change and adaptability.

If the environment is more stable, many of the familiar organization formats can serve as the basic foundation, provided we remember to incorporate the required conditions for a dynamic structure with an appropriate capacity for change. In practice, this means that the stable and simple solution with an organization divided into functional columns is rarely adequate. If this basic structure is not supplemented with project or matrix elements to help 'short-circuit' certain columns and levels in the company, we risk developing an organization that is divided along functional lines and has an insufficient capacity for change.

The key is to develop organizations that are capable of creating and utilizing dynamics and change to their own advantage. If we fail to do that we wind up in a situation where we need more comprehensive and fundamental change. Although that is not necessarily a bad thing, it is important to note that major changes in the organizational structures often have a negative impact on people's faith in the leadership:

Overall, the results indicate a clear relationship between approaches to change and the level of trust in management. Our findings strongly suggest that any change negatively affects trust. Within this parameter, major organizational change of the workplace structure tends to have a much stronger bearing on trust than do other forms of change.

(MORGAN & ZEFFANE, 2010, p. 69)

The reason for this may be that the structure helps shape the habits, lines of communication, decision processes, and relationships that guide much of our attention in our day-to-day activities. We therefore need to pay close attention and consider any major structural changes very carefully. By framing so many of the organizational processes, the organizational structure guides our daily routines and attention and thus affects the individual leader's and employee's ability to navigate. It is almost like a map in one's internal GPS. If we make major changes to this map many will have to find new routes – something that most will seem like a big change to most people.

That is not to say that we should avoid changing the organizational structures when it is appropriate, only that before we do so, we need to keep two things in mind. One is outlined above: that major structural changes often mean less trust in management and, not least, that everybody involves needs to reprogram their GSP fully or partially. The second point is that although the structure is important for the life in the company, for lines of communication and decision-making, and for relationships and cooperation structures, over time new structures will build new, more or less stable patterns.

These new structures will have their own strengths and weaknesses, as they can help us deal with the more stable routines and processes but are poorly equipped to handle change and complexity. The basic organizational structure of the company should facilitate our basic ability to navigate in our daily work in the most stable and predictable processes. In most companies, therefore, it will still be meaningful to maintain different functions with their individual specialties, so that buyers buy, production produces, and the sales department sells. Or so that teachers teach schoolchildren, healthcare workers take care of seniors who need assistance, and engineers and technicians deal with water utilities, roads, and parks.

The real problem lies elsewhere. The real problem is that structures are not very well suited for changes and variation, and therefore we need to build organizations that contain the most appropriate basic structures to guide the basic processes in the company while supplementing them with more fluid organization and project formats capable of ensuring the combination of clarity, cohesion, and flexibility that is required to deal with a changing world. Lars Kolind has given this principle a name: 'the spaghetti organization.' "*Most organizations today are in business to not only provide output, but also to respond to different customer needs and constantly adapt themselves to changing needs and environments. That's why they should look more like spaghetti*" (Kolind, 2006, p. 65). These are organization forms with built-in flexibility, where positions and members vary over time, and where routines include flexibility and the ability to address whatever the current challenge is.

This means that we need to use the basic structure to create a clear platform for the leaders and employees who have to operate within the structure on a daily basis. But as leaders we have to keep in mind that although structures and strategic goals and plans can help create clarity they are not enough to create an organization characterized by cohesion and strategically competent contributors. When we add people to the equation, we are also putting values, attitudes, feelings, and dynamic processes into play, and that aspect of the craft requires additional tools. That leads us to the next strategic ingredient: the actors.

THE STRATEGIC ACTORS

The second perspective on strategy has to do with the actors. In the traditional version the term 'strategic actors' has often been limited to the corporate top management (Mintzberg, 2004, 2007), and the focus has often been on the strategic analysis, the articulation of the strategy and, to some extent, the implementation of the strategy. That is a traditional top-down mindset that often has many elements in common with Mintzberg's description of 'strategy as planning' (Mintzberg, 1987-II).

In recent years there has been a growing focus on what Mintzberg describes as 'crafting strategy' (Mintzberg, 1987-I) but also a refinement of his ideas on strategies as 'positioning' and 'perspective' (Mintzberg, 1987-II). Under the heading 'Strategy as Practice' a number of researchers and practitioners (among them Tsoukas & Chia 2002; Balogun, 2005, 2007; Vinther-Larsen, 2011) have focused on the key role of mid-level leaders. While the more traditional approach and the traditional literature have placed the articulation of strategy and the more formal processes in the foreground, the 'Strategy as Practice' tradition has focused primarily on the mid-level leaders who are charged with implementing strategic decisions, often without having been included in the decision-making process. These ideas have been developed with considerable inspiration from Karl Weick's work on 'Organizational Sensemaking' (Weick, 1995; Weick et al., 2005), which is also an important source of inspiration for our own understanding of strategic actors.

Figure 4.4. Strategic actors

It is important to consider the main organizational actors in relation to the articulation of strategies and goals; that typically involves the top leadership but also many other key organizational actors, first of all the mid-level leaders who play an important role in rephrasing, conveying, and implementing the strategic decisions. The large group of mid-level leaders are essential for a successful strategic change process. Often, mid-level leaders risk winding up in a position where they are expected to take a large share of the responsibility for decisions they have not been involved in making. The strategic decisions rely on a large number of details and considerations that are unknown to them, but which are vital for understanding both the background and the purpose of the changes. The mid-level leaders play a crucial role in generating

and developing organizational cohesion. That applies both to the top-down communication and implementation processes that are essential in any change process and to the bottom-up information and feedback processes that help qualify the decisions by ensuring that ideas, knowledge, and experience are fed back to the decision-makers. Another important consideration is to ensure an ongoing feedback process where follow-up to learning and experiences are used to maintain, adjust, and refine the basis for ongoing strategic decisions.

If the mid-level leaders view the changes as meaningful, if the necessary leadership competences are in place, and if the interaction among the leaders works along the full length of the chain, then we have a strong basis for communicating and implementing the changes. If, however, the chain has weak or missing links, we quickly lose implementation power. In many cases, the weak links are not the individual mid-level leaders but the relationship among the different leadership levels and organizational units. In addition to looking at top and mid-level leadership, we are therefore also interested in the role of the employees who are involved in the process. We view this group as key actors. Not that every single employee's responsibility and actions carry the same strategic weight and importance as those of top or mid-level leaders, but because we as leaders depend on all employees taking a responsibility and acting in a way that supports the desired changes. Taken together, the multitude of small and larger decisions and actions by employees make a huge difference in the big picture. We rely on the individual employee's sense of responsibility, which requires a certain level of insight. Thus, improving strategic competence is very much about facilitating the sense of responsibility from the bottom up in the organization.

If the individual employee takes just a few percent more responsibility, the overall result is a big increase in responsibility. That produces a level of responsibility that we as top and mid-level leaders could never achieve on their own. Furthermore, in our experience, a higher degree of responsibility has a synergy effect. Thus, if 30 employees take 2% more responsibility, the result is not just $30 \times 2\%$ more responsibility. In a synergy effect, responsibility spreads and provides a foundation that also allows us as leaders to take more responsibility for the whole organization. Metaphorically, everyone – both leaders and employees – take a step up the ladder and examine their own position and tasks in a wider perspective.

Besides, employees are often important as the organization's face to the outside world in the form of clients, partners, citizens or users. The employees are the ones we meet as clients of a company or as citizens and users of public services. Thus, it is often through their actions that we experience whether the organization's strategies are implemented in real life. Many companies and organizations, understandably, invest large amounts in developing and marketing new products and services but often fail to follow up with sufficient investments into the key employees in the organization who have to translate them into practice in a competent and professional manner. Unless we as leaders live up to our responsibility to invest in internal development we risk having an untenable gap between the external official story about the company and its products on the one hand and the inner life of the organization on the other. In the long term, that is not only bad for the bottom line; it is also damaging for the credibility of the leadership, which can become a huge cost for the overall performance and standing of the organization.

Thus, it is crucial that both the top and mid-level leadership promote organizational cohesion and coordination as a condition for everyone, including the employees, to act in a strategically competent manner. In practice, it is the sum of the leaders' and employees' actions that determines the strategic direction of the organization. The planned, articulated, and intended strategy is one thing – the actualized strategy and the pattern it creates in practice is something else.

In light of these thoughts about the strategically competent contributor, leaders and staff who have to change their habits and behaviors to a lesser degree will often be the easiest to overlook and the hardest to reach. Nevertheless, they are important, because in many cases the major changes are accomplished as a result of many minor contributions. Thus, if a larger share of the less affected actors take a bigger responsibility for the changes it will be easier for the more involved groups to live up to the expectations. On the other hand, if these stakeholders maintain business-as-usual, that may serve as a strong, preserving power that reduces other people's ability to act in new ways.

Another group that it may be important to focus on is the more peripheral stakeholders. That may involve internal leaders and employees who are affected by the changes indirectly as well as external partners, clients or citizens and users who will be affected by the changes. The idea of involving others than those directly affected relies on the argumentation we outlined above: They may have an impact on the successful outcome of the change process. Both because of their direct interaction with the affected individuals and departments and, indirectly, because their experience of and stories about the

changes matter. Critical stories can be a source of frustration, even if they come from others than people who are not directly affected. Therefore, in change situations leaders should view actors and stakeholders in a broader perspective.

To many private companies, partnerships are indeed a key part of their strategic focus, in part because these partners can play an important role in the development of new initiatives and business areas but also because their attitudes and actions can have a real impact on the successful outcome of development and change processes.

To public organizations, it will also be important to include key citizen groups as stakeholders in order to qualify decisions and appropriate solutions. The official representatives of parents, residents or other community groups should be viewed as directly affected actors whose active participation is crucial.

The challenge is to act and communicate in a manner which ensures that the (environmental) conditions do not become barriers but instead lead to possibilities for future possibilities.

(BORDUM & HANSEN, 2005, p. 269)

The idea of partnerships is therefore key in qualifying the organization's capacity for making wise strategic decisions. The more complex the organization's environment or the task we face, the greater our need for a diverse range of professional profiles, ideas, and experiences. Previously, the organizations had this knowledge internally, for example in the internal development departments. Today it is not essential to own this knowledge; what is essential is having access to it through strategic networks and partnership arrangements with other companies, user groups, clients or specific professional resources. These partners may be either internal or external, paid or unpaid. That shifts the boundaries of the traditional organization. Once we begin to view and incorporate clients, partners, and citizens as strategic contributors the organization suddenly has a much larger "staff". This unlimited organization or movement can act very decisively and with tremendous capacity although it has a relatively small number of people on the payroll.

Wikipedia is a good example of this sort of unlimited organization or movement. Until 2000, Encyclopædia Britannica was the world's best source of knowledge: 29 volumes containing the sum of human knowledge, updated by professors at decades-long intervals and mainly accessible in the West. The price tag for the full set was around 700 USD. That was exclusive knowledge for the few, but it sold well because there was no real alternative. One year later, there was a radical alternative. In 2001, the digital encyclopedia Wikipedia was launched. Wikipedia had a paid staff of less than 30, but thousands of people all over the world contributed to the collective project, which aimed to make all knowledge accessible to everyone. Since then, the site has distributed as much knowledge as Encyclopædia Britannica for free in most world languages. That degree of accessibility would have been inconceivable just a few years earlier. The idea was not made possible by large-scale investments or political decisions; it succeeded as a result of a movement where millions of volunteers contributed time and insight for the common good.

An important condition for achieving this degree of co-ownership is an organization with a purpose that goes beyond the economic bottom line:

If the company's sole raison d'être is shareholder value, it can't rely on customers, suppliers and government agencies as allies. If, however, it focuses on making a positive difference customers and communities, everybody will want to help, which often leads to higher sales and bigger profits in the long run. (...) Why has it suddenly become unacceptable to run a business solely for profit. Well, it hasn't really. It's just that there are other better strategies out there. Here's one simple reason: the internet and social media make socially responsible organisations more visible and they are rewarded accordingly. Conversely, unethical behaviour is punished to an unprecedented extent.

(KOLIND & BØTTER, 2012)

Another example of companies that look beyond their own boundaries to find development resources is LEGO's inclusion of students and dedicated customers in developing LEGO Mind Storm (McCracken 2013). By inviting everyone to think along, the company achieved a development and innovation capacity that far exceeded the company's own.

STRATEGIC PROCESSES

The final ingredient is the strategic processes that help tie the organization's components together and create cohesion among the formal goals, plans, and structures and the affected actors. By processes we mean both information and communication processes and the daily flow of actions that we are all part of. These processes provide the glue – or the lack of it – among the various actors, organizational units, important stakeholders, and partners. These are the interlinking processes: the top-down processes that ensure or prevent the communication of the overall leadership decisions in an understandable and useful manner to top and mid-level leaders, employees, and external partners whose concrete actions we depend on to achieve effective changes as well as the bottom-up or bridging organizational processes that help ensure that ideas and knowledge from relevant parts of the organization are included in decision processes or ensure learning feedback to the decision-makers about the real understandings and effects of the decisions.

These processes are a key aspect of our focus. They are important because we view the organizational processes as crucial for our ability to create organizational cohesion and flexibility, which in turn are preconditions for improving strategic competence and insight for all the key actors. Without an efficient communicative network and without strong communicative connections, the result will be limited cohesion and thus limited strategic competence.

In a more classic concept of strategy, these processes have received limited attention, and the growing complexity we are facing has only made them more essential for leaders to master. To achieve that we first have to acknowledge and understand their importance.

Figure 4.5. Organizational processes

When we look at the dynamics that characterize the development of relationships and communication processes, our particular understanding of interpersonal and organizational communication is important. Given our systemic approach and its roots in the concept of constructionism, relational and communicative processes are a matter of connecting the many actors and stakeholders and generating a clear understanding of strategies and goals. In a systemic perspective, the quality of communication and relationships has a crucial impact on whether we succeed, as leaders and as organizations. We may have all the right elements in place – mission, vision, values, strategies and goals, structures, and competent leaders and employees – but without good relationships and good communication, we lack the necessary coordination and cohesion. Our language and communication are not just passive means to connecting the parts, they are a vital and active ingredient in building the organization and thus organizational cohesion and strategically competent contributors.

THE PROCESSES – ZOOMING IN AND OUT

In change leadership it can be helpful to remember to zoom in and look at the concrete day-to-day processes and actions that should facilitate the changes. But we should also remember to zoom out and consider the big picture – and find ways to connect local actors and their communication and actions with the overarching goals and conditions and, not least, the general patterns that emerge from the many local actions.

When we zoom in on the details we see that organizations and organizational results are created by a myriad of local interactions, dialogues, and actions. It is through our communication, relationships, and actions as individuals and groups that we shape the lived strategy and changes. It is by virtue of the many local changes that changes are created, strengthened or weakened – the complex, responsive day-to-day processes (Stacey, 2011) where the actions and reactions of all the involved parties shape what Stacey calls 'first-order strategy' (Stacey, op.cit.), that is, the daily interactions, communication, and actions that create what we referred to previously as 'Strategy as Practice': the actual lived strategy or the strategic processes in practice. The local actors' and stakeholders' relationships, communication, and actions combine to form patterns that shape the actual coordination of the involved parties and thus tie parts of the organization together where the relationships and communication are strongest. In other areas, on the other hand, there will be fewer or no relationships and less or no communication and thus a much lower degree of coordination. The lived changes thus – like the lived organization – become patterns of actual relationships and interactions, actual communication, and local action – or the lack of it.

On the other hand, we may also zoom out to examine the general perspectives: the actual interaction patterns that emerge from the many local patterns of interaction and communication or what Stacey calls 'second-order strategy' (Stacey op. cit.). This perspective lets us enhance our awareness of the effect that our decisions concerning formal organizational structures have on life in the organization. At the same time it also lets us enhance our awareness of the organizational structures that are shaped by actual communication and interactions. Together, this sheds light on the interactions between the formal organization and the network of relationships and connections that make up our everyday organizational structures.

Thus, on the one hand we should be aware of the impact of formal strategic goals and plans, formal organization structures, and formal communication processes on framing and providing direction for local activities and thus the patterns that play a key role in creating the desired changes. On the other hand, we also need to be aware that our goals and plans for the changes are only as good as the attention they receive in the many day-to-day local interactions and processes. Our goals and plans for the changes are only meaningful if we as leaders help keep them alive and visible in the situations that determine the results we actually create. Thus, as leaders we have to keep the plans and goals alive in the everyday life in the organization to ensure that the many local actions help generate the patterns we want to see. We also need to be aware of the new patterns and possibilities that emerge all the time as a result of everyday organizational structures, so that we can use them as valuable feedback in our ongoing change work.

If – or when – introvert and self-referencing sociopoietic islands emerge without sufficient links to the outside world, as leaders we have to take charge and promote the relationships and the communication that will ensure a sufficient degree of cohesion.

Like leadership in general, change leadership is about understanding how local processes and general patterns create our organizational structures and results. And it is about using this understanding to manage these processes in a way that keeps the overarching goals and conditions for change alive. The key is to take the lead and articulate visions and goals, since it is by means of our communication as leaders that we can help shape the relational and communicative patterns that act together to create cohesion and results.

CHAPTER 5

LEADERSHIP AS RELATIONAL REFLECTIVITY

The reflexive practitioner is someone who is aware of how implicit images, ideas, theories, frames, and metaphors guide and shape his or her practice and how they can be used to create new possibilities.

GARETH MORGAN

In this chapter we discuss another important systemic concept: 'reflectivity' and place it into an organizational and leadership-related change context. By introducing the concept of reflectivity we invite a curious and challenging look at our own ability to lead organizational changes. We describe how reflectivity invites both an overarching meta-perspective on change leadership and a more concrete content perspective with a focus on individuals, relationships, and communication as well as the larger organizational system.

Our view of reflectivity as a core competence is a natural extension of the constructionist approach and the challenges it presents for our ability to manage changes large and small. Systemic leadership practice invites us to be constantly aware of the way in which individuals, teams, and larger organizational units act and communicate based on their own autopoietic and sociopoietic images of the environment. It also invites us to investigate how we can achieve cohesion and coordination among the various actors and groups within the organization, among the different understandings of goals and conditions, and, not least, among the various attitudes, values, and cultures. The ability to build bridges to connect the knowledge, attitudes, and actions of different individuals, groups, and larger units has always been a key component of the leader's job. That is true both in times characterized by a high degree of stability and predictability and, even more so, in highly dynamic times characterized by a high degree of change.

We view reflectivity as a key aspect of the ability to lead change processes from a constructionist perspective. That is important because it gives us an awareness of the conditions that frame the development of organizational cohesion, strategic competence, and ownership and thus cohesion across structures, actors, and processes.

In our view, reflectivity is an awareness of the connection between our own organizational context, our own and others' communication, and our meanings and actions (Pearce, 2007; Barge & Oliver, 2003; Barge, 2007). Reflectivity is thus a directional awareness or curiosity that helps develop our ability to analyze, understand, and act within the organization's many structures, relationships, and processes.

Reflectivity is characterized by skills in noticing and appreciating the complexity of the system, inquiring into and challenging our and others' thinking and actions, creating more purposeful and conscious relational systems.

(OLIVER 2012, p. 15)

Here it is important to understand the concept of 'awareness' in a relational constructionist perspective. In daily use, 'awareness' often refers to noticing and understanding a specific situation, but our systemic and relational perspective aims to invite a much more inquisitive and challenging form of curiosity. It is a curiosity that helps the leader be aware of adding nuance to his or her understanding of the best way to act and communicate in the context of change to create optimum conditions for a mutual understanding and for enabling others to understand and take ownership of their share of the changes.

To give the individual leader a more concrete basis for understanding and developing a more reflective practice, we add some substance and direction to the term 'reflectivity' in the section below. We do this by looking at four ways of understanding reflectivity that can help maintain and develop our reflective abilities: First, we describe how we can develop and use meta-reflectivity as a key strategic competence, a competence that promotes our ability to maintain a constructionist perspective and thus the dynamics that characterize engaging in and leading change processes. That applies to our focus on ourselves and our own understanding, communication, and actions, and it applies to the various local and general organizational patterns of relationships and communicative processes.

On the more concrete level, we apply a reflective focus on individuals in order to develop and maintain an awareness of and an ability to work with our own personal ability to manage change processes. This refers to awareness of our own and others' autopoietic meanings, interpretations, emotions, and actions. A third possibility concerns our own ability

to engage in a reflective understanding of and approach to relationships, language, communication forms, and communication patterns in change processes. A fourth possibility relates to how we can use our focus on organizations, their sub-systems, and their interactions with their environment to understand and work with changes on a more general level. This refers to awareness of the organizational context, the overarching structures, and the collective patterns of relationships and communication.

Table 5.1. Four forms of reflectivity

TERM	FOCUS	CHARACTERISTICS
Self-reflectivity and other-reflectivity	Individuals	An explorative awareness of one's own and others' mental models, meanings, interpretations, emotions, and actions
Relational linguistic and communicative reflectivity	Communication and relationships	An explorative awareness of relationships, language, communication forms, and communication patterns
Organizational reflectivity	Organizations, their sub-systems, and their environments	An explorative awareness of the organizational context – the overarching structures and collective communication patterns
Meta-reflectivity	Awareness of awareness	A general explorative awareness of what it is we are aware of and how we can develop reflectivity as a strategic competence

By aiming our reflective curiosity in different directions we allow it to give us and others a chance to expand our understanding of ourselves-in-the-environment and thus a better understanding of our ability to lead changes based on systemic and relational leadership practices. By examining, exploring, and challenging the specific and detailed features in the organizational communication as well as the overarching structures and processes we are able to zoom in and out, moving from details to a holistic view. That lets us examine how we can improve our ability to understand and work with organizational cohesion.

If we want to give our reflective competences more specific content and direction, we can draw inspiration from the effort to create development by means of curiosity in the form of various types of questions (Hornstrup et al., 2005; Hornstrup, Tømm & Johansen, 2009). In a modified form we view that as a valuable framework for understanding the inherent invitation of reflectivity while also grasping the link between the various forms of reflectivity and the leadership competences they are associated with.

Figure 5.1. The dimensions and directions of reflectivity

On the vertical dimension we distinguish between curiosity with a clarifying versus a developing intention. This should be seen as a helpful distinction between being curious and explorative with the intention of clarifying and understanding what is important in the given situation versus being curious with a developing intention, which helps us focus on new areas or blind spots in our communication or challenge frozen attitudes and points of view. This form of curiosity irreverently questions the things we take for granted, for example by looking at an issue through someone else's eyes or by examining our own blind spots. In a change process we need both dimensions. We need to understand and develop a grasp of the changes, and we need to challenge and explore new possibilities.

The horizontal dimension is a time dimension. It can be useful because it can help us focus on the fact that changes unfold in the encounter of past, present, and future. This perspective is especially helpful when decision-makers or key 'change agents' are to convey strategic changes. The new things – the changes – are unknown to the 'recipients' of the messages. The past, on the other hand, is familiar. By actively building a bridge between the past and the future – in part by focusing on the habits, routines, and processes that should continue to characterize approaches and methods in the future, we can link the familiar situation with the new.

The three different levels of reflectivity facilitate a more nuanced understanding of the principles of reflective leadership and provides a more concrete basis for reflective actions. In the center of the circle, our focus is on individuals, close relationships, and language and communication. On the next level, our focus is on the general organizational structures, relationships, and processes, and on the top/outside level we find the meta-reflectivity that helps us maintain the constructionist perspective.

META-REFLECTIVITY

A crucial condition for maintaining and developing reflectivity is whether our mindset and stance are framed by a constructionist perspective. This perspective invites and insists on a generally explorative awareness of what constitutes our focus of our attention. It helps us remain aware of how we can develop reflectivity as a strategic competence to ensure that we focus on the dynamics and processes that create change to avoid falling back on the 'temptation of certainty' and familiar patterns of action and thus achieve the same old results or fail to achieve the desired results. Meta-reflectivity is thus both a fundamental perspective on interpersonal relationships and communication and a general level that helps us maintain this principle in practice. A meta-reflective awareness gives us an opportunity to supplement our leadership position as an active participant in the change processes with an observer perspective that helps us hold on to the big picture.

In our everyday life we often tend to direct our primary focus on the content of the messages or information that we receive. Naturally, that is an important element in conveying the ambitions we wish to pursue with the changes. However, if we forget to consider what types of communication will give the intended recipients optimum conditions for understanding the messages we risk getting stuck in a traditional monologue. Here, meta-reflectivity should help us maintain a focus on the ability of different communication forms to create optimum conditions for the recipients to grasp the change-related messages. It should help us keep in mind how the interpersonal and interorganizational relationships affect the interpretations made by individuals and groups. Last but not least, it should help us keep in mind how the organizational context – the organization's mission, vision, and values – should be made active and visible as part of the change process.

On a general level, thus, meta-reflectivity can be what helps us keep our curiosity and awareness alive in relation to decision and implementation processes. It promotes a dynamic mental stance that matches the often very dynamic world we have to navigate in as change leaders.

Some of the questions that can help us maintain a meta-reflective stance are:

Table 5.2. Questions – meta-reflectivity

- How do we develop and maintain a reflective awareness to keep our curiosity alive?
- How do we develop an individual and shared awareness of our assumptions and mental models?

SELF-REFLECTIVITY

Self-reflectivity is awareness of our own understanding and the mental autopoietic processes that direct our attention and behavior in a given direction. In many cases, these mental processes are simply based on 'downloading' old habits and routines without reflection and without taking a reflective or critical look at whether they are still helpful and appropriate (Scharmer, 2009). Self-reflectivity is an invitation to reflective self-insight that gives us an important and necessary reminder to be aware of our own leadership position and our behavior as leaders in relation to change processes.

Self-reflectivity in leadership can also be described as a form of strategic self-leadership aimed at determining how we as leaders (and as employees) can best promote value creation for the company's stakeholders (Kristensen &

Pedersen, 2013). If we as leaders are to help direct a change process we must first of all be aware of our own understanding and approach to change: how we manage our own awareness, communication, and actions. Developing strategically competent contributors begins with developing the individual's understanding of how our own communication and actions frame other people's understanding and how this is based in the company's goals. *"Strategic self-management is about making the business an integrated and pervasive condition for the employee's goals, the line manager's results, and top management's visions,"* (Kristensen & Pedersen, op. cit., p. 16)

In addition to building awareness of our own more or less automated reactions this also invites an awareness of how we, as leaders, feel about the changes and of our understanding of the logic and background of the changes.

Figure 5.2. Self-reflectivity

Being aware of our own 'downloading' and our own perception of being involved in changes gives us a better sense of what guides our own communication and actions as leaders. This awareness helps us navigate in a field where others may have very different ways of understanding and responding to changes.

When we act in the specific situation we do so based on our self-image as leaders. Our perception of the best way to handle the leadership position is transferred to our leadership practice. Thus, practicing leadership always involves a choice – a choice that springs from our implicit or explicit identity as leaders. Awareness of our own perception of leadership and of the fact that our actions as leaders spring from many different positions and unfold in many different relationship helps us choose the most appropriate position in the given situation.

In a constructionist perspective, the many different relationships we have been involved in as employees and leaders shape our identity (or identities) as leaders (Weick, 1995; Weick et al., 2005). When we speak of identities in the plural form, we do so to emphasize that leadership is practiced in a wide range of situations. Thus, our perception of ourselves as leaders and of the most competent stance will vary from one situation to the next. We may have very different perceptions of our leadership position in relation to conveying routine information at a staff meeting versus introducing the same group of employees to major future changes that carry significant consequences for them and their job functions. Thus, we need to be able to adopt a variety of positions depending on the situation. For the employees to perceive us as authentic across different situations we need to have a clear self-relationship.

It is also essential to be aware of our understanding and ownership of the changes we face. If my leadership rests on a shaky foundation, in the sense that I do not fully understand or take ownership of the changes, I will not be able to convey the messages in a credible manner to my direct reports and employees:

Being a leader also implies the obligation to be responsible in relation to higher levels in the organization. As a leader, if I am handed an assignment by a superior, I have an obligation to make sure that I understand the task. If I don't I won't be able to pass it on to others.

