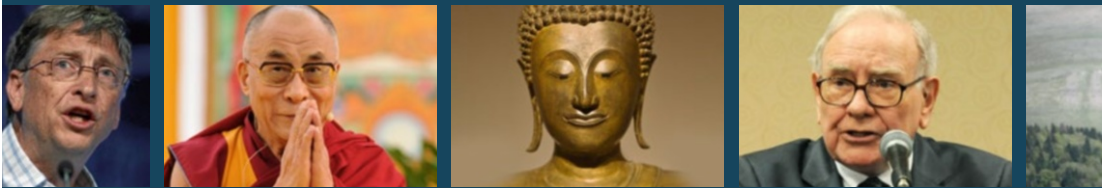
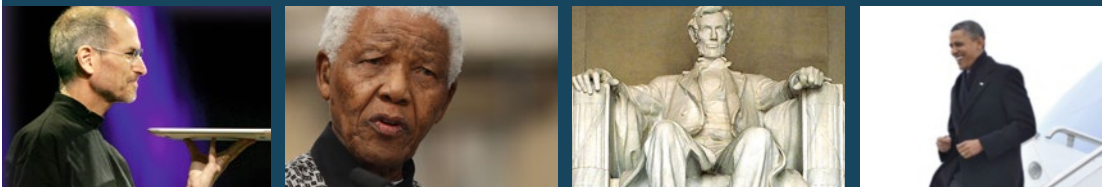


Michael Paschen · Erich Dihismaier

The Psychology of Human Leadership



How to Develop Charisma and Authority



The Psychology of Human Leadership

Michael Paschen • Erich Dihlmaier

The Psychology of Human Leadership

How to Develop Charisma and Authority

 Springer

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Foreword to the Original German Edition

This book is the result of many years spent dealing with the topic of human leadership. As psychologists, we are primarily interested in the psychological phenomena of leadership. Over time, it has become ever clearer to us that leadership is ultimately the collective term for all applied psychology: People who want to lead want their will to be done in the social world! Those who reflect on how to gain influence over others touch on all matters of applied psychology.

This book is intended for all readers who are interested in gaining a deeper understanding of the psychological phenomena of leadership that goes beyond that imparted by the usual prescriptive and superficial advice manuals. If you are interested in how charisma develops and works; if you want to find out about the power that great leaders possess to shape culture; if you are not satisfied with simple tips on how to act in everyday management situations, but want to interpret and understand leadership problems from different perspectives—then you'll find what you're looking for in this book. If you want to tackle questions of power and how to achieve it, gain a more sensitive appreciation of the dynamic that underlies conflicts, and better understand the mental problems of those in power, then this book was written for you. If you want to understand why certain leaders gain leadership strength and authority and why others fail, then this book will provide insight and food for thought. Yet the book is also aimed at managers who wish to take a critical look at their own level of development and gain clarity on the aspects of their personality that contain opportunities for growth.

This is not a scientific book that cites findings and promises an overview of the state of research. It has a theoretical basis but is written from a holistic practical perspective. We have been working for many years on training, coaching, and developing managers, and also on analyzing their potential and on their assessment and selection. As such, we have not written this book from a theoretical distance, but on the basis of innumerable hours of intensive work and collaboration with leaders and managers. The more we involved ourselves with the topic of leadership, the more fascinating, inspiring, and multifaceted the subject became to us. We hope we have been able to pass on a little of that fascination in this book.

Several other people worked to help make this book a success: We extend our thanks first of all to Mr. Coch and Mr. Barton at Springer Verlag for their constructive supervision of the work and for their many detailed suggestions. Our

thanks also to Anika Borchardt, Yvonne Faerber, Britta Herrmann, Elena Mahinova, Agnes Mariani, and Patrick Wiederhake, who cast critical eyes over every chapter and improved much of the phrasing and many lines of argument. And a special thank you to our proofreader, Daniela Böhle, whose feel for language and constructive criticism most certainly contributed to the improvement of the book.

February 2011

Michael Paschen
Erich Dihismaier

Foreword to the English Edition

My joy at being able to present the book *The Psychology of Human Leadership* to an international audience in this English-language edition is overshadowed by the tragic passing of Erich Dihsmaier in early 2012 and the fact that he was sadly unable to work on preparing the English version. Nevertheless, I am still very pleased that the popularity enjoyed by the book in Germany moved Springer to initiate an international edition. Thanks to his endless thirst for knowledge, his psychoanalytic acumen, and his great conceptual strength, Erich Dihsmaier shaped many of the fundamental precepts of this work. Although it saddens me greatly that this book will remain the only one that we were able to write together, I am also proud to be able to introduce part of his legacy to a wider audience. By the time you put this book down, I am sure that Erich Dihsmaier's thoughts and ideas will have changed your view of leadership!

We already expressed our thanks to the many people who contributed to the content of the book in the foreword to the German edition. All this naturally goes for the English-language version, too. In addition, I would like to give a big thank you and my sincere compliments to our two translators, Dawn Stinson and Andrea Büttgen, who applied great meticulousness and attention to content to create a translation that well reflects our choice of language and ideas. I would also like to thank Prashanth Mahagaonkar from Springer for his generous and constructive support of the project. My heartfelt thanks go to Erich Dihsmaier's widow for allowing me to continue with this work after her husband's passing. I am most grateful, though, to Erich Dihsmaier himself for the many years I was fortunate enough to call him my friend and for the many inspiring conversations and psychological discussions we had.

November 2012

Michael Paschen

Contents

1	The Philosophy of Leadership: Directing and Being Directed	1
1.1	What Leadership Is and What Leadership Is Not	2
1.1.1	Leadership and Language	2
1.1.2	The Antitheses of Leadership	3
1.1.3	The Three Essential Characteristics of Leadership	5
1.2	The Leadership Process: What We Observe When We See Leadership	7
1.3	Leadership and Goals	11
1.4	Leading and Being Led: Difficulties in the Leadership Process . . .	14
1.5	On the Formation of Leadership Goals	16
1.6	Leadership as a Condition for a Self-Determined Life	18
1.7	Leadership and Leadership Challenges	19
1.8	Why Does Leadership Exist?	21
1.8.1	Reducing Complexity	21
1.8.2	Decision-Making Speed	22
1.8.3	Competence	22
1.9	The “Sculpture” of Leadership	23
2	Leadership, Personality, and Charisma: How to Generate Leadership Strength Through Confidence and Trust	27
2.1	The Leadership Attribute of <i>Charisma</i>	28
2.2	The Rational and Irrational Side of Leadership	30
2.3	Charisma and Biology	32
2.4	Leadership and Fear: The Psychological Bases of Charisma	33
2.5	The Psychological Bases of the Leadership Relationship	39
2.5.1	The Charismatic Relationship Contract	45
2.5.2	Unresponsiveness to Charisma	49
2.6	Development of Charisma	50
2.6.1	Psychological Development Steps Along the Path to Becoming a Charismatic Leader	50
2.6.2	How Can Leaders Develop Charisma?	54
2.7	Do We Need Charismatic Leaders?	59

3 Leadership, Psychology, and Knowledge of Human Nature: How to Generate Leadership Strength Through Motivation, Persuasion, and Assertion	61
3.1 The Mechanism of Influencing Behavior	62
3.2 The Three Leadership Strengths	62
3.3 The Three Leadership Strategies: How to Use Leadership Strengths in Practice	67
3.3.1 Endowing with Meaning and Persuasion	68
3.3.2 Power and Assertion	76
3.3.3 Initiative and Motivation	81
3.4 The Basic Mode of Action of Leadership: A Metaphor	88
4 Leadership, Threats, and Change: How to Generate Leadership Strength by Understanding Problems and Crises	91
4.1 Psychological Skills of the Manager in Handling Situations: Situational Sensitivity and Interpretive Ability	93
4.1.1 Process Steps in Generating the Need for Leadership	96
4.1.2 Elements of Interpretive Ability in Leaders: How Are Situations Explained?	99
4.1.3 Explaining and Interpreting Situations Using Metaphors	101
4.2 Situation and Goals	104
4.3 From Crisis to Cruelty	106
5 Leadership, Challenge, and Perspective: How to Generate Leadership Strength Using Stimulating and Enticing Goals	109
5.1 On the Character of Goals	110
5.1.1 Hypotheses on the True Nature of Goals in Leadership	111
5.1.2 On the Misunderstandings of Many Typical Target Agreement Systems	113
5.1.3 The Three Cornerstones of Goals: Criteria for Goals that Can Unleash Leadership Strength	115
5.2 The Origin and Types of Goals	117
5.2.1 Latent Goals Versus Innovative Goals	117
5.2.2 Individual Goals Versus Collective Goals	117
5.2.3 Defensive Goals Versus Change Goals	118
5.2.4 Autonomy Goals Versus Integration Goals	118
5.3 Goals and Delegation	119
5.4 Goals in Politics	121
6 Leadership, Culture, and Custom: How to Generate Leadership Strength by Creating Structures	125
6.1 How Structures Work	127
6.1.1 Inner Structures and External Structures	127
6.1.2 On the Nature of Leadership Structures	129
6.1.3 Creating Leadership Structures	131
6.1.4 Leadership and Leadership Efficiency	135

6.2	Leadership Problems and Leadership Structure	135
6.2.1	Problems in Groups in Which Too Many Structures Have Been Created	135
6.2.2	Problems in Groups in Which Too Few Structures Have Been Created	136
6.3	Changing Structures	138
6.3.1	What Makes Changes So Difficult?	138
6.3.2	Notes on Successfully Implementing Changes	140
7	Leadership, the Group, and Dynamics: How to Generate Leadership Strength in Conflict Situations	143
7.1	Psychological Causes of Conflicts	144
7.1.1	Conflicts and Relationships	148
7.1.2	Conflicts and Roles	150
7.1.3	Exacerbating Circumstances in Conflicts	152
7.1.4	Goals of Successful Conflict Management	154
7.2	Conflicts and Conflict Management in Leadership	155
7.2.1	Conflict Management as an Act of Leadership	155
7.2.2	Phases in the Development of Conflicts	156
7.2.3	Strategies of Conflict Management	158
7.3	Leadership and Group Dynamics	165
7.4	Typical Misunderstandings About Conflict Management	167
8	Leadership, Influence, and Communication: How to Generate Leadership Strength Through Sensitive and Clear Interaction	169
8.1	Quality Criteria for Leadership Communication	170
8.2	Levels of Leadership Communication	171
8.2.1	Communicative Requirements at the Contextual Level	172
8.2.2	Communicative Requirements at the Nonverbal Level	174
8.2.3	Communicative Requirements at the Verbal Level	176
8.3	Typical Problems in Leadership Communication	179
9	Leadership, Power, and Dominance: How to Gain Power and Use It Maturely and Constructively	183
9.1	Power Is Possibility, Not Action	185
9.2	Sources of Power	187
9.3	Psychological Stages in Developing Awareness of One's Power	189
9.4	Strategies for Obtaining Power	192
9.4.1	Power Strategy: Skill Acquisition and Development	192
9.4.2	Power Strategy: Networking	192
9.4.3	Power Strategy: Selection and Shaping of the Environment	193
9.4.4	Power Strategy: Loyalty and Willingness to Work	193
9.5	Personality Changes as a Result of Power	193
9.6	Taming and Limiting Power	195

10 Leadership, Disorders, and Problems of the Powerful: The Abnormal Psychological Developments to Which Managers Are Especially Susceptible	197
10.1 Psychopathology and Power	197
10.2 Life Circumstances of Managers	200
10.3 Typical Abnormal Mental Developments in Managers	204
10.3.1 Managers with Abnormal Developments from the Narcissistic Spectrum	204
10.3.2 Tips on Coaching Narcissistic Managers	206
10.3.3 Managers with Disorders from the Depressive Spectrum	208
10.3.4 Tips on Coaching Depressive Managers	209
10.3.5 Managers with Dispositions from the Compulsive Spectrum	209
10.3.6 Tips on Coaching Compulsive Managers	210
10.3.7 Managers with Disorders from the Egocentric Spectrum	210
10.3.8 Tips on Coaching Egocentric Managers	211
11 Leadership, Success, and Morality: How to Make the Right Decision in Ethical Dilemmas	213
11.1 Ethics and Morality: Explaining the Basic Terms and Problems	213
11.1.1 Dispositional Ethics and Ethics of Conduct as the Framework of Justification for Ethical Behavior	215
11.1.2 The Fundamental Ethical Dilemma of Leadership	217
11.2 Morality and Ethics: How Would You Decide?	219
11.3 Rules as a Compass for Ethical Dilemmas	221
11.4 Responsibility and Weighing Up Options in Leadership	222
11.5 Developing Ethical Leadership Conduct and a Sense of Responsibility	226
11.6 The Legitimization of Leadership and Power	228
Appendix	233
Index	241

The Philosophy of Leadership: Directing and Being Directed

1

The topic of leadership is not just one subject among many. Ultimately, the topic of leadership contains the fundamental questions of our entire life. At first glance this claim may seem a little grand and far-reaching. By the end of the first chapter though, it will be clear just what a major presence leadership problems have in our lives and how strongly the success of our social life and work performance depends on how we deal with leadership problems.

Leadership is an inevitable part of our lives.

The perspective we take here will primarily be a psychological one. We look at leadership from the viewpoint of human leadership and we understand leadership as one of the central social phenomena of life. Yet this psychological perspective itself has many facets, as leadership can be examined from the standpoint of personality traits, from the standpoint of tools and methods (a typical approach taken by many books on leadership), but equally from the perspective of the relationship with those being led or from the perspective of the dynamics of the context and situations in which leadership takes place. Each chapter of the book is dedicated to a very specific perspective of the phenomenon of leadership and each chapter looks at the topic of leadership from a very specific viewpoint. Only a holistic view that is not restricted to selected perspectives by ideological presuppositions or claims of exclusivity made by certain theories can create a true understanding of and a real fascination for the topic of leadership.

Different perspectives on the topic of leadership.

This book is aimed at managers or prospective managers in commercial enterprises or other organizations who wish to gain a broader conceptual and psychological basis in preparation for this task. That is why we've made sure in every chapter to link conceptual principles and fundamental insights with very practical implications and recommendations. The book is not intended to be an academic, scientific book. However, we do wish to achieve a conceptual and psychological depth that enables the reader to gain new, exciting, and fascinating insights into the topic of leadership. Moreover, as much as we have presented many

practical examples in the book, we do not wish it to be a simple guide describing prescriptive recipes and rules on how to behave. We certainly promise though that this book will provide practical answers to the most important leadership problems and leadership challenges.

Practical answers to leadership problems.

This first chapter begins by describing the phenomenon of leadership. In this chapter we explain the terminology and subject areas, touching on many topics that are dealt with in greater detail in the subsequent chapters. From the second chapter onward, the practical focus for an organizational context will take a very prominent role. You will be able to reflect on where you stand in your own development as a leader, and how you can strengthen and develop your personal leadership strengths such as charisma, assertiveness, or motivational ability. In places we will also use examples of actual political leadership, as the general familiarity with the background situations can serve as a good basis. All of the considerations described here, though, can be applied to leadership in commercial enterprises. Our working world is often the environment in which we experience leadership in its most explicit and considered state.

We experience leadership in its most explicit and considered state in the working environment.

At the beginning of the book we would like to set the tone with the somewhat more fundamental observation that the topic of leadership ultimately contains the question of how to cope with life itself.

Leadership contains the question of how to cope with life.

1.1 What Leadership Is and What Leadership Is Not

1.1.1 Leadership and Language

If you want to discuss a subject area, first of all you need a certain degree of clarity on what this subject is actually about. When it comes to the topic of leadership, this definition is more complicated than it first appears. If you ask people what leadership is, to begin with you will very often receive intuitive answers that contain an ethical or normative component. Frequently you will hear that leadership means “taking responsibility for others” or “motivating others” or “looking after employees’ interests”.

Intuitively, leadership is often defined normatively.

There is something normative to all of these statements, an ethical expectation that is evidently placed on leaders. Leaders ought to act responsibly or take care of the emotional wellbeing of the people they lead. Of course, these expectations belong to the subject of leadership; however, they do not describe the phenomenon

of leadership itself. If you look at the real world, you see that leadership takes place even if it is not particularly responsible, especially motivating or aimed at generally desirable goals. The greatest criminals in the history of mankind were, in a certain sense, successful leaders, even if their actions cannot be called ethical. For now then, the phenomenon of leadership is to be described independently of whether it is good or desirable. Leadership apparently takes place in the social environment irrespective of ethical expectations.

The phenomenon of leadership exists irrespective of ethical expectations.

Next we could approach the topic of leadership through language. We use the word *leadership* not just for *human leadership* in the narrower sense, which will be the main focus of this book, but we also use the word in completely different contexts, such as: “the farmer led the horse to the paddock”, “the road leads into the town”, “she led him up the garden path”, “he didn’t lead the project to its conclusion”, “she led a good life”.

The word leadership is the causative of *to lead* in the sense of “to direct on a course or to determine the direction of something”. A first basic definition of leadership can therefore be:

Linguistic origin of the word leadership.

► Leadership is the determination of movement.

First let’s take a look at the implications of this definition. Movement takes place in the world temporally and spatially. Spatial movement is a technical process. The obvious example is driving a car. Leadership as a process always takes place over certain periods of time. Leadership is the attempt to direct time or to determine what is to happen over a period of time. Leading is directing in the social environment as well as in the world of objects. This book will, of course, deal primarily with how we direct events in the social environment. Directing technical objects is more of a technical or methodical issue. Even though many fundamental considerations of leadership can be applied in this context, it is still much less interesting from the perspective of leadership problems.

Leadership in the social environment.

1.1.2 The Antitheses of Leadership

Before we apply this definition of leadership to our subject in the social environment, we want to make clear what leadership is not, as it sharpens our understanding of what will be discussed later on. To do this, we will now outline three states that represent the antitheses of leadership.

Antithetical states to leadership.

1.1.2.1 Complete Individual Freedom

If leadership is the direction of movement but a person is completely free to behave at will (and this behavior is not directed by anyone else), then the person is not led in this situation and we are unable to observe any leadership here. However, we will see later on that such a state is mostly theoretical, as we are led not only by external influences, but also by our internalized norms and inner structures, which are the results of past leadership performance. These also direct our behavior in “free” situations. In this respect, this individual freedom does not exist as a permanent and basic state of complete undirectedness, but it is present to a greater or lesser extent. In situations in which you can make decisions without experiencing direction from outside, no leadership as we understand it takes place. These situations of individual freedom can certainly involve influence by other people though. Let’s take the example of a train journey on which a passenger happens to get to know someone in their carriage. In such situations, each person influences the other of course (one passenger opens the window; the other then puts on a jacket; the first person apologizes; they get to talking about the weather, etc.). Yet this influence comes to bear without exercising or striving for intentional, regular and longstanding direction of the other person. So there are situations involving a chance social meeting in which each party influences the other, but does not exercise deliberate direction. Leadership cannot be observed in such situations. Individual freedom is the antithesis of leadership!

Freedom is the antithesis of leadership.

1.1.2.2 Conflict or War

Conflict is characterized by the very fact that you cannot direct the actions of your opponents, rather that they obviously resist such attempts at direction with equal vigor. In a conflict your own actions do generate a reaction (attack and counterattack), so in this respect influence is also brought to bear in these situations. Yet neither of the opponents is able to direct the actions of the other as they would wish, otherwise the conflict could be ended immediately. Conflict is therefore the antithesis of leadership. An employee who, either implicitly or explicitly, tells his or her superior: “Boss, I refuse to follow your lead in this situation any longer,” is, in a certain sense, terminating the leadership relationship. It goes without saying that conflicts are an integral part of leadership, despite how they are classified here. They can occur as lateral conflicts. In these conflicts, which occur at the same hierarchy level, leaders often particularly strongly feel the limitation of their ability to direct and, thus, to end the conflict to their advantage. Then there are conflicts with the employees assigned to you. In such conflicts we discover that there are always aspects in which our own leadership authority is not absolute—there are aspects in the leadership relationship in which the other party doesn’t want to be led. As such, a leader’s task in conflicts can also be understood thus: ending the conflict means creating acceptance of the leadership relationship.

Conflict is the antithesis of leadership.

Table 1.1 Leadership and antitheses of leadership

Leadership is . . .	Leadership is not . . .
. . . the direction of movement	. . . chance influence (as intention is lacking)
. . . a hierarchical social relationship in which you can reliably depend on others to follow	. . . conflict and war (as the opponent cannot be conclusively directed)
. . . successful endowment with social meaning	. . . full causal determination (as this is not goal-oriented)
. . . powerful and potential. It holds the capability to incur costs for others	

1.1.2.3 Full Determination of Behavior

We describe behavior as being fully determined when it is 100 % causally dependent on specific circumstances. This state occurs with natural phenomena. There is no doubt that the gravitational pull of the sun forces the Earth into its orbit (you will notice here that the word “force” is not 100 % correct, but is used as a metaphor). The sun determines the orbit of the Earth with its gravitational force, but the Earth is not led in our intended meaning. The fully determined stimulus-response pattern is lacking the intention that we consider necessary for it to be deemed directed movement to our way of thinking. In fully determined systems, one subject does not lead another, but rather both are driven by invisible forces.

Determination of behavior is the antithesis of leadership.

1.1.3 The Three Essential Characteristics of Leadership

In order to give an even clearer picture of leadership as directed movement, we look below at a few more aspects that make up the essential characteristics of leadership (Table 1.1).

1.1.3.1 Leadership as a Social Phenomenon

We understand leadership as a social phenomenon. **In this sense, leadership means causing other people to follow in an intentional and regular manner.** Leadership success is measured by how well you motivate other people to follow you. Leadership contains a social hierarchy. Leading means succeeding in getting other people not to use their own potential degrees of freedom, but to follow the will of the leader. In this understanding, freedom is a social relationship in which there is agreement on who may lead and direct, and who follows. The stronger and more unconditional this agreement, the less conflict exists in such a relationship. This emphasizes again why leadership is the antithesis of a conflict.

Leadership is a social relationship.

1.1.3.2 Leadership Requires a Meaning

Another important feature of leadership is that it is goal-oriented. Leadership requires a meaning (as distinct from fully determined causal relationships). Generally speaking, the meaning of leadership consists in pooling strengths in order to

achieve a specific goal. A coachman who drives a coach with four horses proves his leadership performance by being able to direct the strengths of the horses toward his goal. Leadership is making individual strengths effective. **In this sense, leading people is successfully endowing life with social meaning.** If you succeed as a leader in making clear that there is a common, promising goal that is worth striving for and making an effort for, you have already performed one of the fundamental acts of leadership and given other people a meaningful reason to follow you.

Leadership requires a promising goal.

1.1.3.3 Leadership Requires Power

Leadership requires power. As a leader, you can only reckon on being followed reliably and regularly if you are able to do something in reaction to people breaking ranks and leaving the following. You must have the capability to incur “costs” for the people who refuse to comply with your leadership (costs are to be understood metaphorically here). These costs can, of course, be actual sanctions in the sense of punitive mechanisms. Yet they can also consist in withholding certain rewards. Without this power to incur costs for others you cannot create a successful long-term hierarchy. Besides, it is sufficient to have the capability to incur these costs for others, and to be able to use this capability as a threat. You don’t actually have to go through with it. Power is always potential. Sometimes it is enough for followers to know that certain costs will be incurred if they refuse to obey. This very knowledge can prevent followers from doing so in reality. As such, it may be that the person in the position of power never actually has to use this power (in the sense of actually generating the costs).

Leadership requires the capability to incur “costs” for others.

- ▶ Leadership is directed movement, it is intentional, goal-oriented, meaningful, potentially powerful, and causes others to follow.

1.1.3.4 The Question of “How”

First and foremost, this definition is purely phenomenological and descriptive. The definition is not normative and does not in any way dictate how to lead. Whether leadership takes place in an authoritarian or non-authoritarian manner is a stylistic question or a question of “how”. We have already answered the question of “what”, that is to say the question of the basic phenomenon. Leadership means causing others to follow. It does not yet imply whether this is done in an authoritarian way or in a motivational manner based on partnership. However, motivational leadership based on partnership also has the goal of causing others to follow, and to orient themselves to the common goal. Were this not an essential component of the relationship, we would not be talking about leadership, but about cooperation or friendship.

Descriptive and normative definition of leadership.

You can see from our definition that leadership is not necessarily good, nor does it necessarily cause good things to happen. Leadership success is measured first and foremost by whether the leader has succeeded in creating a hierarchy, pooling and orienting the strengths of individuals toward a common goal, and directing with this in mind. There have been enough such “successful” leaders throughout world history who have led those following them to destruction in a devastating manner. Leadership still takes place even if its intentions are not good and the leader is not pursuing good goals. In practical application then, the topic of leadership is by no means free from ethical questions. Leadership throws up many ethical questions. The more power people have, the greater the ethical dilemmas associated with their actions. The more power a person has, the more people are affected by his or her actions, and the effects of his or her conduct or misconduct are much more serious than those of powerless people. Ethical questions are important in leadership, but the phenomenon of leadership also takes place independently of ethics. We will deal with the topic of leadership ethics in Chap. 11.

Leadership is not necessarily good.

Power creates ethical dilemmas.

1.2 The Leadership Process: What We Observe When We See Leadership

In the first section of the chapter we looked at what leadership is. The next step is to examine what exactly we can observe if we wish to analyze leadership in action. Let’s begin once more with the analogy of directing in a technical context, such as driving a car. If you want to reliably observe someone driving (or directing) a car, you need to be able to discern a certain sequence in this act. It is not sufficient to see a person at the steering wheel of a car (such as in a photo). In this case, the car could also be standing still. In order to be sure that you are witnessing the act of leadership (driving) in a car, you need to be able to see a moving image (that is why we called leadership a process in the heading of this sub-chapter). You need to see that someone is actually steering the car over a specific period of time. The car is usually steered along a road or track. The driver who directs the car uses a predefined structure—the road—to perform the act of leadership using this structure—driving the vehicle from A to B.

Leadership can only be seen as a process.

This somewhat trivial example reveals precisely the three elements that we are able to observe when we see leadership. When we look at leadership, the first things we see are **leadership actions**. Leadership actions are the actual act of influence.

Leadership actions are the leader’s attempts to exert influence.

We see how a manager gives an employee an instruction, how a politician defends a bill in front of the legislature, or how a general prepares soldiers for battle. All of these are leadership actions that contain a direct process of influence. However, these leadership actions do not take place in a vacuum; they are generally carried out within existing structures. Just like the car is directed along the road, the manager gives instructions within the framework of employment contracts, defined processes in the company, skill and job profiles, and within strategic specifications. What roads are to the car are **leadership structures** in other contexts. They form guardrails within which the leadership actions are performed.

Leadership structures guide behavior.

If we look at the second example we just mentioned, at the politician pushing a bill through the legislature, the canvassing for the bill or the prior inclusion of critics are the most obvious leadership actions we see. Of course it goes without saying that the actual process of pushing through the bill takes place within a specified structure. This structure is represented by the institution of the legislature, voting rules that apply within the legislature, rules of legislative discipline or partisanship, and other guardrails within which the act of leadership takes place. The general preparing soldiers for battle is also embedded in such a structure. In a state of war, these structures include the Geneva Convention, which excludes certain war strategies on human rights grounds and therefore forms the guardrails for permitted actions. These structures can also be geographical or geological characteristics that restrict the strategy of conducting war.

It can generally be said that the leadership structures can, in a certain sense, also restrict the freedom of the leader in a specific situation. The narrower the guardrails created by the predefined structures, the less room there is for actual leadership actions.

Leadership structures restrict leadership actions.

The less restricted and less specific the predetermined structures are, the greater the leader's degree of freedom to select possible leadership actions. To put it another way, leadership becomes "channeling" the more tightly the structures restrict the possible leadership actions. Imagine a water pipe, for example: If you want to "lead" water through it, all you need to do is feed it into the pipe under pressure. The path of the water is determined by the pipe, by the leadership structure. That's why you *channel* the water through a system of pipes, but you *direct* a car. The car permits greater degrees of freedom in leadership actions, which is why we can direct it (see also Excursus "Leadership Strength and Leadership Structures").

Leadership Strength and Leadership Structures

Our first practical insight resulting from the interaction of leadership structures and leadership actions is that companies with more rigid structures can more easily afford to employ weaker managers. The leadership structures in place (e.g., processes, workflows, role boundaries, reward systems, etc.) sometimes steer the behavior of employees so strongly that even weak managers who don't have the potential for outstanding leadership actions can act successfully. This success is visible but doesn't actually have much to do with the leadership actions. The weaker the structures of an organization, the more a steering effect must be generated through specific leadership actions. The narrower the guardrails are in an organization or a social context, the less success depends on the personality of the current leader.

If we take another look at our example from the world of technology, we can see this connection between leadership strength and leadership structure here, too. For example, driving a train along fixed rails is ultimately a lesser feat of control over the vehicle (other technical matters aside) than driving a car on a road. The structures of the rails ultimately restrict the freedom of the leadership actions. The structures are even weaker, for instance, for an off-road vehicle that is driven on tracks through rough terrain. In this case, the tracks provide even more vague guardrails compared to the road on which a normal car is driven. The leadership or driving performance of the driver is correspondingly greater, while the predefined structure is weaker.

Leadership structures themselves are of course the result of leadership actions. Leadership structures are not formed from nothing. Leaders ensure the continuity of their leadership performance by creating structures that can steer behavior to their ends independently of their current leadership actions.

Leadership structures are the legacy of earlier leadership actions.

A politician who pushes a controversial law through the legislature performs leadership primarily in the action of convincing the legislative assembly. The law, however, creates structures that will steer people's behavior in the future, even if the leader who originally initiated these structures has long since left office. Leaders ensure the legacy of their leadership actions by creating leadership structures that extend beyond them. If we look back at great leaders in world history, we see the structures they left behind and not the actual leadership actions they took to effect them. With contemporary leaders, there is much more to observe. We see the structures within which they move. Yet we also see the actual leadership actions with which they accomplish their plans. Plus, there is a third aspect we see: a **leadership result**. This leadership result is the outcome that the leaders achieved through their leadership actions.

Leadership results are the outcome of leadership actions.

The larger and more long-term the projects are on which leaders work, the harder it is to retrospectively assess their success or to really attribute the result to them.

Leadership success is sometimes hard to assess.

Let's assume that a government decides to cut taxes in order to increase buying power. In the following year there is actually a change in the population's consumer behavior. Who can say for certain how much of this change is due to the tax cut and how much is attributable to other possible events that may have occurred in the meantime? In the long term, success is always contentious. It is easiest when very precisely measurable goals are set. Here at least it is possible to tell whether the goal has been achieved. In the social arena this is often not possible though.

Setting measurable goals is harder in the social arena.

Let's look by way of example at a context taken from private life in which leadership plays a major role: parenting. Parenting is most definitely a long-term leadership project. When young parents have a baby they usually have a series of more or less specific goals or ideals in mind on which they want to base their parenting, and they also have a more or less specific image of a possible result of their parenting. Parents have an image of what kind of personality they want their child to have and which behavioral patterns, skills, and values they want to characterize him or her. With such a long-term project, however, two things usually happen. The goals that are ultimately achieved almost always differ from those imagined beforehand.

Goals realized differ from intended goals.

Only rarely will the result of parenting have produced exactly the personality the parent may have imagined. Naturally, it is scarcely possible to tell from the resulting grown child how much of a role parenting played in this "product" or how much would have turned out this way anyway (e.g., as a result of genetic disposition and other influencing factors) if the parents had acted in a completely different way or not at all. In the end we always see some results of leadership. The more long-term and social—that is to say, related to people and not objects—the original goals were, the more one has to come to terms with the following uncertainties:

- The result achieved is often different from what was originally imagined and there is no saying exactly why.
 - There is no telling what portion of the result is really attributable to the leader and what would have happened without their influence.
- If we want to observe leadership, we can see three things:
- We see **leadership actions**. These actions are the actual acts of influence by the leader.
 - We see **leadership structures** as the result of past leadership actions. These predefined leadership structures limit the scope of the leadership actions and take over part of the leadership work.

- We see **leadership results**. The more long-term the goals were and the more social goals they include compared to technically measurable aspects, the harder it is to attribute them to the leadership performance.

The sum of the leadership structures followed by a group of people or a society is called culture.

Culture is the sum of the leadership structures followed.

Culture is the summarization of the rules of conduct and guardrails that steer behavior and are shared and followed by this group of people, and that form the boundaries for the life and possible behavioral patterns of all individuals living in this group. **Culture is therefore the result of leadership.** However, our culture is not the result of one individual leadership performance, but of many millions of smaller leadership activities that, over time, have created the structures in which we act today. Our culture is not the result of a single master plan that was successfully implemented by one leader. Instead, the leadership actions and leadership structures grew and accumulated over time or were overturned or developed further by other leadership actions. Of course, leaders want to create culture (i.e., to leave behind leadership structures that guide people's behavior as they intended), even if it is evident how uncertain the outcome of such an undertaking is and how little certainty there is as a leader that you yourself are actually the decisive element.