(STATEMENT BY LEADER IN HORNSTRUP, 2013)

Regardless of my position in the leadership hierarchy, leadership carries responsibility. Thus, if I find that my superiors have failed to convey a sufficiently clear picture of the basis for the changes or if they have failed to involve me in finding the best solutions, I am obliged to seek this clarification from my superior before I proceed with the aspects of the change processes that I am responsible. We view this as the obligation to insistent engagement from the bottom up with a view to ensuring mutual clarity.

When we as leaders have gained insight into and taken ownership of the changes we need to be reflectively aware of what it took us to get to that point. Far too often, we tend to forget the process we had to go through to understand the changes. Therefore, our communication risks being driven by a transmission logic focused on an attempt to transfer our own logic and understanding to others. We risk delivering monologues and addressing factual (or puzzled/critical) questions with even more monologue-based and directive or instructive responses. It is crucial to remember the point that *"I can explain it to you – but I can't understand it for you!"* If others are to reach the same degree of insight and ownership they also need time and space to process and understand the changes. Other people will often approach and understand the changes differently.

In our effort to develop and maintain our capacity for reflective awareness of our own positions and positioning and thus keep our sense of curiosity alive we may benefit from a handful of questions to guide and remind ourselves of our leadership awareness and practice.

Table 5.3. Questions – self-reflectivity

- How do my values and attitudes as a participant in changes affect what I find it important to focus on?
- How can I move beyond my own assumptions about what constitutes right or wrong ways to understand and engage in changes?
- Do I have the necessary understanding and ownership of the changes, and what will it take for others to get there?

OTHER-REFLECTIVITY – REFLECTIVE AWARENESS OF OTHERS

Reflective awareness of others has many qualities in common with self-reflectivity. The inspiration to speak of other-reflectivity is inspired in part by Shotter's 'withness'-thinking (Shotter, 2008). Thinking *with* others invites us to adopt an active and reflective stance in our relations and communication with others around us. This implies an invitation to be aware of others' perceptions of themselves and how these perceptions affect their autopoietic communication and behavior. Other-reflectivity can also be seen as a reflective interaction with others in a way that "...involves coming into contact with an other's living being, with their utterances, their bodily expressions, their words, their 'works'" (Shotter, 2008).

In brief, the point is that as a leader I attempt to step into the other's or others' position and see the world from their perspective. That gives me a better chance, as a leader, to shape a constructive basis for the necessary and important coordination with others. If we as leaders fail to create the connections and develop organizational cohesion that are required to make others understand and assume a shared responsibility for the changes, we simply cannot succeed.

Figure 5.3. Other-reflectivity

Seeing and hearing others is both a question of paying close attention to the details in their words, pronunciation, tone of voice, etc. and of seeing the other as a physical being and thus paying attention to the other's bodily reactions. The task of conveying messages about change also involves managing the many different reactions to these messages. When we as leaders convey messages of change, others' physical responses often send very strong signals about the reception of the messages. Here, little signs can often carry great significance: a glance, a shrug, etc., and based on the notion that we can never *not* communicate, these minor (or major) responses are often important to notice. The challenge will always be when to choose to verbalize our observations and, not least, how to do that.

If we address these nonverbal expressions in a way that takes the other person by surprise or is too categorical, the result is often an automatic response: "It's nothing". If on the other hand we fail to address these expressions we are left entirely to our own interpretations. The challenge, therefore, is to foster a reflective and appreciative culture where it is seen as possible, perhaps even desirable, to include both the critical voice and the nonverbal communication. If we fail to do that, the underlying feelings will often be aired in conversations elsewhere in the organization. When we encounter these reactions it is therefore important that we address them. If that cannot be done successfully in a dialogue in an open forum, address it in a more personal conversation. If we as leaders fail to attend to this, the result is often gossiping behind the backs of the persons who are directly involved. This means that the responses and signals we fail to address can grow into stories *about* the given situation and involved individuals instead of stories *with* the involved person(s). Furthermore, the leader's failure to act may be seen as highly significant, especially if the signals can be interpreted as a sign of disagreement with the leader's superior or with decisions that have been made or expressed. If I see a colleague signal that he or she disagrees with or disapproves of the changes, and the leader fails to address the disagreement, the discord may snowball and spread. If I were also skeptical, the leader's failure to act might give me an excuse to join the choir of skeptics.

It can be a big challenge to develop and maintain a stance of reflective curiosity toward one's closest coworkers because we spend time with them every day. In our day-to-day interactions we develop a set of individual and shared

automatic behaviors in the form of habits and routines that shape our expectations, communication, and actions in light of our previous experiences (Oliver, 2012). These patterns help us handle everyday activities without constantly needing to discuss every single step. In close relations it will therefore always be a challenge to strike the right balance between being guided by our automated expectations of others' opinions, communication, and behavior – 'downloading' – and taking an actively open and curious stance. Whether we choose curiosity or rely on automated processes depends to a large extent on whether we have reflective awareness of our options. If we do not, we tend to fall back on the most classic leadership position in conveying changes:

In the management team we had invested a lot of resources in understanding our own assessments and opinions. Then we boiled it all down, and in a one-day session all the leaders were informed, and in a one-hour staff meeting one morning all the employees had to get the message – which clearly completed the implementation process. Now, that's a classic!

(MANAGING DIRECTOR OF JYSKE BANK ANDERS DAM, Hornstrup & Reenberg, 2010, p. 7)

When we as leaders have spent days or weeks processing and analyzing the available information and articulating a new strategy, we have developed a good grasp of the big picture – or at least a much better grasp than the people who were not included in these discussions. When it is time to convey the decisions to our direct reports or employees we are often so focused on explaining what we know and think of the changes that we neglect to include others' perspectives in our eagerness to be efficient and complete the process, or perhaps we are simply so focused on our own perspectives that we forget the basic point of constructionism and fail to transmit our knowledge and ideas to others.

What happens is that the employees experience a lack of understanding or awareness because they weren't part of the process. Being loyal employees, they go back to work and attempt to implement the strategy – but they don't really get it. Then they revert to what they know, and one day follows the next, and eventually they have forgotten about the strategy.

(DREJER, 2009)

To take the lead in developing others' commitment to and ownership of the changes we may begin by staging more constructive meetings and dialogues. A few more questions, a greater emphasis on dialogue, and fewer prepackaged statements from the leaders will often be helpful improvements. Not only does that invite others to be active – it also offers a valuable opportunity for us to listen and observe and thus to be reflectively aware of enhancing the quality of the dialogues we engage in. A head of department who has experienced a leadership that first attempts the traditional transmission model and then switches to a reflective dialogue describes the difference as follows (the transmission model):

It was like a bomb that went off in our hands, and what went wrong was a clear lack of communication. A clear lack of giving the leaders who have to tell the message to their staff an opportunity to buy into the idea 100%. Instead we should have had a debate with the people who had thought up the project to discuss what they saw as the pros and cons of the changes. An in-depth debate instead of just providing information.

(HEAD OF DEPARTMENT; HORNSTRUP & REENBERG, 2010, p. 3)

When we come together from very different backgrounds it is essential that we as decision-makers or as the people who communicate the changes base our approach on the recipients' knowledge – not our own. We have to begin with 'why' and 'where to' – and remember the often lengthy process of analysis and decision-making that we have gone through. Otherwise we simply cannot expect others to buy the messages and the ideas.

When we instead base our approach on the recipients' perspective and structure the information processes around it we can achieve a very different result:

When we met with all the heads of departments we used a setup with a reflective team process. The director in charge had asked us to send him questions ahead of time that he could use as the basis for his answers. The

reflective team process enabled a completely different sort of dialogue that allowed for entirely different points of view to be discussed. It is obliging in a different way to be part of a reflective team. This means not only listening but also reflecting on what you hear from the other participants. That is a setup that generates a lot of commitment.

(HORNSTRUP & REENBERG, op. cit., p. 6)

It is therefore not reasonable to speak of resistance to change merely because the recipients do not 'buy' the idea the first time it is presented. It is crucial to understand that they have a different basis for understanding the messages. One-way communication that fails to take the recipients' situation into consideration can never move beyond exformation – and exformation does not lead to any mutual understanding, not to mention shared ownership.

Therefore we can benefit from a set of questions to help us keep our reflective awareness alive:

Table 5.4. Questions – other-reflectivity

- If I look at the changes from the recipients' point of view – what will they focus on, what would they view as our main challenges?
- How can I communicate, inform, and involve in a way that promotes understanding and ownership of the changes?
- How can I take a curious stance and challenge others when I find that they are stuck in their own perspective – and do it in a way that they perceive as respectful and inviting?

If we include these questions in our work they can help us develop a higher degree of awareness to other people's positions and participation – while we remain self-reflectively aware of our own major share in the responsibility for generating understanding and ownership.

REFLECTIVITY, COMMUNICATION, LANGUAGE, AND RELATIONS

Since language is our primary medium for creating the world we live in as well as the medium that enables us to create coordination and cohesion with others, our reflective view of language and communication is of crucial importance. By focusing on communicative and relational reflectivity we can understand and develop the organization's ability to build strong relations by means of communication.

The development of a relational reflectivity is focused on the many different relations and communicative processes within the organization. It is an invitation to shift the focus from persons to relations, language, and communication, where the individual leaders and employees take a reflective stance to the relations they are a part of and the communication and processes they are involved in 'producing'. This relational focus rests on the systemic view: that the organizational reality we live in is something we are all actively involved in creating (Shotter, 2008).

Focusing on language and communication enhances our awareness of how various forms of communication best promote cohesion and increase our capacity for coordinated action. In case of a relatively simple message that the recipient is in a good position to understand, (transmitting) communication forms such as e-mail or intranet will be appropriate. These channels offer a simple means of reaching a large audience at once. If we need to convey complex messages, which may be hard for the recipients to grasp, or if we are not sure how the recipients will understand the messages or whether they will give them the necessary attention, other communication processes will be more appropriate: direct and mutually clarifying communication processes that enable us to increase the quality of the coordination. Either by exploring the various participants' interpretations of the situation or in a joint effort to explore and generate new perspectives and possible ways of understanding and acting in the actual situation.

Here, the use of language in a direct dialogue with the key organizational actors can provide the bridge that helps us develop a clear picture of the changes. By being open and direct about *why* the changes are needed, we can give the actors thorough insight into the background of the decisions instead of merely summarizing days and hours of work in a brief memo from management. We can also use language to draw a clear picture of our vision of the future following the changes. By using a language, metaphors, and images that our audience can understand we can make the future more concrete and relevant.

Relational reflectivity is also about attending to the gaps among people and among units. It is about spotting some of the crucial dynamics that a traditional and more rational approach to organizations often overlooks. It is about all the dynamics and processes that promote or hinder the vital connections which are paramount for organizational cohesion. The challenge is to see and explore many of the aspects we cannot see because they unfold as invisible processes that elude our attention. That is exactly why relational and communicative reflectivity is so important. Without it, we risk focusing only on the elements that we can see: individuals, groups, and organizational units.

Some key questions for facilitating relational and linguistic reflectivity would be:

Table 5.5. Relational and linguistic reflectivity

- How can my language and my communication help create better relations and coordination that clarify why change is necessary, and what our goal should be?
- How can I/we develop our linguistic and relational competences in a way that improves the quality of our interaction?
- How can I help improve others' competences to engage in and assume responsibility for constructive communication processes?

Here it is important to note that reflective communicative skills do not develop automatically. They constitute a key component of the craft of leadership that needs to be learned, trained and maintained. Not only for top management or any key change agents or HR consultants. All leaders are active players in the game to see changes through successfully. Hence, they are key skills for all leaders, needed to promote our ability to lead and to create the organizational conditions for developing the necessary strategic capacity for change throughout the organization. That requires a reflective awareness of my own and others' understanding, contributions, and actions, of the importance of language, communication, and relations, and of the overall organizational context.

Training our own communication involves, for example, improving our ability to ask open, task-oriented, forward-looking questions that can help create more strategically competent contributors.

As a leader you can do much to promote a thinking where renewal is viewed as a natural state. You can do that by listening, so that the colleagues see you as being ready to try something new and doing things differently. ... If you want a company that develops and renews itself in a thoughtful manner I believe you need to have a listening and inquisitive management style.

(ØVLISEN, 2011, pp. 46 and 77)

That is an exercise that is also very much about paying attention to our own listening. If we are attentive to and train our own active listening skills we are better able to hear what we may have so far overheard. If we always tune our radio to the same frequency we only ever hear the same channel. If my listening is always framed by the same assumptions and preferences I tend to hear the same input. If we pay little attention to the way we listen, our listening tends to be framed by our own focal points; by shifting our listening focus to the other person we can achieve a much better understanding of the other person's perspective on the tasks.

ORGANIZATIONAL REFLECTIVITY

An important aspect of systemic thinking is to look at the organizational world with an eye for how we can improve our ability to create patterns that connect. As described in Chapter 2 about perception, this awareness of patterns and connections relies on a complex circular understanding of how we can understand and approach the task of improving the quality of interactions in human systems. The implications for leadership are even greater when we shift our focus from close relations to the entire organizational system.

In organizational reflectivity we take the ideas from self-reflectivity, other-reflectivity, and relational reflectivity and put them into a larger organizational context. More specifically, we look at organizational reflectivity as an essential

awareness of how the individual organizational elements interact and how the overarching organizational frameworks, structures, and processes promote (or hinder) the results we aim to achieve with the changes.

That applies to the more visible and formal organizational structures and processes such as areas of responsibility, procedures, meetings, intranet, and other information processes. But it certainly also applies to the many complex local responsive processes – or first-order strategic processes and the patterns they form.

Organizational reflectivity offers an opportunity to use Bateson's and Hamel's criticism constructively as a powerful invitation to leaders to take a holistic perspective and to examine and create cohesion among the many components of organization and between the organization and the environment. What Bateson calls "creating patterns that connect" (Bateson, 1972, 1979), Hamel frames as an invitation to design organizations that are much more focused on creating a constructive framework for people in the organizations (Hamel, 2007).

This reflective awareness of others not only pertains to close colleagues. It also involves paying attention to important actors in and outside the organization that we do not see on a daily basis. As leaders, if we are to take the lead in managing changes in a manner that helps to bring together and coordinate the many activities we need to develop an organizational awareness where we see our own tasks and position in an organizational perspective. That includes what we might call an inside-out perspective: From the perspective of our own tasks, we are aware of others and their role in relation to our work. Even more importantly, we need to develop an outside-in perspective: From the perspective of others' interests and work, we focus on how we can act in a way that facilitates their performance. The other organizational units are characterized by being different from us by virtue of specific differences in task and professional profiles and, hence, often a combination of organizational and professional cultural differences. These differences combined with distance and the lack of mutual knowledge often make it hard for us to see the world from others' position and to understand their specific professional jargon and organizational communication forms. Together, these factors often causes us to focus on and create stories or narratives that are about differences – often in a less than respectful or appreciative tone.

Over time, these stories or narratives can take on a ritual character and cause us to retell the stories without reflection or listen passively to and accept others' narratives. This leads to more or less isolated islands of communication that make us continue to focus on the differences. To establish a constructive collaboration we often need to move beyond the mental images of the differences that we helped create. This barrier becomes harder to manage and, potentially, to modify when the organization has to deal with changes. Therefore, the leaders' actions have a substantial impact on whether colleagues and employees develop and maintain – or lose – reflectivity. If the leader fails to set an example by actively seeking to develop his or her own as well as others' reflectivity, the introvert autopoietic and sociopoietic logic will often continue on autopilot.

We live in a world characterized by growing complexity and, not least, a growing emphasis on diversity as an important resource. That makes the development of reflectivity and a stance of respectful and challenging curiosity toward others a key element in developing leaders' and employees' specific and, not least, strategic relational competences. Both organizational cohesion and the organization's capacity for making active use of differences and diverse competences depend on the leaders' stance toward these differences. If the leader sets an example by demonstrating an active and reflective curiosity toward the differences, both in words and action, that will increase the perception of differences as an asset for the individual and as something that the organization values.

If we look at the two perspectives on cohesion we introduced in Chapter 2 (interlinking and bridge-building) they offer good metaphors for what we consider an important invitation in relation to organizational reflectivity. They both suggest that the quality of organizational cohesion depends on the quality of the links. In a reflective leadership perspective, this can be used to ensure that the distances among the various parts of the organization do not grow so pronounced that it hampers coordination.

Figure 5.4. Organizational reflectivity

Remaining aware of the distances or contacts among persons and units may sound like a simple task, but in a systemic perspective it has many facets. If we view the leader's task as being responsible for bridge-building across units and other boundaries, there are (at least) four key dimensions or challenges:

1. The first is awareness of physical and organizational distance. Is there natural access to contact and cooperation – or do the organizational structure and the way we approach our work lead to an introvert focus on our individual tasks and responsibilities?
2. It is also important to be aware of distance and contact from a professional perspective. The organization's needs will differ in terms of giving the professional groups room for mono-disciplinary focus or cross-disciplinary cooperation and synergy – something that it is often advantageous to vary over time.
3. We may also look at distance or cooperation with a focus on responsibility. That has to do with whether individual units have their own well-defined areas of responsibility and thus rights and obligations, or whether the responsibility also includes an obligation to cross-disciplinary and cross-organizational cooperation.
4. The fourth and last dimension has to do with mental models. Are the communication and information processes among the units driven by a transmission logic or a constructionist logic? Is there a coordinated awareness that everything we send to others should be viewed as exformation? This is especially important if we do not know whether others relate to it at all, what they use our messages for, and how they use them.

The four dimensions of bridge-building are often closely related. In a traditional organization divided along functional boundaries we often share a physical space and often share a professional profile and a set of tasks with our colleagues – and spheres of responsibility and competence often follow the same lines. That minimizes our physical, mental, and communicative distance to close colleagues and distances us from others. This organizational setup is also based on a logic that makes it harder to work actively with constructive communication and information processes that create informative coordination among the units.

Table 5.6. Bridge-building leadership

- How well integrated are the units that either need coordination in relation to their specific work, or where diversity might help promote development and innovation?
- What is the balance between mono-disciplinary focus and cross-disciplinary synergy and development?
- Do the organizational units have specific spheres of responsibility and competence – and thus the right and the obligation to ensure cohesion in the way they approach their tasks?
- To what extent do your direct reports and employees find that management insists on, promotes, and develops cooperation across the organization?

If we turn to the leadership task of connecting the tiers of management and of establishing connections between the leaders and their direct reports there are (at least) two important dimensions or challenges that resemble the ones we have described under the heading of bridge-building leadership:

1. The first dimension has to do with the distance to the organization's overall framework – mission, vision, and objectives. Creating this overall framework is a key task for top leadership, but the task of making it visible and comprehensible and, not least, ensuring approval and ownership is in fact the biggest challenge by far.
2. Another challenge is how we handle the distribution of leadership responsibilities and competence. Most organizations have a built-in logic that aims for unambiguous clarity in the distribution of responsibilities and competences, articulated from a top-down perspective.

This implies a considerable risk for the emergence of isolated layers as each leader is expected to take care of his or her own area and providing 'downward' leadership. That setup fails to consider that organizational cohesion depends on the strength of relationships – not only on whether individuals are competent and efficient. In many cases, this causes us to overlook the importance of the bottom-up processes. The traditional distribution of responsibilities and competences creates a certain top-down flow, but increasingly, we rely on organizations to make knowledge, information, ideas, and, not least, challenging questions build cohesion from the bottom up. The organization that is capable of both is simply stronger than the one that relies primarily on a top-down approach.

This requires us to develop a mutually reflective curiosity – an insistence on close dialogue and communication. It calls for clear and insistent top-down leadership supplemented with an insistent curiosity in a top-down direction. That creates opportunities for both clarifying messages and creating a valuable feedback culture where mid-level leaders and employees can participate. And that in turn provides opportunities for active fellowship where mid-level leaders and employees are able to take initiatives – and management is obliged to listen, learn, and act.

Using the change processes to combine actors from different units with different professional profiles and different areas of responsibility lets us incorporate different positions and voices actively in our work. It also gives the participants a chance to have their own understanding qualified or challenges – and to learn how others view the possibilities and challenges associated with the changes. That not only brings synergy to the change process itself, it also generates mutual personal and organizational insight that will help qualify day-to-day interactions.

In leading changes, in addition to the elements we have described above it is also important to attend to the time dimension that we touched upon briefly in the beginning of the chapter (see Figure 5.1). In our everyday activities we operate constantly in an encounter of past, present, and future – but often without being aware how and to what extent our actions are guided by experiences and habits from the past or visions and goals for the future. When we are dealing with changes, the encounter between the known past and the new and relatively unknown future often seems very clear. When automated responses from the past in the form of habits and routines can no longer run on autopilot – and our image of the future needs to be adjusted or modified – we need to establish a new link between the past and the future. A link that should aim to build the future based on the best aspects of the past in combination with new competences and new communication and action patterns designed for the future. We will discuss this point in more detail in Chapter 5.

META-REFLECTIONS IN LEADERSHIP

If we want improve organizational cohesion we need to focus on four key aspects:

1. First, in order to build awareness of our own and others' contributions to improving cooperation, communication, and coordination we need a reflective, curious, and challenging approach to our own and others' basis for acting as they and we do. The key here is to develop an ability to challenge our own and others' habits and routines and, not least, an ability to see a given situation from different perspectives. When the downloading of habits and routines runs on autopilot we overlook many of the factors that control our attention and, thus, the results we co-create with others. Therefore, an important component of strategic relational leadership is that the leader develops self-reflectivity.
2. Second, we should develop a relational and communicative awareness and competence focused on developing our ability to explore and connect our own and others' language, communication, and actions in the specific situation. Relational reflectivity is about the ability to create the conditions for clear and constructive communication and dialogue in order to make an active effort to create cohesion and direction. That lets us bring a variety of ideas and perspectives to the task of organizational development and innovation.
3. Third, we should develop a generative competence that improves our ability to understand the consequences and the value of our contributions to the organization. An ability that gives us a sense of how we contribute (or fail to contribute) to the achievement of organizational results. This generative competence is also about daring to challenge both our own personal and, not least, our collective habits and routines in a manner that invites innovation – being in and creating movement. By inviting the creation of new patterns of communication and cooperation and, not least, by bringing in diverse voices we can improve the conditions for relational reflectivity and, not least, for innovation.
4. Fourth, strategic relational leadership is about developing our strategic reflective competences with an eye for the interactions among the organization's many sub-systems. Seeing, reading, and developing organizations from a strategic systemic perspective gives us a better understanding of the organization's many relations and processes and thus of the patterns that connect or separate. This is also a powerful invitation for all the members of the organization to develop a strategic reflective awareness, as that will enhance the individual leader's and employee's capacity for strategically competent action.

CHAPTER 6

APPRECIATION, RESPECT, AND TRUST

If you don't have the trust of your employees at this point (while everything is fine; eds.) – you won't have it when the crisis sets in. The most important investment you can make as a leader is to build a trusting and appreciative relationship with your employees – because that's an investment that's going to come back to you when you need it most.

CARSTEN BJERG, GRUNDFOS.⁶

In this chapter we look at the role of appreciation, respect, and trust in building a capacity for change in actors and organizations. We address appreciation on a personal level in relation to language and communication and in a more general organizational perspective. In this discussion, among other issues, we address some of the challenges that arise when there is a lack of trust, respect, and appreciation but also when appreciation takes over and becomes an end unto itself.

The reason why appreciation, trust, and respect play such a key role in the efforts to increase organizational cohesion is that appreciation, trust, and respect are crucial for the quality of interpersonal relationships. It is necessary for promoting and developing the productive relationships that produce the company's results.

If you, as a leader, trust and respect your direct reports and your employees, and they in turn trust and respect you, that is an essential strength for the organization and its leadership. This strength will increase the chances that you can pull together to translate the organization's goals and strategies to specific results. Conversely, if you do not trust your direct reports, or if they do not trust you, that is a major weakness for the organization and its leadership. Trust and respect improve the quality of our coordination, while the lack of trust and respect creates organizational 'gaps' that prevent knowledge, experience, information, and decisions to move across the organization among individuals and units.

Both our own and other recent research has found, unsurprisingly, that the quality of mutual respect in interpersonal relations and communication has a substantial impact on the quality and efficiency of the work in the organization.

In a nutshell, relational coordination is the coordination of work through relationships of shared goals, shared knowledge and mutual respect. ... Relational coordination is a form of organizational social capital, an asset that makes it easier to access the resources need to accomplish one's work. (GITTELL, 2009, pp. 13 + 28).

Recent research has also found that the ability to implement changes depends on the degree of trust in leadership (Morgan & Zeffane, 2010; Ford & Ford, 2012).

Without trust, respect, and appreciation we risk a situation where individuals, groups or departments all mind their own business, and where the lack of good cooperation habits and mutual curiosity or fear of others' reactions and criticism prevent the sharing of vital information. In a constructionist perspective, therefore, one of the main challenges in this situation is that we as individuals and groups construct our own (auto- and sociopoietic) image of our environment. If our environment is characterized by conflicts and criticism, we often respond by becoming even more introvert and closed-off to our environment. As a result, individual units may develop their own world views based on a conflict perspective. That will serve to undermine their curiosity about the others' points of view, experiences, competences, and objectives and risks creating a situation where each unit suboptimizes in relation to its own goals. Thus, respect and appreciation are not just means for creating better social environments; they are also vital for securing organizational cohesion.

In Scandinavian and not least Danish companies and organizations we have a long and strong tradition for focusing on employee well-being, where respect, trust, and an appreciative approach can add valuable new dimensions to the effort to develop relations and cooperation. We hope and aim to increase awareness of the organizational dimension of appreciation in leadership.

⁶ Appointed to Leader of the Year in Denmark 2012, quoted from Heskia 2013

We also believe that change leadership is not just about fixing the problems of the past. It is also very much about adding a new level to our awareness as leaders to co-create future opportunities in a proactive effort together with other key actors. Therefore we need to create a work context that promotes enthusiasm and involvement as well as leadership approaches that support this capacity. One of the approaches that have been developed for this purpose is appreciative leadership, which stands on the shoulders of Cooperrider's concept and approach Appreciative Inquiry (AI).

...we have reached the end of problem solving as a mode of inquiry capable of inspiring, mobilizing, and sustaining human system change, and the future of organizational development belongs to methods that affirm, compel, and accelerate anticipatory learning involving larger and larger levels of collectivity.

(COOPERRIDER & SRIVASTA, 1987, p. 1)

Therefore we need to develop and apply new approaches that inspire and mobilize the many different actors and stakeholders in a way that lets us accelerate the development of future organizational solutions together.

APPRECIATIVE LEADERSHIP WITH A FOCUS ON THE INDIVIDUAL

The smallest unit in the organization is the individual person. That makes it natural to focus on the impact of appreciation on human – and thus organizational – growth and development. In a constructionist perspective the recognition we receive as individuals from the environment is vital, and without it we lose our self-respect and self-confidence, which are crucial for our well-being and development (Honneth, 2006). In other words: *"If one is not recognized or is unable to receive emotional support, cognitive respect and social esteem, one risks losing the positive attitude towards oneself that is fundamental for one's development."* (Honneth, 2003).

On a personal level, we can understand recognition or appreciation as consisting of three closely related elements. First, we can view recognition or appreciation as the fundamental respect for the individual's rights and obligations. That applies both to the more formal legal or contractual rights and to the more moral and ethical rights and obligations.

1. In change processes, first of all, we should feel that there has been a fair decision-making process which has considered the various interests and stakeholders that are affected by the changes (Vestergaard, 2012).
2. In addition, we view recognition or appreciation as fundamental social, interpersonal and emotional appreciation and respect with an emphasis on concern for the individual as a unique person. As individuals or groups, we need to feel that we are considered an important part of the organization's social community.
3. Thirdly, appreciation is about focusing on the individual's personal and professional competences and contributions – and ensuring that the individual feels that he or she is taken seriously and viewed as an important contributor to the changes (Hornstrup & Johansen, 2009).