Leaders create culture through the leadership structures they leave behind.

This gives rise to an essential point that we will pick up for discussion in Chap. 2 under the perspective of charisma as an important basis for leadership success in general.

- ▶ If you want to lead, the first thing you need to do is begin positively (with courage and hope), despite the uncertainty and predefined structures. You must believe that you can achieve your goals in spite of any incertitude. You need to be convinced that it is possible to generate results and establish new leadership structures, and you need to have the self-confidence that you can do it. No new leadership begins without this basic precondition.

In this sense, the “Yes we can” campaign slogan of U.S. President Barack Obama represents the leader's firm confidence in being able to shape the future through his own leadership performance.

1.3 Leadership and Goals

At first glance, it appears to be an obvious truth that leadership always requires a goal, as you need to lead somewhere after all.

Leadership is not conceivable without goals.

However, it is worth taking a moment to reflect on which conclusions this leads to. Imagine you see a manager who is obviously trying very hard to persuade an employee to take on an unappealing task. We see the manager presenting arguments, trying to sell the task, etc. Is this behavior leadership behavior? Your initial impulse would be to say: “Yes!” But what makes you so sure? “Well,” you might answer, “we seem to be looking at a very goal-oriented and intentional influence in a hierarchical context.” That’s how your answer could sound if you used our definitions from the start of this chapter. But how exactly do you know that this influence is intentional and goal-oriented? Strictly speaking, you don’t actually know that! You can’t even see the goal that the manager is aiming for. You conclude it from his or her leadership action. You conclude from his or her action that the manager is obviously pursuing the goal of triggering a very specific behavior in the employee.

- ▶ A certain action can only be reliably interpreted as a leadership action if we assume it has goals.

When observing leadership actions, we always need to assume that there are goals in order to understand our observations. We only ever see behavior. We don’t actually see whether this behavior is directed toward a goal, we conclude it.

We can only assume or conclude that there are goals, we can never observe them.

The key question now is what we use as the basis to conclude that a particular behavior is actually goal-oriented. Think back to our example above with the manager intently presenting his or her arguments. Let’s compare this situation with a situation in which another manager appears to be talking aimlessly with an employee about a possible new task. The employee’s discontent and reaction neither appear to bother the manager much nor to intensify the manager’s efforts. In this second example, you might be considerably less certain that you are currently observing leadership action. You base this differentiation on the **exertion and the desire to overcome adversity** that you see. When we see a leader who wants to achieve a specific effect with great energy and exertion, then we conclude that this action is intentionally directed toward a specific goal.

We conclude leadership action from the apparent exertion and desire to overcome adversity.

This means that leadership action takes place if two conditions are in place:

- The leader assumes that the goal he or she hopes to attain will not be achieved on its own and therefore requires leadership action.
- This leadership action requires a certain amount of exertion and the desire to overcome adversity. That means that leaders would not automatically act in such a way (e.g., as in the above scene in which the manager was in an animated discussion), rather that they produce this extra exertion even though they may actually feel compelled to do otherwise. The greater the exertion and the desire to overcome adversity, that is to say the more a leader must ignore other internal needs (e.g., the need for peace, enjoyment of life, comfort), the stronger the commitment to the goal that the leader is striving for seems to be.

Leadership from the Perspective of Self-Leadership

This insight also applies when you observe leadership from the perspective of *self-leadership*. At first glance it seems illogical to speak of leadership occurring within a person. Neuroscientists would perhaps argue that with the concept of self-leadership, it is difficult from a neurobiological perspective to discern who leads whom, as ultimately there is only one brain. Nevertheless, we wish to counter this argument from the following viewpoint:

Self-leadership means committing yourself to goals and pursuing them.

As humans, we are able to set goals for ourselves and commit ourselves to these goals. We experience leadership performance with regard to ourselves when exertion and the desire to overcome adversity are necessary to achieve these goals. If certain goals seem to attract us almost magnetically, then attaining these goals has not involved leadership performance. With this argument we would like to criticize leadership theories based exclusively on motivation and positive emotional reinforcement. Pragmatically, we can understand motivation as a positive emotional compulsion to act. Positive motivation allows us to head for a certain goal driven by inclination, so to speak. It gets interesting though when people deviate from such a purely inclination-driven lifestyle and set themselves goals that require them to ignore many other needs within themselves and possibly even demand inhuman exertion.

Certain actions cannot be explained though motivation alone.

Someone who dies in a revolution for the ideal of freedom has had to overcome any number of their typical biological urges (that ultimately all strive for self-preservation). There must be an authority in us that allows us to commit to a goal, even if the path to achieving it is strewn with many demotivating and unenjoyable obstacles.

We call this authority **our will**. Our will is the deciding force that enables us to set and commit to a goal and to exert ourselves to pursue this goal, even if the path leads us through many emotionally unenjoyable trials. Our inner life—with its fear, uncertainty, comfort, and tendency toward desire, with its sexual drive, hunger, and need to connect with others—often doesn't care about the goals we have. Self-conquest, strength of character, and willpower only make sense as attributes of human activity if we assume that it is possible for our will to pursue goals independently of our emotional life.

Our will ensures exertion in unenjoyable circumstances.

(continued)

Successful self-leadership therefore consists in intentionally setting oneself a goal, committing to this goal, and producing the exertion necessary to achieve the goal, even if this may contradict one's inner emotional life. In this sense hedonists, who are ultimately only interested in gaining the maximum possible enjoyment from the moment, cannot be successful leaders of themselves.

Hedonists cannot lead themselves or others successfully.

What applies to self-leadership (see also Excursus "Leadership from the Perspective of Self-Leadership") also applies to leadership in a hierarchical social context. First and foremost, every leader needs to be committed to a goal that is determined and intended for him or her. We can never see this goal itself. However, we see leadership action, and in this leadership action we may also see the desire to overcome adversity and exertion. We conclude the extent and absoluteness with which leaders have committed to their own goals from the extent of the exertion that we perceive.

The stronger the commitment to a goal, the greater the willingness to exert oneself.

- ▶ As such, the understanding of leadership described here only makes sense if we permit will as an authority within us. We need to recognize that we as humans are not controlled exclusively by emotions and urges, but that we are able to commit to goals even when the exertion involved in pursuing these goals forces us to act against our other needs and urges.

We humans have a will that differentiates us from purely urge-driven beings.

1.4 Leading and Being Led: Difficulties in the Leadership Process

In clarifying once more what leadership as a process is, we discern the following process steps on the part of the leader:

1. **Formation of will.** Anyone wishing to lead needs an intention and a goal. This was demonstrated in detail in the last section. The first part of the leadership process is therefore the formation of will.
2. **Identification of the followers.** In the next step, leaders need to identify the people they expect to follow them; that is to say the target persons or objects of their leadership action. The meaning of leadership lies in pooling individual strengths. As such, in the next step the leader will identify the persons who promise the most effective and meaningful pooling of individual strengths.
3. **The leadership action.** In the third step we can observe how a leader exercises influence on the people selected above.

The leadership process on the part of the leader.

This process can be described in a similar manner on the part of followers. There are three process steps from a follower's perspective, too:

1. **Seeking out the situational context.** The initial condition for followers is that they place themselves in a context in which leadership plays a role. This is done, for example, by signing an employment contract with a company and thereby subjecting themselves to the hierarchical organization of this company. In a certain sense, they acknowledge through the context that they are open to being led.
2. **Orientation to the leader.** In the next step, followers must orient themselves to the leader. This means they must be open to receiving the leader's wishes and in a position to hear or understand the leader's statements as requests or demands. We will see later on that the topic of *trust* is the most important characteristic in asking ourselves how well this orientation to the leader succeeds.
3. **Assumption of the foreign will.** In the third step, followers must be prepared to make the goals outlined by the leader their own goals, and to commit to them. Once the followers have assumed the initially foreign will of the leader as their own goals, the leader can trust the followers to also produce the same exertion and desire to overcome adversity required to achieve the goals (which, as shown in the previous section, can sometimes be contrary to one's own emotional life).

The leadership process on the part of followers.

Difficulties can occur on the part of followers in each of these three process steps, which can cause the leadership attempt to be unsuccessful and prevent the direction the leader is striving for:

1. **Fundamental rejection of contexts in which "being led" takes place.** The first basic condition on the part of followers consists in the acceptance of or basic openness to being led. There are some people, though, who straight-out refuse to place themselves in a context in which they are led. These people will either remain eternal rebels against anything that smacks of power or hierarchy, or they become hermits and withdraw in a sense from all larger social contexts.

Anyone completely rejecting leadership remains a rebel or a hermit.

2. **Insufficient orientation to the specific leadership personality.** The second problem can lie in a lack of orientation to a leader. This problem occurs if someone is unable to accept being led by a specific person. This is not necessarily associated with a rejection of being led in itself, rather it may be that someone simply does not accept leadership from a certain person (e.g., because this person is not trusted). In this case, people are generally able to be led, but only by those who succeed in winning their trust.

Someone who rejects a specific leader is not fundamentally unable to be led.

- 3. Resistance to the specific will of the leader.** The third problem is when resistance arises to a specific will or a particular goal of a leader. In this case, followers generally accept being led by their leader but do not accept the leader's will in a specific case and express opposition to the requested goals.

A person who rejects a specific goal does not necessarily withdraw acceptance of the leader.

We encounter all three problems in day-to-day management. If you have management experience, then you can probably think of examples of all three of the problems described straight off. In Chap. 3 we will discuss how these objections can be dealt with. In this chapter we will deal with management strategies in the narrower sense.

1.5 On the Formation of Leadership Goals

Looking back at the three elements of the leadership process from the perspective of a leader, at this point the first step—the formation of will—is of particular interest. The interesting question in this connection is how a leader comes up with goals in the first place.

Where do a leader's goals come from?

Goals as initially unreal future targets are not yet perceptible to the senses but are only imagined ideals, expectations in our imagination. In a very strict sense, a goal is really only a feeling.

Goals cannot be experienced with the senses but are only intellectual ideals in our imagination.

It is likely that only humans are able to set themselves long-term goals and to fight to achieve them through their own willpower. But where do these goals, which companies like to call *vision*—something that underlines their imaginary character—come from? If we look closely, we see that the source of these goals can be both disappointment and optimism. Goals that arise from disappointment aim to overcome a present or past deficiency. Goals that originate from optimism emerge from the desire to repeat something experienced as good or desirable. In concrete terms, this means that the source of goals is either our desire to have something that we could not have before or cannot have now, or to repeat something that we remember as good and desirable. The huge efforts the USA needed to make to successfully fly to the moon are ultimately attributable to the vision of making the USA truly unique in the world. The vision of the lunar expedition was therefore born of the country's fear of losing its unique position in the world.

Goals arise from disappointment or optimism.

Leaders who set themselves specific goals will therefore formulate future expectations that are either born of an experience of deficiency, or of the wish to repeat something positive they have experienced. Both the experience of deficiency and the wish to repeat something good can relate to the leader personally (“I want to get rich”) or, in the other extreme, can include the whole of humanity (“I want to eradicate poverty”). What is more, the process of goal formation in a leader always has an intuitive, or we could even say ethical, component. Goals can only be normative.

Goals are always ethical and normative.

Science or empiricism cannot tell us what we as humans ought to strive for. Goals are normative and not descriptive. The first step in the formation of will, then, creates a conception of the future that contains a promise. To get the leadership process underway, a second step is necessary: The leader also needs to believe that the goal is attainable. Without the self-confidence of believing that it is possible to realize one’s own goals and one’s own will, the leadership process cannot get off the ground.

Leadership requires belief in the attainability of goals.

- Ultimately, all of our future visions are merely a continuation of the past. We cannot reinvent what is beautiful or good. We can only illustrate it anew and give it new content. True visions are related to the past either as a repetition of the past or a breakaway from it.

All visions are ultimately related to the past.

If the goals you have set for yourself and that represent your normative conception of the future are only relevant to you yourself and can only be achieved through your own exertions, then the idea of what we described as self-leadership begins. You produce the exertion and desire to overcome adversity necessary to head for your goals. However, there are goals that can ultimately only be achieved through other people, through their cooperation, and the pooling of their strengths. If the goals you have set for yourself require the involvement of other people, then the conditions for leadership are in place.

If goals require the pooling of strengths, the conditions for leadership are in place.

In a complex social environment most goals require the pooling of other people’s strengths. Leadership is therefore in each and every one of us. At the very least, leadership is in us when we take the initiative to move away from pure hedonism toward goals we have chosen for ourselves and we commit ourselves to future promises that we consider worthy of the exertion. Yet in each of us there are also goals that we can only achieve by pooling the strengths of other people.

Regardless of whether you are formally active as a leader in a company, another organization, or politics, you will also experience leadership challenges in many other social contexts. Leadership is in each and every one of us.

Leadership is in each and every one of us.

1.6 Leadership as a Condition for a Self-Determined Life

In the previous sections we have seen that we are definitely “directed living beings”. Partly of our own free will, we put ourselves in social contexts in which we are open to being led and in which we readily submit ourselves to a foreign will. In trying to avoid such social contexts, we are still led.

We are always led, at the very minimum by our culture and our internalized values.

We are led by culture, which, in its entirety, is the sum of the established leadership structures and steers our behavior by way of many kinds of norms, rules, and values. We are also led in a more fundamental manner though. We also follow internalized leadership that we have acquired during our lives through the behavioral structures that have arisen in us as the result of our upbringing by parents, teachers, or other influential people in our childhood and youth. As humans we are directed and led and we cannot escape this state.

We cannot escape being led.

When we tackle the topic of leadership, however, then we usually do so through other motivations. Leaders do not concern themselves with leadership to find that they as people are led and directed. They broach the topic in order to discover how better to make the transition from being a directed to a directing being.

Those interested in leadership wish to transform from directed to directing persons.

- ▶ The greater our abilities to make other people bend to our will and commit to our goals, the greater the tasks that we trust ourselves to take on can be. The minimal goal is a self-determined life directed at our own goals. However, the greater goal of many leaders is to strengthen their own skills so they are able to lead others better, more efficiently, and more successfully, and to conquer ever greater leadership challenges. Great tasks turn leaders into heroes.

History provides many different examples of leaders who have caused catastrophes and devastation in the world. That said, it also holds many examples of leaders who have managed to master immense challenges and achieve goals that hardly anyone other than the leaders themselves was prepared to believe in initially.

The greater the goals and tasks, the more leadership strength is necessary.

1.7 Leadership and Leadership Challenges

What defines a leadership challenge? Which difficulties need to be overcome in order to grow as a leader and succeed in achieving ever greater goals? In all there are six different aspects here that characterize the magnitude of leadership tasks:

- **The magnitude of the problem or threat.** The first important aspect that determines the magnitude of leadership challenges is the problem or threat that must be overcome. A problem or threat is great if the followers' capability of overcoming this threat is not obvious or self-evident. The less trust followers have in themselves to overcome the problem or the less evidence there appears to be of the necessary skills, the greater the challenge for the leader. The leader then has to rouse and realize the followers' as yet unrealized potential.

The greater the threat, the greater the leadership challenge.

- **Denial of the need for change.** A second aspect that determines the magnitude of a leadership challenge is that occasionally followers see no need for change. In this case, the leader needs to make clear which threats could present themselves or which positive goals will have to be foregone if no changes are made. The greater the insistence on maintaining the status quo and the smaller the willingness to change, the greater the leadership performance needs to be.

The stronger the denial of the need for action, the greater the leadership challenge.

- **Cooperation with "difficult" followers.** Followers with difficult personality traits make leadership more complicated. Difficult personality traits in followers can make reactions harder to predict, followers' behavior more incalculable and harder to influence, and increase the probability of resistance to the leader. The magnitude of a leadership challenge is also measured by how well the leader manages to commit difficult people in particular to the common goal and to integrate them into the pooling of joint strengths.

The more difficult the personality of followers, the greater the leadership challenge.

- **The scale of the dynamics and conflicts between followers.** The more intense and conflict-ridden the dynamics between followers are, the greater the challenge for the leader. The greater the conflicts between followers, the more obviously difficult it is to join together in pursuit of a common goal and to achieve a constructive and cooperative pooling of common strengths. The magnitude of a leadership challenge for a leader is also measured by the amount of potential conflict that needs to be dealt with among the leader's own following.

The more conflicts there are in a group, the greater the leadership challenge.

- **Difficulties in communication.** Ultimately, leaders are only able to bend people to their will if they succeed in communicating their goals and expectations for the followers clearly and comprehensibly. The more difficulties in comprehension there are due to language, educational level, differences in experience, or

other communicative barriers (e.g., simply too little contact between the leader and followers), the greater the leadership challenge.

The more difficulties in comprehension between the leader and followers, the greater the leadership challenge.

- **Traditional or dysfunctional leadership structures.** Earlier in this chapter we argued that leaders mostly perform their leadership actions within the framework of predefined leadership structures. Sometimes though the challenge lies precisely in overcoming predefined leadership structures and replacing them with new ones. In matters both large and small, this can be understood as an evolution, sometimes even as a revolution or paradigm shift. The more leaders have to destroy traditional leadership structures and replace them with new ones in order to achieve their goals, and the less they are able to use established leadership structures as the path to their goal, the greater the leadership challenge is for them.

The more dysfunctional the leadership structures, the greater the leadership challenge.

In setting out to broaden our leadership skills, we want to successfully overcome ever more of the challenges described here and ever greater ones. We want to use our freedom to transform ourselves from directed people to people who direct others. We want to be in a position to orient ourselves and others toward goals we have selected ourselves. Exaggerating somewhat, we could say that our development as people moves us away from being a reflexive amoeba (a purely stimulus-response-driven being) to living a self-determined life of freedom through leadership. The matter of leadership skills is therefore fundamental to our lives. The core question that needs to be answered once we have tackled the topic of leadership is: How can we increase our freedom in the social environment?

Those who want to lead want to increase their freedom in the social environment.

Freedom is understood here as the positive or action-oriented side of power. As a follower you generally experience power as a limitation of your own freedom. If someone else has power over you, then he or she limits your freedom. In a positive sense we experience power as freedom; that is, as the ability to act autonomously and with self-determination.

- ▶ Literature that is critical of leadership is often characterized by an assumption that the pursuit of power involves pathological traits. We do not share this conclusion. First and foremost, the pursuit of power is tantamount to the pursuit of freedom, autonomy, and self-determination. We would rather describe the opposite, that is to say the pursuit of powerlessness and submission, as pathological.

We are directed in any case by internalized leadership, culture, or the fact that we cannot escape placing ourselves in hierarchical social contexts. Wanting to make the transition from a person who is directed to a person who directs is not a pathological process, but rather a perfectly normal urge in our lives that actually has biological roots, as we will discuss in the next section.

Wanting to direct is a normal urge in our lives.

Whether what we achieve as directors is good for the world is ultimately measured by a different question. The question is not whether leadership itself is something good or bad (leadership as such is neither good nor bad, it simply exists). The ethical problem is measured by two other questions, namely, which goals we are aiming for and how far we would go in achieving these goals. These two questions have immense ethical implications that we need to take a stand on. The fact that we wish to attain goals that can only be achieved by influencing others is in itself neither pathological, nor good or bad.

Leadership becomes good or bad through the goals one pursues and the means one uses to achieve them.

1.8 Why Does Leadership Exist?

Life has given us an incredibly powerful mechanism in the form of leadership, so it stands to reason that we should ask why such a fundamental mechanism even exists. Evidently it must be advantageous to organize ourselves into hierarchical relationships. Herein lies the very meaning of leadership. We humans are able to reflect on the meaning of leadership. Ultimately, we can even make a conscious decision on which of life's tasks we approach hierarchically and which ones we may need to tackle in partnership and on an equal footing. In attempting to understand the meaning of leadership, we hit upon three major advantages that open up a hierarchical form of cooperation:

Hierarchical relationships need to have an advantage.

1.8.1 Reducing Complexity

One of the most important advantages offered by a hierarchical form of cooperation consists in reducing complexity. The more complex a task is, the more efficiently it can be tackled if we break it down hierarchically. If you as a businessperson set out to build a computer, the process generally works as follows: Right at the top you need the ultimate decision-making instance, which has a vision of which features the computer should have. Then begins the hierarchical breakdown into sub-tasks among the different specialist areas and hierarchies of the company. Step-by-step, though, the work results are escalated again, rated as sufficient or insufficient, and improved upon. Finally, the new product is born as an ultimate representation of the leader (at Apple, for example, the iPad is strongly linked with former CEO, Steve Jobs. The tablet computer represents him, although it is of course the result of countless smaller acts of leadership). Complex tasks such as building a computer can only be effectively realized in a hierarchical way. Leadership is the only successful means of pooling the thousands of individual strengths that worked on the overall result.

Very complex tasks require a hierarchical organization.

1.8.2 Decision-Making Speed

The second major advantage of hierarchically organized groups is the speed of decision-making in threatening situations. In a hierarchy, an immensely fast reaction by a large number of beings is able to take place in such a coordinated way that threats (or sometimes opportunities that would pose a threat if not used) can be responded to. With us humans, for example, this leads to the fact that such organizations in which security-relevant aspects play a major role always tend to organize themselves hierarchically. The army and police are only successful if the leaders in these organizations can trust that orders will be followed quickly and unconditionally in cases of doubt.

Hierarchy ensures that decisions are made quickly.

1.8.3 Competence

The third advantage is competence. One major aspect of potential in forming hierarchies lies in the ability to place people with special skills in the right positions in the organization. People who have the highest potential to make the right decisions or to instruct and train others as a result of their skills can multiply their performance capabilities in a leadership role. In hierarchies that function well, top performers can be identified and their skills made useable by moving them to the positions with the greatest potential for multiplication.

Hierarchy simplifies the multiplication and transfer of competence.

- It is by no means the case that the benefit described above was generated as the result of a conscious decision. No fundamental decision to form hierarchies was made in the history of human culture. Hierarchies have always formed all over the place, in every culture and in every era. Culture itself is the result of leadership.

If you want to gain a more fundamental understanding of the causes of leadership, it helps to take a look at evolution or biology, as leadership is not a purely human phenomenon. Leadership also exists in the animal kingdom.

Leadership also exists in the animal kingdom.

Leadership is particularly manifest in animals that either hunt together in a pack or seek protection from threat together in a herd. What benefits does a hierarchical organization create for a pack animal? Three beneficial aspects are relevant here:

- **Rearing young.** More complex creatures whose young are not precocial rear, protect, and teach their young. Occasionally this even takes the form of a division of labor (e.g., in dolphins, whose young are actually grouped into a type of school in order to free up resources for hunting among the other animals). The more helpless a new-born animal is, the longer and more intensive the parental care and instruction required from one or both of the parents are.

- **Coordination when hunting and faced with threats.** Hunting and, in some cases, averting threats can be complex tasks for pack animals, requiring a coordinated approach. Sometimes decisions need to be made quickly that the entire pack needs to follow with a swift response.
- **Identifying the strongest animals.** The question of who leads in a pack is generally determined by the principle of strength. Occasionally real battles for dominance are necessary, while sometimes symbolic acts are sufficient. Naturally it makes sense to place the strongest at the head of a pack, as this animal brings the pack or the herd the greatest benefit. Often this also leads to a feeding order. It goes without saying that the strongest animals and the leaders help themselves to food first and the weakest animals have to make do with what’s left. This assures the pack that the most important key animals for the survival of the pack as a whole are always well fed.

Pack animals draw benefits from hierarchy.

There’s one thing you may already have noticed while reading: The benefit aspects that we described for hierarchy in human interaction are absolutely identical to the biological principles that evolution has given us. Rearing young decisively reduces complexity in order to give autonomous beings inner structures in a complex world. The internalized or learned structures also allow more complex animals to orient themselves in life. They learn from their parents how to hunt prey, which foodstuffs they should eat and which they should avoid, how to behave in the pack, and other things. This type of upbringing makes the world increasingly manageable and clearer. Coordination when hunting and faced with threats is equivalent in us humans to decision-making speed. The mechanism is regarded in the same way.

Identifying dominant animals in a hierarchy through battles for alpha status and the subsequent feeding order is analogous to the abovementioned competence topic with us humans. Even the subject of feeding order has a certain analogy—companies or organizations always pay their top performers and managers somewhat better than those who follow them.

The meaning of leadership is very similar in humans and in the animal world.

- ▶ The fact that leadership exists is not a cultural achievement by humans. On the contrary—our culture is the result of the fact that evolution and our biology have given us such a powerful tool that enables us to perform great tasks and achievements.

1.9 The “Sculpture” of Leadership

To close the first chapter, we would like once more to give you a brief overview of the logic and structure of this book. In analyzing the phenomenon of leadership we do not feel tied to any one school of thought, but instead take a holistic approach.

Leadership is portrayed holistically in this book.

Metaphorically speaking, the topic of leadership for us is a sculpture rather than a painting. The difference between a painting and a sculpture is that you can never look at a sculpture from all angles at the same time. Depending on which perspective you look at the sculpture from, you always see something different. Each perspective is in itself true, though, and gives us insights into understanding the sculpture. Those who wish to view only one side of the sculpture for ideological reasons are robbing themselves of understanding it as a whole. With a painting, things are different. Here you need only one perspective in order to see the complete truth of the painting. In its complexity, leadership is more of a sculpture than a painting.

Leadership is a sculpture and not a painting.

In the following chapters we will look at the sculpture of leadership from very different angles. We will look at it in Chap. 2 from the stance of the leader's personality and examine which personality traits of a leader influence followers in which way. In this connection, we will discuss in greater detail the subject of charisma as a description of particularly exceptional leadership experiences. In Chap. 3 we will deal with the question of which practical leadership strategies can be used and how they should be adjusted to the personality of the followers. In considering this, we introduce the three fundamental leadership strengths of power, meaning, and motivation. In Chap. 4 we will turn our attention to the problem that leadership does not take place in a vacuum, but is always embedded in specific situations (e.g., challenges and crises). We will discuss the situation's influence on the formation of leadership and leadership performance. Chapter 5 will deal with the topic of goals in leadership. Leadership is not conceivable without goals, as you need to lead in a particular direction. We will demonstrate which types of goals can cause real leadership strength to unfold. Chapter 6 is dedicated to the fact that leadership does not always have only a direct personal impact, but also creates structures that steer behavior. We will look here at how leaders create structures and culture, and also how these can be changed. In Chap. 7 we will consider leadership from the perspective of conflict. Leadership is also successful conflict management insofar as a group acting in complete harmony with itself and the outside world requires only little leadership. As such, a need for leadership also arises through conflicts. In Chap. 8 we will discuss the subject of leadership communication. We will look not only at superficial communication phenomena, but will investigate the implied and less apparent processes particularly closely. Chapters 2, 3, 4, 5, 6, 7, and 8 therefore look at different sides of the sculpture of leadership and leadership competence. Many leadership theories only focus on individual aspects. Even in typical leadership qualification (e.g., in many management training courses), leadership is often only looked at from the perspective of leadership communication and conflict management. However, we believe that only a holistic consideration of the sculpture of leadership creates new insights and is able to open our eyes to the perspectives that we have as yet been unable to reach using our own intuition.

Leadership is often only considered from the perspective of communication and conflict management.

Chapters 9, 10, and 11 are of a somewhat different character than the previous chapters. Chapter 9 describes the phenomenon of power and obtaining power, and therefore looks at the topic of leadership from a kind of meta perspective. In Chap. 10 we turn our attention to the typical psychological disorders to which leaders are particularly susceptible. However, we also demonstrate that there is no justification for generally branding the pursuit of leadership and power as pathological. In the final chapter of the book (Chap. 10) we deal with ethical dilemmas in leadership. Leaders with a lot of power intervene strongly in the lives of other people and their actions are therefore immediately judged from a moral standpoint. We show what it should look like to deal responsibly with power.

Leadership, Personality, and Charisma: How to Generate Leadership Strength Through Confidence and Trust

2

In the previous chapter, we explained that leadership is a universal phenomenon that occurs wherever strengths need to be pooled in order to achieve goals that are beyond the reach of individuals. The phenomenon of leadership can be observed among humans and animals alike, in every culture and throughout history. The history of humankind is related first and foremost on the basis of great leaders. The success of our own lives is highly dependent on both successful self-leadership and the question of whether we are led by able and successful leaders.

The history of humankind is related on the basis of great leaders.

People have long given thought to why certain people become successful leadership personalities while others fail, and why some succeed in actually assuming leadership while others just don't manage to pool strengths usefully. Historians, sociologists, anthropologists, and psychologists have dealt with the phenomenon of leadership from a historical, cultural, sociological, or psychological perspective. In the first chapter we showed why leadership even exists. In this second chapter we will deal primarily with the question of how the ability to lead develops in certain people and how certain people manage significantly better than others to get people to follow them. In this chapter we will look particularly closely at the personality-oriented perspective.

Which characteristics turn people into leaders?

We will therefore ask which characteristics turn people into leaders. At first glance we appear to be bound by the Great Man theory, an early psychological theory explaining leadership, which mostly draws on leaders' personality traits to justify their leadership performance. This Great Man theory has been heavily criticized during the course of psychological history. Many other explanatory models have been developed that endeavored to explain the topic of leadership as a product of situation, of given conditions, historical constraints, or peculiarities of the people being led, etc. We by no means deny that these other aspects are influencing factors—all different standpoints on leadership have their own specific explanatory

merit, which we will look at in greater detail during the course of the book. But to claim that personality is ultimately not an important determinant in forming leadership strength is basically throwing the baby out with the bathwater.

Leadership success is not to be understood as independent from the leader's personality.

Not just anyone could have become Jesus, Buddha, Fidel Castro, or John F. Kennedy. This by no means refutes the fact that these people acted within a very special historical frame of reference that left room for a very particular type of leadership. But it is also true that this space could not have been filled by just anybody.

In this book, we begin with the personality-oriented side of leadership because understanding leadership competence as a personality trait is, in practice, intuitively the most dominant element of explanation. Despite all the criticism of the Great Man theory, there are certain people we see in day-to-day life and in the working environment who we consider capable of much greater leadership performance than others. When we analyze leadership in action, we cannot disassociate this action from the leadership personality we are observing. That's why we want to turn our attention first of all to the question of which personal preconditions allow people to become leadership personalities.

Personality is intuitively the most dominant element of explanation for successful leadership.

2.1 The Leadership Attribute of *Charisma*

The term *charisma* can be a difficult one to tackle. In thinking about charisma, we discover the following ambivalence: Many leaders would like to be charismatic and, for practical reasons alone, are interested in improving their charisma. On the other hand, many people consider charisma to be somehow mystical, making it irrational, or perhaps even unethical, as charisma seems to be associated with the art of seduction and delusion. That being said, virtually no one will deny that at the point when leaders become heroes by virtue of the greatness of their tasks, most of them can be described as charismatic.

For many people, charisma is somehow mystical and irrational.

The German writer Werner Fletcher penned the following reaction to charisma:

Charisma is a dazzling bouquet of mendacity, illusions, and delusions, the flowers of which exude synthetic excesses intended to fog the senses so as to cover the sweaty stench of primitive animal bestiality. (Fletcher, 2005)¹ (Supplied by the translator.)

¹Fletcher, Werner. *Fletcher's zynisches Wörterbuch oder Zaungarstige Gedanken*. Wolfgang Hager.

This statement is likely best understood in the knowledge that the Germany of last century had unquestionably had catastrophic experiences of charismatic leadership. With this in mind, we would like to preface our discussion of charisma as follows: Charisma in itself is neither good nor bad. It is pretty much beyond dispute that the phenomenon exists of great leaders who are responsible for significant acts (be they catastrophes or advancements for mankind). So there is no sense in criticizing the mechanism of charisma itself. We will examine and discuss the conditions under which charismatic leadership can do something positive for the world in greater detail in Chap. 11 on the topic of leadership ethics.

Bad experiences with charismatic leadership.

So far we've talked about charisma without more accurately defining the term itself. The following definition probably most closely approximates the everyday understanding of charisma: charisma describes the aura and experience of great leadership personalities or the exceptional experience of leadership.

Charisma describes the exceptional experience of leadership.

Charismatic leaders seem to possess a very particular power that enables them to make other people feel they are part of a special and great act of leadership or an important movement. Many leaders appear charismatic, particularly from a historical perspective. If we look at the attributes ascribed to historical leaders who are said to be charismatic, we often notice the following points: mercy, belief, wisdom, speaking in tongues, healing, fulfillment, meaning, vision, and prophecy. It is likely that these terms will put you in mind of great founders of religion, and maybe wise kings.

Historically, charisma puts us in mind of founders of religion, wise kings, or heroes.