That is also an important condition for developing leadership and organizations that promote strategic competence. If we do not feel that we are appreciated as individuals – personally, socially, professionally, and in terms of our competences – we are less likely to view ourselves as an important part of the organization's future. If we as leaders succeed in creating respectful and trust-based organizational conditions, that will also encourage individual leaders and employees to take responsibility and approach their tasks in a way that makes them strategically competent contributors: active actors who take initiatives, contribute with important experiences and competences, and act from a holistic perspective.

In extension of the concept of autopoiesis we view human actions, understandings, and communication as being guided by the individual's understanding, meanings, and values. This implies that we should base our thinking on the assumption that the individual employee essentially does his or her best in the given situation. That is not necessarily the best action from the leader's point of view or in an organizational perspective. The point is, however, that it is helpful to begin by appreciating (and accepting) that the employee does his or her best – as seen from the employee's perspective. That in turn encourages 'other-reflectivity' in the leader: a curious and explorative approach to others.

In connection with change processes we often see old, familiar habits and routines take over – even if we have agreed to manage tasks and processes in new ways. When that happens, it is easy to respond with irritation. Especially if

we as leaders have spent a lot of time weighing, discussing, and planning the changes. Our own involvement in the processes makes the goal and purpose of the changes appear clear and meaningful to us. But as others, who have not been part of these discussions, and who have often received a relatively brief introduction to 'the new ways,' approach their tasks, the changes are not similarly integrated into their understanding. To provide optimum encouragement for them to change their habits and routines – in addition to maximizing their involvement – it is helpful if we adopt an appreciative and curious stance when they revert to the old ways. If we meet them with criticism and a lack of understanding there is a considerable risk that they meet our desire for change with a similar attitude. They may formally accept the changes but nevertheless continue to stick to the old, familiar routines. Here too, a set of questions can help enhance our focus and maintain an appreciative approach.

Table 6.1. Appreciation on a personal level

- How do trust, respect, and appreciation fare in your organization?
- What are the criteria for being seen and heard – on a personal as well as a professional level?
- How do you, as a leader, balance appreciation, trust, and power?

APPRECIATIVE LEADERSHIP WITH A FOCUS ON RELATIONS AND COMMUNICATION

Viewing respect and appreciation as fundamental conditions for healthy, vital, and positive personal development means that appreciative leadership is both about focusing on the individual and, even more so, focusing on our language, communication, and actions. Here, the inspiration from AI has helped highlight the importance of our language and communication and how they can help develop our individual and collective capacity for generating development and change (Cooperrider & Srivastva, 1987; Barrett, 1995; Bushe, 1999, 2001; Cooperrider & Withney, 1999, 2001; Hornstrup & Loehr-Petersen, 2001; Hornstrup & Johansen, 2008). By combining the desire for development and innovation from action research with the principle of basing this development on our strengths and best experiences, AI can help us build a highly constructive framework for organizational development processes. We can do this by focusing on how we can use organization's strengths and most valuable experiences to build a strong foundation for future development while ensuring that we do this in a way that strengthens both our individual and our collective self-concept and the relations that are so crucial for our ability to pull together to achieve even better results in the future.

Gergen articulates the constructionist framework as a desire to use the dialogue as the leader's means of expanding the number of voices that are heard, since the dialogue thus allows us to view the topic or the issue through many different lenses (Gergen, 2010). In our understanding, this diversity increases our openness to the many possible understandings of the challenges we face and thus helps us create a wider range of possibilities for discovering the most appropriate solutions.

In the traditional version of AI, the focus has often been on appreciation, while the inquiry part – the curiosity – has often been toned down or absent (Hornstrup & Johansen, 2008; Oliver, 2012). If we wish to draw on an AI approach in our effort to build stronger and more flexible organizations we need to view appreciation and inquiry as mutually supportive elements. That gives the reflectivity and curiosity that are part of AI a more prominent role (Hornstrup & Loehr-Petersen, 2003). Here, the traditional systemic invitation, which facilitates a reflective and challenging curiosity (Hornstrup, Tømm & Johansen, 2009), and Cooperrider's focus on innovation via "provocative propositions" are important assets (Cooperrider & Srivastva, 1987). That makes it much easier for us to see and address how everybody essentially acts in order to achieve learning and development, and it gives curiosity, reflectivity, and the desire and ability to challenge habits and routines a much more prominent role.

Another important focal point for the leader when conveying messages about change is to make sure to build a bridge between the old and the new. In the vast majority of cases, change leadership also involves the preservation of certain elements: familiar components and aspects that should be part of the foundation as we move forward. Here, an active articulation of the familiar, our strengths, resources, and talents, can express appreciation of the leaders and employees who created the company and its past results. It can also serve as a bridge to the existing organization and

culture that can help us use the culture constructively instead of treating it as an obstacle. Here, AI can help us draw a constructive and attractive image of the future and explore how we can incorporate the best elements from the past.

On a more concrete level this invites us to focus on our challenges as well as our successes. That requires us to focus even more on the resources, competences, and talents we draw on when we are successful. To achieve this, we have to develop and use more resource-focused language and communication forms. By viewing language and communication as a way of shedding light on our practice, a focus on our successes –examining them in detail and studying the qualifications and competences that made them possible – will generate a new kind of engagement and shared ownership. Similarly, a view that treats problems, mistakes, and shortcomings as challenges will often make a big difference for the leader or employee who might otherwise feel that he or she was being singled out as the ‘culprit’. If we as leaders focus pedantically on identifying and correcting mistakes we will develop a culture that revolves around finding errors and mistakes, and from an appreciative perspective that will make most people watch what they do in order to avoid making mistakes. If we focus instead on the future and on our main challenges we invite witness-thinking and, not least, creative thinking. That encourages people to try out new ideas and take more risks – precisely because it enables them to act and think more freely.

One of the major strengths of the appreciative approach is that it helps us build a bridge between the past and the future while also shaping the foundation for successful changes by actively involving key actors and stakeholders. One of the challenges in major change processes is that aspects of the concrete everyday life that we are a part of are changed and replaced with new routines. Change also requires us to modify the fundamental processes that are based on our culture and underlying assumptions. Actively including the actors in creating concrete and recognizable images of the future we hope to build can promote an almost tangible and factual recognizability. By using language to shape the path we take to get there we help make the future culturally recognizable. The invitation therefore is to make the meeting of the familiar and the new more recognizable on both a concrete and a cultural level in order to make the meeting as constructive as possible.

By gaining access to the process as it unfolds and by finding relevant solutions to the challenges that are part of our area of responsibility we activate both a certain sense of recognizability and a sense of shared ownership of the results.

The AI approach rests on three questions that are framed by the results we hope to achieve by implementing the changes:

- Where do we find the most important development areas and the main challenges – and what do we need to be stronger in these areas?
- What are our most valuable experiences, and what are the most important organizational strengths, competences, and resources that are conditions for success?
- Which habits and routines are obstacles to development, and what needs to be modified or eliminated?

The first question aims to explore what valuable experiences and resources we have that can form the foundation for future development. In our effort to create new results we have to build on both the most valuable experiences from the past and the most important individual and collective competences, resources, and untapped potentials and talents. If we want to see the organization’s actors acting differently in key areas it is helpful, for practical as well as psychological reasons, to build on the most valuable elements from the old, familiar world. If we as leaders or consultants in charge of change processes fail to build a bridge that connects the past, present, and future we risk losing some of the features that we all consider part of our familiar foundation. Another risk is that this may be perceived as a failure to recognize or appreciate the efforts and the people that have created and are creating the current results.

The second question highlights our development areas. A leadership focus on the development areas is the natural basis of most change initiatives. From a relational perspective we should add the importance of building connections between the old and the new. That can be achieved by focusing on the best elements from the past – as described above – but also by investigating where and how the most important experiences and competences connect actively to the future activities. If we fail to make sure that this connection is actively articulated, we may lose the link between past experiences and current competences on the one hand and future initiatives and actions on the other.

Considering whether there is something we should do less or stop doing entirely in order to make room for new initiatives often involves a more difficult process. In many cases, a stumbling block is the need to “kill your darlings,” to use

Drucker's term: giving up familiar action patterns, routines, experiences, and competences in order to enable the desired development. That can be a difficult process, but it is a crucial exercise. If we fail to take action to make room for new action patterns, routines, and competences, then development and change will be in an unequal struggle for room. This often requires insistent leadership because choosing what we should stop doing or do less is a strategically important choice, so we cannot leave it up to individual employees or groups. Although we strongly favor involvement, change leadership is not a democratic process. If we turned leadership into a democratic process, the past would typically carry the day (Øvlisen, 2001). Or, as Henry Ford is quoted as saying, *"If I had asked people what they wanted, they would have said faster horses"*; they would not have asked for an automobile, since of course they did not know about it (Kolind & Bøtter 2012).

Another concrete way that we can use our focus on language and appreciation actively is by further developing our familiar approaches. One of the best known and widespread tools for strategic analysis is SWOT (Humphrey, 2005). We have chosen to use a modified version, which we call SDAPC (internal Strengths and Development Areas and external Possibilities and Challenges), in part because we have found limitations and weaknesses in the original version. One of the criticisms that have been levied against the SWOT analysis is that its focus on internal weaknesses in particular can undermine the openness and honesty that is a key condition for quality in all strategic analyses (Haslebo, 2004). Based on the constructionist perspective and the point that language not only describes the world but also constitutes the medium we use to create the organizational reality we live in, it is crucial whether we focus on development points instead of weaknesses.

That is not to say that we should ignore the sore spots in the organization and leadership. It is important and necessary to face weaknesses and problems, both internally and in relation to the surrounding market. But by talking about development points and challenges instead of weaknesses and threats we create a more constructive focus for the dialogue and achieve a higher degree of openness. This is not least important when it comes to addressing the development points and challenges that exist in the involved leaders' own practice or units.

Furthermore, our own experiences with strategic changes indicate that both the SWOT model and several other models for strategic analysis have a dangerous blind spot in relation to the unpredicted and unknown factors that are an important part of most change processes.

With inspiration from Barnett Pearce we look at leadership decisions with the awareness that all changes involve a degree of uncertainty. In all likelihood, something will occur that is unknown at the time when we make the decision and which will affect our ability to translate decisions to action. This is not something that we can predict, but by including it as an active factor in our attention we can enhance our ability to attend to the dynamic that characterizes changes; it can also help us actively perceive – and acknowledge – the element of uncertainty that many will experience.

Therefore we have added another layer to the SDAPC model, which we call 'the new and unfamiliar.' This element is symbolized by a question mark in each of the four quadrants. Naturally, we cannot see the unknown, but by incorporating it as an active and visible part of the analysis and our change work we can use it to notice the new challenges that are sure to emerge along the way.

Figure 6.1. SDAPC – a systemic SWOT analysis

THE ORGANIZATIONAL PERSPECTIVE

For the past many years, various schools of thought have placed appreciation (Appreciative Inquiry – Cooperrider & Srivastva, 1987), positivity (positive psychology – Seligman & Csikszentmihalyi, 2000), solution-focused leadership (Berg & de Shazer, 1993; Langslet 2006-I, 2006-II) or strength-focused leadership (Brun & Ejsing, 2010) high on the agenda. Each in their way, the various directions have promoted the development of a more constructive approach to organizational development and change. In many regards, the appreciative approach has added new and important ideas and practices to the field of leadership and organizational development. In our view, this development holds many promises with regard to investigating and developing organizations based on their positive results, strengths, and untapped potentials. But it also presents some important challenges.

The first challenge is that over the years, appreciative leadership has focused on 'the positive,' while the efforts to address the more problematic aspects of the organizational life have been an invisible or low-priority part of leadership. In

our eagerness to be appreciative and positive we risk achieving the opposite effect, as the positive focus overshadows the need to address the problematic aspects of life in the organization (Oliver, 1996, 2005, 2012). To meet others with respect, therefore, it is not enough to ask, "What works well? What are you proud of?" We also have to ask, "What is important for you?" By insisting on the positive angle we neglect the people who are facing pressures and challenges and fail to discuss what is important to them. (Oliver & Barge, 2002; Hornstrup & Loehr-Petersen, 2003). In practice, therefore, appreciative thinking often leads to the suppression of important critical voices. In misguided positivity, thus, we avoid talking about what matters. Many leaders and employees are justifiably frustrated that appreciative leadership becomes an obstacle rather than a help to discuss important issues. In this sense, and in a Foucault perspective, appreciation can be seen as a modern power technology that promotes particular (positive) discourses while similarly inhibiting others (Raffnsøe, 2008). If we fail to invite the critical voices we ignore the potentially important knowledge and points of view they might contribute, and the critical individuals will feel that their perspective on the changes is disrespected.

Another challenge is that there is a limit to what we can achieve with respect, trust, and appreciation alone. In leadership, unlimited and unreflective respect, trust, and appreciation are just as inappropriate as an absence of these elements (Covey et al., 2012). It is crucial to maintain a leadership focus on managing the conflicts that often arise in connection with changes. These conflicts may involve individuals or groups, or it may concern an individual who does not live up to our demands or expectations. When leaders are judged on their actions, their ability to manage critical situations competently and consistently is a key factor in assessing the quality of their leadership. If our colleagues and employees find that we praise them for doing a good job while (deliberately or unwittingly) ignoring shoddy performance from others, the appreciation tends to lose its impact and may even have a demotivating effect. Therefore it is vital to put appreciative and trust-based leadership into perspective – because ultimately, it is our ability to create organizational results that counts. An appreciative leadership approach, like any leadership approach, should never become a goal unto itself. It must always remain a means to a higher end: organizational development.

The third challenge is that appreciation and appreciative leadership are sometimes perceived and practiced with a one-sided emphasis on well-being and cooperation without any connection to the organization's performance capacity. Instead of viewing the organizational goals and development and the individual leader's and employee's well-being and job satisfaction as mutual conditions, we may allow the organizational focus to slip into the background. In our perspective, leadership based on respect, trust, and appreciation should be seen as the reflection of a desire to develop our capacity to optimize the different organizational processes and results – by appreciating the individual's competences and contributions as well as the collective teamwork.

Especially in many Danish public organizations, appreciative leadership is very common, and it is often associated with work aimed at maximizing the organization's social capital. There is of course a good and natural reason for that, as appreciation and social capital are closely related. Unfortunately, the efforts centered on appreciation and social capital are often insufficiently linked to the processes that promote the user's/citizen's perception of quality services. Therefore, as leaders we need to place the efforts to maximize the organization's social capital in a context that is focused on the perceived quality and on making optimum use of the organizational resources. An important element in viewing appreciative leadership in a larger organizational perspective is to examine how the leader's communication and actions in relation to individuals or individual incidents affect larger parts of the organization. Traditional appreciative thinking is focused on individuals and individual incidents, and often there is not enough attention on how this individual focus affects others in the organization – or how the management of the individual incidents create patterns over time.

Imagine, for example, a leader who has to manage a dilemma where the concern for the organization and the larger whole conflicts with the concern for the individual. This may involve an employee or another leader who does not live up to his or her commitments. In the specific situation this means that all the involved parties will attribute meaning to the leader's actions and communication as well as the leader's failure to act and communicate. That may be the 'sign' that has a crucial impact on the individual's sensemaking in the given situation.

All leaders are ambassadors for the organization. And the higher up they are, the more influential are their actions. If an employee doesn't want to take part in a change project, for example, all they need is an example from a leader who fails to live to what is expected of him or her. A negative exception from a leader can have a huge effect.
(EMPLOYEE IN HORNSTRUP, 2013).

A leader's failure to take action may well be attributed great significance by other colleagues. Seen in isolation, this failure to act may seem fairly inconsequential, but seen in an organizational perspective, the failure to act in support of the agreed-upon organizational conditions and procedures can have a significant impact because it may be perceived as a lack of recognition of the leaders and employees who actually hold up their end of the bargain.

In addition to being seen as a lack of appreciation, this inaction can invite the development of a communication culture among the staff where *not* intervening when one sees something that is inappropriate becomes the norm. This often initiates and promotes a culture where we speak *about* each other instead of speaking *with* each other. The leader's failure to act does not put an end to the topic of conversation. Since we know that language creates realities, that is an unfortunate spiral to initiate. When an employee shares this experience with others the leader's failure to act and communicate leaves room for all sorts of possible interpretations by the employees, and rarely of a positive nature.

As many companies and organizations grow larger and more complex the distances between the 'chains' in the hierarchy also tend to grow. That often leads to less or no direct communication between the decision-makers and the executive levels of leadership. A little or much less knowledge tends to make us more critical and less trusting of the leaders who made the less popular decisions. The growing distances between the top leadership and the leaders in charge of the daily implementation of the changes may weaken the connection between daily leadership practice and the larger organizational framework – mission, vision, and strategies.

A large perceived distance between the top leadership and the actors who have to translate the decisions into practice will often reduce the understanding and ownership of changes. That is especially true in case of major structural changes that shake up the familiar procedures, processes, and cooperation relations:

Our findings strongly suggest that any change negatively affects trust. Within this parameter, major organizational change of the workplace structure tends to have a much stronger bearing on trust than do other forms of change. (MORGAN & ZEFFANE, 2010, p. 69)

If the changes result in modified forms and procedures for cooperation for mid-level leaders and employees, much of the sense of safety that the familiar habits and routines offered is lost. If these changes were furthermore decided by leaders who are perceived as being out of touch with the mid-level leader's day-to-day reality, he or she may find it hard to loyally support the intentions of the changes. This may make the mid-level leaders more likely to act as representatives of the employees they work with on a daily basis than the company or organization whose goals and strategies they should be guided by.

Thus, building trust among the different levels of management is an important strategic priority. In change processes this is most efficiently done in direct communication when decision-makers meet the executive leaders.

It is also evident that the creation of mutually trusting relationships by management is a matter of strategic choice. In terms of the individual view, there is little doubt that an essential ingredient for trusting relationships is the personal assessment of trustworthiness. The personal and direct form of consultation with decision makers had a tendency to maintain trust in management overall. (MORGAN & ZEFFANE, OP. CIT., pp. 69-70)

The ambition behind our focus on appreciation and trust is that by increasing the social capital and promoting a culture that increases perceived value for the individual and for the organization we can build a strong foundation for organizational cohesion and the capacity for handling new challenges. In this perspective, social responsibility is viewed as an independent and important condition for long-term success. The way the company communicates and acts in relation to society – including the issues of CSR and sustainability – can have a major impact on its credibility, not least for the external stakeholders. This is also increasingly important in relation to attracting the most interesting employees and business partners. Overall, this means that strategic relational leadership is about building a culture of appreciation on a personal as well as an organizational level. The key message is that the leader's most important task in relation to this aspect is to act as an organizational context marker and culture builder: The person who takes the lead and actively looks out for the

organization's interests. That requires active decisions and communication. Whether the leader likes it or not, he or she will be viewed as a culture builder and a context marker – also when he or she takes a passive and non-interventionist stance in a given situation. The leader cannot *not* act. Thus, not taking on challenges can become an important co-creator of an inappropriate and unappreciative communication culture in the organization.

With appreciative communication and related actions we can help bring out and shape patterns that connect individuals and units – or the opposite. In a strategic relational perspective, the many connecting patterns strengthen organizational cohesion and improve our ability to create even more competent contributors.

That is true in everyday life where we can facilitate a corporate culture characterized by mutual trust and respect by adopting an appreciative and involving approach to leadership. And it is particularly true in change processes where we need everyone to make their best contribution and engage actively. Here too, as leaders we need to set an example and define the conditions in a constructive and inviting manner.

In our perspective, appreciation is a key element in all relational leadership practice. It is an important part of the fundamental communication philosophy and should be reflected in the way we practice leadership. It is a key part of a relational leadership philosophy that focuses on our communication and language as vital conditions for developing our own and the employees' relational competences. Leadership is only meaningful if others follow, and power only makes sense if we use it together with others to promote the organization's goals in a responsible manner.

Therefore, appreciative leadership should not be used as an approach that only acknowledges the positive, our strengths and successes. If we practice that form of appreciative leadership we risk a counter-reaction expressed as a strong desire to discuss the problems. Appreciative leadership as we see it is about building mutual respect and trust based on the factors that promote constructive cooperation and high-quality performance.

On a daily level, this is about how we meet the individual with a focus on building relations where we as persons feel that we are respected and recognized; both as persons, as active partners with rights and obligations, and as competent contributors. Here too, the appreciation has to be reflective. In this context, being appreciative means taking a positive view of people and appreciating their contributions and competences, but it also means demanding something of others and bringing up any shortcomings. Demands reflect positive expectations of others' abilities and skills, and failing to address inappropriate behaviors essentially reflects a lack of appreciation both of the people whose performance lives up to the expectations and of the one who fails, because it signals indifference. Obviously, we cannot expect someone to feel appreciated the very moment when we address errors or shortcomings in their performance. But in the long term, most people actually perceive this form of attention from the leader as positive, because demands reflect the belief that we can do better.

In the larger perspective we should view the organization as a system of relations, where the degree of mutual trust and respect that is present promotes either cohesion or distance. In our efforts to build organizations with a capacity for change, distances in the form of a lack of trust, appreciation, and respect are a major and fatal challenge that all leaders should be keenly aware of. In particular when you depend on your direct reports and your employees to follow you – quickly and efficiently when change knocks on your door.

CHAPTER 7

LEADERSHIP, POSITIONING, AND POWER

In this chapter on leadership, positioning, and power we zoom in on the concept of positioning and how this dynamic approach can improve the value of the leadership you practice. With inspiration from Harré & Langenhove's (1999) work on positioning we outline how we can engage in a leadership practice that promotes holistic strategic thinking and increases strategic competence in the organization by actively pursuing a dynamic positioning concept rather than a more static concept of roles.

In addition to the positioning concept we also examine the concept of power. With inspiration from Foucault's concept of power, power is a fundamental condition in any human relationship. The key is therefore how we as leaders manage the power we have been assigned. How can we take a reflective approach to power in parallel with our approach to positioning? How can we make power productive and value-creating in relation to the task the organization was put into the world to carry out in a way that enhances organizational and strategic competence?

One of the keys to making the power productive is the concept of positioning. When we meet other people we quickly form an impression of them. Just as others form an impression of us when they meet us. In other words, we are constantly being positioned by the people we meet and spend time with, just as we are also constantly positioning ourselves in relation to them. Employees have certain expectations of our responses as leaders in certain situations. If they ask us for advice they often expect us to have the answer. In that sense, the leader is positioned as a knowledgeable person, someone who has the answers and who is expected to answer. If the leader does not reply, the employee is probably frustrated over not receiving an answer; he or she will therefore expect the leader to come back with an answer to the problem or the challenge. Not least if that is what normally happens.

This kind of culture is not created by the employee alone, however, but is equally the responsibility of the leader. Both contribute to the emergence of this pattern. Deliberately or not, the leader has accepted this interaction patterns and the premise that he is she is the knowledgeable person who has to produce an answer when an employee asks a question. In other words, the leader has accepted the employee's positioning. By being the leader who automatically replies to the employee's questions the leader simultaneously positions the employee as someone who cannot get by unassisted. Someone who needs help from the leader to be able to act wisely and get on with the job. The point is that the positioning is relational. Both parties contribute to the perpetuation of the habits that are formed, which turn into patterns and eventually into a culture: This is how we do things around here! Although everyone contributes to the corporate culture, the leader always carries a special responsibility.

With regard to creating a culture or challenging an existing culture, there is therefore every reason for the leader to take the lead if he or she wants to create a more reflective and task-focused culture and a more appreciative and contributing culture. The leader does this by not simply accepting the position he or she is offered or by not necessarily living up to the expectations others have of him or her: for example the expectation of having the answer to any conceivable question. The leader also helps create a different culture by asking the employee what he or she thinks might be a smart solution or a good answer, had the leader not been around. That would help position the employee as an equal and competent partner. The first few times this happens, the employee will probably be frustrated over not receiving the answers that are normally forthcoming. "That would be so much easier," he or she might think. But by being transparent about the new leadership practice and explaining that it is part of an effort to create a new and more strategically competent culture, the leader will improve the likelihood that the employee understands the intention. It is not that the leader has simply returned from a management course, whose effects might wear off in a few months' time. The new leadership practice aims to promote new patterns and habits, although they will require persistent practice and training to grow into a strong new culture.

When we are invited into organizations and companies, we are told that *"there is widespread resistance to change."* Usually, that is not the real issue at all. The reason why the immediate reaction to announced changes is often resistance may be that the purpose of the new direction is far from clear. That suggests a different leadership task, as resistance to change comes to denote the absence of meaning. Instead of confronting resistance to change, the leader's task is to make the change and the change process appear meaningful. To create optimum conditions for connecting what we have done

until now and what we will be doing in the future. The shift from working with resistance to change to working with sensemaking also reflects a new positioning of employees and business partners.

Acknowledging that our relations with others are not static but primarily dynamic and a result of our communicative interactions marks a vital new awareness. Positioning philosophy also invites us to examine our own communicative contributions in relationships. Communication is everything we say and *do not* say; what we do and what we *do not* do. This all constitutes potentially crucial communication. That makes it vital to look at our contributions as leaders in relation to our employees and the culture we have or wish to build.

The notion and the experience that I do not have to accept the position I am offered is in itself important, not least in relation to leadership. In change processes there will often be many different expectations of the leader's responses, but in many cases the most appropriate response to the many different expectations may be an effort to generate new action patterns if the existing culture is not helping us to handle the task or the challenge we face.

LEADERSHIP AS DYNAMIC RELATIONAL POSITIONING

To gain a better understanding of the reflective concept of communication and thus of leadership as a reflective communicative practice we can find valuable inspiration in the concept of leadership as reflective positioning (Harré, 1986; Harré & van Langenhove, 1999; Hornstrup et al., 2005; Hornstrup & Harré, 2009). Instead of viewing and understanding leadership as a set of formal roles, the concept of positioning invites us to view leadership practice as a broad range of various positions that involve an ongoing dynamic positioning of the leader in interaction with the environment.

The shift from viewing leadership as a particular position to looking at positioning is closely related to the fundamentals of the constructionist perspective. In that light we can view organizations as dynamic entities that are constantly in motion. When we live in a world where many actors and processes constantly create new challenges and opportunities, the image or metaphor of leadership as a role can give us the false impression that leadership is something that we can practice according to a fixed script. Similarly, it would be an illusion to think that placing a person in a formal position of leadership automatically confers power and influence. Essentially, that only happens if the employees accept the premise of the leader being the leader. If the surrounding actors do not "buy" the leader's formal right and obligation to lead, there are of course various official bodies, rules, and agreements that can subject obstinate employees to disciplinary action or, as the ultimate consequence, dismissal because of their failure to comply. However, our use of formal power in the form of disciplinary action etc. does not promote following. We only actively follow the leaders we trust and who lead by example.

The leadership effect depends first of all on the way in which the leader manages his or her responsibility and positions him/herself in relation to the employees and business partners with regard to the organizational mission or challenge. It also depends on whether the leader's leadership practice is seen as meaningful and generates enthusiasm, trust, and ownership among the other actors in the organization. Leadership without following makes little sense, and in that light the leader should therefore strive to create optimum conditions for a development-oriented culture of contribution where the actors are able to take strategically competent action in relation to their primary task.

Think of a symphony orchestra versus a jazz band. We can use these metaphors to illustrate the difference between a role and a position. In a symphony orchestra, it is very meaningful to speak of roles because the individual musician (employee) has a specific instrument and a specific score. The conductor has the same score, and from the podium he or she has a overview of the entire orchestra (organization). Everyone in the orchestra is able to see and thus follow the conductor's (leader's) signals. A jazz band usually operates in a fundamentally different way.

Here, there is typically a basic rhythm and an underlying melody; there is a band leader who signals beginnings, transitions and ends, but sublime music only occurs when the individual musicians and instruments jam and create a coherent flow in the present moment (Barrett, 2012). This is not a free-for-all. There is plenty of leadership, a framework, and a shared direction. But the music is created in the moment in an ongoing interaction among the musicians, the audience, and the musicians' contributions and invitations in the process of jamming. The result is not predictable but emerges in the communication among the musicians, and the good result emerges as the result of the individual band members' dynamic adaptability in relation to the whole. We might describe this as a combination of a position (musician) with rights, obligations, and possibilities and a dynamic positioning where the individual constantly adapts to the overall flow and the actions of the other musicians.

The individual details are best described as a complex responsive process where the results create a complex interaction among all the involved actors – including the band, the audience, and the person or persons who composed the music. That is first-order strategy. And what is perceived as the whole – the results of the many interaction patterns – is the music: second-order strategy.

In our understanding, an organization is closer to a jazz band than a symphony orchestra, except that the organization plays several compositions all at once. The actors in an organization have to fine-tune their actions with others who may be working in different locations and last, but not least, the leader is not present or in direct contact with everyone all the time. Thus, in a relational perspective we should view leadership both as a set of rights and obligations that are associated with specific positions and as a dynamic positioning where the communicative interaction with the many actors in the organization constantly affects the way in which we can live out the rights and obligations that come with our specific position.

FIRST-ORDER, SECOND-ORDER, AND THIRD-ORDER POSITIONING

Harré & Langenhove defines three basic forms of positioning:

1. Interactive positioning, where we are positioned by others.
2. Reflective positioning, where we position ourselves – possibly in light of prior interactive positioning by others.
3. Relational positioning, which is about positioning others.

The three forms of positioning are illustrated in Figure 7.1.

Figure 7.1. Three forms of positioning

When applied in practice the concept of positioning can have significant influence and in many ways free the leader from fixed habits and patterns, once the leader becomes aware of his or her own positioning power and especially the ability to avoid being locked into the positioning and the expectations that he or she is met with. In that sense, positioning theory is perhaps one of the strongest insights and instruments that we can apply, not least in relation to enhancing the organization's strategic competence. Actively positioning colleagues and other business partners as strategically competent contributors can help build a much more focused and professional culture where professional diversity is treated as a value-creating advantage.

POWER IN A SYSTEMIC PERSPECTIVE

When we deal with leadership, positions, and change processes, we cannot avoid addressing the issue of power. Although this topic has been taboo in systemic thinking and in much leadership thinking in general – or at least a topic that few have addressed – there is good reason to delve somewhat deeper into the concept of power. Because power is there, whether we like it or not.

Many people are uncomfortable with the concept of power, which is typically associated with negative connotations as something to be avoided. Instead, we view it as a fundamental condition of any form of leadership and thus as something we need to address. In positioning ourselves and others, we are also managing and executing power.

Any company and organization today has employees who have more professional knowledge and insight than the formal leader. That is, after all, why they were hired. Their added knowledge and insight, however, only becomes added value when the leaders acknowledge and understand that this situation requires a different form of leadership: leadership based on inclusion, involvement, and individual responsibility. That requires a dialogic and listening form of leadership; this may be perceived as a humanization and democratization of leadership and power, but it does not mean that power has become obsolete. Instead, it has taken on a different character and appears in a new and less visible form.

MODERN POWER TECHNOLOGIES

Michel Foucault is one of the leading contributors to a modern understanding of power. He views power as a fundamental condition, also in a modern democratic society. A shift has occurred from centralized, personified and monopolized regal power to a humanized form of modern leadership with a focus on learning, development, capacity for change, recognition, and influence. In modern societies and democratized organizations, power has not gone away. Instead it is present in new manifestations, expressed in modern power technologies. Not least in the form of the humanizing, responsibility-promoting, and development-focused language we use.

With inspiration from Foucault we understand power as a force that is embedded in any relationship. Thus, any relationship is also a power relationship (Raffnsøe, 2008). The question is therefore not whether power should be viewed as a negative or a positive feature. Power is a fundamental premise of all relationships and interactions. The much more interesting question is, "How do we use the influence we have gained in relation to the people that we are going to carry out our task with or for?"

There was a time when power was obvious, transparent, and visible. In an absolute monarchy, everyone knew where the seat of power was. The royal palace and the king himself were visible evidence of the presence of power. From this locus of power, laws, taxes, and declarations of war were issued in a steady flow. To many peasants, the bailiff and the lord of the manor were similarly visible evidence of the reality and presence of power. In a company with traditional top-down leadership, the CEO held the formal power, and he or she was often the one who knew best and who had the highest professional qualifications. That is no longer the case. A growing degree of complexity has changed that situation once and for all.

However, if we simply replace a problem-focused culture with an exclusively appreciative approach, we are merely replacing one power paradigm with another. If, for example, appreciation is practiced by decreeing that we can only talk about our successes, in a Foucault perspective appreciation becomes a modern power technology in the form of a discourse that excludes an important part of reality. If mistakes, shortcomings, and difficulties are neglected and become taboo we risk putting the lid on some very important conversations in relation to the organization's future development. Perceived mistakes that are not addressed in the organization will make the critical voices and important experiences wither and die.

We have encountered many employees and mid-level leaders who initially, for good reason, felt that appreciative thinking and practices offered a liberating and vitalizing alternative to a critical culture with a focus on finding flaws and mistakes. After a while, the same individuals often experienced the limitations of the new one-sided emphasis on positivity, which can become a communicative straitjacket. A new modern power technology where they are only allowed to speak about successes and not about what is perceived as important. In many cases, the good intentions and the potential of the appreciative approach have either deliberately or, more commonly, unconsciously developed into new forms of power. That does not mean, for example, that appreciation is useless in a leadership context or in a power perspective. On the contrary. The key is how we manage and practice appreciation and exercise our influence in the (power) relationships that we engage in. If we want to use our influence as a value-creating productive force we have to be very aware of how we can be power-reflective and thus position the employees as competent contributors to the benefit of the whole organization. For example, you may ask people to spend a minute jotting down all the associations that come to mind when they think of the word 'power.' In most cases, the list will be slanted toward negative terms such as manipulation, oppression, and abuse. Fewer people will think of concepts such as influence, strength or possibility. The point is that much of our thinking about power stems from a different time, which gives us an ambivalent view of power as a concept. Many seek to avoid the concept of power because it has negative associations in a democratic context.

POWER IS A FUNDAMENTAL CONDITION – ABOUT POWER-REFLECTIVE ACTION

Our message is that power is a fundamental condition in any relationship, and thus, any relationship is also a power relationship. Similarly, power is inherently embedded in the concepts and discourses we use, and thus, any discourse is also a power discourse that invites certain forms of positioning, and which both includes and excludes certain points of view, individuals or issues. The embedded discursive power is similarly reproduced in the professions and knowledge environments we are a part of.

The ubiquitous nature of power calls for a new understanding of our potential for thinking and action. In our perspective, 'transparency' is the best way to describe how the power dimension can be linked to a systemic appreciative concept of leadership. When we can no longer identify the seat of power, the key question is not by whom but how power is exercised and managed.

This shift from a concept of power that is based on individuals and actors, as personified in the king and the traditional leader with a focus on management and control, to a relational and discourse-based concept of power with a focus on communication and relationships is guided by an ambition of adopting a more power-reflective approach that creates more value for the organization. In a relational and discursive concept of power, the focus will be on our language, the stories we tell, and our actions. Something that everyone who engages in language relations is a part of, and which can have a generally facilitating or inhibiting effect on organizational cohesion.

In addition to being a fundamental condition, power is also a matter of influence and the ability to make things happen: empowerment. In an organizational context, handling formal as well as informal power becomes a matter of how the leader's power or influence becomes an organizational force that promotes the company's vision and strategy via the actions of the employees and other key stakeholders. This makes leadership, positioning, and power irretrievably interconnected. Not least because leadership only exists in the context of following. To handle formal, assigned, and legitimizing power in a way that generates actual organizational empowerment, synergy, and strength, the leader must adopt a leadership practice that generates trust and ownership based on an underlying culture of appreciation, and which gives people a real sense of being positioned as competent contributors.

PART 4 THE STRATEGY PROCESS AND THE STRATEGIC CAPACITY FOR CHANGE

Forandringskapacitet handler om at udvikle og udvide organisationens stresstærskel – det vil sige den mængde af kompleksitet, forandringer og frustrationer, en organisation kan håndtere, uden at komme i problemer

DARYL CONNER

In Chapters 8-10 we combined elements to present a model for the company's strategic capacity for change. By looking at three key elements in assessing and developing the organization's capacity for change we add specific content to the third layer, which forms an extension of the basic constructionist perspective and the four theoretical perspectives we presented in Part 3.

Figure IV.1. Level 3 – practice

In Chapters 8, 9, and 10 we review the three elements in our model of the strategic capacity for change. In Chapter 8 we focus on organizational cohesion, in Chapter 9 we focus on strategic competence, and in Chapter 10 we focus on responsibility and ownership.

CHAPTER 8

ORGANIZATIONAL COHESION

Communication is a fundamental conditions for any sense of social community. No social system, organization or society can be established and maintained without communication.

OLE THYSSEN

An important element in understanding the strategic communication processes that build organizational cohesion is to understand and connect the personal mental models and the collective communicative processes that affect our capacity for creating cohesion in the given situation. As humans we need to be able to find meaning in moving in a given direction, and as organizations we need meaning and directions with a high degree of coordination and cohesion. That presents a major and growing leadership challenge, as our organizations grow larger, more complex, and knowledge-based and exist in environments that are similarly growing more complex and unstable. To be able to lead organizations, people, and effective change and innovation processes we therefore need to know more about the coordination challenges we face. This includes understanding them and knowing how to handle them in practice. For that we need working models and tools that will help us analyze and increase organizational coordination and cohesion.

COHESION IN A DOMAINS PERSPECTIVE

To move a step closer to practice, in this section we address some of the key principles that frame organizational cohesion. Looking at leadership communication in a domains perspective lets us distinguish three dimensions of interpersonal communication: a *rational*, a *cognitive*, and an *emotional* dimension. In addition to these three dimensions we can find inspiration in the thinking on reflective leadership practice (Chapter 4) and add a meta-reflective domain that lets us qualify and connect the three other domains.

On both an individual and an organizational level we see how our ability to achieve coordination is framed by the following:

- The domain of production with a focus on information, decisions, goals, and framework
- The domain of explanation with a focus on understanding and meaning
- The domain of aesthetics with a focus on values, attitudes, and emotions.

(Lang, Cronen & Little, 2009; Hornstrup et al., 2005).

Table 8.1 outlines the key characteristics of the three domains. In addition, we have outlined their potential positive contributions and the effect it has when we are able to create efficient communication processes in all three domains.

The effects do not come automatically, however. To succeed in shaping organizations that create clarity, understanding, acceptance, and, not least, engagement and ownership, we need to add a reflective level: the domain of reflection. That is essential, based on the underlying constructionist notion that we need to activate both our individual and our collective awareness of the importance of communication and relations in order to improve organizational cohesion. In the domain of reflection we activate a position from where we can maintain a constructionist perspective. That gives us a challenging and insightful angle on leadership and leadership communication and thus highlights both vertical and the horizontal bridge-building and integration by means of insistent involvement and an activation of the individual leader's capacity for initiative. In Table 8.2 we illustrate the domain of reflection in a summarized view:

Table 8.1. Summary of the domains

	PROPERTIES	CONTRIBUTIONS	POTENTIAL EFFECTS
Domain of production	The rational perspective: factual knowledge and stated conditions and	Communication with a focus on clarity and direction – what is negotiable, what is not	Clear goals, conditions, directions and relationships

	goals	negotiable?	
Domain of explanation	The cognitive perspective: meaning, interpretations, understandings	Rationales, goals, and decision, clarifying expectations about roles, positions, and relations, the big picture	Understanding and acceptance of goals and conditions
Domain of aesthetics	The perspective of attitudes and emotions: morals, ethics, values, attitudes, and emotions	An individual or collective coordination of values and attitudes; the emotional experience of being included	Acknowledgement of differences, mutual trust and respect

Table 8.2. Domain of reflection

	PROPERTIES	CONTRIBUTIONS	POTENTIAL EFFECTS
Domain of reflection	A reflective, challenging, and learning perspective	Maintaining the constructionist perspective, explorative and challenging curiosity	Developing mutual interest, creating connections and challenging; activating the possibility of taking initiatives

We thus address the domains on two different levels where the domains of production, aesthetics, and explanation are the three basic communicative domains, while the domain of reflection is a general domain where we can develop an awareness of the interaction of our communication within the three domains mutually and in relation to the organizational context.

Figure 8.1. Coordination and cohesion in a domain perspective

The domain model lets us see the three domains as three different dimensions or levels of communication with distinct properties and focal points. In addition, the domain of reflection offers a reflective platform for developing and maintaining our awareness of how we promote the processes that increase organizational cohesion in the three other domains.

THE META-REFLECTIVE DOMAIN – CURIOUS AND CHALLENGING LEADERSHIP COMMUNICATION

We open with a brief description of the domain of reflection because we consider it an overarching domain that operationalizes reflectivity and meta-reflectivity; thus, it constitutes a domain where we can maintain our awareness of the constructionist perspective. Thus, our reflective awareness or the lack of it has a significant impact on our ability to use ideas and qualities from the other domains (Table 8.3).

Table 8.3. Communication with and without reflectivity

	DOMAIN OF PRODUCTION	DOMAIN OF EXPLANATION	DOMAIN OF AESTHETICS
Unreflective leadership	Transmitting one-way communication	Lack of awareness of local understanding and	Lack of awareness of the importance of trust and

		interpretations	different cultures
Reflective leadership	Reflective multi-directional communication	Awareness of the need to create coordinated understanding	Awareness of the need to generate trust and awareness of the need to build dynamic cultures

Essentially, the reflective perspective is an invitation to be curious, irreverent, challenging, involving, and engaging. As such, it is about challenging one's own autopoietic images of the world and developing the ability to be genuinely curious about others' points of view. It is about daring to challenge the shared sociopoietic assumptions, norms, habits, and routines and the culture in our own organization.

The purpose of the domain of reflection is to build an even stronger basis for applying the qualities from the other domains. The difference between the three domains with and without the domain of reflection is considerable. Without reflectivity, the three domains merely state that clarity, comprehensibility, and respect are important. In the domain of reflection they become questions: How can we as leaders take charge in the change processes and shape communication and dialogues that generate clarity, comprehensibility, and mutual respect? That invites involvement and engagement from everyone who is part of the change process.

Without an actively reflective perspective, the three domains therefore still exist, but the ability to use them actively has a significant effect on our ability to improve the cohesion and connectivity among the levels of leadership and among the various organizational units. By providing a more concrete basis for the importance of a reflective concept of communication that invites both an insistent involvement and an activation of the capacity for initiative for the individual. If we are able to work actively with the domain of reflection, it will be easier for us to create cohesion and flexibility. If we fail to do so, we risk a fatal lack of coordination and thus a very limited utilization of the organizational resources, competences, and potentials.

Reflectivity and curiosity are crucial because the reflective awareness of how communication and constructions of meaning affect our ability to achieve cohesion, and because curiosity is the only way – the only really strong leadership principle – to achieve an understanding of other people's points of view.

The awareness of the domain of reflection is very much about an awareness of the company's relational and communicative capital. This capital can be 'measured' by examining the quality of communication and relations across professions and organizational units (Gittel, 2010, 2012).

THE DOMAIN OF PRODUCTION – LEADERSHIP COMMUNICATION IN A RATIONAL PERSPECTIVE

From the domain of production we can view coordination in a rational perspective with a focus on the organizational conditions and context markers in the form of mission, vision, and general strategies. These context markers provide a framework and direction for the organization, departments, teams or organization members; employees as well as leaders. In that light, the domain is an important basis and key reference for coordinating meanings and actions. By communicating these conditions in a way that makes it clear *why* we need to change, *why* it is important and necessary, and *where* we are headed, as leaders we can and should build a crucially important foundation for the changes because we are able to offer an attractive vision and an appealing image of the future. If the domain of production is vague or unclear it is difficult for the organization's members to coordinate their actions: What should they coordinate in relation to, if there are no organizational and strategic reference points? That would be like running onto the pitch without knowing whether we are supposed to be playing football, soccer or field hockey. That renders coordination all but impossible, and the effect of the individual efforts is similarly reduced.

If we as leaders do not *contribute to* a clear and coordinated understanding of goals, conditions, and strategy, the individual employee's ability to act in a way that supports the organization's primary mission will be reduced. That would seem obvious and logical. Nevertheless, it is a common pitfall in the implementation of new strategies or change processes.

Precisely in connection with major change processes, the rational organization concept and the self-referring columns often act as major obstacles. The often ingrained structures, processes, and procedures are typically so strong that the intended changes have difficulty gaining traction. The desire for new strategic changes will have difficulty matching the paths of communication and cooperation that have already been formed by the basic organizational structures.

In many strategic leadership and communication processes there is a considerable emphasis and focus on the domain of production, which might at first glance seem like a strength in an ambition of ensuring clarity, simplicity, and transparency. In practice, however, a dominant and one-sided focus on the domain of production easily becomes a weakness.

The simple and rational solutions, messages, and communication forms often obscure the complexity behind the messages, and when the messages have passed through a chain with multiple links, each with their specific priorities, we are back at the fundamental dilemma of the book: the constructions. New virtual communication channels and complex IT systems will be a strong asset in building efficient lines of communication in large and complex organizations. Still, they cannot capture the complexity that characterizes any organization. Therefore, the domain of production cannot stand alone when it comes to strategic leadership communication. Leadership is about human relations, and as humans our actions are guided by what we perceive as meaningful and valuable.

THE DOMAIN OF PRODUCTION IN A REFLECTIVE PERSPECTIVE

Considering the basic elements of communication within the domain of production in a reflective perspective can help increase our awareness of how we can use the strength of the domain of production to set clear conditions, direction, and relations while maintaining a constructionist perspective.

We say "*help us*" in order to underscore the constructionist perspective. Achieving clarity is not something we can do for others. We cannot transmit knowledge from one mind to another and thus from one person to another. As leaders we are important context markers in relation to the vision of the future and the organizational strategies and goals, but unless the individual leader, employee or business partner perceives the goals as clear, they are not in fact clear from that person's perspective. Thus, it is necessary to repeat the messages once, twice or ten times in order to achieve clarity. Often in new ways in order to reach as many as possible.

Repetition can sometimes promote understanding, but if we wish to improve our communicative skills and make them more effective we need to distinguish between conveying exformation and generating information. There is a difference between the *intention* and the *effect* of our communication. The intention, the message that I wish to convey, is known to me, but the only way for me to learn about the effect of my communication is to ask the recipients and elicit their response. What did you hear? What questions does that raise? What would be the wisest actions as we move on from here?

Achieving clarity therefore requires both that we communicate the background, conditions, and direction of the changes, and that we are as transparent as possible about the intentions and the background of the organizational goals and conditions. If others lack insight into the intentions and the background, their autopoietic and sociopoietic interpretation of intentions and background will often cause them to continue more or less what they were already doing.

If we want to maintain the strength and clarity from the domain of production from a reflective point of departure, we can best describe the communication in the domain of production as 'reflective monologues'. By monologues we mean that the communication often goes one way only: from the CEO to leaders and employees. By reflective monologues we mean that we should maintain the awareness and the constructionist perspective and always, as a minimum, make room for and insist on follow-up questions. It is by hearing what others have noticed that we can begin to gain insight into how others understand our messages and thus the actual effect of our communication.

THE DOMAIN OF EXPLANATION

In the domain of explanation the focus is on generating understanding and acceptance of the changes. The goal is to build mental and cognitive resonance for and acceptance of the stated goals and the actions that are needed to realize the goals. Understanding, meaning, and acceptance are achieved by means of dialogue. In a relational perspective our understanding

emerges in a complex ongoing process where, as humans, we are constantly involved in generating or constructing what we interpret or perceive as reality (Weick, 1995: 13).

When we construct meaning in a communicative interaction with others we constantly, often unconsciously, sort through the many potential pieces of information that are available. We use selected aspects of the information, usually the ones that match the pattern of knowledge, experience, and expectations that we associate with the specific situation. Thus, our construction of meaning is based much more on what we find relevant and plausible in the given situation than on a precise neutral and objective interpretation of available information (Weick, op.cit.). As closed meaning-forming autopoietic systems we are guided by our existing knowledge and experiences (Hornstrup et al., 2005).

Seeing the construction of meaning as an ongoing construction process invites us as leaders to remain reflective toward whatever we meet and to remain curious about 'old' as well as 'new' features. It also invites us to take charge and to develop a shared sense of reflectivity and curiosity. If we as leaders think that we can build an understanding for the initiatives and decisions once and for all, we are missing the point that others form their own autopoietic impression of our messages, and that the meaning they attribute to our messages forms the basis of their own construction of meaning and thus their intended and current ongoing actions.

Since all leaders and employees construct their own meaning based on their individual backgrounds and interpretations, they form what they perceive to be the correct impression – from their own unique point of view. That does not mean that this impression is correct in an objective sense. But if we as leaders want others to connect with our thinking and ideas it is crucial that we understand this consequence of meaning construction.

Thus, we can speak of reluctance or resistance toward changes. But what may seem like resistance or reluctance toward change from our own point of view is often construed, from others' point of view, as a natural response to information or decisions that they do not perceive as meaningful or valuable. They have their own perspective and thus a different basis for understanding the issue.

Here it is important to be aware that all we can do is make our knowledge available to others – we can provide exformation. To have optimum conditions for understanding the purpose of the changes and, not least, accept shared responsibility for them, they need to feel informed – and that requires their active participation. Without an active involvement in the dialogue about the background for and the intention with the changes individuals will not be able to gain insights that make shared ownership of 'the new' possible (Steensen, 2008).

THE DOMAIN OF EXPLANATION IN A REFLECTIVE PERSPECTIVE

In order to strengthen the connection between information and exformation we need to plan the communication process in a way that makes room for processing the messages and translating them into information that is meaningful in relation to the person's job. Unless we do that they will likely remain exformation, and the persons we think we have informed thoroughly will continue to do what they have always done.

Within a traditional transmission mindset we often handle the communicative dilemma by being as succinct and specific as possible. Either by over-exforming or by repeating the messages over and over again; unaware that what we provide is still only exformation. The individual leader and employee always understands the messages in light of their own position, knowledge, and experiences, and furthermore it is often not the simplicity and the precision of the message or the amount of exformation that determines the degree of understanding.

The purpose of clarifying the rationale and the background of goals and strategies is that it offers others the best insight into the situation. That is also the purpose of emphasizing that there will always be a degree of uncertainty. In the short term, as leaders we will often be challenged on our lack of clarity – but in the longer term it is essential to share goals and conditions as well as uncertainty, as this improves the ability of all the organizational actors to act in a changing world.

THE DOMAIN OF AESTHETICS – LEADERSHIP COMMUNICATION IN THE PERSPECTIVE OF VALUES AND EMOTIONS

In the domain of aesthetics, strategic changes are about creating shared attitudes, handling emotions, and building emotional commitment. That is achieved primarily through appreciation, mutual trust, and respect. In the domain of

aesthetics we apply a value-based and emotional perspective to strategic leadership communication, and from a relational perspective, that is probably the most important element for building commitment to and ownership of the organization's goals and strategies.

It invites an awareness of the human or 'soft' side of the change process where the focus is on values, attitudes, and emotions. Even if we normally perceive and describe attitudes and emotions as 'soft' aspects, this is often a rich source to draw on in our leadership efforts to carry out successful change processes. Attitudes and emotions often determine whether we are successful in our communication because they play such a key role for what we perceive as important and valuable. Besides, this perspective is not particularly well integrated or included in the traditional theoretical and practical perspectives on leadership and organizations. Here, the focus is overwhelmingly on the more rational and analytical skills with an emphasis on standardization, specialization, hierarchy, planning, and control (Mintzberg, 2004; Hamel, 2007; Mowles, 2011).

If we want to be able to tie together the relevant parts of the organization we must first of all develop an awareness as leaders about how our understanding of the organization affects the way we structure the organization and how these structures in turn affect the life that it becomes possible and impossible to lead in the organization. In extension of Mintzberg's point about strategy following structure, Drucker adds, "*Culture eats strategy for breakfast.*" With this observation he points out that the existing values, norms, habits, and routines are so strong that they can easily block important change initiatives. However, if we manage to build organizational cultures where it is a natural part of everyday life to work across the existing boundaries and organizational units, the culture can become a facilitator rather than an obstacle. "*The resistance to change goes away if change is made part of every day's work,*" (Kolind 2006, p. 79).

Working within the domain of aesthetics is also about managing the insecurity that changes may be associated with. When we are insecure, or when we temporarily lose our bearings because old habits and routines have to change, we often respond emotionally. If that is a prolonged state of affairs, we often become less open and more reserved. We put our nose to the grindstone and forget to take in our environment. To many, this loss of perspective increases the sense of pressure and stress. All in all, it risks setting off a negative spiral that generates additional conflict and thus less trust in the leadership.

If we are to take a constructive approach to attitudes and emotions and prepare leaders and employees as well as possible for being part of the changes, in addition to making little changes part of everyday life the best way to do that is to work actively with shared values. In brief, the most efficient way to generate openness toward change is to develop and promote a culture that is characterized by mutual openness. That requires developing a collaborative approach that is framed by a stance and a belief that others live up to their responsibility and do their best. Having faith in others' competence and judgment. Everyday life in a modern corporation is far too complex for leaders to have the time and knowledge to be able to control even a fraction of the mid-level leaders' or the employees' performance. For that reason, too, trust is the only tenable approach. Trust must be built; it is not something we can simply attach in an e-mail. Without trust we cannot expect to see effective organizational changes.

THE DOMAIN OF AESTHETICS IN A REFLECTIVE PERSPECTIVE

The domain of aesthetics supplements the two other domains by contributing the important insight that a key aspect of coordination is that the individual person, group or larger unit view the specific decisions or information as valuable. This needs to be supplemented with an understanding of the importance of mutual trust and respect between leaders and employees. That produces a sense of being a valuable part of the organizational context and a better chance of seeing the connection between the overarching goals and conditions and our own tasks. The contribution of the domain of aesthetics is to build links between the 'objective' and rational domain of production and the values, attitudes, and cultures that play such an important part for our ability and desire to connect with and accept responsibility for the company's goals and framework.

FROM DOMAINS TO COHESION

If we link the ideas from this chapter with the ideas about social capital and organizational cohesion from Chapter 5, we gain a deeper understanding of the factors that generate cohesion. There are three different types of cohesion, which focus,

respectively, on relations, communication and trust. That applies to the internal workings of the individual unit (bonding), to the vertical cohesion between the organizational levels (linking), and to the horizontal cohesion among the organizational units (bridge-building).

Figure 8.2. Organizational cohesion

In a domain perspective we can address each of these dimensions on three different levels:

1. A rational level with a focus on communication that promotes clarity and direction
2. A cognitive level with a focus on communication that promotes understanding
3. A value-oriented and emotional level with a focus on communication that promotes trust and respect.

Figure 8.3. Domains and organizational cohesion

If we combine cohesion and the three basic domains, as illustrated in Figure 8.3, we can expand our understanding of the elements that we view as essential to building organizational cohesion. Here we have used interlinking communication to illustrate that the three basic domains always co-exist side by side; however, the question is whether we succeed in generating cohesion on all three levels and throughout the chain. The more hierarchical the organization, the longer the distance from the leaders who make the decisions to the leaders and employees who are charged with carrying them out in practice. And the more organizational levels and the more units there are in the organization, the more places need to be connected for the organization to be cohesive. The quality of the communication in the transitions between the organizational levels is crucial for organizational cohesion.

It is almost like a Christmas tree light chain: If there is a single faulty connection in the chain there is a risk that all the lights go out, regardless how much power (information) runs through the cord. That is also the case in organizations. The challenges may lie with the individual light bulb (person) or somewhere along the cord (the relations among the relevant actors).

ORGANIZATIONAL COHESION IN PRACTICE

In the framework of the four domains we can now address organizational cohesion in a focused form. The three basic domains – production, explanation and aesthetics – each provides three valuable angles on cohesion in the form of clarity, mutual understanding, and mutual respect. The three basic domains thus make up the first three 'legs' in the model for the organization's strategic capacity for change (Figure 8.4 overleaf).

To be more specific, we can use the three questions in table 8.4 as a more concrete operationalization.