Perhaps you also think of heroic rebels and revolutionaries. The mystical and inexplicable part of charisma appears particularly strong in these terms. However, it is now very important that we make a clear distinction between the following two aspects: Charisma itself describes not only cognitive experiences and effects, but also emotional ones. In this respect, the effect of charisma on followers is definitely irrational in part. Yet this does not mean that the way in which charisma actually works is irrational and eludes all attempts at explanation. How exactly charismatic leaders succeed in achieving irrational effects and how exactly the relationship structure between charismatic leaders and their followers works can most definitely be explained rationally.

Charisma has irrational effects but can definitely be analyzed rationally.

- ▶ We can gain a very precise and rational picture of why certain leaders are perceived as charismatic and others are not. We can explain how charisma develops and which path charismatic leaders take in their own psychological development. We can see why some of them are successful in their endeavors while others fail.

We can demonstrate (Sect. 2.6.2) how to work on developing one's own charisma. Charisma is not God-given. Take the world of politics, for instance. Look at long-term career politicians and you'll probably see people who have become more charismatic over time, while others have ended up as quite tragic figures. So there is a way to cultivate charisma.

Charisma can grow and develop.

2.2 The Rational and Irrational Side of Leadership

In the first chapter we demonstrated that one of the basic conditions for leadership is that the leader must pursue a goal requiring exertion and the desire to overcome adversity, and requiring the leader to pool the strengths of his or her followers to attain this goal. The more successful this pooling of strengths, the more likely it is that large goals will be attained. If we look at the process of leadership from a psychological perspective, we see the following: If you start out as a leader with a very specific goal, you perceive yourself as having a rational plan. You can name a desired condition in the future that you pursue through joint efforts.

Leaders perceive themselves as having a rational plan with their goals.

This certainly does not mean that the phase of setting goals by the leader needs to be a rational process. Which goals you pursue depends mostly on your own psychodynamics. The process of setting goals is always intuitive—it is not possible to determine what is to be pursued analytically. As soon as the goal is fixed, though, it has a rational quality. Incidentally, this rational quality of goals is not decided by whether you are pursuing something good or bad—that is an ethical question. Whether you are pursuing egoistic and personal goals or goals for the common good or for other people does not make a goal any more rational or irrational. As soon as the goal has been set, the rational or functional side of leadership consists in achieving this goal. This is most likely easiest to understand when looking at large organizations. Here, the major goal of the organization (in commercial enterprises, for example, it is profit) is generally broken down into many small goals that the various managers in the company have to achieve. The question of whether it is good or bad to make profit does not need to be discussed within the system of the market economy.

Setting individual goals is always intuitive, not analytical.

Managers in a commercial enterprise now have the task of achieving their sub-goals so that the overall goal can be attained. The different managers in the company therefore have a function. Their function is to pool the employees' strengths with a view to attaining the goal. This is a very rational task that can be clearly described. As a manager you can have the functional goal of reducing costs by 10 % in your area. This sub-goal may be purposeful, logical, and comprehensible

in the meaning of the overall goals achieved. With this in mind, you are pursuing a rational goal. That is the functional side of leadership.

Managers in a company have a function, which helps to determine their goals.

In practice, however, the following happens: **You have the rational goal in front of you** and you also have the function of achieving this goal. **As soon as you announce this goal, however, you trigger an emotional reaction among the followers.** The moment your goal assumes a meaning for the followers, this emotional reaction is unavoidable. The emotional significance of this goal can, of course, concern the exertion and desire to overcome adversity that are perceived to be necessary. However, it can also concern the actual goal that you wish to reveal to or ask of your followers. The emotional reactions can vary greatly. Naturally there can be goals that rouse enthusiasm or euphoria as an emotional reaction. Certain goals generate joy and passion. Other goals (or the same goal with other followers) may incite fear, rage, disappointment, sadness, hatred, or despondency—just look at people’s different reactions to the goals that politicians announce in political debate. Even if you as a leader have rationalized the goal to yourself, you cannot avoid receiving an emotional reaction to it from others.

Rational goals lead to emotional reactions.

Visualize this mechanism in your mind’s eye and it immediately becomes clear what the critical leadership challenge is from a personality perspective.

- ▶ As a leader, you will be able to achieve the maximum pooling of strengths to reach your goals if you manage to channel and use the emotions these goals arouse so that they create the power to attain the goals together.

You won’t succeed at this with your rational goal alone. If you only define yourself rationally, you will always come up against followers in whom you will be unable to rouse the maximum motivation. Without using and processing the emotional reactions to a specific goal in a useful manner, there will always be unused potential, and at worst crippling objection.

Leadership success originates from the successful integration of the emotional reaction.

Basic conditions for leadership success:

- In order to be successful as a leader, you first of all need a goal (we could also call it a message, an offering of meaning, a promise, a hope).
- When you confront the people you lead with this goal, you need to deal successfully with the emotions it gives rise to.

This makes it clear that there is no sense in playing off either the rational or the emotional side of leadership against the other. Leadership needs both. You need a rational element (otherwise there is no sense) and you need the ability to unite the emotional strength and the emotional reaction of your followers so that the effort required to achieve the goal can be provided successfully. We call this process charisma.

Charisma unites the emotional reactions of followers for the purpose of achieving the goal.

- ▶ First and foremost, we see charisma as the ability to convey meaningfulness in the communicated goals and to successfully bundle and use the emotional reactions.

Charisma therefore relates to emotional—or irrational—processes. If you have ever had to organize a difficult change process in an organization and deal with the many fears thrown at you, this will no doubt sound very familiar. The process of how you deal as successfully (or let's say as charismatically) as possible with these emotions is not an irrational process in itself, however. As we will see later, it can be described in very clear and precise psychological terms. With this in mind, let us provide a more accurate definition of charisma.

Dealing successfully with emotions can be described in clear psychological terms.

Leadership always has a functional and an irrational side—that much we have established. As a charismatic leader, you convey through your goals that it makes sense to follow you. This takes care of the functional side. At the same time, you generate an emotional state among your followers that makes the required exertion for achieving the goals likely. You see right away that we cannot reject charisma in this understanding. Great goals need the emotional willingness of the followers and they need leaders who succeed in productively handling the fears, objections, and disappointments along the way to achieving the goal. Those who don't want there to be leaders who are in a position to do this reject the phenomenon of leadership as a whole (which, because of the interconnection between leadership and culture described in the first chapter, is not possible if we want humanity to dedicate itself to great goals). Or in other words:

Great goals need charisma because they cause intense emotions.

- ▶ We cannot reject charisma if we want great leadership to take place. We can only support or reject goals that are pursued by charismatic people.

2.3 Charisma and Biology

In the previous chapter we drew certain parallels between leadership in the animal kingdom and leadership as a human phenomenon. These parallels continue through the topic of charisma. Leadership needs to offer meaning and a goal, as well as a good strategy in dealing with the emotional reactions that are generated. In the animal kingdom, the functional or meaningful side of leadership is not consciously experienced. The pack leader cannot make the “sense” of its leadership clear as such or communicate its goals. In the animal kingdom, the sense of leadership is ultimately anchored in evolutionary strengths.

The meaningful side of leadership is not experienced in the animal kingdom.

The functional side is present and describable for us humans, but is not consciously perceived by the individual animal. Pooling strengths when hunting or raising young are examples of the aspects of leadership in the animal kingdom that give meaning (which most definitely have their parallels among humans). If this functional aspect in the animal kingdom cannot be consciously experienced by the leader, then only the irrational, emotional (let's say charismatic) side of leadership remains in the animal kingdom. This side of charismatic leadership in the animal kingdom is **strength**. In the animal kingdom, an animal becomes the leader through physical strength and dominance. The more strength and dominance an animal conveys, the more likely it is that the other animals will submit. The charismatic animal must surround itself with an aura of strength that, where possible, deters potential challengers right from the start.

In the animal kingdom, charisma is physical strength and dominance.

The more strength a pack leader conveys, the more consistently it will be able to hold together a pack and ensure that the pack reacts in unison in dangerous situations (e.g., joint flight or fight). The functional side of leadership takes place unconsciously. In the animal kingdom there is only charisma.

2.4 Leadership and Fear: The Psychological Bases of Charisma

At first glance, *strength* certainly does seem to be connected in some way with charisma in humans too. In our species, however, it is somewhat more complex and nuanced than in the animal kingdom. If we take a look at the psychological causes of human leadership, we quickly come across a very fundamental emotion that is necessary in order to describe the act of leadership in humans. This emotion is **fear**. The dominant role that this emotion plays in the act of leadership becomes clear when we examine the following considerations: Why should people even let themselves be led in the first place? Why could people even be prepared to restrict their own freedom, relinquish autonomous decision-making capabilities, and endeavor to meet the demands of a leader? It must be of some psychological benefit to them.

People only allow themselves to be led if there is a psychological benefit.

You would not reduce your own freedoms as a person without reason. You would not place your trust in, let alone submit to, leadership if there were no need to do so. You would not call for leadership unnecessarily. What lies at the root of this is fear—the fear of being unable to achieve a particular promised goal through your own efforts. It is the fear of not attaining a certain goal that people feel if they were not prepared to submit to the leader who represents this goal. People allow themselves to be led by others who represent the hope and promise that the goal can be achieved under their leadership. Fear in this context doesn't necessarily mean an actual dread that manifests itself in palpitations and cold sweats. Fear is meant as a much more basic urge to act. Fear in this sense means the fear of not

achieving goals that could be achieved, not realizing potential that could be realized, not making the most of opportunities in life that you could make the most of, not experiencing passion and joy that could be experienced.

People are scared of not achieving certain promises.

As soon as a leader is able to represent that this fear can be eliminated or become irrelevant under his or her leadership, this generates the emotional readiness in others to allow themselves to be led. A person who is completely fearless in this sense would not actually be responsive to the irrational side of leadership or charisma, but could only be approached through sense and logic. Most people, however, are responsive to charisma if the charismatic leader embodies a successful defense against fear.

Fear generates the emotional readiness to allow oneself to be led.

Fear as a Trigger for Leadership in Humans

Let's break down our argumentation into a few day-to-day experiences, otherwise the word *fear* can seem too dramatic for the context of leadership:

- Instead of *fear* we could say the following in day-to-day language: If the leader does not solve problems and does not bring about any benefits for the followers (benefits can only be brought about if there is a lack of something, and this lack is described as fear in our description), there is little sense in following the leader.
- When you see a manager at work in an organization, you are not necessarily seeing charismatic human leadership that is based on removing fears. Think back to our starting discussion in the first chapter: We argued that it is sometimes the structure that leads. When structures are strong, less charisma is required to lead.

The successful mechanism of defending against fear is called trust. People follow leaders who they trust will be able, through their leadership, to render a certain fear insignificant, such as the fear of not reaching a goal or not being able to correct a deficit (see also Excursus “Fear as a Trigger for Leadership in Humans”).

People follow leaders who they trust.

There are two essential aspects of trust:

- **Integrity.** When people trust someone, the first influencing factor is the question of that person's integrity, that is to say honesty, humanism, and adherence to principles. They trust leaders who give the impression that they are not pursuing goals that are detrimental to the followers, and who announce their goals honestly. People allow these leaders to pursue their own parallel goals. However, these goals must not contradict the communicated goals if the leader wants to

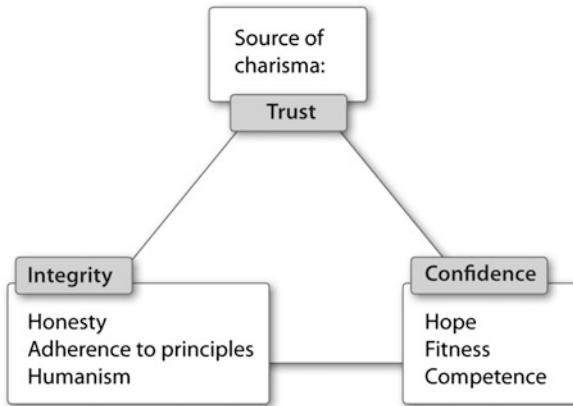


Fig. 2.1 Trust as a source of charisma

give the impression of integrity. If you are a sales manager trying hard to get your team to use the last of its reserves for a final successful push at the end of the year, the reasons you state will be in the interests of the company. Your employees will allow you this, even though you are also pursuing your own goal of optimizing your personal bonus at the same time. The goals are not contradictory, which means that they retain their integrity. The first dimension of trust is therefore integrity.

Integrity leads to trust.

- **Confidence.** The second dimension of trust is confidence (this dimension most closely corresponds to the strength we described as the charisma factor in the animal kingdom). People are prepared to follow leaders under whose leadership they are confident that the promised goal can be attained. If the leader does not seem competent or fit enough to provide leadership that will lead to the goal, then confidence and therefore trust are missing (Fig. 2.1).

Confidence leads to trust.

Charismatic leaders succeed in instilling the trust (and thus the confidence and perception of integrity) in their followers to follow their leadership.

- ▶ Charisma is the ability to inspire trust through suggestive power.

When faced with the question of whether you want to follow a particular leader, you intuitively ask yourself whether you trust the person, whether you are confident in their ability to attain the promised goals, and whether you consider them trustworthy and to have integrity!

Charisma is the generation of trust.

Examples of Trust as a Condition for the Willingness to Be Led

Let's look at some different situations in which you have the choice of which leader you want to follow and whether you want to follow. Our first subject is political election decisions. The more an election decision is a race between individual candidates rather than parties, the more thought you will give to the following two questions in considering who you want to vote for: Can I trust this politician? Is he or she being honest? Does he or she have the competence and strength to deliver his or her promise? In the end you will probably go for the politician who provided you with what you perceive to be the positive answer to these questions.

You elect politicians you trust.

Another example would be a difficult operation that you have to undergo. After consulting various doctors, here too you would perhaps obtain references or familiarize yourself with the operation methods. You would ask yourself the following questions: What experience does the surgeon have? What is his or her reputation? How successful has this type of operation been in the past? Ultimately you would choose the surgeon whom you most expect to perform the operation successfully and whom you consider to be honest and trustworthy.

You choose doctors who you are confident will provide successful treatment.

When it comes down to it, both cases concern reducing fear: In the first example this is fear of the future, which can be lessened by trusting a politician who gives you the most hope for the future and seems to have the best ability to solve problems. The second example concerns fear of the difficult operation failing and of possible complications if it is performed badly. In such situations we see the charismatic mechanism at work. Ultimately, the mechanism that allows you to let yourself be led is the reduction of fear.

You only surrender your own freedoms and trust certain decisions and procedures to other people if you gain a psychological or emotional benefit from doing so. You would not willingly reduce your own freedom to make decisions for a leader under whose leadership you felt things would be worse than they are now. In this case, you would only submit under force, but would never voluntarily contribute to the purpose offered by this leader (see also Excursus "Integrity or Confidence: What Takes Priority in Case of Doubt?").

Leadership must provide an emotional benefit.

Fear is the key mechanism for charisma.

Integrity or Confidence: What Takes Priority in Case of Doubt?

We have already said that trust works along two poles: integrity and confidence. Now we can ask ourselves which of these two mechanisms is

ultimately more important. If the leaders available do not cover both poles sufficiently, causing people to decide between them, who do people follow? Do they follow the honest, humanistic leader with integrity who just doesn't convey the fitness a captain needs to take to the helm and weather the rough storms expected ahead? Or do people follow the strong leader, even if they doubt the purity of this leader's motives?

Do people tend to follow strong leaders or ones with integrity?

Even if the answer may not seem particularly pleasing, people will usually follow the second option in case of doubt. The greater the crisis is out of which a vigorous leader needs to lead the followers or the greater the fear of the followers, the stronger this mechanism is. Conveying confidence is the primary factor in successfully reducing fear. This makes it easier to explain many events in world history. In crisis situations, inspiring confidence is more important for charisma than conveying integrity. It's precisely this mechanism that has helped many unethical leaders into positions of responsibility.

In crisis situations in particular, strength is more important than integrity.

If we take a closer look at this key psychological mechanism of leadership, the Great Man theory mentioned at the beginning of this chapter can now be reconciled with situational approaches to leadership. Charismatic leaders both past and present possess the same ability to act as a projection surface for fears. All charismatic leaders have successfully conveyed that under their leadership, followers can have the confidence to achieve things that help to overcome or render irrelevant their own angsts. But these fears have differed widely throughout world history. Two thousand years ago, Judaism was characterized by an apocalyptic atmosphere and suppression. At that time, the message of Jesus, with its promise of salvation in the afterlife and brotherly love as the principle of coexistence, had the ability to remove fear on an immense scale. This great charismatic ability was the basis on which the Catholic Church—one of the most resilient organizations in world history—was built.

Personality approaches and situational leadership models are not contradictory.

In an atmosphere brimming with nationalism and anti-Semitism and dominated by broken delusions of grandeur, the seemingly unfair Treaty of Versailles, and terrible fears for the future resulting from the economic crisis, even a man such as Adolf Hitler, who, with hindsight, cut quite a strange figure in terms of personality, was able to unfold charismatic power. He was able to successfully pool the fears he came across for his own goals. Looking at this extreme comparison, it becomes clear how culturally dependent and time-dependent the topic of charisma is. Leaders who seem charismatic due to the fears they have removed today may no longer seem so tomorrow. When it comes to charismatic leaders of the past, we are only able to

grasp how these people so successfully managed to remove fears from a historical perspective, as it is barely possible to do so from our own experience. Charisma is not a personality trait in and of itself, but is rather a relationship phenomenon.

Charisma is only to be understood as a relationship phenomenon.

- ▶ Charisma is relative. It always develops relative to the time, culture, history, and collective psyche of the followers. Charismatic leaders are able, using something akin to the lock-and-key principle in biology, to sell themselves as saviors from precisely the fears that plague their followers at the given time and in the given situation.

It is understandable, then, why the search for the personality traits that characterize successful leaders (or successful charismatic leaders) has remained largely unsuccessful. The only thing that charismatic leaders really have in common is their ability to remove their followers' fears. Otherwise, all we need to do is to take a look at the different character profiles of the many leaders who are making changes in the world right now to see how few personality traits there are that characterize all leaders. However, the ability to generate trust through suggestive power is the same for all major leaders. Charisma is therefore the only common attribute that unites the list of requirements for leaders. All other requirements are more context-dependent. As we have seen, even the content of charisma itself is dependent on context (e.g., dependent on the historical situation). The way in which it works, however, is not (removing fear). Of course, this argument does not mean that charisma is not dependent on the personality of a leader. Our message is that the personality traits of a leader, the personality traits of the followers, and the context must fit together in a particular way so that a charismatic leadership relationship can be created.

The power to remove others' fears is the deciding personality trait for great leadership performance.

There is another term that is worth introducing to the discussion at this point. This is the concept of **authority**. People who convey the confidence that their leadership can be trusted in a particular area are often referred to as an *authority*. In humans then, authority is the equivalent of strength and dominance in the animal kingdom. It can be considered one of the cultural achievements of humankind that leadership has been disassociated from purely physical dominance. In order to be charismatic, it is not sufficient for us humans to simply behave dominantly. And we have to offer a purpose for which we stand. We also have to exude the authority to realize our goals. That's why humans can also accept leaders who are not dominant in the animal sense. Authority can certainly be conveyed through competence, too. Indeed, many great human cultural achievements can only be explained by the fact that there were leaders who not only showed dominance, but who were also able to convey meaningful plans for the future through their authority or suggestive power and exuded the ability to realize these plans together with their followers.

Authority is not created by dominance alone, but also through competence and endowing plans with meaning.

2.5 The Psychological Bases of the Leadership Relationship

In the previous section we explained that successfully removing others' fears is the basis of charisma. We described the difference between the actual dread experienced and fear as a fundamental motivational mechanism. So far, this description is still somewhat unspecific. In order to gain a deeper understanding of the interaction in a charismatic relationship, we need a more precise understanding of the powers that drive us psychologically and determine our lives (see also Riemann, 2009). If we want to understand the role that fear plays in our lives, we need to develop an understanding of which fundamental psychological powers determine our lives.

Which psychological powers drive our lives?

- ▶ There are generally two major questions we need to find answers to in our lives:
 - What stance do we take in relation to other people and relationships? Which powers determine our social coexistence?
 - How do we find our identity over time? How do we find our identity in a changing world?

These two questions are elemental dimensions that determine our lives. We need to find a stance in our lives to take in encountering other people. We need to take a stance on what we want our place in the world to be, and in a world that is constantly changing. It is not as though we consciously provide answers to these questions. We do not make a basic rational decision on how we stand on these two questions. It is more the case that our characters, experiences, childhood, upbringing, and probably also our genes interact in a complex way to determine our answers.

We are characterized by experiences and genes.

There are two possible answers to each of these questions.

What stance do we take in relation to other people and relationships?

The first question implies that we need to take a stance in our lives on how we relate to other people and, more fundamentally, to the character of our relationships. The two possible answers to these questions are marked by two opposite poles. On one hand, the response can suggest that we seek close relationships with other people and are therefore looking for closeness and involvement in relationships. The other answer signifies the exact opposite: we may also want to distinguish ourselves from others and instead seek individuality and autonomy.

We seek closeness or distinction.

As you can already see, the answer to these questions is not a decision in the narrow sense of the word, but is to be understood instead as a fundamental force, namely the force that pushes us toward other people or causes us to distance ourselves from others. Let's call the first force **relationship orientation** and the second force **autonomy orientation**. Relationship-oriented people seek closeness

and security. They are team-oriented, open to others, willing to trust, and enjoy openness and being with other people.

Relationship-oriented people seek closeness.

Autonomy-oriented people do not want to lose themselves in relationships with others, but seek their uniqueness in distinction. In this sense, autonomy-oriented people are more competitive than team-oriented, more individualistic than collectivistic, and strive to stand out from the crowd and attain status as being special. Nevertheless, other people play an important role for autonomy-oriented people, as it is others who serve as a constant standard of comparison that they themselves are in a position to be special.

Autonomy-oriented people seek distinction.

Of course, most people have a certain measure of both these forces within them. Many people experience contexts in which they desire closeness and security, and other contexts in which they want distinction. Nevertheless, one of the two sides dominates in many people. This dominant side often comes to the fore in conflicts. If you look at the people around you, you will no doubt be able to say whether someone's internal compass in shaping relationships points to individuality, distinction, and competition, or to involvement in the community. There are also people who are characterized to the extreme by one of these two poles. They are then unable to distinguish themselves from others or incapable of forming relationships. We will look more closely at these pathological extremes in Chap. 10.

Our orientation comes to the fore particularly clearly in conflicts.

These two orientations can also be understood as fears. The force that pushes us in one direction can just as well be understood as a fear that causes us to flee from the other possibility. As such, relationship-oriented people are characterized by a fear of loneliness and isolation. Autonomy-oriented people are characterized by the fear of losing individuality and specialness, and of getting lost in the crowd. Sometimes you can feel the fundamental or life-determining force of this fear at work in people who invest an incredible amount of energy in being liked and accepted by others, and in feeling as though they belong to a team. Yet you can also sense the extent of this fear when you see the energy that different people put into making themselves the center of attention and underlining their own superiority at every opportunity that presents itself. When you see what an effect these behavioral tendencies have on determining lives and how strongly they dictate cooperation, partnership, upbringing, and a person's role in a community, then you can appreciate just how fundamental these two contrasting tendencies actually are.

Both orientations can also be understood as fears.

You should be able to identify a tendency within yourself: What is more important to you on principle? Close, open, trusting relationships, sharing common ground, being on an equal footing with others, a feeling of belonging, positive feedback, altruism? Or is it more important to you to set yourself apart, be different,

achieve more, live more individually, and clearly distinguish yourself from people you don't consider to be on the same footing as you?

You can also identify the basic tendencies in yourself.

How do we find our identity?

The second fundamental question concerns our identity in a changing world. We can also answer this question with two antagonistic poles. The first response is to create a structure of calculability, predictability, and controllability for oneself in a changing world. This pole is called balance orientation. Balance-oriented people seek rules, regularity, predictability, and structure. The antagonistic force is stimulation orientation. We could describe the maxim of stimulation-oriented people thus: If the world is constantly changing, I want to experience this change to the full. Stimulation-oriented people seek novelty and change and are characterized by adventurousness and curiosity.

Our identity in a changing world.

The forces on which these orientations are based can also be described as fear. In a sense, balance-oriented people are scared of uncertainty, vagueness, spontaneity, and therefore freedom. This fear is eliminated by creating rules, control mechanisms, and an island of predictability.

Balance orientation is fear of uncertainty.

Stimulation-oriented people on the other hand experience fear of conformity and certainty. The worst that could happen in life would be to have missed something important or great. Their fear is of being tied down, being restricted, and the impossibility of freedom and spontaneity.

Stimulation orientation is the fear of restriction.

You can find clear evidence of just how huge and life-altering these fears can be for people of this orientation in your own environment. Perhaps there are people around you who noticeably suffer when there is a lack of regularity in their lives, when sudden or surprising events require flexibility, or when things do not develop as planned. Yet perhaps there are also people around you who really suffer from having to tie themselves down, be it to a life partner, a way of living, or merely an obligation. These people suffer whenever they have the impression of having to close a door in their life that can then no longer be opened.

To demonstrate these four typical basic forces or basic forms of fear more clearly, we outline below some ideal-typical reactions to an everyday question ("How was your last vacation?"). These examples are clearly exaggerated, but they characterize well the basic angle from which people interpret the world according to their own orientation (Fig. 2.2).

These four forces are probably a little clearer to you now. Table 2.1 summarizes the most important attributes of each of the four orientations.

Of course, we can relate these four orientations directly to the topic of leadership. If you hold selection interviews with applicants for leadership positions,

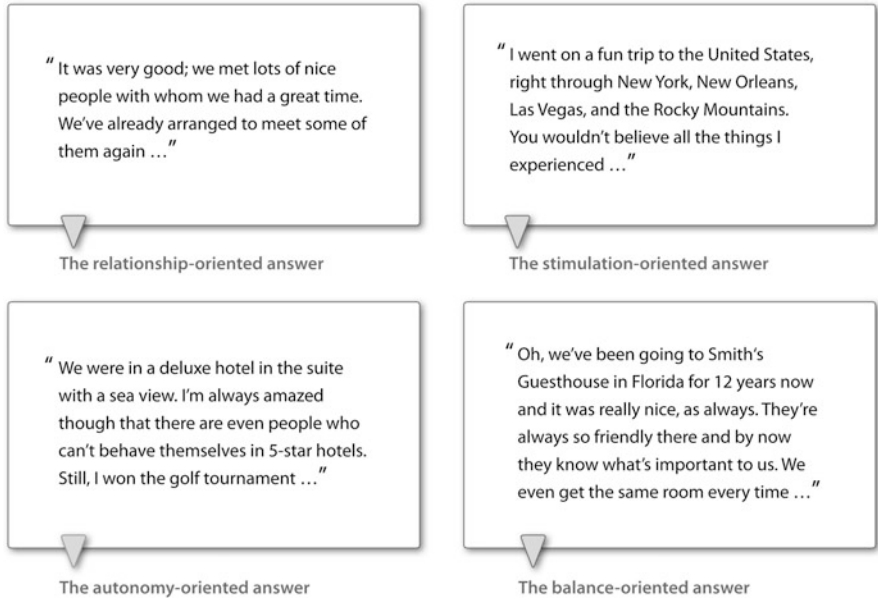


Fig. 2.2 Examples of the four different orientations based on a question about a person’s last vacation

Table 2.1 Attributes of the four orientations

The power of relationships	
Relationship orientation (fear of loneliness and being alone)	<p>When this orientation is very strong it pushes people to ...</p> <ul style="list-style-type: none"> ... seek closeness to others ... seek a task that enables them to do something meaningful for and support others ... approach others with a great readiness for empathy and openness ... attach themselves emotionally to others and be tolerant of their faults ... tend toward approaching others in an altruistic, peaceable, and modest way ... prefer moral and humanistic behavior ... suffer when faced with distance and rejection ... strive for a harmonious atmosphere in cooperation ... be unwilling to criticize others
Autonomy orientation (fear of a lack of individuality and meaning)	<p>When this orientation is very strong it pushes people to ...</p> <ul style="list-style-type: none"> ... seek admiration and recognition ... place importance on extraordinariness and individuality ... focus on the differences between themselves and others ... convey strong self-assurance ... avoid dependence on others

(continued)

Table 2.1 (continued)

The power of relationships	<ul style="list-style-type: none"> ... distance themselves emotionally ... approach others with criticism and skepticism ... handle conflicts without experiencing any significant personal burden ... feel themselves to be in competition with others in many situations
Identity in a changing world	
Balance orientation (fear of uncertainty and disorientation)	<p>When this orientation is very strong it pushes people to ...</p> <ul style="list-style-type: none"> ... seek order and security ... complete tasks with conscientiousness, thoroughness, and perseverance ... seek constancy ... establish fixed habits ... deal with risks carefully ... act dependably, reliably, and conscientiously ... insist that rules are obeyed and to punish deviations from the rules ... consistently control other people
Stimulation orientation (fear of conformity and certainty)	<p>When this orientation is very strong it pushes people to ...</p> <ul style="list-style-type: none"> ... avoid committing themselves and keep many options open ... deal flexibly and spontaneously with different situations ... leave the past behind them and try new things ... take risks ... approach new topics and challenges with curiosity and fantasy ... end relationships and start new ones if they offer potential for new experiences ... seek stimulation and adventure

for example, you will quickly recognize their basic tendency when you ask what their leadership motivation is. The four answers in Fig. 2.3 are not literal answers, but idealized statements that lie behind the literal response.

You can recognize the basic orientations in applicants.

The following point is also important in understanding these four general tendencies: With these four tendencies, we are not necessarily describing competencies, but forces or motivations. For example, it may be easier for autonomy-oriented leaders to make decisions that are unpopular among followers than it is for relationship-oriented leaders. However, this does not mean that the latter are incapable of doing so. Ultimately they may suffer more and may struggle with themselves, but they can execute unpopular decisions in a practical sense



Fig. 2.3 Different leadership motivations that are connected with the four orientations

similarly to autonomy-oriented leaders. For autonomy-oriented leaders though, making unpopular decisions is much more about self-affirmation and striving for responsibility than for relationship-oriented leaders. Let it be clear that we are describing motivations (or fears), but not competencies (in the sense of skills).

The four basic orientations are motivations but not necessarily skills.

Note also that we have always spoken of four different orientations or forces, but not necessarily four personality types. Both axes are present in all of us. For example, we often see people who are both autonomy-oriented and stimulation-oriented. These people are autonomy-oriented in shaping relationships, but stimulation-oriented in how they experience the world.

All orientations are at work in every one of us.

- ▶ The two orientations are polar but not exclusively so. All four orientations are inherent in part within every person, but with a different priority and to varying degrees. We always see the dominant characteristic most clearly in conflicts. Ask yourself how you typically react in conflicts: distancing and dominant, or more yielding and sad? Rule-oriented and principled, or more impulsive and situational? Your personality reveals itself most clearly in conflicts.

2.5.1 The Charismatic Relationship Contract

When we introduced the four fundamental forces or motivations in the previous section, we gave some examples which apply to different persons with these tendencies. If we want to understand the charismatic relationship contract, we now have to look at these different basic fears from the perspective of the followers.

The charismatic relationship contract is made between fear and the ability to remove others' fear.

We argued that charisma develops when a leader is able to successfully remove others' fears. In the next step, we then learned about the four major fears that determine our lives. From the perspective of these four fears, leaders who are suitable as a projection surface for these fears are perceived as charismatic. This is the basis for the relationship contract between the leader and the followers. This implied relationship contract is outlined more clearly in Table 2.2 for the four primal fears described.

The better suited you are as a leader to acting as a projection surface for these fears, the stronger the charismatic relationship contract. The challenge lies in being equally charismatic for each of the different orientations. If you as a leader stand for structure, stability, and order, and presumably for conservative values, then strongly stimulation-oriented people may not find you so charismatic. However, if you are very revolutionary, visionary, open, and willing to change, then highly balance-oriented people who seek structure will probably not find you to be the projection surface that they need for their fears. Your own charismatic potential is even greater the more of these fears you can remove, or in other words the more flexible you are in reaching out to different people where they are most receptive, despite your own preferences and characteristics.

The more different fears a leader can remove, the greater the charisma.

The more clearly you are able to show relationship-oriented people that they can find closeness and security with you, while also giving autonomy-oriented people the strong feeling that they are something special, the greater your charismatic potential. The more clearly you can show as a leader that your leadership can be trusted because you create stability and order, while also conveying that it is possible to reach new horizons under your leadership, the greater your charismatic potential. The more confidence you create that under your leadership there is no longer any need to harbor the fears described, the greater your charismatic potential. This description makes it clear once again why charisma is not a personality trait in itself, but is always a relationship phenomenon. A person only becomes charismatic in the eyes of his or her followers and never for his or her own sake.