Table 8.4. Key questions about organizational cohesion

- **1 Clarity**
Does the communication from the leadership help clarify how the individual actor can or should contribute to the development of the company?
- **2 Understanding**
Do the key actors have common goals for the development of the company?
- **3 Respect**
Do the individual actors feel that leaders and colleagues respect their individual contributions to the development of the company?

The focus of the first question is on the communication that should help convey the background, framework, and direction of the changes clearly to the relevant actors. With that in place, we will often have the change process well underway. That gives the individual, the team, and the organization a crucial basis for being an active part of the changes. Clarity about the

framework and direction of the changes is essential for successful changes – but here it is important to note that achieving clarity requires the active participation of the recipients. As described in Chapter 2, one-way communication tends to be exformation – which rarely generates change or development.

Figure 8.4. Strategic capacity for change – 1: organizational cohesion

In the domain of production we can be fairly certain that we can check the boxes concerning clear expectations and clarity about one's own contribution to the changes once we are convinced that our direct reports have heard the message; however, we have no assurance that the message was actually understood. For most people, the second question, which is about understanding the direction of and, not least, the background for the changes, have an important impact on their willingness to accept a shared responsibility for turning the decisions into action. When we choose to look at 'common goals' as a measure of cohesion in the domain of production, it is because we view a sense of working toward common goals as a clear reflection of mutual understanding among the involved parties. A common goal requires both a sense of a common direction and a common understanding of its background.

If the framework and direction of the changes have been communicated and understood we have come far in the process of creating a constructive basis for the change process. That gives the involved parties important and valuable information about and an understanding of the purpose and background and, not least, how they can or should be part of the change process. But even if achieving clarity and understanding can in itself be quite a challenge, as leaders we need to ensure that the most vital parts of the organization, individuals as well as units, see the value of the changes and, not least, take ownership of the decisions.

The third question is about the mutual respect among those involved. To increase the likelihood that others take active co-responsibility and shared ownership of the changes we need to examine the degree of cohesion in the domain of aesthetics. Here, the focus is on attitudes and emotional aspects of the change process. In addition to the need for the key actors to take ownership of the changes, there is often a variety attitudes and emotions at play among employees and mid-level leaders. These attitudes and emotions can (and should) be seen as vital catalysts in the change process, but that requires considerable respect and trust – not least toward the leaders in charge of the changes.

In addition, there will often be frustrations and conflicting attitudes in relation to the changes, and as leaders this is something that we need to be very aware of if we want to launch successful change processes. Working with organizational changes on a large scale always involves cultural changes, power, and influence – and thus also potential conflicts of interest.

Change leadership is also about focusing on and working actively with the conflicts that will often arise, and which can potentially act as significant obstacles or opposition. That is especially true if there are internal conflicts in the interaction among the leaders. If the cohesion among the leaders is weak, or if it is weakened as a result of the change process, the result will often be reduced credibility and thus reduced implementation capacity (Ford & Ford, 2012, p. 29). In our experience, conflict within or among the leadership layers is prone to spreading to the employees. This may involve conflicts between two leaders on the same level or between a leader and his or her direct supervisor. The latter may cause the mid-level leader to identify more with a potential critical group of employees than with the organization's overall goals. Therefore, it is always important to attend to and address disagreement and conflict.

CHAPTER 9

STRATEGIC COMPETENCE

The least utilized resource in most companies is the knowledge and capacity of the individual employee. For years, we have established hierarchies designed to make people deliver what is expected of them. We need to turn that around to enable people to deliver what they can.

MADS ØVLISEN

In this chapter our focus is on strategic competence, a concept that contains three dimensions: a holistic focus, cross-disciplinary cooperation, and communication and the development of relations across organizational boundaries. These three dimensions are unfolded with inspiration from the discussion in Chapter 6 on leadership as positions and positioning.

By identifying four different leadership positions we can create a more concrete basis for understanding and, not least, coordinating our leadership focus in relation to others. The purpose of identifying the four leadership positions is to promote a higher degree of clarity and a more dynamic approach to leadership. We use the different positions as a basis for improving the coordination with others with regard to the position we are acting from, or which we are invited to act from. The four leadership positions are explained in the model below based on the current leadership task (Figure 9.1 overleaf).

Instead of focusing on the leader's formal role and concrete tasks we draw on inspiration from Harré & Langenhove to invite a more dynamic perspective on the leadership task. The point is that the four positions will be in play all the time, but at any given point, one will be more prominent than the others. That does not mean that the others are not present, but they tend to step into the background in relation to the perspective that is in focus. Which individual is most prominent depends on the situation and the context.

Figure 9.1. Four leadership positions

Briefly summarized, the different positions focus on the following areas:

Table 9.1. Leadership positions (Hornstrup et al., 2005)

POSITION	FOCUS
Organizational position	Vision and strategies Legislation, conditions, and rules Resources (economics, time, people) Overarching structures
Production position	Professional standards and development Quality assurance and development Process and product development
Relational position	Information and communication processes Internal and external relations Working environment and social capital
Developmental position	Development of relations, organizational structures and processes Personal professional development of leaders and employees Knowledge sharing, learning, and innovation

In relation to changes, we can use these positions to create awareness of a number of questions that affect the company's strategic competences.

From the point of view of the **organizational position**, our focus is on anchoring or connecting the goals of the change and change process in the company's vision and overarching strategy. In practice, the goal is to create a clear connection between the organization's basic purpose (why) and direction (whereto) and the changes that have been decided. Failing to do this involves a bigger risk that the various parts of the organization will move in separate directions. Therefore, the organizational position can help us increase the individual leader's and employee's awareness of the link between their role in the change process and the organization's overarching framework. That is a vital element in creating strategically competent contributors.

From the point of view of the **production position**, our focus is on finding ways to enable productive meetings of different professions and professional perspectives. Especially in organizations with sharp divides between professions, the cross-disciplinary dialogue is vital for the organization's change capacity. If the company actively uses cross-disciplinary interactions to enhance the understanding of the larger whole and to promote development, that will be an important active when the changes occur. However, if the various professions tend to work in isolation in a silo structure or mainly work with other internal and external 'peers', that can present a major challenge if the change process requires them to learn to cooperate with people who have a different outlook.

From the point of view of the **relational position**, our focus is on the relations among the various organizational units and among the levels of leadership. While the production position is focused on bridge-building across professions and tasks, the relational position is more focused on interpersonal relations. Regularly meeting new faces and thus forming relations across organizational units will make our work easier if or when changes require this cross-sector cooperation. The more relations there are across the organizational units, the stronger the organization's strategic competences will be. It is always easier to use existing relations than to form new ones. And if we are to form new ones it is a strong asset if we have experience in doing so.

The fourth position, the **developmental position**, is especially important in connection with change processes. Therefore it is important to ensure that this position too is focused on change. When development and change are two sides of the same coin, development is a vital focus for the other positions. Thus, the developmental position increases the awareness of the other positions. The key is to view visions and strategies from the organizational position as dynamic elements of change; thus, change may also require us to view our vision and strategies in a new light. Similarly, we have to

take a cross-disciplinary view of changes and perhaps use the changes to increase a multi-disciplinary form of professionalism. For example, research in the healthcare sector has found that close collaboration among different professional groups, such as doctors, nurses, therapists, administrative staff, technicians and others, not only improves mutual understanding but also has a clear positive impact on the quality of the treatment and on patient satisfaction (Gittell, 2007, 2012).

Figure 9.2. Positions and leadership of change

Experience shows that to create optimum conditions for fellowship and transparency in leadership it can be very helpful to introduce the employees to position thinking, which can then serve as a common frame of reference that helps qualify and clarify how we can use the positions actively in practice. That also lets us use the four leadership positions as context markers for the leader to clarify which position he or she is speaking from. Otherwise, experience shows, much leadership communication tends to concern a messy mix of leadership, professionalism, operational issues, development, working environment, and other important ingredients. That is rarely suited to provide clarity or promote fellowship.

Let us examine an example where a mid-level leader asks a leader the following question: *"I have a client who's not happy about our new service conditions – what do you want me to do?"* At first glance, the question concerns the quality of the new service, so it could be viewed as a positioning of the leader as the more knowledgeable professional who is invited to offer advice. And since many leaders do come from the same professional background as their employees, assuming the role of professional advisor might seem an obvious choice. However, if we shift our focus away from being exclusively on content to also including the communication and relationship between the two and the specific context of the question, several additional positionings come under consideration. The question may then invite a quick reply that positions the leader as a professional or organizational authority. It may also invite a follow-up question from the leader (positioning the leader to enter into the situation as a sparring partner or coach), or it may invite the leader to assume responsibility for the decision (positioning the leader as the one in charge – also in case things go wrong).

Similarly, the relationship between the two and between leaders and employees in the company in general may also play in. There may be a more or less trustful relationship between the two, and there may be a new or more established cooperation relationship between them. It is also possible that there is a culture in the department or the organization which supposes that "competent leaders have the answer" or "competent leaders are able to coach their employees." In addition, the specific situation surrounding the question may also contain an implicit positioning. For example, it may represent a new situation or a recurring pattern: Is this the first time the person is in this situation, or is it the fifth time he or she asks the same question? And finally, the importance of the situation may have a significant impact on the employee, the customer, and the company.

Using the positions actively can help us clarify the context, which in turn can help us determine what is the most appropriate answer to the mid-level leader's question.

A COMMUNICATIVE SYSTEM OF CODES EACH WITH ITS OWN INTERNAL LOGIC AND CULTURE

The fundamental dynamics in these situations are guided by a more or less conscious and more or less shared system of communicative codes that has developed over time, and which guides much of our communication and the way we comprehend others' communication in a given context (Langenhove & Harré, 1999, p. 24). This system of codes is present on all levels, that is, from the general organizational level to smaller units – departments and teams. Because these code systems guide our communication and our interpretations, often invisibly and usually unconsciously, it makes a big difference whether we as leaders are aware that this is happening. If we are aware, we may review and adjust our routines from time to time instead of blindly continuing along the same track. In an organization divided along functional lines, where each unit has its own professional and task-oriented code system, communication or cooperation across units is often hampered by challenges, especially if changes require new patterns of cooperation across old divides and routines. In this situation, switching from a role-based mindset to a positioning mindset and approach can help us improve our reflective leadership awareness. That may remind us of the value of having representatives of the different systems meeting regularly

to explore and be challenged by others' points of view. The goal is to avoid an insular self-referencing silo structure where each unit pursues its own goals and has difficulty seeing the larger organizational whole.

The fundamental point in linking reflectivity and positioning thinking is that it offers an opportunity for a deeper understanding of how to use the dynamics in the reflective domain. That gives us an opportunity to improve our own awareness as leaders about the positions and positionings we and others use and engage in. This lets us contribute to building more constructive dynamic communication cultures and, not least, constructive communicative processes within and among individuals, teams, and larger units.

More specifically, positioning thinking can be used to achieve a reflective awareness about the dynamics that are always at play in interpersonal relations and communication. Here, the specific positions can help improve coordination of the basic point of departure for our communication: our questions and answers. Although it may seem obvious which position we are asking or speaking from, or which position our questions or communication are inviting the other to think, act or communicate from, in fact it is often not that simple. In case of comprehensive changes, it will be very relevant to examine the strategic competence among the key actors who have to work together to succeed. An analysis of the strategic competence is focused on the leader's knowledge and experience with holistic and proactive efforts with a strategic, professional, interpersonal, and interorganizational focus. Generally, a high degree of strategic competence among the key actors and stakeholders will have a positive effect on the overall capacity for change, while a lower degree of strategic competence will have a negative impact on the capacity for change.

Based on the concept of positions, we can focus on a series of questions that help us focus on the elements that are relevant to a discussion about strategic competence in the key actors. We can also use positioning thinking to underscore that creating and developing strategic competence is essentially about how we as leaders position ourselves and the relevant actors and stakeholders in a way that maximizes the overall strategic competence. About whether our communication and actions help position us as leaders in a way that facilitates the strategic changes and, not least, whether we are able to position the mid-level leaders to take a shared responsibility and act as strategically competent contributors. These are vital competences that qualify the leader to act in both an everyday context that is full of change and, not least, as active team players in connection with major change processes. These competences do not develop automatically. We have to practice every day – also as leaders – because, essentially, we get good at what we practice.

Using the leadership positions as a basis for working with strategic competence gives us a broad perspective of vital leadership competences. Based on a desire to increase the key actors' strategic competences, the positions and ideas and positioning can help give us a more nuanced awareness of the challenges. From the point of view of the organizational position, the production position, the relational position, and the developmental position, respectively, we can focus on specific areas where the leaders' and mid-level leaders' strategic competences are important. Once we have identified which specific focus we need we can then look at how we can position ourselves as leaders and how we can include and develop the actors with a view to improving their competences, understanding, and ownership.

The questions focus on the individual leader or leadership team with the aim of providing a very concrete basis for the analysis. Although that basis is vital, we also need to look at the company or the organization on a more general level. The individual leader's or leadership team's behavior is important, but it unfolds in a space defined by the top leadership's behavior and the corporate culture. That means that we need to remember that the individual mid-level leader or team of mid-level managers is neither competent nor incompetent per se. If there is a lack of strategic competence among the mid-level leaders it is our challenge as leaders to help develop it, both through active involvement and by developing and training the mid-level leaders to prepare them to act in a strategically competent manner.

Therefore, the top leadership should take a reflective and critical look at their own competences, habits, and routines. In our experience, the awareness and behavior of the top leadership and the supervisors provide the best indication of what characterizes the rest of the organization. We need to look at the principles that the top leadership relies on in handling change. Are they characterized by everyone handling his or her own tasks and responsibilities, or do they adopt a holistic perspective where it is legitimate for others to get involved in important challenges? Does management take a proactive approach to future challenges – or do they adopt a wait-and-see approach, dealing with the issues as they occur? What about the rest of the organization – what principles guide their work? A holistic perspective and a generally proactive attitude puts the organization in a better position to embrace changes.

Focusing on the considerations about positions and strategic competence we can summarize them in three key questions that are also elements in the general model for the organization's strategic capacity for change.

Table 9.2. Key questions about strategic competence

- **Holistic leadership**
Do the leaders take a holistic approach to development and changes? Do they actively visualize the company's overarching vision and strategies?
- **Cross-disciplinary cooperation and development**
Do the leaders actively strive to promote cross-disciplinary development?
- **Development of relations across boundaries**
Do the leaders actively seek to develop relations across organizational departments and between the organization and its environment?

The first question focuses on the degree to which the leadership and the key actors have the necessary competences to handle and actively work with development and strategy from a holistic organizational perspective. This is about the leadership's efforts and abilities to ensure that the changes are anchored in the company's overarching vision and strategies based on a holistic approach to development and changes. The second question concerns the degree to which the leadership and the key actors actively pursue cross-disciplinary development. That pertains to the internal work in the individual units, across departments and possibly with others outside the company and involves providing the conditions for making constructive use of professional and experiential differences.

The third and last question concerns the degree to which the leadership works actively to develop relations both in and among the units they lead and between the company and its environment.

That lets us summarize the strategic competence around three key dimensions, which brings out three additional dimensions in the model for the organization's strategic capacity for change.

Figure 9.3. Strategic capacity for change – 2: Strategic competence

Overall, thus, strategic competence is about being aware of the larger whole and working actively to bring more professional and organizational perspectives together in order to create new possibilities and new answers to our challenges. From looking at competences and qualities in the individual person, team or department, this perspective invites a perspective that goes across boundaries. In a sense, it is about moving from local individual knowledge and IQ (intelligence quotient) to focusing more on NQ (network quotient): the ability to cooperate with other professionals and stakeholders in professional networks (Bøttner, 2011). In part, the strength of our overall strategic competence can be measured on the strength of our internal and external networks.

RESPONSIBILITY AND OWNERSHIP THROUGH INVOLVEMENT

Metaphors that are generated by the participants in a change project are often more powerful than those generated from outside, because they are directly owned and have immediate meaning.

GARETH MORGAN

In this chapter we specify the final element in the general model of the organization's capacity for change: generating responsibility and widespread ownership of changes by focusing on the direct communication between the top leadership and the mid-level leaders and by looking at the importance of involvement and influence in decision-making and implementation processes.

When studies of strategy and changes find that some 70% of leadership-initiated change processes are either not implemented or fail to produce the desired outcome (Werkman, 2009, s. 664), often despite months of preparation, that is definitely food for thought. The leadership often spends days or weeks defining a new strategy. Subsequently, they spend a few hours to discuss it with the mid-level leaders, who in turn inform the employees in a meeting that is typically scheduled to last 20 minutes. This approach, which we have witnessed repeatedly in practice, often leads to a loss of insight and understanding in the transition to the mid-level leadership and in the subsequent transition to the employees, because they were not included in the process. Being loyal employees, however, they go back to work and attempt to implement the strategy – although they have not fully grasped it. One day leads to the next, and eventually they have forgotten about the new strategy. That provides a perfect opportunity to slip back into the old, familiar patterns, and the changes are thus never implemented (Drejer, 2009). The leadership often views this as resistance to change. In fact, it usually reflects that the direction is vague or is not perceived as meaningful (Piderit 2000, Balogun et.al. 2010). Avoiding this outcome requires a responsible leadership and responsible employees who take ownership of the changes. And when it comes to developing responsibility and ownership, it is not the thought that counts but action.

Therefore, it is a crucial concept in strategic relations-based leadership thinking and practice that participation promotes insight, responsibility, and ownership. When we feel that we are included in the ongoing effort to devise and implement the company's strategy we also feel as valuable contributors. Being included gives us a far better understanding of the company's strategies and the sense that our competences are respected. Inclusion can increase the mutual trust between leadership and employees, and this trust in turn improves our ability to implement effective changes. Inclusion and involvement not only lead to a better workplace for the employees, thus increasing the company's social capital, they also have a crucial positive impact on the company's overall organizational efficiency.

A study of strategy processes in 200 Danish companies found that involvement has a significant impact on the organization's overall efficiency, while top-down processes have the opposite effect: *"With top-down processes, the employees have a poorer understanding of the direction of the company's strategic development, they are demotivated, internal cooperation suffers, and the employees are less innovative and slower to respond to changes in demands from the customers and the marketplace"* (Steensen, 2008, p. 13). Here it is important to note that in connection with changes that have far-reaching consequences for those involved, the top leadership's concrete engagement and active involvement have a significant impact on mid-level leader' and employees' willingness and ability to embrace change (Ford & Ford, 2012, p. 14). Therefore, the conclusion to the Danish study comes as no surprise: *"The successful top leadership is thus able to include the employees as much as possible when the company's future activities and initiatives are planned, and it conveys a sense of involvement in the process among the organization's employees on every level"* (Ford & Ford, op. cit., p. 12).

Of course, there may be situations where we choose not to involve the key actors actively or engage in dialogues with all the parties who are directly involved. In that case, it is important to be aware that the lack of dialogue and involvement often produces a lower level of engagement and ownership in both the short and the long term.

Developing responsibility and ownership through involvement therefore only supplements the strategic competence and organizational cohesion. Overall, responsibility and ownership can create the necessary conditions for strategic fellowship – where the employees and mid-level leaders are active participants in the change processes – as well as strategic leadership among employees and mid-level leaders. The organization's capacity to act in the change processes is generated in and by the entire organization. In that sense, strategy is much too important to be left entirely to the leaders.

Instead, mid-level leaders and employees should all be included as proactive, strategically competent contributors who are engaged in create solutions for the future. Under the heading *“The employees are tomorrow’s leaders,”* Steen Hildebrandt writes, *“... an important element in the discussion about leadership is the employees, who represent one side of the leadership equation. And to a high degree, leadership is about relations. If the individual employee does not understand leadership, does not appreciate the importance of leadership, is not willing to practice responsible co-ownership, does not want to be a team player, having good leaders will be of little use”* (Hildebrandt, 2013).

ACTORS AND STAKEHOLDERS – AN IMPORTANT PART OF THE ANALYSIS

To develop ownership and responsibility we need to focus on the people, actors, and stakeholders who are to make the changes happen. That requires a thorough investigation of who the actors and stakeholders are, what their interests and attitudes are, and how they can or should contribute to the changes. An in-depth stakeholder analysis serves several purposes. Most importantly, it gives the leaders an overview of the individuals and groups that should be included in considerations and decisions. The analysis also provides a basis for discussing how we should inform and involve the actors and stakeholders, and how they can or should contribute with knowledge and ideas. As described in Chapter 2 we distinguish between actors and two different levels of stakeholders. In this discussion, the actors are the leaders and key employees who are directly affected by the changes.

The actors are thus crucial for the company’s ability to succeed. In relation the stakeholders we distinguish between primary stakeholders – the ones who are affected and thus have a role, small or large, in connection with the changes – and secondary stakeholders – individuals or groups that may be vital resources for achieving the desired results in an organizational perspective.

Figure 10.1. Actors and stakeholders

The primary stakeholders are directly affected by the changes. This group typically includes internal and business partners. Internally, this may include a quality department, a communication department or an HR function, units that are in a position to support the change process in their interactions with the leadership. It may also include external partners – a company’s clients, customers, and suppliers or the users of a municipal service. Their actions can be a key factor in maintaining or intensifying the change process – or the opposite.

Secondary stakeholders are the internal individuals or groups that are not directly affected by the changes and the customers, citizens, service users or other stakeholders outside the company who are affected by or have important ideas or competences that may supplement the company’s own resources or whose opinions affect the outcome.

Working with stakeholder analyses in connection with change processes also draws our attention to a number of issues that are equally important and relevant in a more general everyday perspective. A stakeholder analysis can help us identify the actors and stakeholders who generally help to shoulder the burden in relation to everyday tasks and new initiatives. It can also highlight individuals or groups that may be skeptical or critical of new initiatives. In connection with everyday tasks, we basically rely on the same qualities to ensure a high level of quality in a consistent performance, not to mention the capacity for innovation.

WHO ARE THE STAKEHOLDERS – AND WHAT ARE THEIR INTERETS/ATTITUDES?

To develop a clear picture of potential actors and stakeholders we need to consider who are the most important actors for successful change processes – including positive, neutral, and critical actors.

Figure 10.2. Stakeholder analysis – critical and positive voices

Examining the vital actor and stakeholder perspectives in connection with the change processes also helps us explore how we can use the differences and the diversity constructively, both as a catalyst for new ideas and possibilities and as a driver

of change. By including the critical voices, for example, we may discover aspects that the more positive perception does not see, as too much consensus might divert our attention from critical success factors.

Once we have examined the most vital interests and perspectives we have a certain grasp of the situation. That gives the leadership a coordinated understanding of certainties and uncertainties concerning the different actors and stakeholders. If there is a significant degree of uncertainty in relation to some of the key issues or actors it may be necessary to carry out a more in-depth analysis that includes these actors directly.

DIFFERENT FORMS OF INVOLVEMENT

Once the main actors and stakeholders have been identified, the next important question is how best to approach the task of informing and involving them in a way that generates a sufficient degree of insight and ownership.

To determine how best to approach the information and involvement processes we can carry out an analysis that focuses on two fundamental dimensions. The first of these dimensions concerns the specifics of the information and involvement process, while the other concerns the degree of influence on the content of decisions (Morgan & Zeffane, 2010). With regard to the form of involvement, we distinguish between an indirect involvement approach where the actors are involved via representatives and a direct involvement approach where the actors are directly involved in the decision-making and implementation process. The other dimension is focused on the degree of influence; it goes from a very low degree to a very high degree of influence on general decisions.

10.3. Involvement – form and degree of influence

1. The first category combines indirect involvement with a low degree of influence on decision-making and implementation processes. This may be in the form of a hearing that involves the affected parties via their representatives, typically in the form of rather formal procedures. This form of influence characterizes the decision-making processes in many public organizations, in part because the hearings are required by law, and in part because it sends a signal of openness in political decision-making processes. In major organizational change processes, this form of involvement typically has a fairly limited impact on the credibility of the decisions and thus on the actors' sense of ownership.
2. Another form of influence combines indirect participation with a high degree of influence. This means that the affected parties have representatives with direct influence on key parts of the decision-making and implementation process. This form of influence can be very efficient in situations where it is not possible to involve all the actors in the process. Thanks to the direct representation in the actual decision-making process, most actors feel that their influence has been real, and the process has been fair (Vestergaard, 2012; Kim & Maubougne, 2004). For this form of involvement to be effective throughout the organization, the representatives must reflect the full range of interests, and the form of involvement and the degree of influence must be clearly communicated, so that all the relevant actors perceive the decision-making process as open and transparent.
3. The third category combines direct participation with a low degree of influence. In this setup, all the affected actors are able to contribute ideas, knowledge, and experiences in a direct dialogue with the decision-makers, while the final decisions are still made exclusively by the (top) leadership. The extent of participation may vary, as may the range of topics or questions that are up for debate. This form of involvement has two main advantages: 1) Everyone has a real opportunity to contribute ideas during the decision-making process, and 2) there is a direct dialogue with the decision-makers. Overall, this leads to a high degree of insight and mutual understanding and thus improves the actors' mutual respect and commitment. At the same time, the leadership still has the right and the obligation to make the final choices about what changes to implement, when to implement them, and how to approach them.
4. The fourth and last possibility combines direct participation with a high degree of influence. This means that all the actors – or as many as possible – are directly involved in the decision-making process. In return, the leadership has much greater certainty that the decisions are translated into action. This form of involvement is particularly relevant in local units, where the individual actors are involved in addressing the challenges that are

relevant in relation to their tasks and areas of responsibility and are able to bring their experience and ideas to bear. Direct involvement is more effective the more the company depends on the participants' expertise and active contributions to implement the changes successfully. Generally, the more real involvement and influence the individual actor experiences, the more commitment and ownership can be expected (Black & Gregersen, 1997: 860-2).

Overall, the model depicted in Figure 10.3 can help us make more informed and qualified decisions concerning involvement. In addition to considering the possible combinations of involvement and influence it also enables us to look at influence and involvement in stages. The key is to provide early and ongoing information, preferably directly from the decision-makers to all the relevant actors and stakeholders. Instead of allowing rumors to set the course for the future, it is far better for the leadership to communicate directly to ensure that the stories about the changes unfold on a well-informed basis. That also applies to any negative information that might exist. Early information about the leadership's thinking helps create transparency and can also help reduce the uncertainty that often accompanies changes: *"Research has supported the notion that any information, even negative information, about change can help alleviate anxiety and reduce some negative reactions to change"* (Lewis et al., 2006, p. 121). That may be achieved by providing the actors and stakeholders with ongoing information about the issues the leadership is working on and by inviting their questions and ideas via an early and open hearing. That can help prepare the organization for the changes and invites people to think along and contribute ideas and input. To check the temperature in the organization on an ongoing basis, the leadership can introduce blogs etc. to enable all involved parties to ask questions, make comments, and offer suggestions in relation to the changes. In addition, we recommend initiating the involvement by giving the actors an opportunity to think along and offer specific ideas as soon as there is something to work with. Especially in relation to the most important and, not least, the critical actors, long-term information and involvement processes are vital to developing a local sense of responsibility and ownership.

It is also important to be aware that the bigger the changes, the more vital it is for the top leadership to be engaged and in direct contact with the leaders and employees who are to implement the decisions. *"It appears that when employees experience involvement through direct contact with senior management, they are more likely to develop trust,"* (Morgan & Zeffane, 2010, p. 71).

In the case of changes that employees and mid-level leaders perceive as important, as leaders we should not allow the messages to be conveyed by intermediaries in the form of other leaders or "change agents." Change agents and, not least, the leaders play a key role in the ongoing implementation, but often their role and messages will not be able to replace the person who has the final responsibility for the decisions.

Figure 10.4. Gradual information and involvement

Leadership of changes cannot be handled by internal or external change agents alone. Instead it requires that you have the willingness, the courage, and the ability to put yourself in play as this demonstrates your commitment to the changes, as a leader. If you hide behind mid-level leaders or change agents, many might rightly conclude, "Well, it can't really be that important!"
(JOHANSEN & HORNSTRUP, 2013)

Involvement and dialogue will serve to diminish the distance between the leaders who make the decisions and the leaders and employees who are required to implement them in practice. This diminished distance leads to greater confidence in the leadership. Seeing and hearing the decisions from the person or persons who made them promotes credibility and trust.