A person can only be charismatic in the eyes of others, never for oneself alone.

If we look back at what charismatic leaders have achieved, it is clear to see how the relationship contracts described here have been shaped (see also "Examples of charismatic leaders' ability to remove others' fears"). We often use politicians,

Table 2.2 The implied relationship contract

Fear or force	The relationship contract between the charismatic leader and the followers
Relationship orientation: fear of loneliness and being alone	<p>Highly relationship-oriented people experience people as charismatic who convey to them involvement in a community, who give them familial feelings or team spirit, closeness and security. The unspoken relationship contract can be characterized as follows:</p> <p>Leader: “Under my leadership you will join a group you can feel at home in. You will be surrounded by people who support and value you, and work together with you to achieve our goals. If you let me lead you, you will be part of a big family”</p> <p>Followers: “We follow you because we are no longer lonely under your leadership, because we know we are secure in a group under your leadership, and because you work to make us feel at home in the team and ensure we are there for each other”</p>
Autonomy orientation: fear of losing individuality and importance	<p>Autonomy-oriented people experience leaders as charismatic who strengthen their feeling of standing out, give them the impression they are very special, and are contributing to something very special. The unspoken relationship contract can be characterized as follows:</p> <p>Leader: “If you follow me, you will be able to successfully develop your special skills and talents. If you follow me, you will be given special tasks that will allow you to prove what you are capable of. You will have the opportunity to do extraordinary things and to develop faster and better than many others”</p> <p>Followers: “We follow you because you give us the self-confidence to be special and under your leadership we have the impression that we are rightly admired and valued by others. Under your leadership we feel that our individuality is appreciated as it should be”</p>
Balance orientation: fear of uncertainty and disorientation	<p>Balance-oriented people find leaders charismatic who give them a sense of security, calculability, and predictability. The unspoken relationship contract can be characterized as follows:</p> <p>Leader: “Under my leadership you will experience stability and order. With me, you will feel safe in an unsettled world. I create clarity and rules that give you orientation, and protect you from insecurity and uncertainty. You can rely on me”</p> <p>Followers: “We follow you because you bring order to the world for us and give us directness and clarity. You clear up ambivalences and uncertainties for us and we see a structure we can stick to. To us, you are the constant and the stability that gives us long-term orientation”</p>

(continued)

Table 2.2 (continued)

Fear or force	The relationship contract between the charismatic leader and the followers
Stimulation orientation: fear of conformity and certainty	<p>Stimulation-oriented people experience a leader as charismatic who can promise them exciting new horizons, learning opportunities, adventure, and experiences. The unspoken relationship contract can be characterized as follows:</p> <p>Leader: “Under my leadership you can reach new horizons. We can reinvent things and change a lot in the world. We free ourselves from restrictions and guardrails and trust our creative power”</p> <p>Followers: “We follow you because it makes our life more intense. We follow you because we can experience a lot of exciting new things, because we have important and visionary plans, and because we shake off the fetters of the present”</p>

statesmen, or even founders of religions in the examples given because every reader knows them and has an idea of the general circumstances of their situations. However, this charismatic effect is by no means restricted to great statesmen; the mechanism we have described here is in fact present in virtually every leadership relationship.

There are charismatic processes in virtually all leadership relationships.

Examples of Charismatic Leaders’ Ability to Remove Others’ Fears

To clarify things, let’s look now at a very negative example of charisma, as charismatic influence—as unpleasant as it may be—is also evident in terrible tyrants and dictators. We have already mentioned Adolf Hitler by way of example. Let’s take ourselves back to Germany at that time in history: The First World War had been lost and the German people lived with a peace they considered to be unjust. The economic crisis destroyed property and prospects. At that time, Adolf Hitler’s messages appealed almost perfectly to the four fears we have described. The great significance of the *Volksgemeinschaft*, a German concept meaning the “people’s community”, and the many relationship offerings associated with it (the Hitler Youth was just one of many organizations that the National Socialists founded) gave relationship-oriented and lonely people a new sense of belonging and a new home. The belief in the superiority of the German race and the German race’s entitlement to rule over others gave autonomy-oriented people who were frustrated and dejected by losing the war the opportunity to feel that they were something special again. It was possible for Germans to have confidence in themselves once more. In the chaos of the post-war years and the economic crisis, Hitler created a structure

(continued)

that restored a belief in stability, law, and order to balance-oriented people. For stimulation-oriented people, Hitler upheld the great vision of the Thousand-Year Reich, a complete turnaround of the previous circumstances and the hope of new horizons in the aftermath of the First World War. Looking at his goals then, Hitler's ideology was very skillfully put together. Ultimately, that's the only reason it was able to work its seduction. The many internal contradictions, the racial theories that were even nonsense in view of the scientific background of the time, the mendacity and falsification of history in the Jewish question were ultimately unable to do enough to counter the psychological effect of his message and prevent the path to catastrophe.

Now let's look at Konrad Adenauer as a positive example of someone who shaped relationships charismatically. When Konrad Adenauer became the first German Chancellor after the end of the Second World War and the occupation period, he offered people the following: ultimately he saved relationship-oriented people from too much disgrace and shame and from feeling that they had to break with being German. Through his own moral integrity during the Nazi period and the understated way he dealt with past events, relationship-oriented people were able to slowly reconcile themselves to their German nationality in a positive sense. Konrad Adenauer managed to enable people who suffered from being despised as Germans to quickly gain a new sense of home and belonging. For the autonomy-oriented, Konrad Adenauer and his Minister of Economics and successor, Ludwig Erhard, offered the opportunities of the *Wirtschaftswunder* or German economic miracle. Germany had been given a new sphere of activity in which people could prove their superior ability and competitiveness. The *Wirtschaftswunder* was the perfect antidote to the fear of meaninglessness and created a self-reinforcing mechanism of unimagined energy. For balance-oriented people, Konrad Adenauer represented enough conservatism to create a new Germany based on conservative values. Constancy and provinciality were clear characteristics of the Adenauer government and the break with certain structures of the Nazi era was definitely not as thorough in all of Germany's organizations as some social powers would have wished with hindsight. Adenauer's campaign slogan: "No experiments" clearly demonstrates how he catered to the fears of the balance-oriented. However, for the stimulation-oriented there were also plenty of areas of activity and changes in the new Germany of the post-war period. Adenauer succeeded in balancing the achievements of pushing forward Germany's integration with the West, strengthening its relationship with the USA, and making several fundamental breaks with the Nazi past in terms of democratic values and—as already mentioned—economic freedom, thereby creating a future vision of a Germany in which people could live in freedom and prosperity, and which would bring no further catastrophes on the world. This promise contained enough new horizons and goals that were able to develop sufficient power to remove the fears of stimulation-oriented people despite any provinciality and conservatism.

2.5.2 Unresponsiveness to Charisma

We have demonstrated that charisma is an interaction between the leader and followers that uses the mechanism of fear and removing fears. Of course, this interaction is only possible if the followers actually experience fear. As such, there are two basic reasons why certain people cannot be led charismatically: the first reason would be that they are people whose lives are predominantly free from fear. No one is completely fearless, which means that there are also gradual differences here. The fewer fears you have, the less likely you are to enter into charismatic relationships as a follower. In this case, you would primarily consider the functional side of leadership. You would assess a leader's meaningful goals more strongly from a rational perspective. Ultimately, however, the meaning offered by a leader still needs to fit to a psychological need in this case. Being completely without fear (or drive) is not possible. It is simply a question of the extent of this fear.

Without fear there is no place for charismatic leadership.

There is, however, a second and much more serious mechanism that makes people unresponsive to charisma or, in extreme cases, unleadable. We have said that charisma is the ability to generate trust through suggestive power. In followers, the minimum requirement for being able to follow a leader is the ability to trust other people. Without the ability to trust, people will never trust a leader and thereby reduce their own degrees of freedom. One reason why people lose or never fully develop their ability to trust may be that they experienced abuse in early childhood.

Without the ability to trust, there is no charismatic relationship contract.

Such experiences can be so severe and drastic that these people are never able to give themselves over to others in relationships. Instead, such people often remain eternal rebels and skeptics who regard others with constant mistrust as a result of this experience. It is not unusual for leaders to find themselves faced with the problem that they are unable to create a relationship in which the other willingly follows, despite their best efforts. Every request made of the other person is in itself a struggle and a conflict that cannot be readily solved using the hierarchy.

Distrustful and skeptical people are difficult to lead.

- ▶ Not all people are as easy to lead as others, and with certain people the challenge of leading them is particularly tough. As a leader you need to establish trust and as a follower you need to be able to show trust.

2.6 Development of Charisma

2.6.1 Psychological Development Steps Along the Path to Becoming a Charismatic Leader

Charisma is—as we have just shown—not a personality trait and certainly not an innate attribute. Charisma is the ability to remove others' fears through one's own strengths, but the personality aspects required to develop it differ historically and depending on the leadership context. In sects, different types are perceived as charismatic than in commercial enterprises. The terse statement “you've either got it or you haven't” doesn't do justice to the complexities of reality when it comes to the question of developing charisma. Charismatic leaders undergo a history of development that generally makes it easy to understand why they are then at some point able to form charismatic relationships. Below we attempt to trace and make sense of the typical psychological development process.

Charisma is not simply innate, but has an individual history of development.

Our model of explanation is based on the conception of man in depth psychology. Depth psychology coined the term *psychic energy*, which is of central importance to our explanation. Depth psychology postulates that the action of every single one of us is driven by a psychic energy source. This psychic energy gives us the strength necessary to act and to take on tasks requiring exertion and the desire to overcome adversity. You have already learned, for example, that leadership always requires exertion and the desire to overcome adversity.

So where does this psychic energy come from that drives us to do things? What feeds people's drive to want to change something in their life or the world?

Which energy sources drive people to produce special exertion?

What is the decisive urge that appears to push certain people to superhuman efforts and causes them to put off many other needs? And a question that is particularly relevant to us: Which energy source causes people to develop into charismatic leaders who advocate their goals with enthusiasm and dedication, deal pugnaciously with their opponents, and can create enthusiasm for great goals? Even at as early a stage as choosing the goal, it is apparent that the process is not completely rational. Some people develop charisma simply because they want to get rich as businesspeople. Other people want to eliminate suffering and poverty in the world or use their charisma for the environment, for political ideas, but also for visionary products. What makes people commit themselves to a very specific idea and muster the psychic energy to defend this idea in a charismatic way?

Choosing goals is not a rational process.

Depth psychology describes the cause of these exertions using the concept of *compensation*. People who exert themselves to achieve certain things are concerned with very personal compensation, compensation of *perceived inner deficiencies*. What does this mean exactly? Compensation means balancing out. As such, there

must be a disparity in one's own perceived psychological balance that requires balancing. This imbalance causes us to experience a strong malaise that we wish to balance out in order to feel better. As such, we make great efforts in order to restore our own psychological balance.

Great exertions are driven by the need for compensation.

- ▶ Superhuman efforts always indicate a strong need for compensation. We don't need to make an effort for something from which we cannot draw any benefits for our psychological balance.

To make the whole thing clearer: we release psychic energy when certain things appear tempting to us and worth striving for. If, for example, a woman puts a lot of energy into her career development, she is probably doing so because it rewards her to perceive herself as successful. If a man goes to South America as a missionary, he may do this because it gives him a good feeling to bring the Christian faith to other people. These two examples make it clear that urges can be very individual and that neither of the people in the above examples would decide differently *just because*. This means that the underlying psychic energy of each individual is so fundamental that special life events or life changes are required to invest our own energies in other challenges. The desire or need for compensation feeds our actions.

We cannot simply decide what is important to us.

So why is career in a commercial enterprise tempting to some and not to others? Let's look at it from the opposite perspective, from the side of compensation. From this standpoint, a non-career would be aversive. And because this is personally perceived as so terrible, we make extraordinary efforts to pursue a career. If a career were more inconsequential, then we would not expend much energy on it. The compensation here could lie in the fact that a person doesn't like to be one among many, that a person feels unappreciated and less valued if he or she cannot show his or her potential and skills, that the philosophy of hiding one's light under a bushel triggers inner panic. All these unpleasant, very personal thoughts can cause an individual to develop great energies to compensate this discomfort through strong efforts to achieve. For different people, the exact opposite may be true: great efforts make them feel uncomfortable and overwhelmed.

Pursuing a career can be better understood from the perspective of compensation.

For these people, career can mean too much responsibility. As such, their compensatory efforts could consist in joining a team in which they can immerse themselves and keep a low profile. For such persons, being the center of attention may be frightening. That's why such people make great efforts never to have to face such a situation and a superior's well-meaning suggestion of holding a presentation at the next meeting is firmly turned down.

Taking this basic observation as our foundation, the next step is to explain our model in the development of charisma.

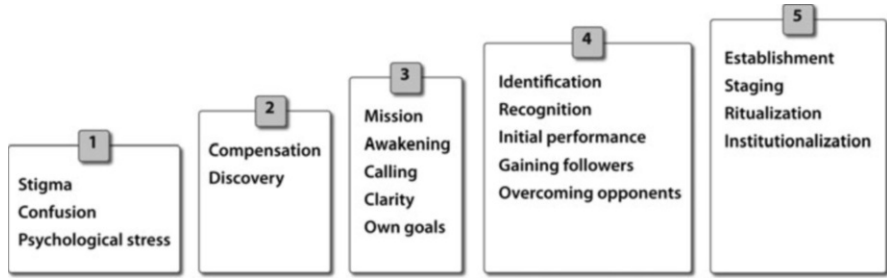


Fig. 2.4 The five stages in the development of a charismatic leader

Figure 2.4 shows the five stages through which people develop into charismatic leaders. These stages are explained briefly below:

- 1. Stigma, confusion, psychological stress.** The word stigma is of Greek and Latin origin and means *brand*. The slaves of the Greeks and Romans were branded to identify them as such. We use it here as a personal trauma or grievance that a person has suffered and would like to overcome. These traumas can originate, for example, from our personal history (difficult circumstances such as poverty, a troubled childhood, death, accidents, etc.) or from our own interpretation and reflection of this history (feelings of inferiority, fear of failure, etc.). These occurrences or self-reflections can be the strong drive in a person to want to overcome such traumas and ultimately make enormous efforts. As a result, the starting point for charisma is always a stigma (or stigmata).

The charismatic process begins with a wound.

- 2. Compensation, discovery.** Think back to what we said about compensation: A psychic energy, a perceived imbalance is always needed to generate power for exertions. This means that compensation strategies are required to shake off or at least balance out the stigma that threatens our self-worth. Often the first compensation strategies—in children, for example—are insufficient and do not immediately bring the desired success. Initially, these are often attack or flight strategies. If the stigma is a lack of recognition, for example, we can observe insufficient attempts (from an adult perspective) in children to attract attention. If the stigma is an experience of powerlessness (a person was unable to remove him or herself from a terrible situation), the first attempts at compensation by gaining control and having influence may seem helpless.

This phase, however, is where the beginnings of compensation strategies that are typical for the charismatic leader first manifest themselves. These approaches can be divided into four strategies, two of which are ideological or religious, and two of which are specific or historical:

The first compensation strategies are often not successful.

Sometimes even children exhibit the compensation strategies that can later produce charismatic potential.

- **Ascetic compensation.** The first ideological and religious compensation strategy is asceticism. Asceticism is a compensation strategy that relates to one's own conception of life. Subsequent charisma will generally come from the effect a person produces as a role model and from the consistency with which this way of life is practiced. Ascetic compensation focuses on body control, relinquishment, freedom from base needs, and accepting yourself for who you are.

Ascetics compensate through body control.

- **Ecstatic compensation.** We call the second ideological and religious compensation strategy ecstatic. Unlike the rationally dominated asceticism (the mind controls the body), ecstatic compensation is marked by very strong ideological or religious emotionality. In remaining imprisoned in the ideological and religious, the future ecstatic charismatic leader has more of a desire to pass on a conception for a good life rather than a direct interest in changing the real and concrete world.

Ecstatics compensate through emotionality.

- **Rebellious compensation.** The rebellious compensation strategy is the first of the two specific or historical compensation strategies. Rebels see themselves as the antithesis to the given circumstances and want to change them. While the two ideological or religious compensation strategies are aimed more at overall conceptions of life, the two specific or historical compensation strategies aim at solving real problems in the world and manifest themselves in response to a given cause.

Rebels compensate through fighting to change circumstances.

- **Exhibitionistic compensation.** Exhibitionistic compensation is also a specific or historical compensation strategy. It enthusiastically supports a specific goal in real the world, but not necessarily as a fight against another goal (this would be the rebellious strategy). This compensation is concerned with visions and new horizons.

Exhibitionists compensate through enthusiasm for new horizons.

Basically, we can say that it is possible to tell from the first compensation strategies whether the charisma of the person who later becomes a charismatic leader will unfold in the direction of a basic conception of life or more in relation to practical problem solving in the real world. The actual goal that these compensation strategies will pursue, however, will not become apparent until the next phase.

3. **Mission, awakening, and calling.** The third phase is the process of forming the overall goal. In place of an insufficient initial compensation, a larger goal begins to form, taking shape and growing stronger. Someone seeking recognition will take on a really big task that could promise admiration from others. The powerless person formulates the clear will to win power and influence in order to

be able to change the circumstances experienced as insufficient. It is in these phases that the goals are formed that are worthy of exertion and overcoming adversity. It is the phase in which charismatic leaders decide to put their energy into attaining a goal.

The first goals are formed.

- 4. Identification, recognition, initial performance.** In the next step, followers are gathered for this goal. The goal is announced with enthusiasm and initial successes emerge. Budding charismatic leaders experience an increased conviction of self-efficacy, that is to say the feeling that what they are striving for is attainable and that they will succeed in rousing enthusiasm in others. In addition to gaining followers, this phase also involves overcoming opponents.

Enthusiasm for the goals is roused in others.

- 5. Establishment, staging, ritualization, and institutionalization.** In this final phase of charismatic development, charismatic leaders must overcome their *Sturm und Drang* period. The charismatic leader has created structures (think back to the observations on leadership structures in Chap. 1) that can outlast their creator. The charismatic leader has established an organization that has its processes and rituals, that provides the backdrop for its own symbols, but in the end still represents its originator. And these structures that have been created are then the legacy of the charismatic leader and will continue to represent this one particular person, even if many other people also worked on them (a house represents the architect and not the people who built it).

Leadership structures are established.

There is one more important remark we need to make to close this chapter: Our examples and our choice of words may imply that we want to keep charisma as the preserve of great historical personalities. Yet we simply like to use these images because they illustrate the subject's content and messages so very clearly. In fact, we by no means consider charisma to be restricted to seemingly superhuman great leaders. In every company and in every organization there are leaders who have dedicated themselves to a message or a goal for which they can display charismatic power. This doesn't just apply to great historical things; it can also be the development of a team or a product or another minor or major success that changes the world just a little bit in the direction of one's own charismatic message.

Charisma is not only of significance to great and historical leaders.

2.6.2 How Can Leaders Develop Charisma?

In this section we will show you a kind of recipe for building charisma. This recipe combines the findings and dynamics that have been described in this chapter and formulates them in a way that can be translated into actions. To illustrate the

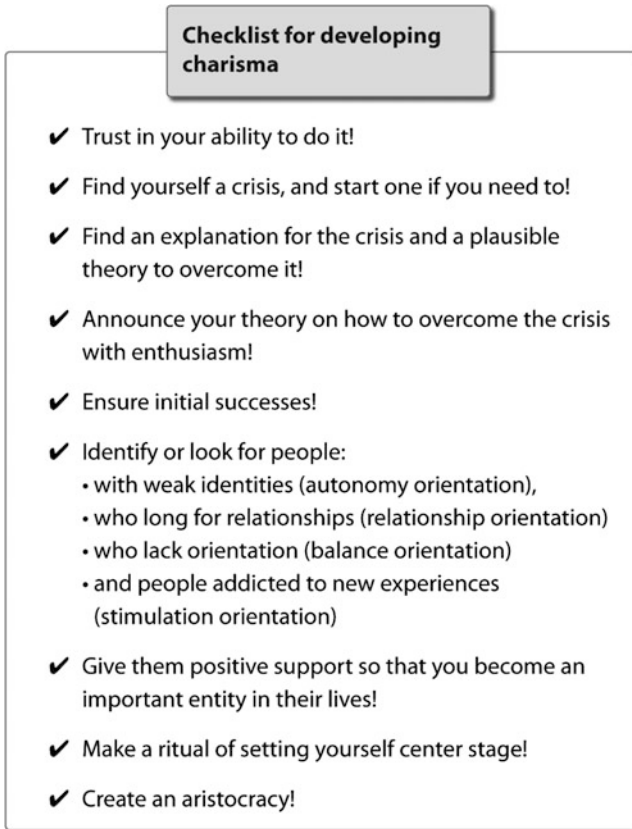


Fig. 2.5 Recipe for developing charisma

instructions for becoming a charismatic leader especially clearly, we have chosen a bold, even somewhat ironic depiction. This definitely makes our message very apparent. However, it certainly does not mean that we view the topic of charisma from a cynical perspective—the mechanisms summarized in this recipe are the central controls that you see at work when you observe leaders becoming charismatic (Fig. 2.5).

We explain this recipe for charisma briefly below:

- **Trust in your ability to do it!** The starting point for charisma is having the confidence in yourself that you can change something. A leadership process cannot begin without the positive conviction that other goals are possible (we refer back to the first chapter here). We have also seen that the psychological effect of leadership is based on reducing fear. It is therefore vital for the relationship contract with the people you lead that you can inspire the confidence

to achieve goals. You will be able to exude this confidence if you also have the confidence in yourself that you can make it.

Charisma requires self-confidence.

- **Find yourself a crisis, and if you can't find one, start one!** In Chap. 4 we will address the fact that only a crisis is a time of leadership in much more detail. If there is no crisis, this means that the current leadership structures are guiding behavior in the desired direction and can stay in place. There is no need to change anything. Where do people need to be led in such a situation? It's sufficient to give a certain amount of instruction and control within the existing structures, but leadership in the charismatic sense is not necessary. Only emergencies need leadership; happiness doesn't. In times of fortune you'll have trouble positioning yourself as a leader because you don't solve any problems for the followers and you have no message about where you want to lead. To lead, you need a crisis, and this can be a possible future crisis ("If we don't make changes today, we're going to have huge problems tomorrow") that you will avert in good time through your leadership. If you want to be charismatic, you can't do without a crisis. That's why times of crisis are the hour of great charismatic leaders. On the other hand, this step also reveals the reason why leaders sometimes need to create a crisis to position themselves sufficiently (e.g., by restructuring a department, by a change of strategy, etc.). Only a crisis created in this way provides the opportunity to form one's own goals, which is vital to charisma.

Charisma requires a crisis.

- ▶ It is possible to be a formal leader even without a crisis. In this case, the leader gives instructions and relies on the existing leadership structures. In the working world, this kind of thing happens all the time and the day-to-day work of a manager in a company certainly isn't comprised of nothing but crises. But in times without crises, less leadership takes place and less charismatic leadership in particular!
- **Find an explanation for the crisis and a plausible theory to overcome it!** Once the crisis is there or has been created, you now need to prove that you are the right person to solve the crisis. To do this, you need an explanation for the crisis and a credible theory of how to overcome it. This is the time for endowing the situation with meaning and purpose. In this phase of developing charisma you need to make clear that it makes sense to follow you. If people follow you, they will be able to understand the crisis and see ways of how to overcome it.

Charisma requires an idea of how to solve the crisis.

- **Announce your theory on how to overcome the crisis with enthusiasm!** This point refers to the fact that charisma always requires a measure of disinhibition to have an immediate effect. You cannot be inhibited and charismatic at the same time. If you want to create confidence, you can't be inhibited. The greater and more

far-reaching your goals, the more enthusiastically you need to be able to announce them so that you are in a position to unleash the suggestive power to make these goals seem attainable under your leadership. People will only follow you if they are convinced that you yourself believe the goal is attainable. The greater your plans, the more power you need to be able to convey to instill this belief.

Charisma requires enthusiasm.

- **Ensure initial successes!** Once you have announced your manifesto, it's time to get to work. To ensure that your theory for overcoming the crisis and your explanation of the crisis don't suffer any damage, the initial activities absolutely have to succeed. You may have to help to organize these successes (in companies, the initial successes of extensive changes are often organized as pilot projects, which are set up in such a way that the people working in them have enough influence to ensure that the project succeeds in all cases). The initial successes feed your explanation of the crisis and your theory for overcoming it and lend them credibility.

Charisma requires the credibility of initial successes.

- **Identify or look for people with weak identities (autonomy orientation), people who long for relationships (relationship orientation), people who lack orientation (balance orientation), and people addicted to new experiences (stimulation orientation)!** Now you need the people who will follow you. As you can see, we have exaggerated the different motivations that we described earlier as the basis of the charismatic relationship contract. In effect, all we are saying here is that you need people who are willing to enter into this relationship contract with you and whom you have something to offer in psychological terms. From a purely practical perspective, you don't have to *look for* these people every time you start out. You can also interpret this requirement as building on and using the existing orientations that are already present in your team in a suitable manner.

Charisma requires people who are responsive to having their fears removed.

- **Give them positive support so that you become an important entity in their lives!** In the next step you need to fulfill your part of the relationship contract. You need to lend meaning to the autonomy-oriented people, convey closeness and security to the relationship-oriented people, give clarity and structure to the balance-oriented people, and provide enough exciting challenges for the stimulation-oriented people. If you manage to do this, you will have successfully completed the most important elements of the integration work. You have gained a team from which you can expect above-average exertion and an above-average desire to overcome adversity.

Charisma requires fulfillment of the relationship contracts.

- **Make a ritual of setting yourself center stage!** Keeping your charismatic message at the front of people's minds requires symbols and rituals. Create a

special aura around yourself! Give big speeches! Make sure people quote you! Your charisma will last longer if you find good rituals to embody your messages. (We don't expect anyone will disagree when we claim that the Catholic Church is without doubt the most successful organization in world history in this regard. It has always understood how to use the right ceremonies to set the stage for its charismatic leaders to retain the aura of specialness and sublimity.)

Charisma requires symbols and rituals.

- **Create an aristocracy!** At some point your organization and your task will become so great that you will need further leaders and followers to carry your message. The reward for this is being allowed to be close to you and belong to your inner circle. In some cases, leaders also control their charisma by allowing certain people close to them and keeping others at a distance (“I’m very sorry, but our CEO doesn’t have an appointment free for you in the next six weeks.”). If you want to be charismatic, you need a circle of people who strongly identify with your message. You need a rite of initiation so that only the most loyal and capable can enter this circle. Hand out titles and decorations, restrict access to yourself!

Charisma needs to be expanded to a team.

Lastly, we want to refer to the final point in the development of charisma. In places we argued that an enthusiastic or uninhibited manner is a requirement for the charismatic effect. If you observe the career path and demeanor of certain politicians, you can generally see the process in the development of charisma quite clearly. Sometimes charisma doesn't appear until a politician holds a certain office, and with it a certain responsibility. Not all leaders become charismatic first and then begin to lead. Many leaders get a place in the organization and then gradually develop their charisma in this position.

Sometimes charisma doesn't occur until a person is in office.

Example of the Development and Cultivation of Charisma Through a Given Task

The process of developing charisma through a given task can be thought of as follows: Let's assume that Mr. Jones suddenly becomes a top manager in the company. All of a sudden Mr. Jones has high visibility and a wide range of powers in a formal or functional regard. Mr. Jones now makes the following discovery: As soon as he says something, other people do it. When he makes a joke, everyone laughs. When he defines a task, everyone endeavors to complete it as best they can. The following process of realization could now kick in for Mr. Jones: “When I want something, everyone seems to follow me. That can only mean that I'm incredibly charismatic.” In coming to this conclusion, though, Mr. Jones underestimates how strongly certain people will follow based on the power of position and formal hierarchy, and how little that may have to do with the way he presents himself as a person.

The conclusion Mr. Jones comes to, however, has the following effect: Mr. Jones gains the self-conviction that he can give something to others. Confidence begins to grow in Mr. Jones that he has a message that binds other people to him. This increase in self-confidence means that Mr. Jones is actually in a position to state his convictions more enthusiastically and with greater self-assurance. When he states them more enthusiastically and with greater self-assurance, the positive feedback he receives becomes more intense, as his increasing disinhibition also makes him more convincing. This sets off a chain reaction of positive feedback that can result in Mr. Jones actually developing charisma and being increasingly able to give something to others independently of the formal power of his position. Sometimes people become charismatic as the result of the size of a task that falls into their lap through circumstance, even if they were not charismatic when they began tackling the task.

We have described the process of cultivating charisma in such a way that it produces a charismatic leader who is capable of action. However, this development can go wrong at any point. Whether the process of increasing disinhibition creates a charismatic leader or an aggressive narcissist with an inflated opinion of him- or herself is not yet clear. A certain amount of narcissism that generates enough self-confidence in one's own abilities and potential is unavoidable for developing charisma. You need the self-confidence to be able to give something to others. Without this belief in your own capabilities, you won't succeed. A certain amount of narcissism and charisma are not mutually exclusive—one even requires the other. However, all the dynamics we have described in this chapter—the orientations and motivations behind them, and of course the compensation strategies that provide the energy for charismatic development—can develop abnormally and lead to the creation of evil leaders. We look at this aspect of psychological disorders in leadership in Chap. 11.

The process of charismatic development can also give rise to evil tyrants.

2.7 Do We Need Charismatic Leaders?

At the start of this chapter, we touched briefly on charisma skepticism, which is particularly widespread in certain countries, especially Germany. Historically this is understandable, but from a psychological leadership perspective, it is not useful. We are absolutely convinced that we need charismatic leaders. When economy, politics, and society find themselves in a crisis of confidence, leaders who merely function get us nowhere, as they do not remove anyone's fears, nor do they pool any strengths for a positive vision of the future.

Purely functional leaders do not help in times of crisis.

We need charismatic leaders to create exertion and the desire to overcome adversity, and who make it possible to attain great goals. Culturally we are in a

phase in which the pace of change is increasing everywhere. This remains true, even though it now crops up like banal filler in any and every speech given by politicians or economists. Change comes in the time of crisis. In crises in particular, we need people who are able to remove others' fears, give hope, and inspire the confidence that the crisis can be overcome by combining our strengths. Without charisma there can be no courage, no extraordinary joint efforts, no steering toward a great goal that cannot be achieved alone. When we say that we need charismatic leaders, we are most certainly not calling for seducers and manipulators. The suggestive power of charisma is based on trustworthiness, integrity, dedication to great goals, competence and strength, courage, the willingness to take risks, and sincere hope for the future. We are strongly convinced that no relevant crisis in the world can be resolved conclusively and successfully without the attributes described here.

Without charisma there is no extraordinary leadership performance.

Leadership, Psychology, and Knowledge of Human Nature: How to Generate Leadership Strength Through Motivation, Persuasion, and Assertion

3

In the previous chapter we looked primarily at the charismatic leadership relationship. We saw that leadership performance consists in creating a relationship contract that forms the basis for exertions toward goals that extend beyond the present. If you think back to our example with the sculpture, in which we argued that the phenomenon of leadership can be considered from different sides (but not from all sides at the same time), in the last chapter we concentrated on how a leadership relationship is formed and established. The leadership performance itself then was considered from the perspective of how to sell yourself as a leader using charisma and your ability to remove fears, and being accepted in this role.

The first side of the leadership sculpture was the side of charisma and removing fears.

In this chapter we will take a more hands-on look at leadership. We go one step further and turn our attention to another important aspect of the leadership phenomenon. In this chapter we want to show you which tools of the trade you need in order to exert very precise influence on people's behavior. On the basis of the relationship contract that has already been concluded and your knowledge of the different orientations of your employees (e.g., relationship-oriented or autonomy-oriented) you now need to consciously plan and perform specific leadership actions. In this chapter we demonstrate the opportunities available to leaders to influence their employees. As such, we are shifting the focus to specific leadership actions that are aimed at steering a person's performance toward the desired goal.

This chapter will look more at the practical and situational perspective of acts of leadership, while in the last chapter we examined their psychological foundation.

The second side of the sculpture is the practical and situational side of acts of leadership.

3.1 The Mechanism of Influencing Behavior

If you as a leader want to influence a particular behavior, you first of all need to ask yourself which psychic constructs determine behavior. If you want to influence behavior, you need to begin precisely where behavior is caused. Our behavior is triggered by two central sources: reason and emotion. Behavior is caused by pleasure and unpleasure (and of course many other feelings grouped around these two headings), but also by our reason, our convictions, goals, values, ideals, and philosophies.

Behavior is generated through reason and emotion.

If you wish to influence the behavior of other people, you can begin with precisely these two constructs. You can attempt to influence the behavior of others by appealing to their reason and trying to convey rational reasons for why they should accept your influence. However, you can also try to generate reasons at an emotional level to prevent people from opposing your attempts at influence. In the next step let's take a look at what the critical dimensions are that enable you to exert influence successfully at the levels described.

Influencing behavior can appeal to reason or emotion.

3.2 The Three Leadership Strengths

Let's look at the three dimensions that influence behavior in Fig. 3.1. The peak of the triangle marks the dimension for influence via reason. The two lower aspects represent the dimensions for influencing behavior via emotion.

The mechanism used to influence reason is called **meaning**. You generally arrange your behavior in such a way that it has meaning from your point of view. No one behaves meaninglessly within their own mind. When you exhibit a behavior, it makes sense to behave this way from your point of view. There are certainly situations in which you say: "I did something that didn't make sense there." Mostly though, you will have reached this conclusion with hindsight, meaning that the result you wanted to achieve eluded you, even though you firmly hoped to reach your goal while in the situation itself. On occasion you may also say such a thing to convey that you did something that—on the face of it—was not entirely justifiable in rational terms. In your own mind, the behavior must have made sense though; otherwise you would not have done it.

You choose your behavior so that it has meaning for you.

If a leader now succeeds in persuading you that his or her goals and expectations of your behavior have **meaning**, then he or she can successfully influence your behavior. As soon as you have taken on board the meaning offered by the leader, and this offering of meaning—which was external at first—has become part of your own mental map or landscape of values, then the influence has succeeded.

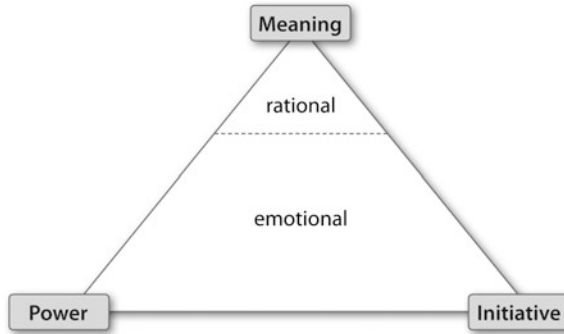


Fig. 3.1 The three leadership strengths: what are the things that lead?

Behavior is influenced by offerings of meaning.

- ▶ The first leadership strength is successful endowment with meaning. This leadership strength appeals to reason. Leaders who can make it clear that their goals have meaning can therefore successfully steer behavior. **On the rational side it is meaning that leads.**

On the emotional side there are two dimensions that we need to look at. Behavior can be steered successfully by avoiding bad feelings as well as by striving for good feelings (toy with these mechanisms for a while and you'll see they are two sides of the same coin).

Behavior is steered by good and bad feelings.

An initial dimension aimed at the negative end of the emotional scale is the subject of **power**. Perhaps you remember our explanations in Chap. 1 that stated that leadership must be potentially powerful, otherwise it would not be possible to force an end or resolution to conflicts (if other methods no longer work) and overcome resistance to leadership. Power and coercive mechanisms are not always present and tangible, but must be potentially available. Power means that you are in a position to induce consequences that the followers would prefer to avoid (or in other words, that induce fear in the followers).

Power is the ability to induce negative consequences.

On the emotional side power leads by highlighting the negative consequences that the followers can expect if they do not obey their leader. The fear of these consequences is the mechanism that leads. Power is therefore very clearly an emotional leadership strength. If a leader requires power, this indicates that the rational offering of meaning was not enough to produce sufficient incentive to follow. As such, a threat of coercion needs to be made or even coercive measures taken.

Power would not be necessary if the offering of meaning were successful.

- ▶ The second leadership strength is power. Power always describes a leader's ability or potency to introduce consequences for the followers that induce fear and that the followers would rather avoid. Successful demonstrations of power can mean that the power itself does not have to be exerted. The fear of the power is enough to prompt a willingness to follow. In this case, leaders do not have to use their power; they only have to show it. **At the negative end of the emotional side, it is power that leads.**

You may already be asking yourself about the ethical implications of using power and coercion. Forcing people to do something seems unethical at first. When you take a closer look though, it is immediately apparent that many goals cannot be reached without coercion. For example, it can only be guaranteed that potential victims remain unharmed by locking up potentially violent offenders. We will outline the conditions under which power, coercion, and inducing fear are socially and ethically acceptable later on in Chap. 11.

The use of coercion always has ethical implications.

The third leadership strength that can influence the behavior of followers is what we call **initiative**. By initiative, we mean all actions by a leader that increase the positive emotional willingness to follow through communication and interaction with the followers. We use the term initiative because it differs from power, which leads potentially and often just needs to be there. Positive emotional experiences are not simply there. Leaders need to do something so that people will follow them with a positive attitude. In typical linguistic usage in management literature or in many human resources publications, this initiative is often described as **motivation**.

Creating positive emotional experiences requires initiative on the part of the leader.

Attempts to motivate are all activities that lower emotional resistance or reservations concerning the expected performance or the desired goals, or, conversely, that direct positive energy toward these goals and activities. Initiative can, for example, be conveying appreciation, providing new challenges or compensations, or opening up learning opportunities.

The meaning must be explained. Power lurks in the background as a possibility and allows coercion if someone opposes the leader or endangers the leader's goals. The many initiatives and actions that you see in practical leadership, however, are geared toward motivating followers.

Practical leadership often consists of actions that are intended to create motivation.

- ▶ The third leadership strength is initiative. Leaders employ a wide range of activities to attempt to break down emotional reservations and increase the willingness to follow them. The possible initiatives that promise success with different leaders are highly diverse and multifaceted. **At the positive end of the emotional side, it is initiative that leads.**

If you now take a look at the phenomenon of leadership in different contexts and at different points in human history, it quickly becomes clear that these three fundamental leadership strengths are able to compensate each other, at least in part. If you are able to offer meaning as a leader that is accessible and evident to followers, you can unleash an awful lot of leadership strength with comparatively little power. Jesus of Nazareth is without doubt an example of a leader who drew his leadership strength primarily from the meaning he offered. If, by comparison, you have a lot of power as a leader (and are unscrupulous enough to want to use and abuse it), you don't need to wrack your brains so much over meaning (and certainly not over initiative and motivation). As such, the persuasive power of many dictators in conveying the meanings they have to offer has often been less than impressive. Was Saddam Hussein able to grab you with the meanings he offered?

Meaning, power, and initiative can compensate each other to a certain extent.

The current leadership situation, however, is characterized more by the use of the third strength. Many leaders in today's economic sphere no longer have the opportunity to make really big offerings of meaning (we'll take a look here at an argument that will come up again later—if the meaning of a company ultimately only lies in making the owners richer, this meaning is certainly not able to unleash a major identity-establishing force for the followers).

Big offerings of meaning are often difficult in today's economic sphere.

At the same time, typical leaders in a company (and also in politics) no longer have as many power opportunities that they can use as they see fit. The historical power that many leaders possessed in the past is now restrained and subdued by laws, authorities, regulations, and obligations (or, as we argued in the first chapter, by leadership structures). As a typical middle manager in a company, you may feel yourself to be considerably more powerless in certain situations than you would wish and be annoyed that you cannot assert yourself as you would like.

Many managers today feel more powerless than in earlier days.

Don't misunderstand us here—we definitely feel that the restriction of power that has been achieved by our modern, civilizing structures is a good thing. All we are describing is the personal distress that many leaders feel who experience their limitations in using this leadership strength.

If offerings of meaning and power have become more difficult these days, initiative still remains—the leadership strength of the postmodern era. Leaders need to motivate, entice, create positive emotional experiences, and lead by way of their activity and communication skills.

Initiative is the leadership strength of the postmodern era.

- ▶ Tyrants were able to rely on their power. They didn't need much meaning or much motivation. The Pope can lead by way of meaning. The meaning offered by the Catholic Church in many phases of history in Western Europe was so fundamentally meaningful that the Pope didn't need any armies. A leader who doesn't have much meaning to offer and also possesses little power needs to be able to motivate.

The increased importance in how social skills have been viewed as a requirement for managers over the past decades is due to this very fact. Why do managers today need to have particular social skills? Because they no longer possess the basis of meaning and power that historical leaders had, but instead have to encourage willingness to follow using their ability to conduct successful social interaction.

The historical shift in leadership strengths has made social skills so important for leaders.

The immense resources that many companies plough into making their managers socially competent in the broadest sense (through manager training courses, junior manager programs, 360° feedback, coaching, etc.) are due to these very circumstances. For millennia, leaders were able to employ power and meaning to unleash so much leadership strength that their social skills didn't need to be honed to a fraction of the perfection that is expected from many managers today.

- ▶ The three major leadership strengths of meaning, power, and initiative can have a compensatory effect. If leaders have above-average skills to offer in one of the three strengths, they may need lesser skills in the other two. It has become harder to offer meaning that encompasses life itself, and power is drastically cut back or at least regulated, mostly by institutional environments. For many typical managers in companies, the skills of social initiative and communication have therefore become the central attribute for success in practical terms.

Even though we argued above that the three leadership strengths can have a compensatory effect, none of these three leadership strengths can be done away with completely; it is only possible to shift their weighting. Without power, you are powerless, weak, and vulnerable in the role of leader in conflicts (Jesus of Nazareth was a great leader by virtue of the meaning he offered, but in the end he was still crucified). As a middle manager in a company, you therefore definitely still have the power to implement certain goals despite many restrictions imposed by institutions and works constitution regulations. Even though all-encompassing offerings of meaning and truth have become more difficult nowadays, you can still convey

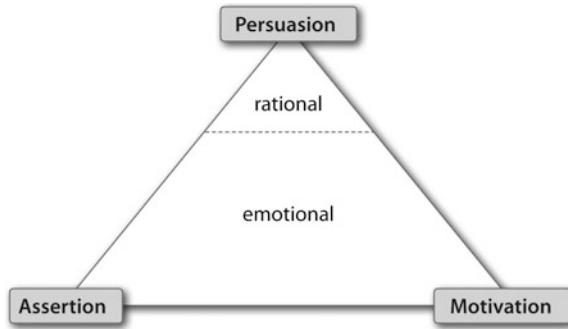


Fig. 3.2 The three leadership strategies: using the three leadership strengths in practice

goals and their meaning. If you want to be a successful leader, you need to be able to use all three leadership strengths and employ them to suit the given situation. This takes us to the three leadership strategies.

The ability to use all three leadership strengths is important for success.

3.3 The Three Leadership Strategies: How to Use Leadership Strengths in Practice

In the last section we introduced you to the three leadership strengths—the strengths that actually steer behavior. In this chapter we will now deal with the specific strategies through which these three strengths can be used and applied (Fig. 3.2).

Specific strategies for steering behavior.

The three central leadership strategies through which the three strengths introduced above can be used result from the strengths themselves. The leadership strategy of endowing with meaning is **persuasion**. If you succeed in persuading others of your goals, plans, visions, and suggested problem-solving strategies, you have successfully met the requirement for endowing something with meaning. If your employees are convinced that it is right to strive for a certain goal, and that the path you have suggested is also the most promising, then you have endowed your goals with meaning. You have shown the way out of a crisis or outlined a tempting future that it is worth producing exertion for. Sometimes your goal may have been more modest though. Maybe you have only been able to persuade your followers that something needs to be done so that anticipated problems can be solved in the future. Then goals are not necessarily enticing in comparison with the present, but are still the lesser evil compared to doing nothing. In all three of the cases described, you have endowed the situation with meaning.

Meaning is endowed through persuasion.

If you show your employees through your leadership behavior what the consequences will be if they do not perform adequately, then you have asserted yourself. **Assertion** is the leadership strategy of power.

Power is expressed through assertion.

If you have increased your employees' willingness to cooperate by focusing on positive emotions and incentives, you have successfully **motivated** and used the leadership strength of initiative.

Motivation occurs through emotional incentives.

If you want to survive as a leader, you need to be able to play all three cards. The three central leadership strategies of persuasion, assertion, and motivation are still little more than buzzwords at the moment. It's well worth looking in greater detail at how each of them is used and implemented in practice though.

3.3.1 Endowing with Meaning and Persuasion

Leadership is successful endowment with meaning at a rational level. Leaders who can persuade others of their goals, visions, and strategies successfully get others to follow them. In the following section, we look at which mechanisms can unleash the power to persuade others in a corporate context. Before we do so though, it's important to separate two distinct things. The first aspect is the goal itself, from which the stimulus or momentum originates. In the next section, we will look at the characteristics of possible goals and the problems that many leaders may experience when communicating goals and meaning in practice.

Good goals generate stimulus and momentum.

Yet there is a second aspect that makes up a considerable share of a leader's skill in endowing a situation with meaning. This aspect concerns the power to persuade others in the narrower sense.

With the power of persuasion in the narrower sense it's not so much the goal itself that is the subject of examination, rather the way in which it is conveyed. When we ask for the power of persuasion as a leadership skill, we're asking for linguistic eloquence, logic, argumentative precision, emotional expression and presence, representational quality, and ultimately the ability to capture an audience and win them over at a personal level. In the narrower sense, this skill is rhetoric.

The power of persuasion is the skill of successfully endowing things with meaning.

Rhetoric is not primarily concerned with the goal itself, but with how you have to convey this goal in a certain persuasive situation to ensure that there is a high probability that your listeners will share your persuasion. We are not writing a book about rhetoric though, so we won't dwell on this perspective but will look primarily

at the goal itself. This said, we are convinced that the power to persuade others is one of the central core competencies for leaders. The ability to endow things with meaning can unleash such potent leadership strength that leaders are barely able to survive without the ability to persuade others.

The power of persuasion is a key competency for leaders.

- ▶ As a leader, the power of persuasion and the ability to endow a situation with meaning are especially important, particularly in crisis situations in which it is hard to motivate others. When power opportunities are limited and you are unable to provide many personally enticing incentives for your employees, all that remains is to convey the meaning of stimuli and ideas in order to exert your influence successfully.

The power of persuasion is therefore ultimately a democratic skill. In political battles you only have to be persuasive if people have the choice of which leader to trust. It's not without reason that the high art of rhetoric and the power of persuasion first blossomed in the first democracy in world history, in ancient Greece and Athens (see also Excursus "Typical Rhetoric Seminars for Managers").

The power of persuasion is a democratic skill.

Typical Rhetoric Seminars for Managers

Sadly, in qualification programs for managers the power of persuasion is often not given the attention that it deserves as such a fundamental and the oldest of all social skills taught. In most cases, the subject of persuasion degenerates into a training course on presentation in which perfecting the use of technical tools is given much greater heed than working on one's personal persuasiveness, and the dominance of PowerPoint slides and animations restricts the speaker more than is befitting as the actual bearer of messages. As well as all the visualization, many events on the power of persuasion reduce the subject to body language. In media contexts where televised messages need to be formulated in just a few seconds, this is certainly very important. In a corporate context, though, constructive creativity in finding arguments, astuteness and considered conduct in discussion, clarity and rigor in the thought process, and the relevance and accessibility of representations are often much more important than enthusiastically working your arms.

3.3.1.1 Forms of Argument in Conveying Goals and Meaning

Let's look at how things can be endowed with meaning in commercial enterprises (and in other leadership contexts, of course).

The meaning of an activity or a goal can be understood as the significance that this goal or idea possesses (Fig. 3.3). As such, the meaning of a thing has two points of reference.

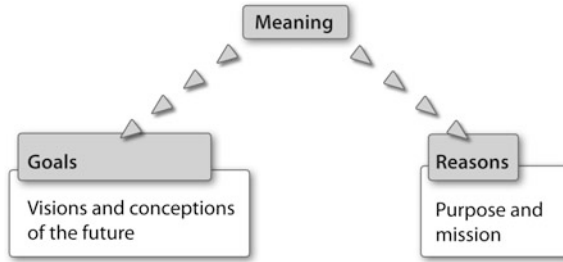


Fig. 3.3 Endowment with meaning and the significance of goals

If you want to convey meaning for a goal as a leader, you need to master and be able to employ two forms of argument. The first form of argument is the ability to describe a goal. At first this may sound banal, but take another look and you'll see that it's actually much more difficult than you think. In day-to-day business practice, goals and indicators for these goals are often confused. The statement: "We want to increase sales by 5 % next year" is not a goal in this sense, but merely the indicator for an underlying goal.

Often goals and their indicators are confused.

Let's ask ourselves what kind of future the statement described above is actually hoping to attain. What is the target picture that is worth all the dedication and toil? If the 5 % increase in sales only stands for the owners' expectation of wanting to earn more money, it immediately becomes clear why such a goal is unable to exert any enticing or attracting force on the followers. A goal must be a real conception of the future so that it can unleash leadership strength. Indicators for goals do not unleash leadership strength, catering at the very most to a desire for the goal to be measurable and operationalizable. But the goal of wanting to achieve 5 % more profit can be an indicator of a meaningful blueprint. Do you want to overtake your toughest competitor, ensuring security for the future? Do you want to earn the money to invest in launching a new product? Do you want to build a reputation by becoming market leader and proving that your own solutions are superior to competitors' products? All these are goals that hold a genuine image of the future.

Goals need a genuine conception of the future in order to unleash leadership strength.

So if you want to endow a situation with meaning as a leader, you need to be able to explain where you want to go. A fundamental criterion for good leadership is the ability to paint pictures of the future. If you are not able to express where you want to go clearly and vividly, it is difficult for people to follow you. If you can only name indicators for your goals, your blueprint for the future will remain flat and lifeless. You give meaning to something when you make clear where you want to go and what it will look like when you get there.

Good leaders can paint pictures of the future.

The ability to paint a target picture is only one side of the coin though. The other side is the skill of giving meaningful reasons for this goal: What is the actual purpose that will be fulfilled by achieving this goal? Why is it important to become the market leader? Why is it important to overtake the competition? Why do you need to invest in this new technology? Different product portfolios, markets, and corporate contexts each possess their own difficulties in listing reasons. A pharmaceutical company that is preparing to position a new product with the potential to save thousands of lives finds a reason that is accessible to many people because of its ethical frame of reference. It is evident, however, that such forms of argument cannot be applied in the same way in all product portfolios.

Goals need meaningful reasons.

- ▶ Leaders need two skills to endow a situation with meaning: First, they need to be able to “paint” the future, and second they need to be able to give meaningful reasons for these goals. If there are no meaningful goals, there is no meaningful future that is worth working toward. If there is no meaningful future that is worth working toward, then—and we exaggerate here—mercenaries are created. In this case, you need to overcompensate for the meaning that is lacking through motivation.

Major corporations especially sometimes have trouble in endowing situations with meaning. You can immediately see why so many major corporations run the risk of producing employees who pedantically measure their own willingness to work by the compensations expected from the company and judge every additional effort according to what it brings them. If meaningful goals and a future are lacking, if there is no hope for a world that is worth the work and privations, people become purchasable. This is not to say that financial compensation is the only possible motivation. We will demonstrate this later. We have exaggerated somewhat in developing this argument so that we can explain more clearly that a lack of meaning needs to be compensated by motivation.

A lack of meaning needs to be compensated by motivation.

Companies driven purely by the capital market often no longer have a vision that is accessible to the employees. In this context, a lack of accessibility means that there is no longer a vision that represents a picture of the future worth striving for. Mostly, the corporate visions of many major corporations are primarily the investor visions and not company visions. A purely economic system set out to maximize profit no longer contains a promise for the world, only a promise of interest on the capital invested. There is no more hope that could offer identification to the employees involved. At this point of the book, as in others, we are polarizing in order to make our argument and our message clearer, even though the differences are, in reality, of a gradual nature. Naturally, there are major companies that manage to communicate a shared hope for the future to their employees. But without a doubt there are also major corporations that no longer hold any hope-inspiring promises for their employees apart from the principle of profit maximization.



Fig. 3.4 Value diagram for justifying corporate goals

Many major corporations now only hold investor visions that no longer offer any identification to the employees.

Typical middle managers now face a dilemma. As a manager, you yourself will be given goals that are meaningless in the sense described above, such as cost reduction of 10 % in area XY, increased efficiency of 4 % in area Z, lowering HR costs by 20 % in area ABC. Such goals, which could be taken from any middle management target agreement system, only have meaning in the eyes of the shareholders. Maybe, however, unlike the goals stated above, they are actually indicators for meaningful goals. Yet in both cases our middle manager is faced with the task of giving meaning to these goals, illustrating them, justifying, embellishing, and explaining them in such a way that they are accessible to the employees. The more meaningless the goals, the greater the challenge for the manager.

Middle managers often need to give meaning to goals that they themselves find meaningless.

In the next section we will look at which typical forms of argument you can use to justify goals. Figure 3.4 shows three central values that represent the contexts of justification for goals.

Corporate goals can usually be justified using this value diagram and downstream or “middle” goals can be derived from these goals. At the top of the hierarchy of goals is profitability. Profitability goals concern either sales, costs, or revenue, secure the continued existence of a company, and mark its success. So profitable companies at least have the prospective meaning that the products seem meaningful from the viewpoint of the customers, as they are prepared to pay money for them. As such, the context for justifying the meaning of profitability goals can also be derived from the meaning the products hold for the customers, and doesn’t have to be explained exclusively by the investors’ profit expectations.

Profitability goals represent the visible success of a company.

Ultimately, only products that solve a problem or offer added value from the viewpoint of the customer are successful. Profitability goals therefore represent the first goal level in the company. However, their context of justification can be drawn from the benefit that the products bring to customers and society, as well as from the investors' profit expectations.

The second level of corporate goals is made up of performance goals (productivity, quality, and innovation). Performance goals paint a picture of the future in which the company's products can be produced with even fewer resources and less effort, with even greater quality, or with even more innovative features. The justification and meaning of the performance goals lie in their profitability, that is to say in the goal category to which they belong. Performance goals do not have sufficient meaning on their own, but only take on meaning once they produce an increase in corporate success.

Performance goals contribute indirectly to a company's success.

The third category of corporate goals is cooperation goals. These are integration goals (e.g., concerning interface optimization or getting new employees up to speed quickly through a good induction program). However, there are also qualification goals (e.g., improving skills in a team) and motivation goals. So a manager could be given the goal by an immediate superior to strengthen customer-oriented behavior among employees in the department, which is a clear motivation goal. Employees generally obtain the meaning or context of justification for the cooperation goals from the performance goals, but sometimes this originates from cultural reasons. Why should the cooperation become better, qualification higher, or motivation and customer orientation stronger? Usually this needs to take place so that performance—that is to say productivity or quality—increases or because the company is pursuing a particular corporate culture that is considered to promote performance in the long term. And this brings us back to the goal hierarchy: Why does performance need to be increased? To increase profitability in the next step, of course, and so that the company can generate a greater benefit for society (or customers).

Cooperation goals are intended to promote performance.

As a manager, this goal hierarchy allows you to argue objectively. The more directly responsible certain managers and employees are for profitability, the more strongly their goals can be derived directly from economic indicators—and in the next step they therefore require a meaningful context of justification. Further down the hierarchy, you will mainly need performance goals. Mostly, precise profitability indicators are no longer available here or are of little use for meaningfully aligning goals because the circumstances in which influence can be exerted are unclear. In this case, you need performance goals. At the lower hierarchy levels, even performance goals are often difficult to measure in any useful way or can only be assessed with a great amount of effort. This is where cooperation goals come in.

The logic remains the same though—we need to achieve our profitability goals in order to deliver added value to society and our customers through our products. We need to achieve our performance goals to reach our profitability goals. We need to achieve our cooperation goals to reach our performance goals.

Look at this hierarchy in corporate arguments for goals and their justification and you'll see right away that the measuring fetishism associated with the target agreement systems in place in many companies only makes partial sense. Profitability goals can still be measured in the narrower sense if they are represented by reliable indicators. Performance goals can only be measured to a certain extent (it may still be possible to measure productivity progress using indicators, however the quality of innovations often cannot be usefully expressed by an indicator). The clearest example of the dwindling measurability of goals is cooperation goals. Motivation, qualification, and integration simply cannot be portrayed with indicators. Often then, goals at top levels are therefore still **measurable** in the narrower sense, whereas goals at lower hierarchy levels in the company are often just **assessable**.

If a goal system focuses too strongly on exact measurability, important goal categories are lost.

Excessively strict measurability criteria in target agreement systems then give rise to the following phenomenon: The system works at the upper levels. Further down the hierarchy though, goals that make a lot of sense but are not measurable are not agreed. Instead, it's not unusual for things to be agreed because they contain specialized tasks that can be measured, even though they are quite useless. Such target agreements that contain few meaningful goals and represent annoying extra tasks from the viewpoint of the employees mostly die a slow but silent death (and ultimately this is actually meaningful and rational). Over the course of the year, the goals are lost from sight and the organization has, in this instance at least, reflexively but successfully resisted the compulsion of having to follow meaningless goals (see also Excursus "Ultimate Truths About Justifying Goals").

Meaningful goals sometimes fall victim to the compulsion for exact measurability.

Ultimate Truths About Justifying Goals

In earlier times, managers often had ultimate justifications for their goals that were generally accepted ("It's God's will"). That supplied the meaning, which was evident to all without the need for further justifications and derivations. During the course of the Enlightenment, this commonly shared meaning was lost and replaced by increased freedom that had arisen in conceptions of life through competing offerings of meaning. This means that leaders today often no longer have a commonly shared basis on which they can found the justifications of their goals. In present times then, goals need to be invented in a certain sense because there are so few axioms from which they can be easily derived. In this sense, our lives have become

existential through and through. Only the truths, goals, and offerings of meaning that we give to or invent for our lives now exist. Our lives only possess the goals that we give them ourselves. There is nothing great or superior that can relieve us from the burden of inventing our lives ourselves and animating them with the meaning to which we want to dedicate ourselves. Good leaders therefore need to be able to provide meaning without having a clear frame of reference from which they could simply deduce the goals. More is now required of leaders because they are constantly having to hold their ground and assert themselves in justifying their goals in the face of competing goals. What's more, they are constantly required to convincingly fight off emerging doubts about the meaningfulness of goals (their own doubts and those of followers). In a world with truths that are shared by everyone, this process is easier.

For many goals today we lack the ultimate justifications that existed in earlier times.

- ▶ Leadership without goals is unimaginable. You need to lead somewhere, after all. However, you can only lead to goals and not to indicators for these goals. Only vivid goals that represent an accessible hope for the future for the employees can endow your plans with meaning. Good managers can paint blueprints for the future and provide meaningful justification for them. It has become more difficult to justify goals since we lost ultimate truths and certainties.

Compared to the people who lived in a world of certainties and truths, postmodern man has become a person of weak identity. There is no longer a world with a constantly developing truth, there are only episodes, openness, and coincidence. This problem also applies to the leaders who have to find and justify goals in this situation. If they are good at what they do, today's leaders play the role of inventing goals and meaning to which we can orient ourselves when the unambiguousness of authority and truths has been lost.

- ▶ The more charismatic leaders want to be, the stronger their performance must be in displacing ambivalence, contradictions, lacking justification, and ambiguities in how the world is perceived in order to generate as much unambiguity and clarity as possible. The performance required of leaders in our time in endowing goals with meaning has therefore become greater than in all ages that have gone before.

Meaning can no longer be derived from generally accepted truths.

On occasions, particularly in press publications that take a critical stance on the economy, it is said that belief in the market has replaced religion and displaced other truths. This statement is untrue, as the market is in no way able to assume this function due to its inner logic. Within an economic system there are only indicators—figures—but never a meaning that points beyond them. Fundamentally,

it's even more difficult. Even the market and belief in the system do not offer a suitably accessible meaning for many people, as is apparent from the skeptical attitude that many people now hold toward the mechanisms of the market. It's not the market that has displaced certainties. The certainties of the past disappeared during the Enlightenment and liberalization of ideologies and religions, and even a mechanism as powerful as the market has been unable to take their place.

Belief in the market cannot take the place of persuasive offerings of meaning.

- ▶ In today's Western world, successful leadership means being able to convey and provide meaning despite competing truths and postmodern skepticism in a time with no great superior social or religious goals, but with very different individual conceptions of life and hopes for happiness.

3.3.2 Power and Assertion

Power is the capability to incur *costs* for others. Costs are meant in the metaphorical sense here and refer to an unwanted occurrence or unwelcome consequence for others. Anyone who wants to force others or assert themselves needs power. Without the ability to incur costs for other people, you cannot assert your will over them.

Power is the capability to produce unpleasant consequences.

Before we look at how assertion works in the narrower sense, we want to touch on the ethical and social questions associated with this dark side of leadership. The mechanisms of power are instilling fear and coercion. When you instill fear with the potential of your power, you are merely demonstrating, directly or symbolically, the costs you would be able to incur for your followers if they objected to the goals. By initiating coercive measures, you realize the potential of this power. You gradually unleash the consequences that increase the psychological stress on the followers to such a degree that their willingness to fall back into the normal process of performance and pursuing goals grows or returns.

Power works through instilling fear and coercion.

Under which conditions does it appear socially and ethically reasonable and acceptable to practice coercion then? We can summarize the argument as follows: When you pursue a goal as a leader, you consider this goal to be meaningful and ethically reasonable, responsible, and legitimate. You feel responsible for your goal. You have devoted yourself to this goal and invest your own strength and exertion in achieving the goal. If, however, someone who, in your opinion, should be working toward this goal with you (e.g., one of your employees) objects, you consider this person to be jeopardizing a goal that is responsible, meaningful, and important. As a leader, you will then feel obliged to take action to save your goal. In this case, you may not want to rule out coercion completely. If you fail to succeed with the other

two leadership strategies (persuasion and motivation), you would have to concede that a goal you consider to be important and beneficial for the world is jeopardized. As such, your coercive measures and the exertion of your power would not be motivated by harming the other person, but by rescuing your goal.

Power should be ethically justified as a means of defending good goals.

- ▶ Socially acceptable assertion is characterized by the fact that the action is clearly steered by rescuing the goal and not damaging the other persons. Good leaders can assert themselves in such a way that a personal relationship is not necessarily ruined following an act of assertion.

What they are implicitly saying to an employee is: “I have tried to explain to you why this goal is important and indispensable for us, and I have tried to take your personal needs into account in how we pursue the goal. I didn’t succeed in doing this. Now I will have to force you not to jeopardize my goal any further because I am responsible for the goal and consider it meaningful. I’m not doing this because I have something against you as a person, but because of the sense of duty I feel toward the goal. However, this also means that as far as I’m concerned, we can resume our normal relationship at any time once you are willing to deliver the necessary commitment in pursuing the goal and that I am entitled to expect on the grounds of our respective roles (after all, you have an employment contract and receive a salary).”

Competent assertion doesn’t necessarily have to lead to the destruction of relationships.

The minimum requirement for a socially and ethically reasonable exertion of power therefore lies in the fact that it is driven by rescuing meaningful goals and not by damaging the people who oppose it (see also Excursus “Ethical Questions in Justifying Assertion Strategies”).

Ethical Questions in Justifying Assertion Strategies

Let it be understood that the response we give here to the ethical justification of assertion strategies is not exhaustive. So far, we have only described one necessary condition for socially acceptable assertion. Obviously, this is not the ultimate ethical justification. The ethical context of justification is represented in the following two questions:

- Which goals is it acceptable to strive for?
 - How far is it acceptable to go in pursuing (or rescuing) these goals?
- Of course, the answers to these questions are much more complex and ambiguous than we have shown so far. This discussion is dealt with in more detail in Chap. 11.

From the perspective of the leader, the subject of assertion is always a balancing act for another reason, too. Every assertion problem harbors an inner ambivalence.

The more unperturbed by the followers' resistance the leader is in asserting certain goals, the more he or she appears to be able to achieve in pursuing the goals, but the greater the risk of ruining the relationship with the followers. However, if it is important to a leader for the relationship with the followers to remain as intact as possible, this may only be achievable if goals are sacrificed for it. This inner ambivalence remains the ambivalence of power. If you use power opportunities to the full, you may achieve a lot in business terms but isolate yourself personally. If you want to stay highly integrated on a personal level, you will be unable to take certain power measures and must sacrifice goals that you could potentially have achieved.

The exertion of power and a high-quality relationship with followers can't always be optimized at the same time.

Leadership and the exertion of power contain the constant balancing act of optimizing these two antagonistic conditions in practical leadership work. Competent leaders can usually employ both strategies depending on how they assess the situation. They are emotionally independent enough to risk the quality of the relationship in their environment when certain actions are necessary in order to assert vital goals. On the other hand, competent leaders can also make compromises in pursuing supposedly inflexible business goals for social reasons. Anyone wishing to optimize one of the two sides is sure to experience limits to their success in certain situations.

As a leader, you need assertive power and the ability to make compromises.

3.3.2.1 Specific Assertion Strategies

In the next section we will introduce the actual process of asserting your goals. First though, we would like to point out that in many situations, the practical assertion processes are not actually executed quite as martially as our choice of language may imply. In practical terms, the increase in costs that managers produce in the company is often much more subtle.