One particular factor worth noting with regard to the distances between the internal levels within the organization is the importance of being aware of the distance between leaders and employees that may result if a large number of employees or mid-level leaders refer to the same leader (the supervisory span). In a study of the impact of the supervisory span, Gittel found a clear negative correlation between the number of employees who refer to a leader and the strength of the relational coordination among the employees (Gittel, 2001). The more employees refer to a leader, the longer is the distance to the individual employee; as a result, the internal relations and the internal communication among the employees and between the employees and the leader may suffer.

Thus, we can use the model depicted in Figure 10.4 to develop a more nuanced understanding of the groups of actors where we need to strengthen the strategic relations and connections between the layers of leadership. In the long term, we need the existing 'hierarchy' and the existing levels and units to interact as well as they possibly can. Therefore, the use of early information, hearing, and involvement should *not* be seen as an invitation for the top leadership to place all the actors into the same category. It is important that the leaders who will be responsible for 'the long, hard pull' have a chance to develop a thorough understanding of the consequences of the changes and their own expected role. Especially if the changes lead to major adjustments in the daily routines, the various leadership levels often face many questions. If they are informed at the same time as their mid-level leaders or employees, they risk winding up in a serious dilemma. Since they are expected, as leaders, to represent the voice of the organization – the voice of vision and strategy – they need to be prepared for this role before the next link in the chain is involved in the process. If we wish to include a large number of actors actively in a direct hearing or give them direct influence, there are certain processes aimed at large groups that the leadership can use to provide a constructive framework that gives everyone a chance to participate and promotes innovation (Cooperrider, 2013). This may for example involve supplementing the group of internal actors with internal and external stakeholders in parts of the process to help shed new light on the company's future possibilities. As we described in the bank case in Chapter 4, it is possible to generate a considerable amount of commitment and ownership even when the process involves multiple parties.

In determining the timing of information and various forms of involvement and degrees of influence, it is important to consider how much the change will affect the actors and stakeholders. This question should of course be viewed from the point of view of the individual actor or group of actors. What may seem like a minor change from the point of view of the top leadership may look quite different from the position of the leaders and employees who were not included in the decisions.

Here it is also important to be aware that we cannot make this distinction on objective criteria. We need to consider the individual's personal experience and perception of the local and more general organizational habits, routines, and cultures. If the organization has a high capacity for change, we can expect a higher degree of acceptance of and support for the changes. If the company is instead characterized by a strong top-down culture with a low capacity for change, even minor changes can produce a strong sense of frustration.

Since involvement promotes ownership of the changes and can help reduce the sense of frustration, it can also help reduce the sense of uncertainty and stress that may be associated with changes. In the field of working environment research, it is a documented and acknowledged fact that involvement helps diminish stress and thus job-related sick days.

Different companies have different habits and routines, and different situations call for different degrees and forms of information and involvement. In some companies, an open information and strategy process involving many actors is natural, while other companies prefer a more controlled process. Regardless of habits and desires, however, it is important for the leadership to have a coordinated view of who should be involved and informed about what, when, and how.

In a Scandinavian context, it is also important to be aware of the more formal cooperation committees and other forums, which are natural stakeholders in a change process. These forums play very different roles in different organizations and companies. From the very active committee that serves as an open and constructive sounding board for key initiatives and decisions broadly concerning the organization's employees to more formal committees that with separate groups for leaders and employees. With regard to their role in change processes, it is important to be aware that indirect involvement via the formal procedures and representative cooperation forums is not necessarily perceived as relevant involvement from the position of the other employees. Unless the organization is generally characterized by a high degree of respect, trust, and support for the representative forums, their role in connection with change process will be more symbolic than actual. And that may have a negative impact on the credibility of the leadership.

FROM RESISTANCE TO CHANGE TO INSISTENT INVOLVEMENT

A topic that is almost invariably associated with change processes is that there will be resistance to the planned changes in the organization. In many cases, that is probably true, but in our own experience, much of the resistance we encounter in connection with changes might better be described as a lack of understanding for the changes (Hornstrup, 2013). As a result, the people who are subjected to the changes may feel that they are losing control and thus the ability to handle the

situation. That suggests the need to give the actors shared responsibility and influence to give them a sense of empowerment (Conner, 2003).

Few will doubt that involvement breeds ownership, and that makes it doubly important that involvement should not be perceived as something that we as leaders *invite*. In our perspective, it is probably more accurate to describe it as *insistent* involvement. As leaders, we should create the clear expectation that everyone has to be involved, and that involvement is simply part of any employee's primary task. Insistent involvement has two components or processes. A top-down process where the leadership takes responsibility for including all the key actors and ensuring that the leadership is committed to and focused on the change process. And a bottom-up process, which implies an obligation for all leaders to secure that information travels from the bottom up and to ensure the necessary sense of clarity between the leadership levels.

We use the term 'insistent involvement' for two important reasons. The first reason is that we as leaders need to insist that we and other leaders actively seek engagement. Without a dialogue with the people who will be carrying the decisions out, we would only increase the distance between the decision-maker and the person who executes the decision, and without involvement we cannot expect any ownership of the changes. The second reason is that fairly often, when the leadership invites involvement in changes the invitation is perhaps not taken seriously enough by all the individuals who should be involved. Therefore we should focus especially on the persons or groups who may not actively seek to engage but who are essential for a successful change process, and who may be skeptical of the changes. We simply cannot afford to leave it up to the individual to decide whether they want to be involved if we consider their involvement important. Besides, the skeptics and the key individuals who are not involved are often the people we are later seen to be "resisting change."

If we as leaders fail to approach and engage the critical actors and stakeholders, that will be an important "inaction" which others may attribute significant meaning to. It can also make the "doubters" or the neutral actors and stakeholders lean more toward the critical voices than the positive ones. If the critical voices are strong bearers of culture and opinion leaders in relation to the daily interactions it will be especially easy for many others to decide to join their ranks instead of supporting the direction that the leadership wants – even if that is the direction they actually prefer. In that light, it is more accurate to view resistance to change as leadership-generated resistance, because we have failed to insist on the involvement of key individuals and skeptics. That does not mean blind and uninhibited involvement but goal-oriented and meaningful involvement where the participants understand, from an organizational perspective, why they should participate, and why we insist on their contribution.

That invites us as leaders to focus on how we can handle the potential resistance before it develops into active resistance. In our perspective, the resistance is not least due to lack of attention and care from the leadership in connection with the preparations and implementation of the changes. Few people are willing to commit to something that does not make sense to them. Instead, they may perceive the new initiatives as meaningless changes imposed by someone else who does not know anything about their workday or tasks. That makes it so essential that the united leadership takes charge in an active mobilization of all the actors who are needed to support the changes (or who affect our capacity for change) (Kotter, 1995).

That makes it absolutely vital for us to focus on how we should handle persons or groups that are skeptical or critical toward the changes. Different companies and organizations have very different habits and cultures for handling involvement. The differences are especially pronounced with regard to the skeptical or critical voices. Some companies are very active in their effort to include and hear all voices, often based on the conviction that different points of view contribute to a stronger basis for decisions. In other companies, it is more arbitrary who is involved and who is not, unless these decisions are guided by very specific professional or organizational conditions. In these companies, it is often the most positive who flock to the banner of change – or who are appointed to participate or act as change agents. In these companies, critical voices are rarely heard. That is a very effective way of maximizing potential resistance to the changes. When the leadership fails to engage the critical voices actively, the organization not only misses out on potentially valuable knowledge; the failure to involve these voices can also be interpreted as permission to voice the criticism elsewhere. What is perhaps even worse is that the leaders' failure to engage the criticism and the critics may be seen to reflect a lack of leadership commitment. In that case, the lack of support can easily spread beyond the circle of skeptics. Among the more neutral individuals or groups, lack of leadership initiative can result in a lack of commitment. As mentioned above, a

competent way of handling the skeptical voices is essential if they are important bearers of culture and if they are the ones who set the agenda. If we as leaders do not actively engage the skeptical or critical mid-level leaders or employees we risk undermining our position and authority as leaders. That will have negative consequences for the level of support for the changes. Therefore, the leadership must take an active and insistent role in the key stages of the decision-making and implementation process and insist on maintaining direct communication and interactions with the key actors.

Here it is also important to note that all major change processes are also about cultural changes: changing the collective attitudes, thoughts, and action patterns. Our strongest means for achieving that are involvement combined with persistence and patience. If we fail to change the old fundamental patterns and assumptions that govern our communication and action patterns, the changes may be only superficially implemented as phenomena that are not rooted in the organization's culture and therefore fail to have any real impact.

Developing or changing a culture depends very much on the actions of the leadership (Schein, 1985). The patterns of communication, actions, and cooperation that we create help shape future action patterns. As more and more employees actually perform functions and make decisions that have far-reaching consequences for the company and thus for the corporate culture, their role becomes increasingly important. Therefore, if we wish to change the culture, the most effective approach is to involve all the important actors. In other words, the collective is the easiest way to meet the collective challenges that change presents.

Engaging the collective more actively in finding the answers to tomorrow's challenges enables us to handle bigger challenges and minimize resistance to change. If we fail to engage the collective, much of the lack of the success and the resistance to change will stem from the leadership's own lack of initiative. That is not only unhelpful, it can also be extremely expensive. If our lack of insistent involvement leads to a sense of meaninglessness, a lack of insight, and thus a basis for confusion and resistance, the result may be that our goal attainment is delayed or derailed. When change processes drag on, the frustration that the delays cause for leadership is therefore not the only cost. The biggest cost is the negative impact on the organization's results and thus the economic bottom line. We can therefore expect to see the leadership-generated resistance to change translated into leadership-generated costs – yet another excellent reason to develop a form of leadership that promotes the company's overall capacity for change. It is much too expensive not to.

Understanding is created by the individual, and if we want an impression of someone else's understanding there is no alternative to active asking and listening. To secure others' approval and commitment we need real dialogue and active involvement. If you as a leader leave out the direct communication you can expect little or no understanding, and you should not expect much approval. And if you fail to involve others in finding answers to the challenges related to their specific tasks and areas of responsibility you can expect little commitment and shared ownership. Other people cannot read your mind, and they cannot learn from decision-making processes that they were not included in.

Figure 10.5. Critical actors and insistent involvement

Tying together the elements we have addressed in this chapter, we can expand the general model of the organization's strategic capacity for change with three additional key elements, which are aimed at promoting responsibility and ownership of important and necessary changes.

Figure 10.6. Strategic capacity for change – 3: Responsibility and ownership

The three elements help us articulate three questions and thus the final three elements in the picture of the company's capacity for change.

Table 10.1. Key questions about responsibility and ownership

➤ **Active contributions**

“Do the relevant actors have opportunities to contribute with their ideas, experiences, and competences to the development of the company?”

➤ **Direct involvement**

“Are the relevant actors involved in developing and implementing answers to the main challenges in relation to their specific tasks and areas of responsibility?”

➤ **Direct communication**

“Are there efficient paths of information and communication between the top leadership (the decision-makers) and the leaders and employees who are to translate the leadership’s decisions into action?”

The first question concerns the communicative connections between the decision-makers and the actors who will be translating the decisions into practice and among the units who have to cooperate. This concerns both the decision-makers and the actors in the various units within the organization who will be implementing the decisions. The next question focuses on whether we as leaders help create the conditions for long-term viable local solutions that the local actors can vouch for. The final question focuses on the individual actor’s active contribution to the change processes. It addresses whether we as leaders help create the conditions for activating the ideas, experiences, and competences that are required to qualify successful change processes.

A GENERAL MODEL FOR THE STRATEGIC CAPACITY FOR CHANGE

When we combine the three dimensions from Chapters 7-9 we arrive at a general model or framework for working with the organization’s strategic capacity for change. The model consists of the nine elements we presented in the three chapters. We have operationalized the three dimensions in the form of ten questions.

Figure 10.6. A general model for the organization’s strategic capacity for change

The three dimensions: organizational cohesion, strategic competence, and responsibility and ownership constitute three key components of a company’s capacity for change. The model can be used in a variety of ways. It can be used as part of everyday leadership focus, where the questions can help us maintain a focus on the leadership task of developing and maintaining the company’s capacity for change.

Table 10.2. Key questions about strategic capacity for change

Organizational cohesion	1. “Does the communication from leadership help clarify how the individual actor can/should contribute to the development in the company?” 2. “Do the key actors have shared development goals for the company?” 3. “Do the individual actors feel that leaders and colleagues respect their contributions to the development of the company?”
Strategic competence	1. “Are the leaders taking a holistic approach to development and change? Are they actively communicating the company’s general vision and strategies?” 2. “Are the leaders actively seeking to promote cross-disciplinary development?” 3. “Are the leaders actively seeking to develop relations across departments and between the company and the environment?”
Responsibility and ownership	1. “Are the relevant actors able to contribute with their ideas, experiences, and competences to the development of the company?” 2. “Are the relevant actors involved in developing and implementing answers to the main challenges in relation to their own tasks and areas of responsibility?” 3. “Are there efficient paths of information and communication between the top leadership (the decision-makers) and the leaders and employees who implement the

	leadership decisions in practice?"
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The model and the questions can also be used as part of the ongoing dialogue both in the leadership team and in employee groups, for example in connection with special meetings or seminars with time and room for a more fundamental discussion of the topics. Such a discussion may be based on the full model/all the questions or on the most questions that are most pressing for the leadership or the group.

The model and the questions can also be used as an active tool in connection with small or large change processes. Here, the questions can be used to frame an in-depth discussion or as a point of departure for examining the capacity for change in the company via a questionnaire survey.

In Chapter 11 we place the model and the questions into a larger context and demonstrate concrete ways of using it as a basis for analyses and activities in a comprehensive change process.

PART 5 CHANGES IN PRACTICE– AND EPILOGUE

In Part 5, the closing section of the book, we translate the many elements into practice.

CHAPTER 11

CHANGES IN PRACTICE

It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change.
CHARLES DARWIN

In this, the 11th and final chapter, we bring together the elements from the previous chapters. By combining the different sections of the book with a case study we hope to provide an impression of how we envision the practical application of the recommendations in the book. We introduce the reader to our recommendations by revisiting the principles step by step, illustrated with elements from practice. With this, we hope to give the reader a clear understanding of how we envision the ideas translated into action.

The chapters are written from a general leadership perspective focused on change processes initiated by the leadership. Although many change processes are not necessarily directly initiated by the leadership, we are convinced that the thoughts and examples presented here will be useful in connection with most change processes. When leaders have to implement changes that they did not choose themselves, certain conditions may of course be different. Still, in our experience, the thoughts and ideas presented in this book will be appropriate in relation to challenges faced by leaders on all organizational levels. If you did not make the decisions you are required to implement, and if you were not involved in making them, we believe that you can use our recommendations to achieve the necessary degree of clarity from your leader(s) and, not least, apply them to your own areas of leadership responsibility.

Guided by the general framework for strategic change processes (the Strategic Relational Leadership model, SRL) we review the processes step by step. The SRL model will serve as the overall framework for the change process and thus help tie the stages of the process together.

In addition to guiding you through the stages of a change process the SRL model can serve as a recognizable framework for working with change processes in the individual organizational units. One of the advantages of having a common model for working with strategy and change processes is that it can help shape a common language and a coordinated direction for the strategic effort. From the initial questions that the leaders on the various organizational levels need to consider and address to the final implementation, follow-up, and evaluation processes. Having a common model for change can also promote recognizability in the strategic processes. By providing a clear framework that connects content and processes, and which can be used on every organizational level, the model helps to bring clarity and recognizability to change processes that may well seem chaotic.

In this chapter we also bring together the SDACP model, which was introduced in Chapter 5, the stakeholder analysis from Chapter 8 and, not least, our model for strategic capacity for change, which ties together the points from Chapters 8-10. Throughout, we use key points from Chapters 3-7 to put our discussion into perspective.

Figure 11.1. The SRL model of strategic change processes

The SRL model contains three fundamental processes:

1. The first process is about articulating the framework for the changes by linking the conditions that make the changes necessary with the future we wish to build – the guiding star that directs our change work. In other words, this process should help us clarify **why** we want the changes, and **whereto** – in what direction – we wish the changes to take us.
2. The second process is a concretization of the framework and direction; based on the outcome of the first process, the second process is about clarifying **what** are our most important success criteria, and **what** challenges we can expect to encounter. Thus, the process springs from the *why* and the *whereto* and aims to help us determine, in more concrete terms, what we should be focusing on.
3. The final process is about implementation; here we focus on **how** to achieve the desired results and how we plan to follow up on and learn from our experiences. This stage also includes a focus on following up on

whether we achieve the desired results as well as an ongoing evaluation and learning loop that helps us maintain our focus and make the necessary adjustments as we move along.

Both the decision-making process and the implementation process will contain recurring processes that to some extent unfold in parallel in different parts of the company and on different organizational levels. The general process typically revolves around the top leadership – and they are the ones to initiate and lead the processes in their respective units. This often results in a cascade of processes, which generally begins with the need to articulate local versions of the *why* and the *whereto* in order to make the general framework clear, understandable, and relevant to the local actors. Although these local processes differ from the initial basic analysis and decision-making process carried out by the top leadership, there are also many similarities in the principles that the individual leaders should include in their approach to the change process.

As discussed in Chapter 9, we consider early information and early involvement key factors for success in any change process. The later we begin to inform and activate the key actors, the longer it will take for us to achieve the desired changes. Therefore we use the model depicted in Figure 11.2 as a general reminder that early information and early involvement help speed up our general pace of change. You can use the model as a meta-reflective reminder of the importance of providing information and involving the key actors and stakeholders throughout the decision-making, implementation, and follow-up processes.

If we forget many of the steps that led to the decisions in our own decision-making process, the risk is that we may be blinded by our own perspective and attempt to ‘transmit’ our own understanding to others.

Figure 11.2. Meta-reflective view of influence and participation in the process

THE SRL MODEL STEP BY STEP

Each of the three partial processes: *articulation*, *concretization*, and *implementation* can serve as a guide for the development of change strategies and the implementation of the changes, both on a general level and in the individual units in the organization. As a whole, the process may vary considerably in duration and scope. Comprehensive change processes typically involve a series of meetings or days where the top leadership initially goes through analyses and discussions, and where other actors are brought in when it is deemed relevant. In connection with far-reaching decisions and longer processes, the analytical framework for the organization's strategic capacity for change that we introduced in the previous chapters should be used to its full extent to provide the strongest possible basis for the decisions. In other situations we may use the model and the steps and questions it contains to ensure that our groundwork is thorough enough to secure a good process and achieve the desired results.

Although the SRL model flows naturally from the first stage to the third (articulation – concretization – implementation), in fact we will often need to move back and forth between the individual stages. Once the leadership has articulated and determined the framework for the changes, the subsequent processes – concretization and implementation – will often bring out new important aspects that either enable us to qualify and specify the decisions from the previous stages or require us to rethink, adjust or reverse some of the decisions. The two-directional movements between the individual stages in the process will occur both in the work of the individual leadership team and when new actors are brought in who provide new input or ask new questions from their specific position.

Example 11.1. An overview of practice – the need for stronger cooperation across the organization

The case we use to illustrate the stages of the process involves a service sector company with some 300 employees. The company has three independent production units, each with its own task portfolio. The three production units have largely separate customer groups and only a relatively small group of shared customers. There are similarities in their approach and professional profiles, but due to the different customer segments and the structural division there is little actual exchange of experiences among the units.

The three production units are almost the same size and are structured according to the same basic principles. Each unit is headed by a director who has a professional background in the field; this director refers to

the CEO. In addition to the CEO, the leadership for the three units includes four directors who make up the company's top leadership. In addition, each unit has between 14 and 18 team leaders who each heads several teams.

The leadership of the company consists of the CEO, the three department directors and a director in charge of staff and service functions. Each staff function has a manager, who has a professional background within the field, and in addition some of the staff units have a team leader, who also has a professional background within the field. The five staff units have between 5 and 15 employees each. They are a finance department, a quality department, an HR and communication department, an IT unit, and a development department.

Figure 11.3. Overview of the case company's organizational structure

The company's main challenge is resource pressure, which requires more efficient processes. There is also an expectation that the future will be characterized by a greater variety and complexity of tasks, which will require a much stronger collaboration across the three production units. Last but not least, the top leadership wants to create a more proactive and development-oriented organization.

Internally, there are additional challenges. Cooperation among the three production units is sporadic and only occurs if there is a specific need, and if either the top leadership or the development department is actively involved. The development department was specifically established with the purpose of creating new development projects across the three production units. But often these projects only function as long as the staff of the development department take responsibility and drive the process along.

Another challenge is the internal interaction among the staff functions and some of the staff functions and the production units. In particular, the employees in the development department have repeatedly pointed out that the staff functions are uncoordinated and pursue separate agendas. Similarly, the production directors find that the other staff functions are far removed from their day-to-day reality and seem more focused on interactions with the top leadership. In other staff functions, the staff director finds that the staff employees are so focused on specific tasks in the three production units that they serve more as additional resources to production than as a professional servicing staff.

Continued in example 11.2.

STAGE ONE – ARTICULATION AND CLARIFICATION

The first stage in the process is to articulate the general framework for change by building a bridge between the current situation and the desired future scenario. A bridge that can help secure a successful change process. This stage should also help us answer two fundamental questions: **why** the changes are necessary, and **whereto** the changes should take the company. These two aspects are vital for ensuring that the leadership has a shared understanding and common ambitions, and they are fundamental in conveying the leadership's thinking and visions to the rest of the organization.

In particular, the question of *why* is vital for building a common foundation for the key stakeholders' ownership of the leadership's visions. In light of the ideas we have presented in this book, we would argue that without a common foundation, a shared understanding of *why*, the leadership task of generating understanding for the changes is bound to run into serious challenges. Similarly, we also consider the question of *whereto* vital for securing a common direction and a shared sense of meaning in relation to the changes. As described in Chapter 3, a change that does not rest on a meaningful basis (*why*), and which lacks a future vision that is understandable and provides direction (*whereto*), risks resulting in confusion and passivity.

Figure 11.4. Stage one – clarification and articulation

If we look first at the beginning of the change processes, we begin by attending to the factors that lead to the changes. That is our basis for answering why the changes are important and necessary. This is not only crucial for the leadership's ability to build a common basis for competent decisions; it is also vital information for other actors. To optimize the ability of these actors to gain a deeper understanding of the changes, we have to be transparent about the background for the leadership's decisions.

Stage one in this process also involves concretizing and articulating the framework for the change process in a way that creates a clear link to the company's mission and vision. We need to highlight the company's basic *raison d'être* and purpose (mission) and what we wish to create (vision) as part of the change process. This link is to help us imbue the various processes with as much common reference and direction as possible. Here, the top leadership needs to be so thorough in their own preparations that they emerge with a clear common image of their ambitions for the changes. Unless the leadership has a coordinated ambition for the initiatives and actively links the initiatives to the company's general context markers it will often be hampered in its efforts to enable the rest of the organization to make competent and coordinated contributions.

The final and perhaps the most important element of stage one is for the leadership to articulate a vision or a guiding star for the changes. The vision or the guiding star should help paint an appealing image of the future to help focus everyone's attention and give the actors something to work toward. The vision should therefore be phrased in constructive and vitalizing terms to make the actors want to contribute to the changes; it should be ambitious enough to invite new initiatives; and it should be described in a language that makes it understandable and relevant.

In other words, the answer to why we should change should not simply be the burning platform that helps push us out of the starting gate because the changes are required; instead, the answer should clearly state what is our most important task and contribution to the society we are a part of. Without this clarity it is meaningless to make special contributions, so no one will be willing to go the extra mile, whether employees or external stakeholders. It is one thing to manufacture and market rescue equipment to ships. It is something else to help save lives every single year. The former is meaningful to the shareholders. The latter is meaningful to the employees and external partners. The *whereto* – the vision – should help propel us into the future. It should be the beacon that helps us steer the changes in the right direction, and which helps us navigate in the change processes.

In our effort to achieve a common understanding, the SDAPC model can be very useful. It can help us articulate the relevant questions that we need to address and help us carry out in-depth analyses. Both from an internal and an external perspective. By including the unknown factors it can also remind us that change processes are themselves subject to change and thus contain a certain element of unpredictability.

Figure 11.5. SDAPC analytical model

Here we use the SDAPC model to summarize information and key questions and keep them in focus throughout the process. One of the ways we do this is by setting up a physical or virtual 'SDAPC board,' where we can document the outcomes of the various analyses and processes and maintain focus on the new questions that come up. Documenting the outcomes of the analyses, discussions, and decision lets us collect information that will often be valuable when we need to bring others into the process. This common platform for collecting information on an ongoing basis will facilitate the process of including new actors in the process. A review of the analyses and decision-making processes will often be a very efficient way of giving other stakeholders insight into the processes and decisions that led to the leaders' conclusions.

Here it is important to consider how we can initiate the process of developing ownership of the changes. Although we often find that there is little to communicate during this stage, in part because the final decisions have not yet been made, it can still prove useful to initiate the ongoing information process. Although we do not have specific decisions to convey, the leaders can still provide ongoing information about the general topics or issues they are working on. That can help qualify the stories that are told in and about the company, and it will convey an impression of transparent leadership. Initiating an early information process that focuses on the key issues the leadership is working on gives the actors and stakeholders a chance to 'come along on the journey' even if they do not actually have a seat at the table. We can even take this one step further by offering relevant actors an opportunity to contribute ideas and input to the decision-making

process. By discussing selected issues on a blog, on the intranet, in meetings etc. we not only send signals about what we are aiming to achieve with the changes but also facilitate an early activation of relevant actors.

If we offer insight into our own work as leaders at an early stage in the process by conveying the questions we are working on, we not only make the decision-making process more transparent; we also pave the way for the mental shift that is going to be required. As described in Chapter 4 in the discussion on reflectivity, questions invite a different form of activity than merely conveying the eventual conclusions. Conclusions and finalized goals, frameworks, and directions tend to lead to passivity in the recipients. Their typical response will be to demand even more information from the leadership – even if that will in fact often be exformation. So even if we as leaders attempt to act from a constructionist perspective, finalized answers often cause others to demand greater clarity from the leadership, as if we could transmit our understanding to them. If instead we pursue an active information strategy where we invite others to reflect on the issues we are working on – or articulate specific issues we would like to request their input on – we can deliver more qualified and effective communication in practice.

If the leadership does not pursue a proactive communication strategy aimed at shaping the stories that almost always emerge in connection with changes, other, more or less qualified stories may become dominant. When these stories are retold over time they tend to be seen as ‘the truth,’ simply because they are repeated again and again.

Example 11.2. Concretization of change process based on SDAPC analysis

Continued from Example 11.1.

In the case company, the initiative for the comprehensive change process was taken by the CEO. For some time, she had been pondering the company’s future and how best to realize the potential of stronger internal collaboration. This ambition was not new. The development department had in fact been established, two years earlier, as a result of similar considerations. The department had been established with a view to strengthening internal interactions and the capacity for development and innovation by means of closer collaboration among the company’s three production units and among staff units and production. The initiative had led to improvements in the form of specific projects that had attracted new customers and rationalized some of internal procedures. However, the responsibility for the development projects and the cross-boundary processes rested almost exclusively on the employees in the development department. In the CEO’s assessment, the sense of a shared responsibility had actually diminished in some areas. The general attitude was that this was something that could be left to ‘the development people.’

As a first step, the CEO carried out her own SDAPC analysis of the situation with contributions from the chairman of the board. They set out by articulating the issues that they wanted to explore by means of the analysis. They decided to focus on two questions. The purpose of the first two questions was to help them determine **whether** and **why** they should launch a comprehensive change process:

- *“What specific challenges will we face in the future if we do nothing?”*
- *“Why have the initiatives we introduced two years ago (establishing the development department and investing in development projects) failed to produce the desired results?”*

The third question was to help them articulate the vision that described **whereto** they wanted to take the organization:

- *“What will it require from us to take advantage of the biggest opportunities in the future marketplace?”*

The CEO and the chairman of the board held a series of meetings to consider the three questions. In the time between the meetings they explored the questions that emerged as part of the process .