A typically assertion-oriented remark could be: "Dear employee XY, I'm not entirely sure that we should really leave the concept as it is or whether we need another round of revision and approval. I can imagine that the concept might irritate the head of the department in its current form."

In companies, power is mostly exerted subtly to begin with.

Even in this situation, the manager has instilled fear to a certain degree. The manager has shown the employee which possible consequences ("irritating the head of the department") could ensue if there is no improvement in performance. This small remark may be sufficient to instill enough fear to ensure that the employee carries out the required revision with dedication. So we see that assertion is always on the agenda in the act of leadership. Managers constantly increase costs (or announce that costs may be increased) if certain performance expectations are not met. In this sense, managers use the power they possess to assert their expectations.

Table 3.1 Operational assertion strategies

	Escalation levels in assertion			Breakup of or change to the relationship
	Tension	Crisis	Escalation	
Typical behavior of the manager	Increase presence as manager	Define or “declare” crisis	Initiate measures	Employee transfer
	React quickly to the poor performance	Threaten sanctions	Announce decisions	Dismissal
	Explain requirements and criticisms more clearly	Show consequences	Induce consequences	Change to the field of activity and responsibility

As such, assertion certainly does not begin with a warning or threat of separation. Assertion is usually a much earlier and more integral part of the act of leadership that is not restricted to extreme situations.

Assertion is an integral part of leadership in practice.

A manager’s opportunities to assert his or her expectations are reflected in several escalation levels that build on one another.

Table 3.1 clearly shows the step-by-step process in asserting your own expectations. The first step that you take in assertion is usually to generate personal **tension**. Metaphorically speaking, there’s a tight atmosphere when managers begin to tell their employees that certain expectations are not being met or when they criticize how their employees go about pursuing their goals. This tension is created initially by the relationship stress that the manager brings to bear on the employee. For many employees, this relationship stress alone incurs costs enough. Employees also want to see the relationship return to normal, and change their behavior accordingly. Yet the tension also symbolizes the manager’s willingness to properly tackle the problems identified and implies that a possible escalation is conceivable.

Tension leads to the first signs of relationship stress.

If there is no change in behavior after this initial attempt at assertion, the next step the manager takes is to declare a **crisis**. Usually it’s not just the lack of performance that’s highlighted here; rather a crisis is formed explicitly from the lack of performance. This is, of course, more threatening than tension (the statement: “The concept isn’t good enough” could be the indicator for tension, whereas the statement: “We have a problem with one another” declares a crisis). While the threats hang in the air more implicitly during the tension phase, they are formulated explicitly in a crisis.

The crisis is formulated explicitly.

If this also fails to bring about a change in behavior, the next step that power-conscious managers who are willing to assert themselves will take is to **escalate**. This means that the measures threatened are initiated, decisions are made, sanctions

are imposed, and the power potential is transformed into action. A crisis still involves threats and words, whereas escalation is the time for action.

The escalation is when sanctions are imposed.

The last remaining option is to **change the role constellation and the relationship**. If imposing the sanctions also fails to achieve a turnaround in behavior, this can lead to the breakup of the relationship (in a company this would be dismissal). The relationship could also be changed to ensure that the person who refuses to follow is no longer able to jeopardize the goals (e.g., transfer or reassignment of tasks).

The last step in assertion is the breakup of the relationship.

Most managers don't like to play this card and only use the process we describe here if the other avenues have been unsuccessful. However, there are of course managers whose preferred leadership strategy is to instill fear.

Exerting power is not the first choice of many managers.

The discussion described here reveals another point: If you want to rule out the use of power itself, as a leader you may find yourself in situations in which you are unable to defend and rescue your goals from opposition. However, the ethical damage caused by the inability to achieve potentially attainable good goals may be greater than the ethical problem of instilling fear in insurgents or using coercion to stop them. So if you rule out assertion and coercion because of a misconstrued sense of romantic philanthropy, you could make yourself ethically vulnerable because you are failing to bring a benefit to the world that you may actually have been able to deliver. As such, ruling out coercion and assertion doesn't necessarily make you ethically purer and more guilt-free than if you defend good goals. If you say yes to leadership and therefore promise to pursue goals that extend beyond the present, you need to reckon with using power opportunities in order to arm yourself for crisis situations.

If you want to lead, you need to reckon with having to use coercion and assertion.

- ▶ If you demonstrate or symbolize your power with self-confidence, you will not need to actually use it as often. As such, a strict demonstration of power really can be a means of creating peace and a disciplinary tool that helps to prevent conflicts and force.

Think back to your school days. The strictest teachers often gave out the fewest black marks for bad behavior or dished out the fewest detentions, and often had the most teaching success.

We know we have only touched upon the ethical dilemma of power here. The use of power only remains ethically acceptable if you are pursuing responsible goals and the means you have chosen to pursue the goals are in appropriate relation to the benefit you are hoping to achieve. The deliberation process that you go

through in exercising this responsibility is the ethical challenge you face in using power. By avoiding the use of power, however, you do not necessarily become more ethical, as this may cause you to fail to attain good goals or (often even worse) it encourages other leaders who are prepared to use their power less scrupulously because they need not fear much resistance.

The avoidance of power does not necessarily make people more ethical.

3.3.3 Initiative and Motivation

3.3.3.1 The Basic Psychological Mechanism of Motivation and Being Motivated

In the previous sections we explained that the need for motivation is the main reason why it has become so immensely important nowadays to learn leadership and leadership communication. In earlier times, meaning could be derived from superior truths. People were mostly born into specific power relationships. Today we live in a time in which leaders need to prove themselves communicatively and in which the positive, emotional element of leadership plays a significant role.

Nowadays the acid test for many leaders is their communicative and motivational skills.

Many elements of classic management training courses (“The manager as a coach”, “Constructive meeting skills for managers”, “Holding target agreement and performance appraisals”, “How to handle different types of employees and employee personalities”, “Partnership-based conflict resolution for managers”, etc.) ultimately deal with the subject of motivation, that is to say increasing commitment and performance through positive emotional experiences. In the following section we would first of all like to explain the very basic mechanism of motivation (this explanation also explains the often fruitless and lifeless discussion in many leadership training courses of whether a leader is even capable of motivating). In the next step we outline the motivation strategies that managers can use in businesses today.

Many elements of leadership training courses deal with the subject of motivation.

In this case we understand motivation as the emotional energy that triggers action. If you want to understand the mechanism of motivation, it’s worth taking a look at one of the most powerful emotional urges that biology and evolution have blessed us with: sexuality. This example demonstrates the three deciding forces of motivation particularly well (see also Excursus “Motivation and Sexuality”).

Sexuality as an example of a powerful emotional urge

Motivation and Sexuality

Motivating humans to engage in much sexual activity is one of the most important inventions and success strategies of evolution. By increasing genetic variability, sexuality ensures our adaptability and keeps the gene pool in constant motion. Asexually reproductive organisms usually produce less variability and thus fewer mutations, which, due to special abilities, enable improved adaptability to environmental conditions. So what did nature do to ensure that sex happens? What did nature do to motivate us humans so strongly and emphatically to exhibit sexual behavior that this subject is so immensely dominant and present in the life of practically every human?

Nature has graced us with three major mechanisms that contribute to this motivation. The first mechanism is a strong **sexual drive**. The regular “recharging” of this drive is a biologically and hormonally controlled process that takes place continuously and is mostly uninfluenced by our will. This sexual drive is therefore the condition within us that motivates us to exhibit sexual behavior. Nature has also given us **attractive enticements** that we can choose from as a goal for living out our sexual needs. Attractive enticements activate and refresh the sexual drive particularly strongly in certain situations. Third, nature endowed us with a **process of sensual enjoyment**, thereby making the act of sex itself a desirable activity. All three aspects share a dynamic relationship. Sexual drive urges us to perform sexual activities. But it is not the discharging of the drive alone that brings us fulfillment (otherwise self-gratification would be the perfect sexual activity). The sexual drive merely energizes us. It then directs itself toward enticing goals and a process of sensual enjoyment.

Incidentally, these three things are able to compensate each other mutually to a certain extent. Even if the sexual drive did not seem especially present or activated at first, encountering an enticing goal can quickly change this. Conversely, it also applies that a sexual drive that has not been discharged for a long time generally makes a person less critical in selecting goals. A particularly wonderful act of sensual enjoyment or a sexual drive that has not been discharged for a long time can, in turn, compensate for the fact that the goal you have found for yourself is not quite as attractive as you had hoped.

From the example of sexuality we can derive the three essential forces of motivation (Fig. 3.5), which also apply in other contexts:

1. **Inner compulsions and needs.** The first force necessary for motivation concerns inner needs or compulsions (the same as sexual drive in the example above). If you are capable of being motivated, there must be something in you that can be addressed as a need. If nothing is important to you, there is nothing

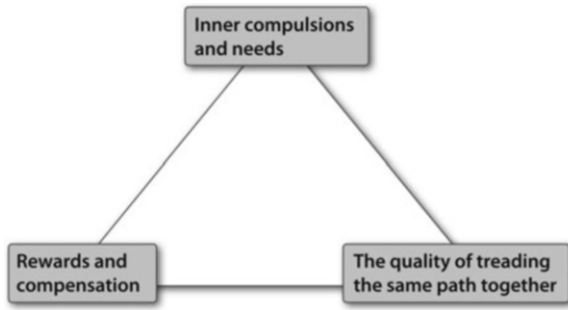


Fig. 3.5 The three forces of motivation

that could represent an emotional reward for you. In the context of professional life, this means that most people don't just work to become satiated. Almost all people have expectations, needs, and hopes for their professional life that go beyond that. Motivation in professional life means integrating these inner compulsions and needs, that is to say linking them with certain tasks and framework conditions. Someone with a strong personal interest in learning new things, for instance, will find tasks that provide the opportunity to learn motivating. Someone with a strong need for social exchange and contact will find tasks involving interaction and social relationships motivating. Someone with a strong need for power and influence will find tasks that enable them to have a creative impact and to contribute and implement their own concepts motivating. The first leadership task in motivating employees therefore involves finding out which forces and compulsions drive and motivate someone in a particular way. Possessing this sensibility is an important requirement for good managers and one of the reasons why this chapter bears the heading "knowledge of human nature".

If you want to motivate, you need to know the inner compulsions and needs of others.

2. **Rewards and compensation.** The second force of motivation is the actual reward or compensation (the same as the attractive enticements in the example of sexuality). As a leader you are not always able to give employees only the tasks that they find motivating in the narrower sense because they directly fit a certain need. There are always unpopular routine tasks or necessities that hold no emotional recognition. In this case, you can provide rewards in a compensatory fashion. The motivational deal you are making here is as follows: "Dear employee, I know that this task isn't particularly attractive to you. However, if I can count on your definite commitment despite this, I can make it up to you with the following offer: . . ." Of course, this type of compensation or redress is often not expressed explicitly, but is part of an implicit contract. Employees prefer to perform tasks that are motivating in the narrower sense because they fit their own immediate needs. On the other hand, they mostly accept that there are

other tasks that can't meet this requirement and make do with compensation for them by way of other rewards (the most typical and simple compensation in economic life is, of course, money).

If you want to motivate you need to provide rewards and compensation.

- 3. The quality of treading the same path together.** Sometimes you simply can't motivate as a manager using either the task and the framework conditions, or other rewards or compensation. The only force of motivation that remains is the quality of taking the same path together or the quality of cooperation (in our analogy to sexuality, this is the process of sensual enjoyment). Albeit somewhat idealized, the message of this aspect of motivation can be formulated as follows: "Dear employee, I need your commitment and willingness for a difficult task. I know that this task isn't particularly enticing in itself and it's also clear that I can't provide any more incentives or rewards in the current situation. However, I'm prepared to consider how we can arrange the process of working through the task together so that it is as pleasant, fair, and positive as possible." This last point concerns personal relationship work with the followers. All activities that you undertake in order generate team spirit, a working atmosphere, good relations in the workplace, good relations with the employees, and supportive and cooperative interaction are ultimately attributable to this force of motivation.

If you want to motivate, you need to provide positive relationship quality.

In summary then, the process of motivation works as follows: The first thing you do as a manager is to find out which needs and compulsions drive certain employees. The better suited the tasks and framework conditions that are provided are, the more distinct the state that we generally describe as *motivation*. For tasks that do not exhibit this suitability, you compensate by providing rewards. In this way, you turn a task that is not motivating in itself into an enticement. Incidentally, this is also the principle behind many compensation-based target agreement systems. The goals themselves are more burdensome than enticing to the employees.

Dedication to unpopular tasks must be compensated if you want to motivate employees.

The compensation offered makes up for this though. As there are many situations in which you cannot guarantee that you will be able to use one of these two mechanisms, as a manager you need to pay attention to the quality of the relationship and attempt to provide the emotional experiences that motivate your employees by shaping the relationship. When you need to keep motivation levels up in tough times is precisely when shaping the relationship with your followers is most effective (see also Excursus "Is It Even Possible for a Leader to Motivate?").

Positive relationship shaping is of central importance to motivation, particularly in tough times.

Is It Even Possible for a Leader to Motivate?

It's not unusual when discussing leadership to be confronted with statements that straight out deny that leaders are able to motivate people. It is claimed that people are either "motivated from within" or that the most a leader can do is to "prevent demotivation". Take a close look at reality and you will find that there are enough counterexamples to both statements. Who hasn't experienced frustrated employees who are motivated to give unprecedented top performance when there is suddenly a change of leadership? Who hasn't come across leaders who were able to trigger great emotional enthusiasm? Or do you honestly want to claim that Barack Obama did nothing more than prevent demotivation during his election campaign?

In principle, the question resolves itself if you look closely at the three mechanisms of motivation we have described. Relatively stable elements in the human personality are the compulsions and needs that are of particular emotional significance to a person and are therefore able to unleash motivating force. It's not easy for a leader to change these compulsions, and it certainly can't be done through active intervention. These compulsions may change with maturity and altered phases of life, but not generally as a result of leadership intervention.

One skill that clearly distinguishes one leader from another is the ability to sensitively identify the different needs that drive people and skillfully match them to and integrate them with tasks. The active element of this skill obviously goes beyond preventing demotivation. In our opinion, the ability to generate emotional energy by shaping the relationship with the followers well is more than preventing demotivation. Those who claim that leaders can ultimately do little more than prevent demotivation are usually just justifying their passive and resigned way of looking at the subject of motivation. They are taking the precaution of vindicating themselves for being unable to generate positive emotional energy. The fact that human compulsions and needs are a constitutional element cannot be the justification for not dealing actively with the emotional aspects of leadership as a leader.

Yet this discussion still highlights a very important point, for the grain of truth in the whole matter is that the compulsions themselves cannot easily be changed. Strictly speaking, a high level of motivation is also a success of good personnel selection. As the selecting authority, a critical requirement in selecting personnel is recognizing which interests, compulsions, and needs drive a person so that you can predict whether the working conditions and tasks on offer will encourage strong emotional willingness. If there is a major divergence here, it is often very difficult to make up for this lack of motivation mechanism in the long term with other types of rewards or by shaping the relationship.

3.3.3.2 Specific Motivation Strategies

In the last section we demonstrated that the first requirement for successful motivation is for a leader to identify the relevant compulsions and needs of an employee. In a certain sense then, you need a “people model”, a grid of possible needs that are generally relevant and worth considering in professional life, and that can also be satisfied in professional life with good framework constellations. Basically there are many psychological models that are suitable for this. At a very fundamental level, we already looked at one of these models in Chap. 2. The four major basic orientations (autonomy orientation, relationship orientation, balance orientation, and stimulation orientation) are essentially also four major emotional drivers that demonstrate relatively well which tasks you need to provide as a leader to ensure that they are experienced as particularly motivating.

If you want to motivate, you need to understand emotional drivers.

Autonomy-oriented people will experience tasks as enticing that enable them to prove themselves and demonstrate their own outstanding performance. Relationship-oriented people will experience tasks as motivating that provide them with close contact to people and the opportunity to connect with others. Balance-oriented people will experience tasks as enticing that contain clear structures, rules, and security. Stimulation-oriented people will be attracted and motivated by tasks that offer novelty, changes, and new experiences. In addition to this model, there are many other descriptive frameworks that you can use to categorize possible professional drivers. Table 3.2 shows a compilation of the needs that play a role in a lot of constellations in professional life. It can be used as a practical grid for managers who wish to reflect on the complexes of needs that characterize their employees and which tasks and contexts are particularly worth noting in order to ensure a high level of motivation.

As a leader you will be a particularly good motivator if you sensitively identify the needs and interests of your employees and exhibit the creativity to influence tasks and framework conditions in such a way that they are particularly well suited to the existing needs structures. The less precise you are in performing this matching, the more you will have to compensate using other types of reward or the power of positive relationship shaping.

Leaders who are sensitive to the needs of others have good premises for generating motivation.

Social skills for managers in the narrower sense pretty much equate to mastering this juggling act. In many companies, empathy is rightly considered to be a basic prerequisite for social skills. Sensibility and a good ability to empathize mean that managers possess the confident ability to interpret the initial emotional situation in which they approach certain employees and which of their actions will trigger which emotional effects. What’s more, social skills mean being able to vary your behavior for different employee personalities.

Table 3.2 Typical needs that trigger professional motivation

Employees with a strong need for . . .	experience tasks as especially motivating that . . .
. . . security and order	. . . are very structured, aligned to clear rules and processes, require little conceptual creativity and willingness to change, and demand only limited freedom in processing
. . . recognition and status	. . . promise appreciation and praise if performed successfully, allow them to demonstrate outstanding skills and abilities, are required in order to obtain symbols and insignias of success, and can set the task owner apart from less capable people
. . . relationships and teamwork	. . . are carried out in a joint, participative process, facilitate contacts and convey a feeling of belonging, can be carried out in the security of a group, and enable shared experiences during processing of the task
. . . learning and change	. . . contain new experiences, enable access to new horizons, imply a departure from the existing situation, and facilitate new experiences
. . . power and freedom	. . . provide a lot of scope for their own creative impact, contain opportunities to exert influence, are implemented without strict controls and regulations, and offer scope for creativity and decision-making
. . . pride in their work and self-assurance	. . . allow the task owners to feel personally responsible for the result, test their own abilities and prove themselves in view of their own quality expectations, and that provide the opportunity to consider a special activity as “their baby”
. . . competition and victory	. . . allow constant comparison of their own performance with others, are set in a competitive context, allow constant affirmation of their own performance, and carry a risk

Empathy is the basic prerequisite for social skills.

Look at the different motivations in the table above and you will clearly see which role you need to play as a manager in each case in order to ensure motivating cooperation. For an employee who loves security and order, you as a manager will have to provide clear orientation and solid boundaries. For an employee who considers recognition and status important, you will need to be an appreciative admirer. You will need to be a friendly companion to the employee who is focused on relationships and team cooperation. For the employee who longs for learning experiences and change, you will need to be an inspiring and creative visionary. With employees who want power and freedom, you will need to let go and provide scope to allow them to shape their own environment. Employees who require self-assurance and pride in what they do need you as a professional sparring partner to reflect the development of their skills. For the employee concerned with

competition and victory, you may need to be—metaphorically speaking—the competitive sibling, as such a person draws motivation for excellent performance primarily from competition.

If you want to motivate, you need to be able to take on different roles.

- ▶ For managers, social skills mean being able to take on different roles for different employee personalities. What's important is the breadth of the relationships you can offer as a manager and the ability to cater successfully to different needs in your work together.

Having said this, it is not always right or useful to cater to the identified needs all of the time. Sometimes considerations regarding content or simply competence problems will mean that you are unable to show appreciation to the employee who strives for recognition or to offer new horizons to the employee who longs for learning and change. In this section we have merely described what the principal mechanism would be for generating emotional enticements in working with these employees and applying them as a means of motivation. We are not saying that it is useful to do this all the time.

Motivation is not always possible.

3.4 The Basic Mode of Action of Leadership: A Metaphor

In considering the three different leadership strategies (persuasion, motivation, assertion), we now wish to provide a clear illustrative summary of the principle by which specific, practical leadership works: **human leadership is like riding a horse**. One of the fundamental truths of successful horse-riding is this: **the horse decides how it needs to be ridden**. Or in other words: **the horse's character defines how you can ride it most successfully**. Whether a horse is more responsive to sugar lumps or the whip is determined by the character of the horse and not by the rider. There are two skills that mark a good rider. First, good riders are very sensitive to how different horses need to be addressed in order to get the best possible performance out of them. Second, you can tell a good rider from his or her ability to address—or ride—different horses in different ways. The better the rider adapts to the horse and its needs, the more of a response the rider will be able to elicit.

The horse decides how it is to be ridden most successfully.

It is quite clear that adapting yourself to your horse is not the same as “wish fulfillment”. If a rider is in a race and the horse suddenly feels the need to graze, it is not the mark of a good rider to indulge this wish. What makes a good rider is the fact that this rider knows exactly how to react to motivate the horse to produce top performance. This example transfers well to the subject of human leadership. What

are the marks of good leaders? You can recognize good leaders by the fact that they are very sensitive to which needs, interests, attitudes, views, and hopes characterize their employees (knowledge of human nature!). Second of all, you can tell good leaders by their ability to address different employees in different ways. The broader, more mature, and more credible the strategies of address are that leaders use, the more different the employees in their care can be.

Successful managers are sensitive and varied in how they apply their strategies of address.

In a sense, their own leadership potential is defined by the diversity of employees they are able to address suitably. The statement: “Mr. XY could certainly be a team leader with us if we provide him with a team of loyal, uncomplicated, conscientious, and independent employees” is not an indication of particularly great leadership potential. In our metaphor, the statement would mean that Mr. XY only knows how to ride a small selection of horses. Personality growth for managers includes the ability to adapt ever better to different employees and to select, measure out, and apply the different leadership and motivation strategies in the way that is most likely to produce top performance.

Leaders grow when they learn how to adapt themselves to different employees.

At first glance, this description of leadership strategies appears very instrumental—some would even say manipulative. For this reason, we would like to make one important point clear: In the typical use of the word, manipulation requires a more covert strategy of influence. This covert strategy of influence is necessary precisely because an open strategy of influence or disclosure of your goals would bear the risk of resistance. In most situations, this is by no means the case for the subject of leadership.

Leadership is not necessarily manipulative.

- ▶ As a leader, you can certainly reveal your goals and also be very open about the fact that you are introducing certain leadership actions (attempts to persuade others, incentives, sanctions, etc.) specifically because they promise the greatest possible success with regard to achieving the common goal. Leadership is instrumental by nature, but not necessarily manipulative in the negative sense of the word.

By agreeing to a role in which you determine and influence others as a leader, then it is your job to act to achieve the greatest possible success-inducing effect on the people you lead. You can no longer decide whether you want to be instrumental or not, you just are. Each of your actions has an effect on the followers. This effect can be either beneficial or detrimental to performance. In selecting the specific leadership strategy, we encourage you always to use approaches that have as beneficial an influence as possible on performance and commitment. Naturally,

this is instrumental (in the first chapter we called it intentional). But would it be more sensible to trigger effects heedlessly and then just to see whether they are more or less beneficial to performance? Would this be more ethical or responsible in any way? We stand by our claim that leadership is an instrumental phenomenon.

Leadership is always instrumental.

As a manager, you have a goal in sight and want to successfully pool strengths in order to attain this goal. Once you have identified yourself with this role, it is only logical and sensible that you select the strategies of influence that promise the most positive effect. There's no need to be ashamed of your instrumentality here. Your instrumentality is actually an indicator of your role and your responsibility. If you perform this role well, you will stand out by taking the needs and interests of the employees into consideration and providing motivation and emotional enticement wherever it is possible and makes good business sense. You don't do this simply out of pure philanthropy (even though this is sometimes dishonestly claimed to be the case), but out of consideration for success. After all, that is your role and your responsibility, at least in commercial enterprises, and people won't hold it against you.

Strategies of influence are selected to produce the greatest possible effect.

The alternative would simply be that you pay less heed to the needs and interests of your followers. This would certainly not produce better leadership. If you do not disclose your goals as a leader and try to exert influence covertly, then you are a manipulator. If you only pursue your own goals or bad goals as a leader, or even aim to attain goals that go against your followers, then you are a seducer.

If you don't want to be instrumental as a leader, then nothing will improve.

- ▶ If, in the face of different needs and interests, different hopes of meaning, and different fears, you are able to address different people so that you can select the strategy that promises the most success and implement it credibly, then you have great leadership potential.

Constantly expanding and learning useful leadership strategies for different personalities is the decisive element for personality growth in managers. If you have an employee in your team who you just don't know how to integrate, then you have found your master in this employee! Then you have identified the very employee who marks the limits of your leadership potential (irrespective of this, different employees are of course difficult to lead in very different ways). It's somewhat exaggerated, granted, but we could employ the following adage in discussing different leadership strategies: if you only have a hammer, every problem looks like a nail!

The employee you are unable to lead marks the limit of your leadership potential.

Leadership, Threats, and Change: How to Generate Leadership Strength by Understanding Problems and Crises

4

In the first chapter of this book, we introduced the image of the sculpture. We said that it is not possible to perceive the phenomenon of leadership as a picture, from just one perspective, but that it must be considered as a sculpture that can be looked at from different angles depending on different causes and interests. Each vantage point is true in itself, but never complete. In the previous chapters, we described leadership primarily through the psychological processes in the leadership relationship. We wrote about developing and establishing the leadership relationship. We identified fear and trust as the constituent elements of leadership relationships and looked at the different *relationship contracts* that leaders and followers enter into. We then examined the hands-on element of leadership and analyzed which roles a leader needs to assume, as employees with different personality types and different complexes of needs require different strategies of address (persuasion, motivation, and assertion).

Our previous considerations focused on the psychological processes of the leadership relationship.

Our previous considerations could be interpreted as though leadership were something that takes place in a vacuum, and as though leadership originated primarily from a psychological process. However, there is an essential constituent of leadership missing from these previous considerations: **the situation**. Relationship contracts between leaders and followers do not develop in a vacuum. Leadership strength emerges better in certain situations than others. Certain situations give rise to a greater need for leadership than others.

Leadership does not take place in a vacuum but in real situations.

If you think back to our initial considerations, you will remember that we defined leadership as **directed movement** that is intentional, goal-oriented, and potentially powerful. Sticking with the metaphor of directed movement, it is clear that there are movements that do not require attempts at direction by a leader. This is the case specifically when everything is moving in the right direction. In this case, a leader simply has nothing to do.

If everything is moving in the right direction, there is no need for leadership.

Put simply, let's imagine a team in a company that has proven itself to be exceptionally competent, productive, and highly motivated in performing its tasks successfully and achieving the goals set by the company. If this team now gets a new leader, this leader is not in a particularly good starting situation to prove him or herself as a great leader. If this new leader now makes ambitious attempts to exert leadership on the team, it is very likely that this will give rise to incomprehension and probably resistance among the team members. There is no problem to solve that requires a leader! In this situation then, it is significantly more difficult to establish a leadership relationship.

Leadership ambition generates resistance if there is no problem to solve.

This is why we need to examine situations in which there is a need for leadership more closely. Before we take a look at these situations, it is important to explain the perspective from which we will examine this topic. We could simply describe, categorize, and analyze situations in which there is a strong need for leadership (all of our considerations up to now clearly point to the conclusion that these must be crisis situations). However, this book is called *The Psychology of Human Leadership*. If we want to write a chapter on situations, the following circumstance quickly becomes clear: **psychologically speaking, there are no situations.**

The need for leadership is created by the interpretation of situations.

- The situation is what is objectively given, the actual and real facts. But the objective exterior is not a psychological circumstance. The objective exterior only becomes a psychological fact once it is perceived and evaluated.

Only once we consider the situation from the perspective of perception and evaluation do we see mechanisms and opportunities to exert influence that are of interest in terms of leadership psychology. As such, this chapter will deal with how you as a leader can make use of the situation for leadership or whether you need to handle the situation in a particular way in order to lead at all.

How do you need to interpret situations as a leader in order to be able to lead?

Often, the matter of "situation in leadership" is examined from another perspective. The theory of situational leadership is among the most prominent leadership theories both in the scientific arena and in popular management literature. This theory is—for the most part correctly—understood as the idea that different situational requirements demand different leadership actions. Mostly, however, the theories concerned take reduced aspects of the situation as their starting point. Typical aspects that form the focus of classic situational leadership models include the qualification level and motivation of the employees.

Classic theories of situational leadership examine individual aspects such as qualification and motivation.

Classic situational leadership therefore looks at the situation as something objectively given and objectively analyzable, and then describes which is the best leadership style for these two situational factors (qualification level and degree of motivation). What this produces can certainly be of use in providing a pragmatic initial idea. But anyone wanting to get a deeper insight into what is going on in terms of leadership psychology will soon notice the limits of this approach. In terms of leadership, a situation is not interesting as an objective given, but in terms of what the leader makes of it! The influencing factors that need to be taken into account when selecting the right leadership action are considerably more complex than motivation and qualification.

Situations are not of interest as an objective fact, but only in how they are interpreted by the leader.

4.1 Psychological Skills of the Manager in Handling Situations: Situational Sensitivity and Interpretive Ability

In the introduction we argued that there are no objective situations, but rather that, in psychological terms, situations only exist as a product of our perception and evaluation processes. When we perceive and interpret situations, we always use two major dimensions. The first dimension is the **structure** of a situation and the second dimension is how it **changes over time**. So we ask ourselves two major questions:

- What precisely can be observed at the moment?
- How has this aspect changed or how will it change?

When we look at situations, we look at their structure and how they change over time.

Let's apply these two questions pragmatically to typical corporate occurrences or problems. The first aspect—the structure of the situation—concerns the question of what exactly needs to be examined. Let's take a look at a company's situation. We need to ask ourselves the following: What do we need to consider in order to look at the situation of a company? We could, for instance, examine economic indicators (this would be a fairly typical angle for gathering indicators regarding a company's situation). Equally, we could analyze results from the employee satisfaction survey, the customer structure, the product structure, or feedback from the customers. All of these could be structural elements that we apply to the question: What is the company's situation?

Structural elements of a situation are the features that describe a situation at the present moment in time.

Inevitably, a second perspective imposes itself. We realize that we are only able to interpret all the information that we gather if we look at it from a process perspective, that is to say if we track it over time. We can consider it from the perspective of what the corresponding indicators we have sought out looked like in the past. Also, we can create a forecast of the future development based on past and current progress.

Structural elements of situations can only be interpreted over time.

A forecast is still part of the analysis. After all, a forecast itself is not a prompt to action, but merely an analytical process that predicts the development of an element as accurately as possible based on past experiences.

Forecasts are parts of analyses and not yet specific prompts to action.

In examining a situation, we look at certain structural elements of the situation (e.g., economic indicators) and interpret them in comparison with yesterday and with the potential tomorrow. In the heading of this chapter, we stated that the first skill a leader needs in handling situations is situational sensitivity. To us, this somewhat unusual term indicates a leader's skill in perceiving and interpreting a situation in such a way that a need for leadership arises in that situation; this means spotting threats or opportunities.

Situational sensitivity means being able to interpret a situation from the perspective of the need for leadership.

If a situation is not evaluated from the perspective of threats or opportunities, this situation has no scope for leadership. Or in other words, there is no need for leadership if a situation does not become a crisis. We use the word *crisis* here as a catchall term for such situations that contain threats or opportunities. By the term crisis, we do not just mean major existential crises, but also smaller everyday crises and problems.

Without a crisis there is no need for leadership.

- ▶ Anyone who wants to lead needs to be able to perceive situations as a crisis! Prospective leaders need to be able to predict impending threats or possible wasted opportunities (which are actually just the flipside of dangers) based on how the relevant structural elements of the situation develop.

Let's take another look at our initial question of which structural elements a manager can analyze when dealing with the company's situation. We have already mentioned economic indicators, customer structures, the product mix, customer feedback, or employee qualification. Before providing a real leadership stimulus in one of these structural elements, a manager must be able to perceive these structural elements as critical. For example, a manager can argue that the outlook for the future is grim compared with the economic indicators from the past. Equally, it can be argued that the composition of the products will no longer be competitive or marketable in the future based on certain considerations. The manager could explain that the employees' current skill set was suitable for challenges in the past, but will no longer be sufficient in the future. It can also be argued that although the customer structure was viable in the past, as the result of certain market changes and trends it is feasible that it may no longer be sufficient to guarantee success in the future (e.g., because there are trends toward monopolization). So before you can

even provide stimulus for leadership, you need to be able to understand a situation from the perspective of a crisis.

Stimulus can be provided for leadership if the structural elements of a situation can be interpreted as critical.

- ▶ In declaring a situation to be a crisis, a leader is making two fundamental statements:
 - There is pressure.
 - A decision needs to be made.
- Leaders who are situationally sensitive are able to perceive the structural elements of a situation that exhibit pressure and a need for decision making (let's take another look at our previous example: whether a manager declares a crisis in a company based on economic indicators, qualification, customer orientation, product strategy, market access, or other structural elements is a question of the manager's sensitivity to the structural characteristics of a situation that are best suited to declaring a crisis and that provide justification for pressure and a need for decision making).

Leaders who are situationally sensitive can identify the structural elements of a situation that can be best interpreted as critical.

- Incidentally, we don't deny that there are objective situational characteristics that form the basis for this sensitivity. Nevertheless, these objective situational characteristics only become a crisis when the corresponding sensitivity and interpretation are applied. If you look at history, you will see many examples, both positive and negative, illustrating leaders' sensitivity to which situations were suited to being interpreted as crises and how pressure and the need for decision making became comprehensible to the followers once a crisis was declared.

Objective situational characteristics only become a crisis through interpretation.

- Yet you will also see examples of how seemingly objective situational characteristics were not used to establish a critical development for so long (because the leaders didn't have the courage to consider things in that way) that the crisis ultimately became unavoidable and destructive. If you think, for example, of some of the spectacular bankruptcies that have befallen major corporations, hindsight often reveals that—despite the objective presence of problems that had been apparent for a long while—the management team obviously didn't manage to interpret and communicate these problems so critically that pressure could be generated and difficult decisions made.

The spectacular failure of certain organizations shows that managers are sometimes unable to interpret situations as a crisis early and intensively enough.

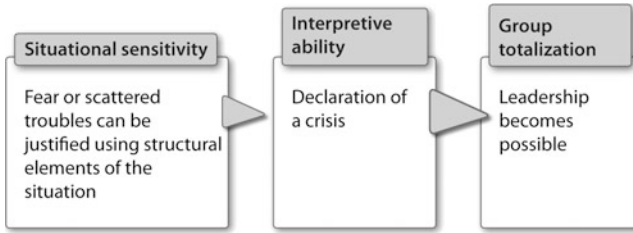


Fig. 4.1 From situation to crisis: how the need for leadership arises

- Sensitivity to which structural elements of a situation are suitable for being interpreted critically is an important act of leadership.

4.1.1 Process Steps in Generating the Need for Leadership

Let us look now at the process by which leaders generate the need for leadership (Fig. 4.1).

4.1.1.1 Situational Sensitivity: Reasons for Fear or Scattered Troubles Can Be Found Using Structural Elements of the Situation

The process by which space is created for leadership in a situation can be described in three steps. The first step consists in the situational sensitivity of a leader who correctly recognizes structural elements that have the potential to trigger fear. Situationally sensitive leaders understand which aspects of a situation lend themselves to declaring a crisis. If you think back to the chapter on charisma, you will no doubt remember that leadership is ultimately always reliant on helping to overcome fears. As such, fear first needs to be created in a specific situation.

Situationally sensitive leaders recognize which elements of a situation have the potential to trigger fear.

You may argue that there is a difference between whether a situation has certain objectively fear-inducing characteristics or whether the fears are driven by a specific psychological structure, which we described as the basis of the charismatic relationship contract (balance orientation, stimulation orientation, autonomy orientation, and relationship orientation). Upon closer examination, however, it becomes apparent that it is the identical mechanism at work—you can only feel the fear that exists latently within you and that can, as such, be activated. Fear for one’s own survival, for example, can be activated in almost every human being. Fear of loneliness and a loss of closeness can be activated most strongly in relationship-oriented people.

We can only feel the fears that exist latently within us and that can, as such, be activated.

A leader who is able to turn a situation into a crisis by explaining why the situation is life-threatening will be able to reach many affected people. A leader who can make clear that the situation is such that it threatens loneliness and the loss of relationships will mainly reach relationship-oriented people, as he or she has used the structural elements of the situation in his or her arguments that are most accessible to these people. In both examples though, the leader has succeeded in interpreting the situation as a crisis.

Situationally sensitive leaders use the structural elements of the situation that are most accessible to the followers.

Sometimes, fear cannot even originate without the leader's situational sensitivity and explanations. This is, incidentally, the typical process in many corporate change processes that are initiated with foresight. In such cases the management usually argues along the following line: "At the moment we're doing just fine. However, if we continue as we are without adapting ourselves to certain future developments, we will have considerable problems further down the line." Here, fear is generated only by the action of a manager and is by no means specific yet in the current situation, it is merely latent (or potential). Things can be different though. It can most certainly be the case that a group of people already shares a common trouble or a specific fear. A leader who is able to relate these fears to structural elements of the situation and therefore interpret it as a crisis ("There is pressure! It's time for a decision!") creates the foundation for leadership.

If a specific fear is already present among the followers, it needs to be successfully related to structural elements of the situation in order to generate the need for leadership.

4.1.1.2 Interpretive Ability: Declaring a Crisis

The next act of leadership consists in interpreting the situation in such a way that it provides a clear explanation to the followers. This interpretation takes place in two steps. The first step is a plausible explanation of what caused the crisis. The second step is a comprehensible assessment. This interpretation of a crisis is the second important skill a manager needs in handling situations.

A leader's interpretive ability is evident in the explanation and assessment of a crisis.

Leaders need to be able to examine situations with a view to creating a crisis out of them (situational sensitivity) and they need to be in a position to explain the causes and extent of the crisis (interpretive ability). Good leaders need to be able to answer the following two questions if they want to make clear the need for leadership to a group of people:

- What is causing the difficulties?
- How are they to be assessed?

We can see already that there is a great degree of freedom in this situational interpretation. The more dramatically a leader assesses a situation, the greater the crisis that is declared and the stronger the need for leadership is that he or she triggers in this situation.

4.1.1.3 Group Totalization: Leadership Becomes Possible

The third process step consists in totalizing the group. We use the term *totalization* to describe the following phenomenon: If steps 1 and 2 have been successful, there are similar perceptions in the group of which aspects of the situation are critical, what causes them, and how they are to be assessed. Scattered individual fears that may have been previously unconnected are now shared by a group. Suddenly a group has a common perception of the following three aspects:

- Cause: we share a perception of what is causing the problem.
- Involvement: we see that the crisis affects us jointly.
- Assessment: we share the same estimation of how difficult the situation is.

Only once a group has undergone this totalization has space really been created for leadership.

Successful totalization of a group leads to a common interpretation of the crisis.

Examples of Unsuccessful and Successful Attempts to Create the Need for Leadership

Let's look at some examples of how people try to totalize a group to create space for leadership.

A very clear example is a phenomenon that is on display every day at Speakers' Corner in London, England. This is a spot in the city where different people come to expound their theories and individual certainties, and try to win supporters for them. If you feel the need to find out how the CIA is on the way to dominating the entire world, how aliens control our thoughts, or why the global economy is doomed to collapse next year, you'll meet someone at Speakers' Corner who is willing to explain it all to you. Take a look at the process we explained above and you will see that the attempts at leadership that are made there follow this process precisely. The speakers look for structural elements in situations that they consider suitable to declare a crisis ("The press lies to us about what's really going on in the world"). Then they deliver a corresponding theory of explanation ("The CIA manipulates journalists all over the world to assert its interests"). It's then easy to assess the whole situation ("If we're not careful, we'll be heading toward a terrible global autocracy by the CIA"). The aim of these efforts is to totalize the group, or to create an interpretation that is commonly accessible. Usually the attempts to influence others fail because the structural characteristics of a situation that are examined and the interpretations that are offered are not accessible to a large group of people. In the example above, this means that most people don't see the situation as that threatening and are unable to imagine the CIA as being on the verge of world domination. As such, the self-appointed prophets fail to totalize a group in order to generate a need for leadership that is shared and accepted by the group.

The following political event illustrates the successful totalization of a large group: Irrespective of individual political persuasions and historical tests of truth, the justification for the Iraq War can be understood—purely from a leadership psychology perspective—as a comparatively successful totalization of the USA

by the Bush administration in power at the time. Let's take a look at the typical forms of argument from the perspective of our process described above.

- Situational sensitivity
 - What is the structure of the situation that we need to examine?
“We are observing the efforts at military armament in Iraq.”
 - How have they changed over time?
“Iraq has always made great efforts to have an army in place that is ready to attack. Over time, it increased its efforts to produce weapons of mass destruction that were hidden from the public eye. In the future Iraq may be in a position to produce chemical, biological, or even nuclear weapons.”
- Interpretive ability
 - Explanation of the causes
“Iraq is arming itself to be able to start an offensive war against Israel, the USA, or the free world.”
 - Assessment
“The leadership of Iraq poses a great and terrible threat to the free world.”

It is immediately clear why the elements described need to be in place to ensure that the totalization of the group is really successful. Only with these patterns of explanation was the need for leadership so great (“There’s pressure! It’s time for a decision!”) that the USA was prepared to go to war.

In retrospect though, you can also see the freedom that was inherent in this interpretation of the situation: Certain data, events, and developments in Iraq could most definitely have been interpreted differently—and less radically. Had Iraq’s militant intentions been interpreted less radically, however, the totalization of the USA would perhaps have been unsuccessful and George Bush would not have succeeded in leading his nation into a war with Iraq.

4.1.2 Elements of Interpretive Ability in Leaders: How Are Situations Explained?

To let you get a better handle on the process of actual acts of leadership, the next step examines the question of which components leaders use to explain situations so that they can be transformed into a crisis. For this interpretation to even be possible, there need to be two elements in a specific situation:

- There is an actual state that contains a critical aspect (either because a group already perceives this element as critical, or because the leader can reinterpret it as a critical element by way of explanation).
- There needs to be a target state in the form of a latent desire that can be activated. This must be better than the current or expected actual state if nothing is done. The target state can either be a successfully exploited opportunity or chance, or an averted threat (as we explained at the beginning of this chapter, these are two sides of the same coin. If the target state represents a more positive or better state than the present actual state, the threat would be missing out on a better future and possible opportunities).

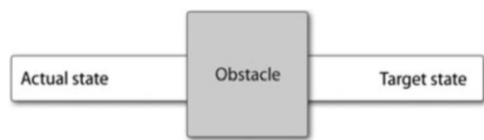


Fig. 4.2 Components of a critical situation

However, there is an obstacle between the actual state and the target state. There is some circumstance that prevents moving from the actual state to the target state from being a matter of course (Fig. 4.2).

To successfully interpret a situation, the critical actual state and a target state that is better than the present are required.

A leader needs the situational sensitivity to capture the critical aspect of the actual state. A leader also needs to be able to draw on a latent target state that is more attractive than the actual state, and must be able to explain the obstacles and threats that will be encountered along the way. Yet how can these threats be explained? Essentially there are three problem types with three different leadership strategies:

- Decision-making problems
- Innovation problems
- Information problems

If a leader defines the obstacle between the actual and target states as a decision-making problem, this leader will use the following form of argument in interpreting the crisis: “In the past we did X, as of tomorrow we need to do Y. We need to decide on a different course!”

Decision-making problems call for a change of approach.

If a leader considers the obstacle to be primarily an innovation problem, this leader will have to demonstrate new paths and use the following form of argument: “In the past we pursued a certain concept. We need to find other approaches and strategies for the future though. We need to come up with something new!”

Innovation problems call for novel concepts.

If a leader sees the problem mainly as an information problem, the following form of argument is needed: “Many people don’t seem to understand why this or that happens. We need to analyze the problems again in detail!”

Information problems call for better analyses.

- ▶ If leaders want to center the need for leadership that they have created in a situation on themselves, they need to sell themselves as follows:
 - For decision-making problems: leaders sell themselves as bold decision makers.
 - For innovation problems: leaders sell themselves as creative innovators.
 - For information problems: leaders sell themselves as competent experts in their fields.

A leader who is able to understand, interpret, and explain a situation in this sense, and then to totalize a group accordingly has paved the way to unleashing leadership strength.

4.1.3 Explaining and Interpreting Situations Using Metaphors

One last point is important in understanding how successful leaders interpret and explain situations. The actual interpretation always takes the form of a metaphor or an illustrative comparison. Explanations only ever exist as metaphors. In order for us to understand something, we need to translate a fact into accessible images that we are able to grasp. Ultimately, all scientific modeling is based on the fact that our knowledge of the world is transformed into metaphors (models) that enable us to understand scientific procedures.

Understanding arises from translating a fact into accessible images.

What we mean by this is made clear with the following example. If a 4-year-old child asked you what a peacock is, you may give the following answer: “A peacock is a big bird that can spread out its colorful tail feathers in a beautiful display.”

You can see that this is a metaphorical explanation. You translated the peacock into an image that is accessible to a 4-year-old child (the image of a bird) and then explained the differences based on this image. The child is only able to understand the facts through the image. The explanation is only accessible if the child already knows what a bird is. In the second step of an explanation, metaphors are generally embellished by indicators. The indicators prove that the chosen image is applicable. For example, let’s look at a metaphor that former German Chancellor Helmut Kohl once used to draw attention to the constant drop in weekly working hours in Germany—the image of the “collective amusement park”.

This metaphor was immediately comprehensible to anyone mildly interested in politics. It was immediately clear and evident what Helmut Kohl wanted to say and those who adhered to his political leaning certainly considered it an unpleasant prospect that Germany could mutate into a collective amusement park. In order to prove that the comparison was correct, however, we need indicators. These could have been statistics on shrinking weekly working hours, for instance.

Metaphors are embellished and specified using indicators.

When leaders successfully explain situations, they use metaphors to make their interpretation understandable and then add indicators that obtain their meaning from the context of these metaphors. A sound knowledge of business economics is also important for managers so that they can use the right indicators when they use metaphor in situations to make clear the need for change. Put simply, this would be the following form of argument: “In terms of sales, our product area XY is on a downward slope (**metaphor**). Sales have dropped by more than 10% for the third year in a row (**indicator**).” Of course, the metaphor itself can be dispensed with if the circumstance is so widely understood by everyone anyway that it no longer requires explanation. Many leaders forget, though, that indicators themselves have

no explanatory value if they are not embedded at a higher level in an overall picture (see also Case study “Successfully Creating the Need for Leadership: Detailed Analysis of an Example”).

Metaphors are dispensable if no further explanation is necessary. Then the indicators are understood directly, too.

Successfully Creating the Need for Leadership: Detailed Analysis of an Example

In the next step we want to summarize what we have discussed so far in an example that we will examine and analyze together. It’s not unusual for the process of totalizing a group to be represented in the form of a speech or address. That’s why we have chosen a typical speech given in the run-up to a change process (we could also call it a crisis), in which we can find all the elements we have described so far. Let’s assume that the CEO is speaking to staff on the topic: “The situation of the company”:

Dear employees, I am addressing you today so that we can look at our company’s situation together. For the third year in a row now we have exceeded our profit expectations and succeeded in increasing our return by a much greater margin than anticipated. I would like to express my heartfelt thanks to you all for this and encourage us all to continue working together toward shaping the future with just as much motivation and success as we have in the past.

(In terms of economic development alone, there doesn’t appear to be a crisis or any need for change. These structural elements of the situation are therefore not suitable for declaring a crisis.)

Irrespective of our delight with our success, we still need to look to the future and constantly scrutinize whether we are still on the right track with the strategies and approaches we have chosen.

(Aha, so there does seem to be a certain need for leadership that the speaker is gradually working toward.)

To clarify my assessment of the situation, I want to draw your attention to a special circumstance that isn’t immediately apparent if you look solely at our company’s economic development over the past years.

(Our situationally sensitive CEO seems to have discovered a structural element in the situation that can be suitably interpreted to indicate a need for leadership.)

When we launched our company 10 years ago, we had pretty much just one product. Over time, many more products have been added and we have continually expanded our range. Due to the strong customer orientation of our Product Management, Sales, and Development divisions, we have now created an unbelievable number of product variants and product types.

(We now understand that the structural element we are looking at is obviously product diversity, which has increased rapidly over time.)

If the current trend continues—and at the moment there is nothing to indicate that it will do otherwise—our diversification will also continue. We're on the road to transforming from a company with a very specific core competency to a general store!

(Here is the first metaphor: We are on the way to becoming a general store! The choice of words already implies that the CEO prefers a specific core competency and not general merchandise.)

This is certainly a positive process if viewed purely from a customer orientation perspective, but it worries me for other reasons.

(Now we have an initial assessment of the situation: There is obviously imminent danger; the CEO is worried!)

In conjunction with our Controlling specialists, we have carried out numerous analyses in recent months on what our product diversity costs us. I want to use the following slides to show you the types of costs that are developing disproportionately, and in some cases even exponentially, due solely to the high requirements that result from our product diversity. . . .

(Next come the indicators, which will prove that the “general store” really does constitute a dangerous trend.)

We have seen from the charts that our cost problem is currently being absorbed by our rocketing sales. However, you have also seen that we will reach a point just next year at which the disproportionate growth in costs will start to eat away at our returns. Of course, one could take the view that this is merely a price we have to pay for our success and increasing size. I don't share this view. What I see is that our product diversity will make us more complicated, slower, more bureaucratic, and less flexible in the future than would be good for securing our future success. Do you want us to transform from a flexible and focused profitable company into a slow, bureaucratic, and ineffective corporation?

(For goodness' sake, we don't want that! So here we have another assessment that the matter really needs to be taken seriously. There is pressure!)

Next year we will need to join forces to move in a completely different direction.

(It's time for a decision!)

We all need to be creative in order to reduce our internal complexity without causing any noticeable restrictions for our customers.

(We need innovation!)

We need our shared expertise to understand precisely which variants and which degree of diversity we need in order to consolidate a real market lead and where the market will punish our growing complexity in the future if we carry on as before.

(continued)

(We need information!)

This foray into the future should by no means stop us from taking pride in what we have achieved. We have done a lot of things right up until now, but just as we pooled our efforts yesterday in preparation for today's success, today we need to pool our efforts in preparation for tomorrow's success.

(So that means that we need to grasp future opportunities as well as fend off potential threats.)

I already extend my sincere thanks to you for your commitment and willingness to work hard to make this change.

If the metaphors and indicators, the pressure and the threat are believable for the group, this speech is likely to succeed in totalizing the group. We have once more seen all the elements that a leader could use to develop the need for leadership. Our CEO was sensitive enough to capture the structural elements of the situation that are able to demonstrate critical developments. He possessed the interpretive ability to explain and assess this development, and therefore make it clear that there is a crisis that requires decisions to be made.

4.2 Situation and Goals

Some of you may be asking yourselves why we have spent so long talking in such depth about the situation, but have not yet taken a close look at goals. Intuition suggests that the subject of goals would actually be relevant much earlier and play a constituent role in leadership (that's why we look at the topic in greater detail in Chap. 5). In reading this chapter though, it may also have become apparent that certain goals are only able to unleash their possible enticing power once the actual situation has been understood. It is perfectly logical to conclude that it is not only goals that are important in leadership, but rather that the critical aspect of the present situation is constituent in being able to use goals. A goal can only be enticing if it represents an alternative plan to an otherwise unattractive development. The more strength and effort need to be put into achieving a goal, the greater the crisis needs to be for this goal to even be worth the effort (unused opportunities are also a crisis in this sense).

Goals can only be presented as enticing if the actual situation is understood.

- ▶ Many change processes don't work so well in companies because it is not clear which crisis is actually to be overcome or averted by the change process. It is harder to argue in favor of averting a potential future crisis through change processes today than if the crisis is already being experienced. In the first case, fear first needs to be generated and in the second case, the psychological stress has often already been activated, which makes it easier to interpret the crisis.



Fig. 4.3 Essential elements of the leadership process

Interpretive ability is therefore immensely important for a successful change process in order to point out and interpret possible critical developments so that the required change process is seen as a tonic that will ease the impending pain. Leaders who tend to reassure or placate in difficult change processes take the stimulus and momentum out of the change. If everything really isn't that bad, what is the point in making such extraordinary efforts? Leaders can also fail then when faced with the problem of constituting a need for leadership and then building on it by providing the right stimulus!

Change processes only work if one is able to explain the crisis averted by them.

The next figure illustrates the three essential elements that are required in the leadership process (Fig. 4.3). In this connection, we will comment briefly on which irrational actions can come about in leadership when individual elements are not sufficiently taken into account.

Leadership processes always require three elements. There must be an actual state that can be defined critically. There must be a leadership action that can be understood as a solution to the crisis and that refers to a goal. This goal must be more enticing than the forecast if nothing is done, which would be a continuation of the actual state.

Leadership processes only work if the actual state, leadership action, and goal are considered together.

In leadership there are also three typical irrational actions:

- **The leader only focuses on the leadership action and the goal.** In this case, the problem is that no sensitivity is conveyed for the current situation and so

it is not completely clear which problem is actually to be solved by the action. Under such circumstances, the leader will not be able to unleash any great momentum for change.

- **Only the actual situation and the goal are considered.** In this case it is the leadership communication and the specific path that are missing. Everyone is agreed that something needs to be done to achieve the goal, but strengths cannot be pooled effectively to do this.
- **Only the actual situation and the leadership action are considered.** In this case, the orientation that a good goal offers is missing. The situation appears confusing and complex, behavior is marked by action, but there is no real clarity.

4.3 From Crisis to Cruelty

The following thought may have kept popping into your head while reading the previous sections: The process that we describe seems to contain a lot of scope for manipulation! If the basis of leadership strength lies in the leader's interpretive ability to turn a situation into a crisis, then we seem to be implying that leaders need to argue the case and prove the existence of critical developments if they want to successfully unleash leadership strength. We stand by this basic idea. Without major crises, there is no great leadership! You can only lead the way out of a crisis if you understand how to interpret it.

The interpretation of crises contains scope for manipulation.

As we said at the beginning of the chapter that there are no objective situations in a psychological sense, but only interpreted and assessed situations, there is no escaping the fact that you need to apply your interpretive ability to situations if you want to unleash leadership strength. This process itself is neither good nor bad, but—whether we like it or not—it is the psychological mechanism that prepares the way for leadership. There should be no doubt about the fact, though, that this process has also been abused by many bad leaders in a successful but morally questionable way. World history throws up enough examples of how leaders have succeeded in invoking extreme crises and driving their followers into a totalization in which distinctly dubious actions suddenly became acceptable. There is no contesting that there have been enough leaders who weren't exactly honest or overscrupulous in selecting and interpreting the facts used to justify the crisis (Hitler's justification for the invasion of Poland, for example, results from a very particular interpretation of a situation that was clearly based on incorrect facts, as is testified to by his words from August 31, 1939: "We have been returning fire since 5.45 a.m.").

Extreme interpretations legitimize morally questionable leadership actions.

Let's think back to sect leaders who have managed to drive their followers to collective suicide. We can only envision which interpretations and explanations were necessary to achieve such an extreme totalization of a group, but it is immediately apparent that extreme interpretations of the situation were needed to

justify such a decision. Even though we offer no citation of the actual forms of argument used here, we can be sure that they are very far removed from any facts that can be plausibly proven in a way that is acceptable to society in general.

Very extreme totalizations of groups are sometimes based on lies and deception.

The extreme efforts that a leader demands from a group also require extreme crises and extreme totalizations, be they good or bad! When Churchill promised only “blood, toil, tears, and sweat” in the British Parliament, he had declared a crisis that concerned nothing less than upholding the free world and saving humanity. This interpretation of the situation enabled him to command a gargantuan exertion from the British nation in a war against Adolf Hitler and to totalize the country for this purpose. This totalization will be remembered as a positive example because it was no doubt necessary in order to commit the nation to the sacrifices that needed to be made in order to curb National Socialism.

There are also positive examples of extreme totalization.

Over in mainland Europe, though, we saw examples of the most terrible totalizations that leaders have achieved. For the extermination of the Jewish race to even become an accessible goal for many people under National Socialism, the present needed to be described in terms of the horror scenario of Judaism striving for cruel and unlawful world domination. Hitler needed to define the present as a time of decision in which either the “master race” would assume the world domination for which it was destined, or Judaism would reach this goal. If the situation had not been interpreted as a crisis in this way, the goal of exterminating Judaism would never have been accessible.

The ideology of National Socialism required extremely critical future scenarios in order to explain its own goals as accessible.

- ▶ The rendering extreme, intensification, and radicalization of situations is the *condicio sine qua non* for cruel, dark leaders. Only if the crisis is existential and all-encompassing do cruel methods suddenly become accessible, legitimizable, and acceptable to many people.

We see immediately that these processes work not just by means of goals, but that they only become possible through a radical interpretation of the actual situation. Leaders become seducers by offering interpretations of the situation that have become far removed from the actual facts in order to make goals accessible that would otherwise never have been considered attractive or worth striving for. Unfortunately, the process applies to both good and bad intentions. In this sense it can't be criticized fundamentally. Leaders can be morally criticized for the goals that they strive for and for the means that they employ in pursuing these goals. The fact that every leadership must begin with a situation that is reinterpreted as a crisis and a group that is totalized for this purpose is a psychological fact and not a circumstance to be judged morally.

The totalization of groups is necessary for leadership—both good and bad.

Leadership, Challenge, and Perspective: How to Generate Leadership Strength Using Stimulating and Enticing Goals

5

Let's recap: Once leaders are able to perceive and represent a situation as imperfect—or critical—they have reached the point at which every leadership process begins. Only circumstances that are perceived as imperfect require leadership. The next step is to provide an answer to the crisis, a promise, a hope of salvation, an improvement, or—in other words—a **goal**. Perceiving and declaring a crisis alone are not sufficient to bind followers to you in the long term. Leadership strength is only unleashed once you can clearly illustrate to others what the future potentially holds and what the goal of the efforts and exertions associated with attaining it will be. In this chapter we look at our leadership sculpture from yet another perspective. Having focused on charismatic leadership relationships, practical leadership strategies, and crisis as the starting situation for leadership, we now turn our attention to how leaders can unleash and intensify leadership strength using goals.

Having interpreted a situation as a crisis, you need to be able to offer a promising goal.

As goals are so obviously and irrefutably an essential, integral part of leadership, the subject of “Management by Objectives”—or goals—has become what is doubtlessly the most widely published of all leadership topics. Management by Objectives is a management technique that was developed in detail very early on in the history of contemporary management. This technique inspired many other authors to tout different methods of leadership as innovative in a similar manner, and the 1970s and 1980s in particular saw the publication of a wealth of management literature that began with the words *Management by . . .* Management by Objectives is the only technique that has survived the test of time, the meaningfulness of its basic precepts having never really been challenged, and it is now almost understood as a synonym for leadership. Nevertheless, despite having been proclaimed in many popular scientific how-to manuals, the life seems to have gone out of this guide on how to use goals and it is now restricted to theoretical discussions on the measurability and design of target agreement forms.

Management by Objectives is among the most fundamental management techniques.

In the first part of this chapter we would therefore like to begin setting out an alternative to the many not-so-inspiring SMART models found in typical leadership manuals (for many authors, SMART represents the criteria for good goals that need to be specific, measurable, attainable, relevant, and timely, as the acronym indicates). We will show that the criteria that are truly relevant for goals are often not even touched upon in many of the more prescriptively written management manuals.

The typical SMART criteria for good goal systems omit several relevant aspects.

In the second part of this chapter we will look more closely at where goals that can exude an enticing force for followers actually come from. In the next step, we will provide you with some specific recommendations for practical management by objectives. We are less concerned with setting annual objectives here than with the daily process of discussing tasks and goals, which is usually dealt with under the heading of *delegation*. This section of the chapter will also explain why many target systems that companies develop for themselves tend to be more burdensome than effective when applied in practice and why their level of acceptance remains far lower than was originally hoped when they were introduced. We will then take a brief foray into politics and apply the new considerations we have made to how political goals are formed in reality. Political dialog in Western countries is characterized by the distinct lack of major common goals that possess the power to send a jolt through nations. Closer examination reveals, though, that this is not due solely to failure or a lack of ability to inspire others on the part of politicians in Western countries, but that it must be understood in a wider context.

5.1 On the Character of Goals

We have examined the fact that leadership needs goals from a different perspective in each of the previous chapters. In Chap. 1 we explained what distinguishes leadership as “directed movement” from random influence, and that these distinguishing characteristics are intention and goal orientation. In Chap. 2 we saw that the charismatic relationship contract involves you offering a hope or promise that is accessible to the followers and has the power to remove their fears. In Chap. 3 we expounded the notion that goals are a central element in endowing meaning, which is the mechanism that enables leadership to work at the rational level. In Chap. 4 we argued that goals always develop or arise from a crisis or the imperfection of a situation. Once it becomes clear which structural elements of a situation a leader interprets as critical, initial goals and solutions (as an alternative to the crisis) logically result from this interpretation.

Leadership needs goals.

5.1.1 Hypotheses on the True Nature of Goals in Leadership

In the following section we will present a number of hypotheses that explain in greater detail the character and form of goals in leadership. The aim of these considerations is to show that goals need to be more than the simple definition of a numerical indicator (“the goal is a 7.5% increase in sales”):

5.1.1.1 To Begin with, Goals Are an Inner Experience or a Feeling

Ask yourself how you begin to experience goals personally and you will see that a goal is initially experienced as a desire and a wish. As such, it may not as yet have been specified and expressed in words. Back in the third chapter we argued that the objectifications, specifications, and measurability required in many corporate target systems are often understood as a synonym for the actual goal and have assumed the status of a goal. This fetishism in searching for precise measuring opportunities masks the fact that a number can only ever be an indicator for the goal and never the goal itself. An actual goal is tied to an image and experience. A number that cannot be linked to a desire, a wish, or an image of the future is not a goal in this sense.

Goals are initially experienced as a wish or desire and not as a number or indicator.

5.1.1.2 Goals Are Repetitions of the Past

At first glance, this statement seems very counterintuitive. Goals are related to the future, after all. However, you can only wish something for the future that you already know. What you wish for yourself is something known to you, either as a lack of something in the past or as a positive state in the past. Goals therefore repeat what you have experienced in the past or what remained unfulfilled in the past. In this sense, visions are old acquaintances. If you haven’t already experienced something as positive or lacking in your life, you are very likely to settle for doing without it.

You can only wish something for the future that is already familiar to you as an inner experience.

5.1.1.3 Anything Imperfect Can Become a Goal if You Can Focus on It

In examining a situation, leaders need to concentrate and set priorities. They need to filter out the structural elements that can provide evidence of a developing crisis. The same applies to goals—generally speaking, all of the imperfect things that surround us can become a goal. Yet setting goals successfully is always a matter of setting priorities, of concentrating on and consciously narrowing down to individual aspects picked out of a sea of potentially imperfect states. People who are unable to block out the many imperfections that surround them in order to concentrate on just a few will be unable to act. Those who are unable to simplify will not get ahead.

Setting goals means consciously simplifying and concentrating on individual aspects.

5.1.1.4 There Is No Life Without Goals

When we are born into this world, we all have at least the goal of survival. Everything beyond that is differentiation, concretization, and simplification.

Our minimum goal is survival.

5.1.1.5 Goals Are an Expression of Our Personality

People's personalities are reflected in their wishes and hopes. If you know what a person finds imperfect and what he or she wishes instead and considers to be lacking, then you can understand that person. In the same way, you can also understand people through the lies they tell, as these lies contain goals, wishes, and what is lacking, and therefore reveal which desires motivate the lies. No one lies just because; rather, a lie reveals how the liar would prefer reality to be. As such, lies always contain an element of truth—liars reveal their true goals through their lies.

You can understand people through their wishes and goals.

5.1.1.6 Fighting to Realize Your Goals Is How You Become a Leader

You can only become a leader if you refuse to make do with the imperfection of certain circumstances and to settle with the status quo. As a leader you are fighting to realize your goals and striving for what could potentially be but is not yet so. Despite the risk of failure (which is greater the bigger your goals are), as a leader you need to be able to look forward and spread hope. Leaders are at their most accessible when their goals are able to activate that refusal in other people to settle for how things are and when the fight to realize goals is fought together.

Only people who refuse to settle for the status quo can become leaders.

5.1.1.7 Leadership Strength Is Unleashed by Belief in Success

The greater the goals, the stronger the belief in success needs to be, as more strength and exertion need to be pitted against the obstacles and uncertainties that pave the way. Great leaders need to be able to confront the present and represent this hope much more strongly. Motivating leaders possess the ability to believe in the attainability of their goals, and they represent the hope that fate will somehow be on their side. Our own culture and all the cultural achievements of humanity were once goals in the imagination of leaders. Everything that we have today was once the goal of leaders. Their leadership strength was sufficient to transcend their circumstances at the time. Without such visionary leaders nothing of significance would yet have been achieved in the world.

Great leaders represent the hope that the future can be shaped.

5.1.1.8 Goals Convey a Leader's Level of Development

If you look at which leaders pursue which goals, you will see what level of development they are at. Young leaders have goals that are strongly characterized by their role models. Young leaders want to be like this role model, achieve as much as that role model, or be better than so-and-so. Mature leaders have more distinct and precise goals. They can specify and explain the imperfection of the present more clearly. Older leaders have modest and therefore realistic goals that round out their life's work.