After this series of meetings they agreed that a comprehensive change process was necessary. They articulated this conclusion as answers to the three questions:

- *“To be successful and perhaps even to survive in the future marketplace we need to make much better use of our knowledge and resources in our efforts to accommodate the market, and we need to use our competences to create new solutions through common development and innovation. If we fail to do that, at best we will be able to survive as a smaller company.”*
- *“We want to be involved in setting the standards for the solutions that are needed to meet the main challenges in our field. We will do this with a much more integrated approach across our existing units and by means of development and innovation efforts that draw on the best qualities from the individual units and from our clients and business partners.”*

These conclusions were not surprising – and they were not very different from the conclusions the leadership had reached after the similar process two years earlier. Since the establishment of the development department and the investments in several development projects had not managed to adapt the fundamental internal processes their first thought was that *“we need to make major changes to the existing organization.”*

To be continued in Example 11.3.

STAGE TWO – CONCRETIZATION AND ANALYSES

The focus of stage two is to make the general frameworks more concrete and action-oriented by developing a more detailed and nuanced image of the vision for the future. Thus, we move from focusing on general questions about *why* and *whereto* toward looking more specifically at *what* constitutes the goals of the change processes.

Stage two has two general purposes:

1. To carry out a thorough actor and stakeholder analysis to help us develop an overview of internal strengths and development areas as well as external possibilities and challenges
2. To examine the company's or the affected units' capacity for change. The first task involved in this second stage is to develop a nuanced understanding of the concrete challenges and possibilities by carrying out a thorough analysis to determine which actors and stakeholders we depend on to succeed. We can use the various actor and stakeholder perspectives as an effective way of challenging and qualifying our own understandings. That will also offer valuable insight into the thoughts and attitudes we can expect to meet when it is time to bring others into the process. The stakeholder analyses can also help qualify our understanding of when and how we can best inform and involve the various actors and stakeholders in the process.

The second task involved in stage two is to take a closer look at the internal capacity for change in the individual units within the organization. Here, our main focus is on the leaders and their individual and collective competences for taking a holistic approach and thus enhancing the strategic competence in the key actors. We also focus on leadership as organizational cohesion that is capable of promoting responsibility and ownership of the changes by means of information processes and active involvement.

Figure 11.6. Stage two – concretization and analyses

As in stage one, it is helpful at this stage if the leadership also undergoes the process. That will provide an overview of the process and thus an indication of how to approach the subsequent involvement of leaders and employees. The process will also help the leadership become even more coordinated and specific about what it wants to achieve with the changes. This

process will further help draw attention to areas where the leadership is not quite in agreement internally, or where they are not quite clear about their own success criteria and goals.

It is a characteristic of most change processes that we cannot predict all the factors that will affect our chances of success. These factors may have to do with the marketplace or the competition, political decisions or other external aspects that are beyond our influence and control. What we want to focus on here are the internal factors related to leadership and organizational issues; these too may sometimes be hard to predict, but we can develop an idea about what the process will involve.

To ensure a degree of continuity in the decision-making process we use the SDAPC model as the framework for our stakeholder analysis. But before we get to that it will be appropriate to consider carefully which actors and stakeholders we want to include in the SDAPC analysis. Here, the stakeholder analysis model from Chapter 9 can help the leadership develop an overview. In the model, actors and stakeholders are categorized based on two criteria:

- How important are they, their knowledge or their points of view for our ability to succeed with the changes?
- How skeptical or positive do we believe they will be in relation to the changes?

By discussing the various actors and stakeholders carefully we can form a strong basis for a more nuanced SDAPC analysis. As we mentioned earlier, in the first stages of the SDAPC analysis it is essential to focus on specific issues. Here, the vision or the guiding star that was defined in stage one offers a good beacon to navigate by. By articulating the vision around specific issues, the leadership can develop a specific framework for the analysis; in addition, the process will clarify how the individual leaders' sees the vision and the guiding star.

The leadership approaches initiates the stakeholder analysis by addressing one group at the time. If we begin by assessing the most skeptical among the important internal actors we can consider the changes from their position by considering the following question:

"What will the skeptical internal actors and stakeholders consider the most important internal strengths and development areas and the most important external possibilities and challenges?"

Next, we can move on to the most important among the most skeptical external stakeholders and among the most positive internal and external stakeholders. In addition to considering the most important stakeholders it may also be helpful to consider the other stakeholders to see whether viewing the changes from their point of view brings out new ideas and angles.

Once we have carried out these analyses it may be quite helpful to explore what questions we might expect from the various actors and stakeholders. That will help us notice our own blind spots and offers an opportunity to use 'other-reflectivity' to take a closer look at the stakeholders and put ourselves in their place. By imagining that the most important actors were present and considering how they might respond to the changes, and what questions or comments they might have, we will often be able to predict many of the comments or questions that the various actor and stakeholder groups are likely to offer.

Figure 11.7. Stakeholder and SDAPC analyses

To improve the quality of the internal dialogue in the leadership and in other groups who are going to be involved in the change processes we recommend the explorative dialogue that we presented in Chapter 5. In this dialogue form, we take turns asking and answering questions and listening actively to the other participants' answers. This not only ensures that everybody has a chance to speak; it also brings a very different quality to the dialogue and promotes mutual understanding.

The explorative dialogue can also help us focus on the fact that reflection begins with ourselves – with focusing on our own share of what we see in others. Other people's critical or positive stance and their inclination to contribute actively to the process always develop in an interaction with their leaders. Thus, the quality of any change process depends on the leaders' reflective stance in relation to their own role, responsibility, and preferences. This invites us as leaders to reflect on

our own feelings about our role in the change processes, on the impact of our preferences on others, and on our actions and communication.

In addition to providing vital knowledge about the changes, the combination of the stakeholder analysis and the SDAPC analysis can give us a good understanding of the stakeholders and, not least, their interests and their stance toward the changes. It also helps us see where we agree or disagree and gives us a good sense of where we are fairly confident about our assessment of the stakeholders and actors, and where we are less certain and need a more thorough analysis. We may need a more direct survey aimed at the actors we are least certain of.

Example 11.3. Analysis of the key actors and stakeholders

Continued from Example 11.2.

After the first round of discussions between the CEO and the chairman of the board, the CEO continued the process. First, she carried out a stakeholder analysis that included both the top leadership – directors and managers – and on the most important external stakeholders. Next, she discussed this analysis with the chairman of the board. In this process too, they used the SDAPC model to focus the discussion, frame new questions, and document thoughts and conclusions.

The CEO based her stakeholder analysis on two questions:

- *“If the directors, the managers, and the most important external stakeholders had overheard the discussions between the CEO and the chairman, who would have been critical, and who would have been positive in relation to the conclusions?”*
- *“If we were to ask the critical and the positive leaders and stakeholders, what would they consider our main internal strengths and development areas, and what would they consider our main external possibilities and challenges?”*

The analysis suggested a divided leadership team. With regard to the external stakeholders, the CEO expected that most would be able to see the justification of the changes but that there would also be a certain degree of skepticism of very far-reaching changes.

One of the main points that was brought out by the analysis was that the CEO could expect most people to take a generally positive view of the initiative, but that they would also, for varying reasons, be skeptical of the chances of realizing the intentions in real life. The main thrust of this skepticism was that there might be a tendency to point the finger at others in placing the responsibility for the limited success of the previous initiative (the establishment of the development department + investment in development projects). The directors and especially the managers from the production units would say that they had not had sufficient influence, and that the development department set too high a pace and unrealistic development objectives. They would probably also point to the great internal variation among the staff units with regard to attitudes and degree of support for the development projects. On the other hand, the manager and the director of the development department would point to lack of commitment and support from the colleagues in production and certain staff functions.

The establishment of the development department two years earlier had been the initiative of the CEO and the director of the development department (the position as development director was ‘upgraded’ from that of staff manager when the development department was established). The decision was made by a unanimous top leadership team after a relatively brief process, and in the CEO’s perception, the team had offered full and wholehearted support for the initiative.

The CEO and the chairman of the board therefore agreed that this time they would carry out a far more thorough analysis, and that the key to success lay in securing a far greater sense of ownership from the leadership team – including managers and mid-level leaders.

They decided that the next stage in the process would be to include first the top leadership and then the managers in a discussion of the issues that the CEO and the chairman had identified. In this process, the CEO and the chairman would present their thoughts and conclusions.

Before a meeting in the leadership team, the four department directors were briefed on the background of the initiative and on the subsequent process, which would involve the managers. They were also asked to prepare for the meeting by considering the three questions:

- *“What specific challenges will we face in the future if we do nothing?”*
- *“Why have the initiatives we introduced two years ago (establishing the development department and investing in development projects) failed to produce the desired results?”*
- *“What will it require from us to take advantage of the biggest opportunities in the future marketplace?”*

The meeting in the top leadership team was headed by the chairman of the board. The CEO and the chairman had chosen this approach in order to underscore the seriousness of the task but also in order to bring in a different voice that would be able to ask different questions and contribute new points of view to the dialogue.

At the meeting, the individual directors were given an opportunity to take turns to present their thoughts on the three questions – and they were told that the CEO’s and the chairman’s ideas would subsequently be presented by the chairman. On this point, it was emphasized that the CEO was open to all ideas and input – but that it would be CEO and the chairman who made the final decisions if the leadership team did not agree. This approach was chosen to ensure that the individual directors were able to share their thoughts freely without being boxed in by the CEO’s and the chairman’s ideas. During this presentation, both the CEO and the chairman were able to ask follow-up questions. Notes were made of the input, and once the four department directors had shared their thoughts and had summarized and prioritized the top challenges together, the chairman of the board presented the outcome of his work with the CEO. The two different impressions of the challenges were virtually identical, but the differences in the points of view were slightly more pronounced in the directors’ version than in the CEO’s and the chairman’s version.

In a follow-up to this meeting, the future process was defined. First, the top leadership team would carry out a common SDAPC and stakeholder analysis with a focus on external stakeholders and internal managers and team leaders. This process followed the same template as the one that the CEO and the chairman had used:

- *“If the directors, the managers, and the most important external stakeholders had overheard the discussions between the CEO and the chairman, who would have been critical, and who would have been positive in relation to the conclusions?”*
- *“If we were to ask the critical and the positive leaders and stakeholders, what would they consider our main internal strengths and development areas, and what would they consider our main external possibilities and challenges?”*

The directors were asked to reconsider the questions and to present their ideas at the subsequent meeting in the top leadership team. Based on the individual directors’ thoughts and perspectives the top leadership did a common analysis of the situation. This analysis helped qualify the understanding of attitudes and points of view among the managers and leaders. The expectation was still that most would agree with the basic need for changes, but also that many would have different ideas about where the main challenges lay. The general consensus was that most of the external stakeholders would have a predominantly favorable view of the changes. The final element of the CEO’s and the chairman’s conclusion, that it would be necessary to **make major changes to the existing organization**, met with very varied responses. The three production directors did not see the need to “revolutionize” the organization, while the development director advocated “major changes.”

Based on these discussions, the top leadership agreed to resume the process with the involvement of the managers, following the same template that they had applied so far, and they agreed that all the leaders and managers (and key employees) would subsequently be involved in a similar process. As stage one of this process,

the leadership team used the SRL model to develop a common overview. The leadership team noted down the various processes and questions they had addressed as well as their main conclusions. They also agreed that the CEO would call a meeting with all the managers.

The invitation to this meeting included the three basic questions:

- *“What specific challenges will we face in the future if we do nothing?”*
- *“Why have the initiatives we introduced two years ago (establishing the development department and investing in development projects) failed to produce the desired results?”*
- *“What will it require from us to take advantage of the biggest opportunities in the future marketplace?”*

In addition to the invitation from the CEO, the individual director was tasked with giving their direct reports a brief introduction to the background and purpose of the meeting with the leadership team.

To be continued in Example 11.4.

Once the leadership has carried out the necessary SDAPC analyses of the most important stakeholders, the next stage in the process is to examine the strategic capacity for change. Here it is helpful to begin by assessing the strategic capacity for change internally in the leadership team, as that will provide a basic understanding of the various questions and dimensions in the model for strategic capacity for change. In case of comprehensive changes that involve large groups of people, a more thorough survey of the external perception of the leadership's capacity for change may also prove helpful. Later in this chapter, we offer some specific examples of how this quantitative analysis can be used to qualify the leader's self-insight.

Table 11.1. Key questions about strategic capacity for change

Organizational cohesion	<p>1. "Does the communication from leadership help clarify how the individual actor can/should contribute to the development in the company?"</p> <p>2. "Do the key actors have shared development goals for the company?"</p> <p>3. "Do the individual actors feel that leaders and colleagues respect their contributions to the development of the company?"</p>
Strategic competence	<p>4. "Are the leaders taking a holistic approach to development and change? Are they actively communicating the company's general vision and strategies?"</p> <p>5. "Are the leaders actively seeking to promote cross-disciplinary development?"</p> <p>6. "Are the leaders actively seeking to develop relations across departments and between the company and the environment?"</p>
Responsibility and ownership	<p>7. "Are the relevant actors able to contribute with their ideas, experiences, and competences to the development of the company?"</p> <p>8. "Are the relevant actors involved in developing and implementing answers to the main challenges in relation to their own tasks and areas of responsibility?"</p> <p>9. "Are there efficient paths of information and communication between the top leadership (the decision-makers) and the leaders and employees who implement the leadership decisions in practice?"</p>

The person who leads the group and the process should be well prepared and consider his or her own and the group's strengths and development areas in advance. Reflecting on the nine questions in Table 11.1 and plotting the numbers in Figure 11.8 will provide an initial impression of the organization's strategic capacity for change. The model illustrates the strengths (the highest numbers) and the challenges (the lowest numbers), and the size of the circle illustrates the overall capacity for change (the larger the circle, the greater the strategic capacity for change). The most nuanced result is achieved by answering the questions for each leader and carrying out an assessment of the leadership team's collective capacity for change. Here it will also be helpful to consider the leader's actions as seen from the perspectives of the other leaders. This can provide a small taste of the many reflections that arise from simply considering the questions.

Figure 11.8. Strategic capacity for change

Carrying out this exercise in the leadership team gives a good sense of the individual elements in the model and of the individual leaders' view of the leadership team's capacity for change. That is both an important and, at times, a challenging process. The quality of the analyses depends on how thorough the team is, and, not least, on the degree of openness in the team. For the best result, the team members should prepare for the meeting by answering the questions with a numerical value as well as an explanation for their rating. If there is any doubt about how open and honest the members feel they are able to be in the team, the survey can also be carried out in an anonymous questionnaire format. If the team is very small it will be a balancing act to pick the right format. Generally, the direct dialogue is clearly preferable, but it can also create a filter, in the sense that people adjust their responses to the signals they wish to send. That can have a positive effect, but it can also make the internal contrasts even more pronounced. The numerical ratings can help focus the discussion, and the dialogue can facilitate mutual understanding. Therefore, a combination will usually be the best choice.

Leaders can use this exercise to engage in a thorough discussion about their perceptions of their own role and practice; both as a team and as individuals and when they act as representatives of their respective functions and units. That gives insight into the leadership's own strategic capacity for change and serves as an important indicator of the specific challenges that the leadership is facing in leading the change process. If the leadership lacks a clear consensus on its strengths and challenges, that lack of clarity can be an obstacle when others, especially the critical actors, are to be included in the process. The failure of even a single leader to fall short of what is expected of others in terms of communication or actions can send a powerful signal that the leadership is divided in relation to the changes. A skeptical mid-level leader or employee will be able to use this perceived lack of unity as a good excuse to avoid taking his or her share of the responsibility. This is where the insistent involvement that we described in Chapter 9 begins. If we do not insist on examining the leadership's own behavior, and if we do not use it to build coordination and unity in the leadership, we can expect to see the same pattern repeated throughout the company.

When the leadership has addressed these questions they can use the results of the stakeholder and SDAPC analyses as a basis for identifying the actors and stakeholders that are most vital for a successful change process. Once the leadership (or the leader) has selected the primary stakeholders to focus on, they can use the questions in Table 11.3 once again as the basis for a discussion about the individual leader's assessment of the capacity for change among the key actors. Here it is important to take a relational view of the capacity for change. Thus, for example, if we focus on a part of the organization where we need closer cooperation between the vertical levels of leadership or closer horizontal interactions among individuals or units, we should approach this as a reciprocal investigation. The same applies if, for example, we wish to examine the interactions between manager and leader, between a leader and a mid-level leader, between a mid-level leader and an employee as well as internally among the employees: We need to ask the questions of both parties in order to develop an adequate understanding. Thus, the manager should answer these questions both with regard to the leadership team/CEO and with regard to the leaders. The leaders in turn should answer the questions with regard to both the manager and the mid-level leaders, etc. This is important because we often have what we call an asymmetrical experience: different perceptions of the capacity for change, depending on whom we ask.

One example from our practice concerns a leadership team consisting of two different professions. We asked them to answer the questions in relation to their perception of the horizontal capacity for change. When we added up the numbers they showed a relatively high total capacity for change (7.8 on a scale of 1-10). However, if we looked at the answers for the two professions separately, the difference was pronounced. While one group of professionals had an average of 9.0, the other group had an average of 6.5 (see Figure 11.9). Thus, even if the total number indicated a relatively high capacity for change, the assessment turned out to be very asymmetrical. The subsequent process made it clear that the two groups of leaders had very different perceptions of the situation. In this case, the numbers helped us focus on the specific challenges, and the subsequent dialogue created a stronger common basis for meeting the challenges.

It is therefore vital to be aware that if there is, somewhere in the organization, a lack of strategic competence, cohesion or responsibility and ownership, these gaps can seriously impair the organization's overall ability to handle changes. Note that the 'gaps' in the organization may reflect both individuals (or groups) that do not add to the overall

capacity for change or by one or several dysfunctional relationships. It is also important to remember that there may be considerable local differences in the perception of others' capacity for change. It is therefore vital to consider both the individual units/persons and the relationships from both perspectives – as illustrated in Figure 11.10.

Figure 11.9. Strategic capacity for change – an example

Figure 11.10. Strategic capacity for change in two perspectives

The most efficient way for a leadership team to use the questions is to assess both the capacity for change within their own area of responsibility and among the fellow leaders in the other parts of the organization that they have a reasonable degree of knowledge about. If we only consider our own areas of responsibility we tend to overrate the capacity. In any case, several pairs of eyes take a more nuanced view than one pair. The subsequent discussion in the team will generate a shared overview and an initial impression of areas where the organization is characterized by a high capacity for change versus areas where it is more vulnerable in relation to the implementation of changes.

In case of comprehensive changes that involve large groups of people or in cases where the leadership is unsure about how others in the organization perceive the capacity for change, a survey can provide a more informed basis for the subsequent efforts. Here it is important to include all the parts of the organization that might influence the outcome. That may include, for example, a service or staff function that plays a key role in connection with the changes – either as a provider of professional knowledge or because they are responsible for elements of the change processes.

Let us look at an example: In an organization that was about to alter a key aspect of the job functions for many of the employees, the HR function played a key role. The HR staff was to support the changes with their knowledge, and they were to support the leaders in their efforts to alter the job processes. Here, the results of a survey found that the HR staff perceived a high total capacity for change (8.5 on scale of 1-10), while the local leaders' perception showed an average of 6.5. A follow-up dialogue revealed that the HR employees were very surprised to learn about the leaders' perception. They felt that the cooperation was good, because *"... the leaders seemed to understand the ideas and the intentions. They hardly ever asked follow-up questions."* In the subsequent dialogue, many leaders expressed that they were not sure whether they were even working toward the same overall goals as HR; that they often felt that they did not quite understand the principles that the HR people introduced; and that they felt that HR lacked respect for the fact that *"... we have a lot of other things to take care of besides this project."*

Example 11.4. Examining the strategic capacity for change

Continued from Example 11.3.

Prior to the meeting with the managers, the top leadership held a meeting to discuss the organizational challenges. They had agreed that everyone would complete an anonymous survey before the meeting, which involved answering the nine questions for each member of the top leadership as well as for the top leadership team as a whole. That provided a score reflecting how the colleagues in the leadership team perceived the individual director's capacity for change as well as a score for the team as a whole.

In addition, they would all use the questions about the strategic capacity for change as a framework for assessing the main strengths and challenges, both internally in the leadership team and in the organization in general.

In the survey, everyone scored between 7.1 and 8.5. Only one of the participants – the development director – was surprised by the survey. The answers from the other directors showed relatively low scores for questions 4, 6, 7, and 8 (5.5-6.2). Thus, the other directors (especially the three production directors) did not perceive that the development director's communication helped to clarify how others might contribute to the company's development; they did not feel that he fully respected their contributions; they felt that he did not do enough to include their own and others' experiences; and they felt that he did not do enough to involve them in finding good answers to the main challenges.

Naturally, that led to a thorough discussion, which revealed, among other things, that everyone more or less felt that the cross-departmental development initiative had become the development department's project. The

development director did not feel that others shouldered their part of the responsibility and tasks, and the others felt that it was difficult to keep up with the flow of new ideas coming from the department. They also felt that they and, in particular, their departmental leaders and team leaders were not sufficiently actively involved, before the projects were ready for roll-out.

Based on this discussion, the directors agreed that they were highly likely to find the same pattern throughout the organization. They also agreed to carry out the next step (the SDAPC analysis, discussion, and clarification of the framework for the changes – why and where to) as quickly as possible in cooperation with the managers.

The meeting with the managers followed virtually the same model as the directors' meeting. First, the CEO described the process, from the first discussion between herself and the chairman of the board to the discussions in the top leadership team, without laying out the team's conclusions. Next, she asked the participants for their input in relation to the three questions:

- *"What specific challenges will we face in the future if we do nothing?"*
- *"Why have the initiatives we introduced two years ago (establishing the development department and investing in development projects) failed to produce the desired results?"*
- *"What will it require from us to take advantage of the biggest opportunities in the future marketplace?"*

To support the process toward an overall conclusion in the group – and to promote mutual understanding – this process was carried out as a dialogue in four groups, where each group had one representative of the three production units and one representative of the staff units. In each group, a director had the role as chair and as notetaker. The four groups arrived at more or less the same picture, which largely resembled the picture that the top leadership team had developed. The main difference was that several of the managers were relatively new to the organization and hence were not familiar with the background for the current distribution of the development tasks. Several of them were surprised by the lack of coherence between the intentions behind the decisions to establish a central development department and their perception of the way development tasks were handled in practice. The discussions also revealed that some of the more experienced managers were familiar with the general principles behind the existing organizational structure, but that for them too, this was the first time they had any real insight into the underlying intentions.

After a discussion of these points, the managers agreed that the stories about conflicting interests that they and their team leaders and team members normally talked about were not based on fact. They still had different ideas about what constituted the ideal solution, but everybody agreed on the need for changes. They recommended that the top leadership team be even more specific about the background for the changes and include information about the original intentions.

After this initial discussion with the managers the CEO presented the conclusions of the top leadership team and the team's reflections on what had prevented the company from living up to desire for development, as seen from their perspective. She concluded by sharing her thoughts about comprehensive changes in the organizational structure to facilitate the changes.

The managers agreed largely with the conclusions and recommended that this time they be involved directly in the future decision-making process. They also recommended that their team-leaders and some of the key employees be involved quickly if the top leadership wanted qualified contributions and, not least, increased ownership of the desire for change. The recommendations for changes in the basic structures sparked many comments. The vast majority of the managers did not think that the challenges were related exclusively to structural issues. Several of them stated explicitly that the obstacles had more to do with the fact that very few leaders and employees actually knew what was expected of them, and that what the development department might perceive as lack of commitment or as resistance to new ideas sprang essentially from a perception that development was the development department's project.

Based on this input the leadership team decided to reconsider the rest of the process. They would postpone any decisions on major organizational changes. It also became clear that several of the managers did not

know or could not recall the background for establishing the development department – information that might prove vital in planning and executing the information process aimed at the other leaders and employees in the company. The top leadership further decided to proceed as planned with the process and invited the managers to take part in a new round of discussions with a focus on stakeholder analyses and analyses of the capacity for change.

In preparation for the next meeting between the top leadership and the managers, the managers were asked to prepare to answer the two questions that form the basis of the stakeholder analysis:

- *“Who among the leaders, the employees, and the most important external stakeholders would be critical, and who would be positive toward the ideas?”*
- *“What would the critical and the positive voices respectively view as the main internal strengths and development areas and the main external possibilities and challenges?”*

Prior to the meeting, each of the four directors would discuss these questions with the managers in his or her department and be ready to offer his or her input at the meeting with the managers. Prior to this meeting, a survey was carried out among the managers concerning their perception of the capacity for change. Here they were asked to assess both the other managers in their own unit, managers in the other units, and their own director.

At the meeting between the managers and the top leadership, the four groups of managers first presented their thoughts based on their stakeholder analysis. The general picture was that they had reached largely the same conclusion as the leadership team:

- To succeed we need to use our knowledge and resources much better, and we need to use the various competences to create new solutions.
- We need to be much more proactive in finding answers to our main challenges. This requires much closer collaboration in certain specific areas. We need to be much better at anchoring development processes in the operational organization – not just in the development department.
- To create new results we need to bring the team leaders on board.

In a comment to the latter point, it was explained that there were considerable differences in some groups of team leaders and among some of the key personnel in both the production units and the staff units. One example that several of the production managers offered as an explanation for the challenges facing team leaders and key personnel, was that the different staff functions had very different approaches to their work. Some (to the great satisfaction of the production managers) worked almost exclusively in the production departments, while other members of the staff units were *“... exceedingly rare guests who knew little about the basic conditions in production.”*

Next, the managers were presented with the results of the survey and given an opportunity to discuss them in depth. The general picture was that the three production units had a higher perceived internal capacity for change than the other units did. The question with the lowest score was question 6 about cooperation across the organization. The scores also showed that all the groups of managers, including the managers from the staff functions, thought that the managers in the staff units had the lowest capacity for change.

Although the development manager and the development director only reluctantly accepted the others' perceptions, the subsequent discussions showed that everyone had a significant share of the responsibility for this development. Not least the CEO and the leadership team, who had not managed to create clarity and understanding among the production managers that they had a shared responsibility. The managers also agreed that the pattern that had emerged in the survey of their capacity for change very likely characterized the rest of the organization.

The general recommendations for the process were that:

- as the next stage in the process they should include the team leaders in a meeting for all the leaders structured around smaller working groups that would address the same questions as the ones addressed by the top leadership and the managers

- it was vital for the legitimacy of the process that the CEO and the 'local' director presented the thoughts of the top leadership and the managers and listened to the team leaders' ideas and input
- the CEO should expect many critical questions
- a survey should be carried out that included the entire company to provide maximum insight for the managers, the top leadership, and the team leaders
- in the working groups, leaders from different departments and units should be mixed, although some might prefer not to have to meet their 'opposition.'

The top leadership decided to follow the recommendations. All approximately 35 leaders, including the managers and team leaders were consequently invited to take part in an introductory meeting with the top leadership team. They were also divided into a number of working groups that went across organizational boundaries, and which would meet with a member of the top leadership team. The CEO took part in the initial meeting in each of the groups. At the joint meeting, everybody received information directly from the CEO about the background for the top leadership's thoughts, the challenges the company was facing, and the ambitions for the future. The CEO introduced them to the task that the top leadership was requesting their active contribution to and asked them to consider a number of questions in preparation for the meetings in the working groups. She also informed them that in the coming staff meetings, the managers would inform all the employees about the issues that the top leadership was discussing and let them know whether and when they might expect to hear about the decisions and any involvement in the process. These staff meetings were scheduled to take place after the initial meeting for all the groups in order to prepare the leaders to answer any questions at the meetings.

In addition to these initiatives the top leadership decided to move on to the next step in the process and to discuss ideas for the actual implementation with the managers.

To be continued in Example 11.5.

Once the leadership has completed the combined stakeholder and SDAPC analysis and the analysis of the strategic capacity for change it has a strong basis for planning the rest of the process. The SDAPC and stakeholder analyses help us specify goals and success criteria for the changes, and the analysis of the strategic capacity for change helps us check whether we have the leadership and organizational qualities we need to translate the goals into concrete actions.

While this process continues with the mid-level leaders and at the following stage, which involves the employees, it will be helpful if the leadership itself continues with the next step in the process, discussing the actual implementation and follow-up. As mentioned in the introduction to this chapter it will often be necessary to include experiences and insights from stages two and three to review and, if necessary, adjust the conclusions from stage one. Often, the more detailed we are, the more clearly we can define the general framework.

STAGE THREE – IMPLEMENTATION AND FOLLOW-UP

The final stage is focused on the actions that create results in practice. This is about implementation: how to ensure the initiatives and actions that create the desired results and how to promote a continuous focus on learning and follow-up.

Stage three has three goals:

1. To specify and initiate the necessary initiatives
2. To ensure that there is the necessary capacity for change among the actors and stakeholders who play a role in the change process
3. To ensure the ongoing effort with implementation and continuous follow-up in order to achieve the desired results.

At this stage of the process it is important to be aware that there is often a difference between the plan for the changes and the actual changes. The more we can reduce the gap between plans and practice, the closer the actual changes will be

to the desired changes. In most cases, changes are implemented in the form of more or less comprehensive adjustments of the familiar processes and routines. It is important to be aware that change initiatives have to stand the test in sharp competition with the many other workday tasks. Or in other words: It is in the myriad complex responsive processes of everyday life that the viability of the changes and our tenacity as leaders are put to the test. It is here, in the everyday actions of the workplace that the transformation has to be achieved, and without persistent attention and focus, the familiar routines tend to take over (Stacey, 2011).

Figure 11.11. Stage three – implementation and follow-up

As mentioned earlier, it is widely acknowledged that as many as 70% of planned changes fail either completely or partially. To a high degree, this can be attributed to our failure as leaders to generate understanding of, commitment to, and ownership of the changes among the organization's key actors and our lack of focus on 'the long, arduous process' of implementing changes. Therefore we have to improve our ability to engage in and work constructively with changes and promote a culture where the capacity for embracing change is a key feature. We need to improve our ability to work with relations, communication, dialogue, and involvement among all the key actors to make these aspects natural ingredients on every organizational level.

In our experience, the top leadership is often too quick to relinquish the reins and leave the implementation in others' hands; in fact, in the implementation stage, the top leadership is often absent from the process. But this is when the real party begins! This is when the organization's capacity for change is really put to the test. If there is no widespread ownership of the changes, the change process often slows down or grinds to a halt completely. That is not only a result of resistance to change in certain areas; the main reason is lack of attention, persistence, and patience from the leaders. That has costs, which in fact are generated by the leadership, because the change process takes longer or fails to achieve the stated goals.

As in the other stages, the top leadership is the first to undergo the process, with a primary focus on the tasks and challenges that they are personally responsible for. When it comes to the efforts that require the active involvement of others, these actors should be involved as much as possible in finding answers to the challenges that lie within their respective areas of responsibility.

At this stage, approaches from Appreciative Inquiry (AI) may prove very useful. If the top leadership applies these approaches in relation to their own areas of responsibility first, they will gain a sound understanding of the importance of maintaining a constructive and forward-looking perspective. Next, the leadership can use AI in activities together with the other actors who are involved in an effort to explore how they can achieve the desired results in a common effort. This enables us to shape the action plans together and to initiate the implementation in an active collaboration with the actors who have a key role in actualizing them. That also gives the leadership a first-hand understanding of how the various actors understand the background, direction, and content of the changes and thus whether there is a need to stage any further discussions of their purpose.

The actual implementation efforts are based on the vision for the changes from stage one and on the conclusions from stage two in light of the SDAPC and stakeholder analyses and our analysis of the strategic capacity for change. This is both about the specific goals and success criteria for the changes and about developing the leadership and organizational qualities that are needed to translate the goals in the concrete actions.

The first step in this process is use language to paint as specific a picture of the future as possible. A picture that reflects the vision, and which gives the stated goals and success criteria concrete form. By adopting a position where we describe, in the present tense and in concrete terms, the organizational life at a point when we have reached our goals we can use the creative power of language to make the vision and the goals real and relevant. As a final step in the process we look back, from our imagined future position, at the change process we have completed and on the first small indications that we were on the right track. This part of the process helps connect the results with the process that took us to our goal, and it helps us spot the first small indications that we are on the right track. If we fail to do this, we are likely to be

sidetracked, focusing on all the things we have not yet achieved, or which are not working, and we forget to notice the small but visible victories on a path that is often long and unpredictable.

Initially, it can be a challenge to keep speaking *in* the future rather than *about* the future by speaking in the present tense as if we were already in the future and by insisting on describing the results we have achieved. That helps visualize the vision and the goals and make them real and tangible. It also forces us to become so specific that any disagreement or lack of coordination will come to light.

Once we have created a specific and coordinated picture of the vision and of the results and their impact on the company, the next step is to describe the initiatives that helped create the success. As we remain in the future, and based on the results we have achieved, we focus on three basic features. The first is what is new and different from when we initiated the change process. Next, we zoom in on the specific initiatives and development processes that led to the emergence of new communication and action patterns. Here we need to keep the discussion as specific and concrete as possible. Describing the individual initiatives and development activities in detail makes it easier for us to carry them out in practice, and linking the development activities with the first visible signs of success helps make the connection between the past and the present more concrete.

The third step in the process should help us add one more important piece to the puzzle of how we got from the past to the present. This step is about examining the experiences, knowledge, known and untapped potentials, and competences from the time before the changes which proved to make valuable contributions in the change process. We aim to explore what went before the decisions to initiate the changes and make specific links between the best experiences and what we need in order to succeed with the changes. That lets us make connections between the old and the new and acknowledge that even if we are going to change, there are still important elements of the past that we can build on.

Step four should help us make room for the new initiatives that will drive the changes. We do this by focusing on the action patterns, habits, and routines that have to be modified or eliminated completely. In most change processes there is naturally a focus on generating the development that will promote actual changes. But this focus often makes us forget that a long line of old habits and routines will stand in the way of new developments. Unless we address and actively seek to abandon some of our old ways in order to make room for the new, the development initiatives often lose out to the old in the competition for our time and attention.

A final step in the process is to consider the challenges we encountered along the way. Here too we apply a future perspective and look back at how we handled the specific challenges that occurred along the way. Of course, we cannot predict all the challenges we will encounter, but in many cases we can predict the biggest and the most important. When we frame our discussion by the notion that we *did* create results, and that we *did* succeed in handling the challenges, once again language will help us see the challenges in a different light. It helps us see the obstacles in a different light when we look down from the top of the mountain instead of looking up from the ground.

To explore these key issues in depth we recommend that the work in the leadership team and, not least, the work with other actors be framed by an explorative dialogue. That gives the individual leader and later the individual actor a chance to answer the questions while one or more other persons listen actively. Using the same method that we recommend for the questions about the strategic capacity for change we ensure the best conditions for bringing out all ideas.

That is particularly true if we work with a larger group. Here, input and thus ideas, attitudes, and experiences from individual contributors risk being drowned out, as the most outspoken set the agenda. Since the most outspoken are bound to be heard we need to make sure that we bring as many contributions as possible into play in the form of valuable experiences, ideas, and attitudes. Therefore we recommend using the questions as a guide for a mutually explorative dialogue with the individual leader and the individual actor. It can be helpful to ask the questions several times. As mentioned earlier these are big, open questions that invite an in-depth discussion with a potential for bringing out many possible answers and thus ideas (Høier, 2011)⁷.

If, in addition, we ensure that important parts of the process take place in an interaction among the actors who condition each others' chances for success, our efforts to shape and articulate the framework and the direction of the

⁷ In the book *Kreativ procesledelse* (Høier et al., 2011) the authors present a number of specific tools for constructive inclusion.

changes will help strengthen organizational cohesion. As leaders, we can also promote holistic thinking and thus the strategic competence as part of the change processes. We can do this by actively linking the change process with the organization's overarching vision and strategy and by taking the lead and securing cooperation among different levels of leadership and among actors from different professions and organizational units. In addition, our direct engagement and communication will promote understanding for the changes and a stronger sense of ownership of the changes in the actors we include. Thus, our activity is not only a question of providing a framework and direction for the change processes; it is also a very direct way to develop the participants' collective strategic capacity for change and development.

In addition to the aspects we presented in Chapters 7-9 and earlier in this chapter, it is also worth noting the point we made in Chapter 3: that changes in the company's basic structures should be made carefully. That is because major changes in the organization's basic structures can have a negative influence on people's trust in the leadership.

If we change the structures, we also change the framework that guides our habits, paths of communication, decision-making processes, and relationships. The structure guides many of our daily routines, and as such it is therefore also vital for the individual leader's and employee's ability to navigate. Thus, we need to be aware that major changes may require everyone involved to devote considerable time and energy to get their bearings back.

Overall, the results indicate a clear relationship between approaches to change and the level of trust in management. Our findings strongly suggest that any change negatively affects trust. Within this parameter, major organizational change of the workplace structure tends to have a much stronger bearing on trust than do other forms of change.

(MORGAN & ZEFFANE, 2010, p. 69)

It is also important to be aware that although the structure is vital for the life that is lived in the organization, structures are not very well suited for flexibility and mobility. The challenge is therefore to develop organizations that are capable both of handling the basic everyday processes in the company and supplementing these process with other more temperate organizational structures or processes that can generate the kind of flexibility it takes to operate in a changing world. That requires us to be able to combine 'the system organization' with what Kolind (2006) calls 'the spaghetti organization.'

Example 11.5. Implementation – capacity for change in practice

Continued from Example 11.4.

After the joint meeting, the CEO had another meeting with all the leaders in connection with the first meeting in the working groups. At the meeting, the team leaders were going to work with the SDAPC and stakeholder analyses, and they were introduced to the findings of the survey of the overall strategic capacity for change in the organization. The survey had found the same picture and clearly confirmed that the lowest perceived capacity for change was found in the staff units. The groups had an opportunity to ask questions of the CEO and to offer recommendations for the next stages of the process.

Most of the questions concerned the background for the decisions and, not least, what the top leadership perceived as the main challenges. The recommendations were largely similar to the recommendations from the managers. However, there recommendation placed particular emphasis on the need for the top leadership to consider any major structural changes very carefully. Several team leaders said openly that they did not feel that their knowledge and experiences were appreciated when development initiatives were launched, and that they saw a potential in preserving the project approach if it was used to build real connections and involvement.

These recommendations along with the recommendations from the managers were discussed at a meeting in the top leadership team. At this meeting the team decided to preserve the familiar project approach as an additional organizational layer to create the necessary connections and a flexible structure that would supplement the existing basic structure.

They also decided to anchor the projects more in a shared ownership in the production and staff units, while the development department was to take on a more facilitating role.

In order to qualify the decisions and, not least, to ensure ownership of the decisions, the top leadership decided to make the more specific and detailed decisions in close interaction with both the managers and the team leaders.

As the next stage in the process, the top leadership therefore invited the team leaders and managers to a new meeting with a focus on specifying and implementing the changes. This meeting was held as a two-day off-site seminar to provide a space for in-depth discussions and for making the necessary decisions.

The CEO opened the meeting by reviewing the conclusions from the process and the recommendations that had been made at the meeting with the team leaders. She presented the top leadership's thoughts about changing the existing structure but also emphasized that the top leadership was open to the idea of preserving the basic structure and supplementing it with an enhanced project structure where the production and staff units had a more prominent role.

After this introduction, the participants were divided into smaller groups. The groups were asked to articulate a concrete image of the future after the changes had been implemented. The criteria for this task were:

- *“Describe, in specific terms, how the different stakeholders (clients, employees, and team leaders) will be able to tell that our change efforts have been successful.”*
- *“Describe the specific effects (for the clients, economically, in relation to new products/services, etc.).”*

This activity produced a lively debate, and the discussions addressed both high-flying, ambitious ideas and down-to-earth practical issues. After a few hours, the groups took turns outlining their visions of the future. The presentation of the results of the groups' efforts led to a lengthy discussion of a variety of principles concerning the organizational structure and of the feasibility of the various scenarios. The conclusion was that:

- a set of basic principles should be drawn up concerning the future cooperation on development projects
- selected team leaders and employees across the company should be involved in translating these principles into practice
- there was a need to develop the general capacity for change in the company
- a team consisting of managers and team leaders should be established to address how certain tasks and processes in production could be structured more efficiently
- there was a need to develop the cooperation among the staff functions and to structure clearer interactions between the staff functions and the production units.

Here, a particular focal point was the perceived lack of capacity for change internally in the staff functions. Throughout the rest of company, the staff functions were perceived as being particularly close to the top leadership, and hence their attitude was seen as especially important.

The group also agreed that it was vital to engage the employees more actively in the process and to continue to develop the process in cross-departmental working groups. They also agreed that the process which the teamleaders and managers had gone through should also frame the process for the employees.

Another outcome of the meeting was that the top leadership team and the managers were to play an active role in connection with the ongoing process of involving the employees in the form of the information processes and in connection with the cross-company project teams that were to be established on an ongoing basis. The main role of the project teams was to help maintain momentum in the change processes and to take an outreach role with a more explorative and curious approach than before. The teams were to act as visible and interested role models whose actions and communication would promote local processes and awareness.

As the next step in the process the leadership team focused on its own tasks and roles. Based on the common picture of the future they would reflect on their own role:

- *“When the whole company has successfully implemented the changes, what will characterize the roles of the top leadership, the managers, and the team leaders in the company?”*

- *“Where and when have we seen specific signs that we were on the right path?”*
- *“Where and when have we ourselves developed, where have we played a role in other people’s development, and how has that affected the results?”*
- *“What is the most valuable assets we bring with us from the past, and how have they supported the changes?”*
- *“Which habits and routines do we now engage in less often or not at all, and what was it that enabled us to make that change?”*
- *“What were the main challenges we encountered along the way, and how did we handle them?”*

The questions were discussed in smaller groups and in the common forum in several stages. As the process unfolded, a common ‘script’ for the future cooperation among the team leaders, managers, and directors began to take shape.

Some of the most important conclusions was that the leaders should take charge and play a more visible role in promoting the capacity for change in their own group that they wished to see throughout the company. The individual groups of leaders in the respective units should act more as teams, and both the top leadership and the managers should play a more active role in leading the process, for example by sometimes taking part in meetings with managers and leaders outside their own individual area. Here, their role would be to act as curious outsiders who actively brought other voices into these forums.

Additionally, prototype project groups were established to work on some of the ongoing projects and to help develop principles for how to approach development and innovation in the future. These project groups would operate on ‘open source’ principles, which means that all leaders and employees from the company could take part in the meetings or offer specific suggestions. In addition to the work groups, a web-based ‘Open Space’ was established where everyone could contribute with thoughts, questions, and comments.

To kick-start the initiatives, all the employees were invited to take part in one of four development days where they continued to work with the principles and thoughts that the leaders had addressed. The act of bringing some 200 leaders and employees together across departments in one of the largest halls of the company and having them work on the ongoing projects and offering suggestions for new projects helped focus their attention on the new expectations and possibilities and give them very specific content.

This concrete space where everyone was able to ‘practice’ open source in practice facilitated the development of new ideas for practical solutions. In addition to a specific guide on how to use the virtual open space, a principle was introduced where each employee team and representatives of the various teams of leaders would participate regularly in one or several development projects. Another outcome of the meetings was that the top leadership and the managers committed themselves to using the open source platform for ongoing information about new initiatives or important discussions among the leaders. This would help maintain a constant focus on maintaining and developing the company’s general strategic capacity for change.

Among the employees, the interactions with the staff units was also an important topic. They were seen as important representatives of the leadership and of the coordination across the organization, both in relation to daily activities and, not least, in relation to the joint development projects.

Therefore, a major development initiative was launched that involved all the members of the staff units. This initiative focused on two aspects: internal cooperation and coordination and the cooperation with the rest of the organization. As part of this initiative, the staff units were structured as an operational organization in the existing units with an internal cross-organizational project structure.

To ensure that there was ongoing follow-up on the projects that had been launched, and that this knowledge was used to promote and facilitate the ongoing development projects, the principles from AI and the SDAPC model were used as tools in the ongoing follow-up. The content of the work was guided by the visions that had been articulated for the modified organizational structure, supplemented with the specific goals that had been defined for the individual projects. In addition, the nine questions about the strategic capacity for change were used to maintain focus on the principles that the new organizational structure was based on.

This ends the case review.

An important element in ensuring the ongoing follow-up is to establish routines that ensure interlinking communication among the organizational levels and bridge-building communication among the units. If they are built in as a vital part of the decision-making and implementation process, we can develop routines at an early stage of the process to help ensure that we use the learning that occurs during the implementation process. That can help us ensure an ongoing flow of information through the vital feedback processes to ensure that we as leaders are able to monitor and follow up on decisions.

Here we can use the principles from AI to keep the process alive. If we establish the three basic dimensions (the domains of production, explanation, and aesthetics) and the fourth meta-dimension (the domain of reflectivity) as a way to keep the process on track and maintain the change goals, that can serve both as the last link in the decision-making process and as the first link in the change process. We can then subsequently use this part of the process in combination with elements from the first two component process to maintain our focus on the goal and the vision for the change process.

We find what we measure. We achieve what we focus on. Therefore it is important that we both articulate and follow up on the specific objectives. It is important that we articulate the specific goals for how we want to maintain a learning focus on the processes that can promote our long-term goals. If we succeed in implementing learning and continuous feedback as a natural aspect of the implementation, that will help us develop and promote a learning and development-oriented organization.

In our perspective, the most vital individual factor is that the top leadership takes charge and actively maintains focus on the changes they wish to achieve. This requires us to develop reflectivity as an awareness that promotes our understanding of the change process as something that is always changing and in constant motion. We also need to be reflectively aware how easy it is to fall back on the old, familiar habits and routines, because “Culture eats strategy for breakfast.” Thus, no change is ever more alive than the attention we devote to it.

In a holistic perspective we need to develop reflectivity and curiosity as some of the most important strategic leadership competences. With the invitations and thoughts from Chapters 3-7 about

- the constructionist perspective
- mission, vision, and values as context markers
- the importance of reflectivity, appreciation, and active positioning

we have offered some tools for thinking that will help you keep the strategic curiosity alive. With Chapters 8-11 we have hopefully added enough specific content to these principles that you will be ready to move beyond the thinking stage.

Strategy and changes are far too important to leave to the leadership alone. Invite and involve the employees as well as internal and external stakeholders (paid as well as unpaid) in shaping the company's goals and mission. Leading that process relies on the art of good leadership of change processes.

CHAPTER 12

EPILOGUE

I continue to believe that the most important way of staying focused in this sea of possibilities is to keep exploring how leadership and culture are fundamentally intertwined. ... So we will have to examine carefully how the interplay between culture and leadership is evolving as the world becomes more globally interconnected.

EDGAR H. SCHEIN

Leadership is about value creation. For the company, for the public, private or volunteer organization, and not least for the people who make up the organization – and the people and organizations that cooperate with or are otherwise affected by the organization's actions. With this book we share some of our ideas and perspectives on good and value-creating leadership that is also responsible and sustainable. In relation to the people who are involved, in relation to the surrounding world and society, and in relation to the company as a business. This is about the three Ps: PEOPLE, PLANET, PROFIT. The three dimensions that should always be balanced against each other. Not only from a humanist perspective but first of all from the perspective of responsible business thinking and strategy. Any long-term business strategy must be sustainable and responsible to truly make good business sense.

We have many ambitions with this book, which has been several years in the making. It was developed in close cooperation with leaders, researchers, and practitioners with the ambition to create new possibilities for leaders and their organizations. To inspire value-creating, vitalizing, and responsible leadership with continued development of a systemically based leadership thinking and practice. As practitioners, we aim to build better societies and improved job satisfaction through better leadership. That is also our ambition for this book, and therefore the story does not end here. Hopefully the book has challenged, disturbed, raised questions, and provided inspiration for some of the leadership challenges and change processes you are facing in your own organization. The book and the inspiration it offers can achieve nothing on their own. The key is what you will do in practice and how what you do differs from what you normally do. If you want to see real changes in others in practice – changes that deviate from what has characterized your practice or theirs until now – the main requirement is for you to take the lead. Developing your own leadership is a vital aspect of developing the organization's overall leadership capacity.

Leadership research and our own experience from many years of practice point in the same direction. Faced with growing complexity, accelerating change, and fewer resources, we need to move away from a linear understanding of leadership and change processes. Leadership is about people with intentions, motivations, and frustrations. Therefore we will often fail if we think that we can generate understanding for and ownership of changes by means of top-down management alone. That may look convincing on paper, but time and again we are forced to acknowledge that the practical benefits are severely limited. In fact this approach often generates resistance instead. If there is no ownership of the task and limited trust in the decision-makers, the endeavor becomes a Sisyphean task. A constant uphill battle – which may never quite achieve the goal.

The greater the desired change, that is, the more it deviates from what we have done so far, the more vital is the role of early involvement. An insistent involvement where we as leaders clarify the direction of the task that we were put into the world to achieve. Where we look at both the challenges and the strengths and potentials. Without slipping in an appreciative banana peel in the form of a one-sided positive focus where we are only allowed to talk about what works. In many contexts, that form of so-called appreciation has become a new form of restriction that hinders our ability to focus on and discuss what is most important. Which usually means the biggest challenges or problems. Early involvement should first of all generate understanding for and ownership of the task and an awareness of the individual's tasks in the change process. That is important if we want to optimize interactions and synergy among the employees, leaders, clients, business partners, and the different levels in the organization. It is not sufficient to clarify the individual's tasks in isolation. In a Leadership Pipeline perspective, it is also important to define who does what, but it takes more than that.

Successful companies and organizations rely on a high degree of organizational cohesion with strong and vigorous connections among the individual departments and teams, among the individual team members, and between the

organization and the environment. The focus here is on the relations and the communication which acts as the glue that binds all social and human systems together.

Good leadership, therefore, is about the ability to provide an overall sense of direction, a strong sense of ownership, and a strong desire in the individual – to make others into strategically competent contributors. This is an area where leaders have a special responsibility. In order to create and develop a culture where constructive dialogue, involvement, and mutual responsibility are the norm for the way everybody works. Not only in fair weather but also when conditions are stormy and challenging. A systemic approach to organizational and business development does not remove the focus from results and the bottom line. Instead, it offers important and valuable contributions to the understanding of the factors that create optimum conditions for strong results and a healthy bottom line.

When we have chosen to stand on the shoulders of a systemic appreciative approach with a focus on relations, communication, and holistic thinking, it is because we find the basic assumptions and the related theories and practices so valuable. Not as something that simply 'is.' This book is very much a further development of systemic thinking and practice. With this version 3.0, we take things a step further, from micro to macro practice. From using the systemic approach in the softer areas of HR processes to applying them on a strategic level in relation to organizational and business development.

To us, that is a natural and necessary development of systemic thinking in an approach that is still based on a constructionist appreciative paradigm, and which develops both theory and practice – in order to be able to continue to deliver sustainable answers to the huge leadership challenges we face, both locally and globally. In the individual organization, in Denmark, and in a world where we are becoming increasingly connected and interdependent. Pollution or business: Neither stops at the border or remains unaffected by what happens in other parts of the world. Therefore, the traditional linear leadership models are increasingly unable to inspire us to organize and lead organizations competently. To borrow Gary Hamel's words, we need to develop new leadership models that are not only based on the mass-production thinking of the industrial age and Taylor's Scientific Management. With this book, we have aimed to present a general model of leadership thinking and practice based on a relational constructionist paradigm.

While we worked on the book we studied leadership literature and leadership research extensively. The clear pattern that emerged was that top-down strategies are quite ineffective compared with strategies where a bottom-up approach supplements the top-down approach. That is not surprising, but if the argument is that we do not have time for participatory processes – which clearly also call for leadership – that can only be because we fail to measure or focus on the actual effect of the strategy processes in practice. We should also emphasize here that participatory bottom-up strategies and processes also require clarity, direction, and leadership – top-down – albeit a different kind of leadership than the authoritarian top-down management and its one-way communication approach.

We get good at what we practice. So ask yourself:

- What should I now – after reading this book – begin to practice in my daily work?
- What is the main learning and inspiration I take with me from this book?
- What is the smallest step I could take that would make a positive difference in the organization?
- What can I do to design and carry out our next change process in a different way than we normally do?

We hope that the reader – whether you are a leader, a consultant or an employee – will put our thoughts and models to the test in practice in your organization. With inspiration from our own research and from others' research, thoughts, and ideas, we developed the models we have presented here in practice, together with other practitioners. We present these ideas in the conviction that an open development process is by far the most efficient and interesting approach.

Aarhus, June 2014

Carsten Hornstrup

LIST OF FIGURES

- Figure 1.1. Strategic capacity for change in three dimensions
- Figure 1.2. Strategic Relational Leadership (SRL) – a framework for change processes
- Figure 2.1. The ‘murmuration’ phenomenon
- Figure 2.2. Changes – trends and potential challenges
- Figure 3.1. Practice, theory and perception – three perspectives on leadership
- Figure 3.2. Constructionism in a personal perspective
- Figure 3.3. Constructionism in an organizational perspective
- Figure 3.4. Information – multiple layers of communication
- Figure 3.5. Information and exformation
- Figure 3.6. Sociopoiesis
- Figure 3.7 Sociopoietic organizations
- Figure III.1. Theory – tools for thinking
- Figure 4.1. Three perspectives on strategy
- Figure 4.2. Strategy as goals and plans
- Figure 4.3. Strategic relational leadership – a framework for strategic changes
- Figure 4.4. Strategic actors
- Figure 4.5. Organizational processes
- Figure 5.1. The dimensions and directions of reflectivity
- Figure 5.2. Self-reflectivity
- Figure 5.3. Other-reflectivity
- Figure 5.4. Organizational reflectivity
- Figure 6.1. SDAPC – a systemic SWOT analysis
- Figure 7.1. Three forms of positioning
- Figure IV.1. Level 3 – practice
- Figure 8.1. Coordination and cohesion in a domain perspective
- Figure 8.2. Organizational cohesion
- Figure 8.3. Domains and organizational cohesion
- Figure 8.4. Strategic capacity for change – 1: organizational cohesion
- Figure 9.1. Four leadership positions
- Figure 9.2. Positions and leadership of change
- Figure 9.3. Strategic capacity for change – 2: Strategic competence
- Figure 10.1. Actors and stakeholders
- Figure 10.2. Stakeholder analysis – critical and positive voices
- Figure 10.3. Involvement – form and degree of influence
- Figure 10.4. Gradual information and involvement
- Figure 10.5. Critical actors and insistent involvement
- Figure 10.6. Strategic capacity for change – 3: Responsibility and ownership
- Figure 11.1. The SRL model of strategic change processes
- Figure 11.2. Meta-reflective view of influence and participation in the process
- Figure 11.3. Overview of the case company’s organizational structure
- Figure 11.4. Stage one – clarification and articulation
- Figure 11.5. SDAPC analytical model
- Figure 11.6. Stage two – concretization and analyses
- Figure 11.7. Stakeholder and SDAPC analyses
- Figure 11.8. Strategic capacity for change
- Figure 11.9. Strategic capacity for change – an example
- Figure 11.10. Strategic capacity for change in two perspectives

Figure 11.11. Stage three – implementation and follow-up

LIST OF TABLES

Table 1.1. The book at a glance
Table 3.1. Strengths and weaknesses in the transmission versus the construction approach
Table 5.1. Four forms of reflectivity
Table 5.2. Questions – meta-reflectivity
Table 5.3. Questions – self-reflectivity
Table 5.4. Questions – other-reflectivity
Table 5.5. Relational and linguistic reflectivity
Table 5.6. Bridge-building leadership
Table 6.1. Appreciation on a personal level
Table 8.1. Summary of the domains
Table 8.2. Domain of reflection
Table 8.3. Communication with and without reflectivity
Table 8.4. Key questions about organizational cohesion
Table 9.1. Leadership positions
Table 9.2. Key questions about strategic competence
Table 10.1. Key questions about responsibility and ownership
Table 10.2. Key questions about strategic capacity for change
Table 11.1. Key questions about strategic capacity for change

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