Young and old leaders have different kinds of goals.

5.1.2 On the Misunderstandings of Many Typical Target Agreement Systems

This collection of hypotheses shows us that goals—if we want to understand them in terms of their potential to generate leadership strength—significantly transcend the kind of statements that are found in the indicator-driven target systems of many companies, for example: “Costs must be reduced by 3% next year”. Many typical target agreement systems require goals to be SMART in this way (see above).

Of course, these criteria are useful when it comes to formulating very practical goals. However, we believe that other considerations need to precede good leadership by objectives so that goals are created that followers can perceive as meaningful and accessible (interestingly, meaningful goals are not a SMART criterion). This type of SMART goal certainly makes it possible to control and reward people, but it can also irritate and incapacitate them. To clarify, we list here the typical misunderstandings that make working with target systems an unpopular process in many companies.

SMART criteria are useful in a practical sense, but they are not perfect.

5.1.2.1 The SMART Criterion for *Measurability* Is Interpreted Too Rigidly

In many companies there are very strict regulations on how goals must be formulated to make them *measurable* in the narrower sense. Measurability means that, ideally, there is a controlling indicator for portraying the goal. However, many managers notice that the following problems occur in everyday practice. At the top levels, it is easy to find exhaustive assessment indicators for a person's performance. As such, top managers can be easily controlled by profitability indicators, for example, and these profitability indicators are then a relatively exhaustive assessment of their contribution to the firm. These indicators can be cost indicators, revenue indicators, or other key performance indicators that reflect the essential corporate expectations of these managers.

Top managers can often be easily assessed using profitability indicators.

At lower levels, at which the corporate contribution is often made through constant day-to-day activities that cannot always be counted and measured, it is much harder to find indicators that allow an overall assessment of a person's performance. For this reason, goals turn into "special tasks" the further you go down the hierarchy. Such tasks then are not necessarily activities that are particularly relevant to a person's overall success, but they do fulfill the measurability criteria well (e.g., "implementation of the new structure for our repository in line with the following schema: . . ."). Consequently, due to certain self-healing forces that exist in organizations, these goals are usually lost from sight as the year goes on because they represent additional burdens that lose their importance alongside the real priorities of daily business.

At lower hierarchy levels, objectively measurable indicators are generally unable to produce a really exhaustive assessment.

5.1.2.2 People Forget that Certain Goals Require Assessment that Cannot Be Replaced by an Independent Measuring Mechanism

Certain corporate goals can only be assessed and not measured. In reality, decisions are made in the company based on assessment by the manager responsible, which makes this the relevant assessment mechanism. As such, people who rule out this assessment process for reasons of theoretical measurability often also cut themselves off from relevant and important goals. Innovation goals, which consist first and foremost in developing a concept, are not immediately measurable in this sense. Of course, you can measure whether the concept is ready by a specified deadline. But what is really relevant is the question of whether the concept is suitable for triggering the intended effects and whether it is therefore worthy of being implemented. This question is not measurable in the narrower sense and cannot be portrayed using an indicator, but instead must be assessed. As such, there are highly relevant goals (innovation and concept goals hold major potential for producing real stimulus) that cannot be matched with an appropriate indicator. Instead, leaders have no choice but to shoulder their responsibility and assess how good, valuable, innovative, solution-oriented, high-quality, and consistent a concept is. Target systems that only permit measurement by indicators and rule out the process of assessment because of a misguided fear of subjectivity rob companies of many valuable goal ideas. In case of doubt, the criterion of objective measurability must take a step back in favor of assessment by the relevant decision maker, which is otherwise a matter of course in day-to-day corporate activity.

Good target systems do not categorically rule out the distinctly subjective assessment of certain performances.

5.1.2.3 Goals Are Broken Down in Isolation; There Is No Connecting, Integrating Element

In almost all companies, the way in which target systems work is through cascaded individual discussions in which ideally corporate goals are further broken down at each stage. In this way, any goal conflicts, contingencies and dependencies of goals,

and conflicts of resources or priorities between goals tend to be discussed and dealt with randomly and in response to a particular cause, but are not looked at systematically. A workshop-based approach is far more beneficial. For instance, it allows the management board to define the goal structure for the next year in a joint workshop. Each member of the management board then holds a workshop with his or her own division leaders in which they break down the goals of the management division together for each division leader. This enables dependencies and goal conflicts to be clarified and dealt with right there and then. In the next step, each division leader holds a workshop with his or her department managers, first introducing the overall company goals, then the goals for the division, and finally negotiating the goals with each individual department manager. Such a workshop-based approach is not only a model for coordinated goal development, but also simplifies overall communication within a corporate goal pyramid.

In workshop-oriented goal processes, dependencies and conflicting priorities can be dealt with directly.

5.1.2.4 Many Target Systems Contain Only Indicators and No Goals

We have shown that a goal can only unleash an enticing, motivating force if it promises to eliminate a current imperfection. Many corporate goals only refer to current imperfections from the perspective of the shareholders and are therefore not accessible goals for many employees (if it is not further expanded upon, the goal of “5% cost reduction” holds no promise or meaningfulness for most of the people working toward it). This needs to be offset by compensation so that the goal is at least minimally attractive to those realizing it. Good goals can be embedded in a conception of the future, which makes them comprehensible. Indicators then become important in the next step. The cost reduction goal becomes meaningful if it is pursued not only in the interest of the shareholder’s profits, but also in the interest of increased efficiency and performance or to free up resources for investments in future developments, for example.

Goals need to convey meaning and must therefore transcend simple indicator definitions.

5.1.3 The Three Cornerstones of Goals: Criteria for Goals that Can Unleash Leadership Strength

As an expansion of the very indicator-oriented SMART model with its technical goal criteria, we would like to introduce a model that adds the criteria necessary to generate real leadership strength through goals (Fig. 5.1).

- Three criteria need to be met in order for goals to unleash leadership strength.
- First, it is important for goals to be **visionary** (in the sense that they convey an image). When you internalize the image of a goal, you can instinctively anticipate how it will be once the goal is achieved. Only an image of the future (and not bare figures, for example) enables you to anticipate which current imperfection will have disappeared once the goal has been attained

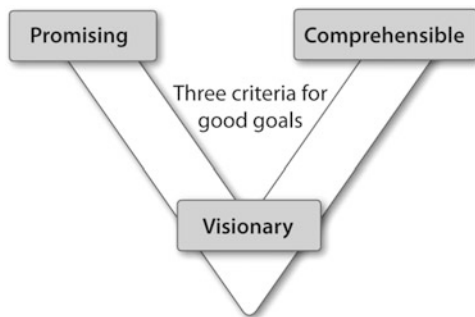


Fig. 5.1 The three cornerstones of goals

“Once we have successfully implemented our skill-building campaign, we will experience significantly more appreciation from our customers. We will be taken more seriously as a contact. We will achieve the status of a real consulting partner and no longer be just a ‘typical vendor’—one among many—to our customers.”).

Good goals are visionary and can therefore be instinctively anticipated.

- Second, a goal needs to be **promising** in the sense that it provides an answer to the current crisis, to the perceived imperfections or desires. Only goals that fit with the world of the followers’ wishes and dreams are accessible. Goals without promises cannot unleash leadership strength in themselves (in the example cited above, the improved positioning promised as a better qualified vendor would have to fit with the perceived imperfections in current customer relations).

Good goals show an alternative to the imperfections of the present.

- Last of all, goals need to be **comprehensible**. We have already argued that goals become comprehensible when they refer to the past and link to a state that either already existed in the past or that continues to exist as a lack of something. We can only experience and understand what we know. Goals can provide new illustrations and depictions of positive hopes, but they cannot be completely new in themselves. People who wish for something completely new have no reference point from which they can be understood (see also Excursus “Reflecting on Your Own Goals”).

Good goals refer to the followers’ world of experience.

Reflecting on Your Own Goals

At this juncture it may be worth stopping to reflect on your own goals. When thinking about your own goals, we suggest that you first take a look at your wishes, dreams, and desires. These are the things that really drive you. Maybe you have already translated one or two wishes or dreams into goals fairly precisely. Look at these goals and you will see that they don’t actually fit completely with your wishes in terms of practical reality. Goals need to

simplify, concentrate, and prioritize in order to become manageable. You will discover in any case that you will only be able to understand your specific and practical goals against the backdrop of your larger and more expansive wishes and desires.

5.2 The Origin and Types of Goals

We touched on the question of where exactly it is that goals come from in the previous chapters. Goals do not fall from the sky and are also not the result of a simple decision-making process. You cannot simply decide on a random goal and find that the goal you have decided on suddenly assumes the status for you of an enticing and promising objective. In a way, goals *happen to you*. They happen to you depending on your basic fears and desires and they happen to you because you do not want to settle for certain imperfections and hardships in the present. Through your goals you therefore reveal your character and that's why it is clear that goals cannot be a matter of free choice.

Goals are not merely selected but are the expression of our personality, character, and life story.

Goals can be sorted into the following categories:

5.2.1 Latent Goals Versus Innovative Goals

Latent goals are goals that have grown as a direct result of perceived inadequacies and that serve as the answer to these perceived inadequacies ("We don't have sufficient capacity in production. We need to buy several new machines."). In addition, innovative goals contain a type of expansive material. You could say that the current lack can only really be experienced against the backdrop of the opportunities that the goal contains. The effectiveness of an innovative goal can be described by the following statement: "I had no idea what else was still possible in this area. But now that I've seen what more can be done, I can see what I've been missing."

Innovative goals are often what really makes you aware that something is missing.

5.2.2 Individual Goals Versus Collective Goals

Another important distinction exists regarding whether goals are individual goals or collective goals. Collective goals are the common intersection of individual goals, that is to say the goals that are shared by a group. Corporate goals are

often mentioned when talking about setting company targets. Many **corporate goals** (“We will increase our return on equity to 20 %”) are actually just **investor goals**, that is to say goals that obtain their meaning from the desires and wishes of the investors. Corporate goals would refer to the company as a whole (including the employees) and would have to express target states that the employees also want to achieve.

Many typical corporate goals are actually individual goals of the investors.

A return on equity of 20 % would only be able to assume the status of a goal for employees who hold a relevant share in the company and are therefore partners. For many employees, this return on equity would not be an expression of their own desires. The typical goals used in the economic environment are investor goals and not corporate goals, even if they are communicated as such. Accessible corporate goals can, for example, refer to the benefit provided by certain products. The goals of many successful companies would then frequently extend far beyond profit goals. IKEA’s vision, for example: “At IKEA our vision is to create a better everyday life for the many people. Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them”, formulates an idea that many IKEA employees can strongly identify with and that is worth their hard work and commitment.

Accessible corporate goals extend beyond investor goals.

5.2.3 Defensive Goals Versus Change Goals

An important distinction in discussing goals is whether they are defensive goals or change goals. Defensive goals aim to maintain the status quo. The status quo is defended against an anticipated threat that would lead to a deterioration in the current situation. The driving force behind the goal is therefore the fear of deterioration, and the goal is energized by the desire to maintain the status quo. In the case of change goals, the danger is not anticipated but experienced and the goal is energized by the wish to change the status quo.

Defensive goals maintain the status quo; change goals change the status quo.

5.2.4 Autonomy Goals Versus Integration Goals

The final important distinction between goals is whether they are autonomy goals, in other words goals that strive for freedom and independence and form the basis for hope, or whether they are concerned with uniting, joining together, and realizing a major shared result. Great political conceptions or religious ideas tend to be integration goals, while typical investor goals are autonomy goals.

Great political goals aim to unite and join together many people.

Just like the interpretation of a shared threat, goals must also be able to totalize (we introduced the term *totalization* in the last chapter as meaning the harmonization of a group in how it interprets a crisis). Leadership strength is generated from goals if they represent a shared hope for the future. That is also why typical investor goals are not able to totalize well, except if the company succeeds in combining its individual economic goals with a hope for the future or a promise for the employees and society. The ability to make this connection is the mark of true visionaries, in life and in the economic arena.

Goals can only totalize if they contain a promise for all followers.

We are not criticizing companies' wishes to succeed economically. This urge is welcome and legitimate in our system. We believe, however, that the business-people who unleash the greatest leadership strength are those who are able to expand their individual investor goal with further promises, totalize employees, customers, or society, and thereby generate a real common will. If you look at the great **business leaders** of the last century and this one, you will see that virtually all of them were people noticeably driven by more than just the wish for a high return on their equity. Nearly all of them really wanted to give something to the world through their products, innovations, or services that extended beyond the present. Great business leaders have therefore unleashed leadership strength, shaped the future, and provided culture.

Great business leaders have succeeded in promising more than a high return on equity.

5.3 Goals and Delegation

In practical leadership, the main dealings with goals are not reflected all that strongly in the annual target agreement process, which we criticized as being a somewhat artificial device in many companies at the start of this chapter. Practical, ongoing hard work with goals is represented much more strongly in the way in which the tasks and challenges of the job are dealt with every day. Generally, when referring to passing on goals and tasks in everyday leadership, we don't speak of target agreement systems so much as *delegation*.

In day-to-day work, the way in which goals are dealt with is revealed through delegation.

You could argue that delegation is more concerned with practical measures and tasks than with goals. However, we mustn't forget that the question of whether you consider something to be a goal or a task (or measure) in a company ultimately only depends on whether you are looking at things *from above* or *from below*.

From the perspective of the investors, a 10 % growth in sales is a goal. The management board derives a strategy from this that requires expansion to China. From the perspective of the management board, setting up an economically successful division in China is a goal. From the perspective of the investors,

however, this is a measure for achieving the profit goals. The management board may then give the company's HR director the goal of developing an expatriate program for China. From the perspective of the HR director, this is a goal, whereas from the perspective of the management board it is a measure for the goal of economic expansion to China. This process continues if the HR director gives the company lawyer the goal of working out the contractual conditions for an expatriate program in China. From the perspective of the lawyer, we then have a goal, but from the perspective of the HR director it is a measure for achieving his or her own goal.

Whether a project in a company is a goal or a measure depends on the perspective from which you look at it.

Differentiating between a goal and a measure doesn't really get us any further. When reflecting on practical leadership with goals, we are actually speaking of the daily mechanism of delegation. The annual target agreement meeting is merely a special case of delegation.

► Delegation is the classic mechanism in working with goals.

For this reason, we would now like to introduce a delegation model based on the following idea:

► People are trained and developed using goals.

Depending on which goals are defined and how these goals are passed on, people are trained to handle these goals in a very particular way. Table 5.1 shows how this mechanism works.

According to this model, the type of delegation (or the type of goal-driven leadership) is therefore primarily dependent on the maturity of the employee. The model also delivers an important conclusion:

► Systematically overtax your employees!

When it comes to working with goals, this model basically recommends that you apply a higher level of maturity than the level at which you currently consider the employee to be. In this way, you train your employees to become independent and self-reliant. In treating your employees like infants by consistently giving detailed orders, you will only ever raise infants (unless the employees quickly leave this environment and escape via this route).

You develop people through the way in which you deal with goals.

This phenomenon can be observed in countries with very authoritarian leadership cultures, for example, such as in some parts of Asia. In such countries, employees are only prepared to work to very specific instructions and suppress their potential creativity in favor of implementing plans to the letter. If you have employees who require precise orders, you can help them to develop by setting and agreeing

Table 5.1 Mechanism for dealing with goals

Maturity of the employee (metaphorically speaking)	Delegation mechanism	Delegation type	Linguistic pattern of delegation
Infant	Vicarious decision	Order	“Do it like this”
Child	Partial participation	Setting goals or target agreement	“Ensure that. . .”
Youth	Reverse authority (the manager deliberately makes him or herself small so that the employee can achieve great goals without the shelter and protection of the manager)	Designation	“You are responsible for. . .”
Adult	The symmetrical working relationship	Agreement	“What’s happening?”

targets. If you have employees who are at a level of maturity that requires jointly agreed goals, then you should make them responsible and liable in order to let them grow. If you have employees who can be led by means of designation and assuming responsibility, you should lead them into an adult relationship with symmetrical agreement that allows their own skill in setting targets to develop.

You develop people by systematically overtaxing them.

This use of goals is the strongest development mechanism there is in dealing with employees. In this development mechanism, employees with the right potential gradually become more independent, while others may not make it. Leading with goals unleashes its power to develop the personality if the delegation mechanism aims at systematically overtaxing employees.

Challenging goals are the strongest development mechanism.

- ▶ You can give employees their independence once they have internalized a goal system—by gradually taking on accessible goals—to a point at which you can let them go. This is precisely the point at which the goals release the leadership strength inherent within them.

5.4 Goals in Politics

Today’s politicians bear a heavy burden—their image in society is not especially good, their motivation is mostly pathologized as an improper thirst for power, and few of them are ever described as charismatic. There barely seem to be any great visions left that are accessible to many people. But why is this? Are today’s politicians simply more inept than politicians used to be? Do we pay our politicians too little so that leaders with charismatic potential prefer to pursue economic avenues? These explanations fall short of the mark. The reason for this

development only becomes clear if we look at the matter from a historical and sociological standpoint:

Why do we perceive so few politicians as visionary or charismatic?

Goals only have the potential for great shared visions if they are collective goals that are able to totalize a large number of people, offering a promise to alleviate a commonly shared threat. In our strongly fragmented society dominated by subgroups and subcultures there are hardly any common promises of salvation left that can use or trigger such a collective consternation. Many typical political problems are not accessible to a large group of people in this sense and have no totalization potential.

In our society there are hardly any goals left that possess the potential to totalize large sections of the population.

Let's look at a particularly pressing and dramatic problem faced by many countries such as Germany, where the standard of living is high but so is national debt. How many Germans do you think can honestly say that they have suffered to such a degree from the national debt that it has been possible to stimulate them to truly great exertions—in this case going without? If they suffer from the national debt, then it is most likely in a distanced and abstract capacity. Although it is one of the most important problems facing the country, the high level of government debt is not suitable for totalizing society. Society is simply not especially willing to accept harsh measures to cut the debt. Lowering the national debt is not a goal that can be visualized. No one can paint a picture that describes what would be so enticing and promising about a debt-free Germany that it would be capable of triggering desires. One of the most pressing and important political problems of our time is therefore unsuited to formulating visions.

National debt is not suitable for totalization, although it is a pressing political problem.

Practically the only things that can truly totalize society now—in a country like Germany at least—are catastrophes and major revolutions. Former Chancellor Gerhard Schröder possessed an intuitive sense that the opportunity for totalization that lies in events such as floods or bailing out a failing construction firm was able to lend him the charisma that he lacked in normal day-to-day political life. And during the turmoil brought by the breakdown of the former GDR and in the first days of reunification talks, the Chancellor of the day, Helmut Kohl, certainly succeeded in highlighting several goals that were able to totalize society. Achieving political unity in Germany was a goal that was able to totalize and latch on to the desires, wishes, and imperfection of the current state of many people. The arduous rebuilding and financing of a functioning economy, however, ensured—at least in West Germany—that the erstwhile goal and its visionary power faded fast, turning into an onerous duty.

True totalizations are only possible in our society in the event of major catastrophes or radical changes.

In Germany, most people (compared to the majority of the rest of the world) can consider their fundamental and existential life problems to be solved: there is no daily struggle for existence, most people in Germany are—relatively speaking—wealthy, health and survival are secured to a large extent, people can live freely according to their individual preferences, and many goals of the charismatic leaders of past centuries can be considered to have been attained.

The fundamental and existential life problems that were able to totalize in bygone ages have been solved.

- ▶ In a situation of wealth, it is more or less logical that only catastrophes will still be able to generate goals with the ability to totalize. In a world of satiety, the only goals that would still be sufficiently promising and enticing are cultural goals. However, our society is far too individualized and fragmented for common cultural goals.

Which great visions should politicians use then to distinguish themselves under these circumstances? Which visions would be able to gain a great following? The major parties are losing the power of cohesion as a result of this phenomenon; instead it is the smaller groups that still seem to possess visionary power. However, this visionary power is only shared by a limited number of followers, making radical goals accessible to precisely this following. As such, smaller, radicalized groups have more chance of activating charismatic material.

For serious politicians, it is difficult to formulate visions that can activate charismatic material for large swathes of the population.

Leadership, Culture, and Custom: How to Generate Leadership Strength by Creating Structures

6

In the previous chapters we primarily understood and explained leadership as a relationship phenomenon. We explained the nature of the leadership relationship. We shed light on the various *relationship contracts* that leaders conclude with their followers, and we understood the matter of *charisma* as an interaction between the leader and the followers in which the charismatic relationship obtains its strength and energy from the leader's ability to remove fears. Yet we also interpreted leadership as a relationship phenomenon when discussing the leadership situation and possible leadership goals. The leader's job in dealing with the situation is to interpret its critical elements so that they are accessible to the followers. The fears that arise from the crisis become the material that enables the charismatic relationship contract to be concluded. The same is true for goals. Like the lock-and-key principle in biology, goals must represent *accessible* promises and hopes for the future for followers. The goals formulated must provide a specific answer to the current crisis. At this point, they are the leader's communicative achievements, which consist in endowing meaning, motivation, and assertion, and which also ensure the success of the leadership process.

In the previous chapters, leadership was discussed as a relationship phenomenon.

Having read the previous chapters of the book, you could be forgiven for assuming that leadership requires you constantly to live in exceptional circumstances and that it only takes place in such exceptional circumstances. Critical elements are identified, promising goals are formulated, followers' fears are removed, charismatic relationship contracts are concluded, and if everything is successful, crises are averted and solved.

Yet if we look at everyday leadership, it mostly appears to consist of unexciting regularity. It would seem that leadership does not always involve crises, exceptional circumstances, removing fears, and intensity.

Leadership has a daily routine.

If there is also a daily routine—and not just challenges, as previously described—what can we observe about leadership in this connection? What is the normal,

stable, and constant element of leadership? What happens when leaders are not busy overcoming crises and announcing great promises with a charismatic aura?

In this chapter we will change perspective once again and look at yet another aspect of leadership. This time we examine how **leadership structures** are created. Perhaps you remember Chap. 1, when we first introduced the subject of leadership. In one particular paragraph, we asked the question of what it is we actually see when we observe leadership. We described three things. First, we see **leadership actions** (for example, a foreman on the construction site of a pyramid giving workers their orders). At the end, once the pyramid is complete, we see the **leadership result**. We also stated that there is a third element that you see when you look at leadership, and that is **leadership structures**.

We see leadership in the form of leadership actions and leadership results.

In the example of our pyramid construction site, the **leadership structures** are the scaffolds on which the bricks and building materials are conveyed to where they are needed on the steadily growing pyramid. The leadership actions on the pyramid construction site take place within these leadership structures, which can develop the power to steer behavior themselves. In the first chapter we argued that narrow leadership structures do not leave much space for great leadership performance because the structures already take care of the majority of the leadership work and significantly limit the scope for great leadership actions. **Structure leads!**

Narrow leadership structures do not allow exceptional leadership performance.

However, we also said that the given structures are the result of an earlier act of leadership. By creating leadership structures, leaders generate everyday leadership and make an organization decreasingly dependent on personal leadership actions. Such a performance by a leader is not very apparent and is often not the focus of attention, as a structure tends to form the background to actions and we have a tendency to perceive things that are in motion rather than stability and continuity.

Leadership structures are the result of past leadership performance.

Only changes, actions, sudden movements make us more attentive and attract our gaze. As such, we tend to perceive the communicative and charismatic performances of a leader rather than the structures that have been created and that steer us along a particular track almost automatically.

However, in addition to personal leadership performance, there is of course also a second major set of requirements in leadership. It is just as important to the performance of an organization and plays a significant role. Creating structures is an important requirement for establishing leadership strength. It is this second fundamental side of leadership that we will look at in this chapter.

Good leadership structures are a prerequisite for productive organizations.

- **Leadership is structuring!** Leadership doesn't just take place in the exceptional circumstances of crisis and promise—it also has an everyday guise. Leadership structures ensure the stability of leadership performance and make an organization's achievements less dependent on the personality of the leader.

6.1 How Structures Work

6.1.1 Inner Structures and External Structures

In order to better understand the actual function and workings of structures in leadership, we first need to explain the term *structure* in greater detail. In chemistry, structure describes the construction of molecules. Usually, molecules are described as a kind of “relationship lattice” of atoms. The way in which atoms are arranged, the relationship they have to one another (e.g., how strong the attractive or repulsive forces are), and also the stability of the molecule (under what conditions does it disintegrate?) are described by its **structure**.

Structure is a term widely associated with chemistry.

Structures therefore clearly describe a stable lattice in which individual elements are spatially arranged and act and position themselves in relation to each other. This definition of structure can also be transferred to social phenomena, such as describing how a group is structured. In this description we would have to explain how the members of the group stand in relation to one another (which positions they assume in the group, for instance), how they form a hierarchy, and which roles and functions they perform.

Structures describe the relationship lattice between elements.

In order to understand how structures work at a psychological level, you also need to visualize the difference between external and inner structures. External structures are the steering elements in a situation or in our environment. For example, we are steered by institutions, processes, relationships, etc. However, we can only be steered by external structures if these structures have found an inner equivalent within us. External structures must be “copied” into our mental system so that they can unleash their power to steer our behavior there. What began as an external structure becomes a custom, a tendency, an attitude, or a competence when it is successfully copied into our inner structural environment.

External structures must become inner structures in order to steer behavior.

The essential element that indicates that an external structure has become an inner structure is its stability, and therefore its repeatability. We call a particular behavior a *competence* if it can be called up in a repeatable and stable way to

successfully overcome certain problems or perform specific tasks. If a certain behavior occurs only randomly and spontaneously, we would not describe it as a competence, even if it is able to solve a certain problem in an isolated case. It is only through stability and repeatability that behavior becomes a competence.

Behavior becomes a competence through conscious repeatability.

In this sense, learning can also be understood as the establishment of inner structures. Once the inner structure has been established, we understand how the external structure works. We can find our way around it, we are familiar with it, and we can suddenly solve problems because we know “how something works”. In other words, we can apply our inner structure to a problem. As soon as we are able to solve a certain problem in a repeatable way using our inner structures, we have learned something. It is especially impressive to witness structures being formed in small children in their early years and how children are able to deal with external conditions with growing competency as their inner structures take shape. In a biological sense, the mental structures that we are speaking of here naturally have an equivalent in the brain structures. Ultimately, it is the brain structures that ensure that we perceive, interpret, understand, and turn ourselves to the world in a way that we can repeat.

Learning means that inner structures are created.

- ▶ Sometimes traumas or difficult personal circumstances give rise to the creation of very stable structures in people that show them to be competent problem solvers during this time of crisis. However, these structures can be so durable and stable as a result of the intensity and urgency of what happened that they are still in evidence once the circumstances have changed. Such people have acquired a very particular behavior that is understandable in view of their life story, but that hinders and restricts them in their current life situation. Psychologists call this neurotic behavior. This can manifest itself as fears or compulsive acts, for instance.

Inner structures can also be created suddenly as a result of trauma.

Our inner structures can also originate from earlier or later in our evolutionary history. Our oldest inner structures often have an evolutionary or biological explanation. This is why fears of spiders or snakes are still very prevalent in our environment, even though these fears, at least in Germany, offer virtually no benefit to survival. In contrast to this, phobias of power outlets are extremely rare, even though power outlets are by far the more dangerous object compared with the snakes and spiders found in west-central Europe.

There are also inner structures that are passed on through evolution.

Our behavior is marked here by very old structures. This also explains why the structures formed during childhood often shape our whole lives so durably. Compared with animals, humans are born with relatively few hard-wired and fixed structures (by contrast, the psyche of most insects is **structured** almost entirely by

fixed instincts that leave little space for learning experiences). In comparison, a newborn human is a relatively blank canvas. That is why so much is painted on this canvas in the first few years, creating and establishing many new structures.

Many characteristic structures are created during childhood.

The structures within us that characterize our experience and behavior very dominantly constitute our identity and personality. These structures force us to encounter the world in a specific repeatable way and become more resistant to change the older we get. Why else do people predictably always walk into the same traps, produce the same conflicts, the same fears, but on the other hand, always produce the same performances and successes? The answer is that a stabilized mental structure determines how we approach the world.

Durable structures constitute our personality and our identity.

- ▶ External structures (e.g., institutions, relationships, processes, systems, or laws) steer behavior by becoming internalized as inner structures. External structures must be copied into our mental system so that they can unleash their steering power. Laws become customs, repeated experiences become stabilized emotional responses to situations, and practicing behavior turns it into competencies. The sum of the inner structures at work within us results in our personality and identity.

6.1.2 On the Nature of Leadership Structures

Leadership is represented to a considerable extent by the creation of stable structures. We have already used parenting, which is incontestably a major leadership performance, as an example. The leadership performance in rearing children consists in creating the stable structures with which the child will encounter the world during childhood, as a youth, and later as an adult. As such, the child is still led by its parents, even after they have passed away.

Parenting is the creation of stable inner structures.

The structures established in children by their parents continue to determine how the children encounter the challenges of the world. They do this even if the children consciously and contrarily tackle certain things differently than dictated by the rulebook and the structures actually desired by their parents. Even if the children see themselves as being alternative to their parents in certain points, their parents have created the structure within them to consciously do certain things differently to how their parents may have wanted. As the first dominating leaders of their children, parents are therefore always and inescapably the fate of their children.

Parents are the fate of their children.

How exactly do leaders create new structures? In order to understand this process, let's look at road traffic as a metaphor for functioning leadership structures. In traffic we discover a series of leadership structures, which ensure that the traffic flows in a structured way. First of all in traffic there is the clearly visible leadership by structures that have already been created, for example the roads themselves (and their guardrails) or the rules of the road. There are lanes that determine direction (one-way streets), but also terms of access (driving license) and defined processes (yield to oncoming traffic). Much of this is laid down in a symbolic but universally comprehensible language (red, amber, green).

Road traffic offers many examples of leadership through structure.

Furthermore, in traffic there is also direct leadership in the sense of leadership action or communicative performance. This is exercised, for instance, by a police officer directing traffic when the structures—traffic lights at a junction—fail for technical reasons. Yet leadership actions also occur when the basic leadership structures (the rules of the road) need to be enforced. In this case, the police act as an enforcing power or controller.

Traffic police officers perform the leadership actions in traffic.

In addition to these immediate leadership structures in traffic, there are also traditional structures that originated much earlier and are what actually enable us to participate in traffic in the first place. We need a series of cultural techniques (e.g., reading or writing) in order to even fulfill the requirements for participating in traffic. The most visible process of introduction is taking driving lessons, which enable the external structures of road traffic to be successfully copied as inner structures. Only then can we navigate successfully in traffic. The rules of the road or traffic signs are not immediately effective as an external structure, but only once we have internalized them as an inner structure to such a degree that we can call them up competently (that is to say in a stable and repeatable manner) and have therefore understood them.

There are structures that allow us first to meet the preliminary requirement necessary for qualifying to take part in road traffic.

This image can be transferred to every other leadership context. In every other leadership context too, we see the direct leadership structures, leadership actions, and also indirect leadership structures that, having been introduced previously, form the basis that enables us to move competently in the present leadership structures. Table 6.1 illustrates these three elements once more.

These considerations show why it is not possible to describe leadership without also describing the associated leadership structures. Leadership is not just a relationship phenomenon that reveals itself in a specific situation. For long-term success, it requires a stable, stabilizing element. The stable element of leadership is the structure.

The stabilizing element of leadership is the structure.

Table 6.1 Elements of leadership

Direct leadership structures	Leadership actions	Indirect leadership through previous “introduction”
Institutions	Communication	Upbringing
Processes	Feedback	Socialization
Rules	Spoken instruction	Induction
Values	Situational generation of motivation and enthusiasm	Education
Relationships	Explanation and clarification	
Rituals	Threat of sanctions or punishment	
Systems		
Forms		
Using the example of road traffic		
Roads	Traffic control by police	Driving lessons
Routes and lanes	Roadside checks	Exam preparation
Traffic laws	Speed checks	Lessons with a driving instructor
Traffic symbols (signs)		
Laws		

6.1.3 Creating Leadership Structures

When a leader is new to a task, the relationship aspect described in the previous chapters (creating a workable relationship contract with the followers) is, of course, an essential element. At the same time, however, a leader new to a position must also deal with creating leadership structures. In all there are four types of structure that need to be created (Table 6.2).

New leaders need to conclude workable relationship contracts and create efficient structures.

Leaders will initially create the structures described here for themselves, then “introduce” them in the group and ensure that they take effect as the inner structure for the group members. The leadership performance in creating structures consists in **inspiring** certain structures (e.g., thinking up new processes) and then **animating** them, that is to say ensuring their implementation. This is how leaders create culture. The rituals of culture are the recurring procedures.

Leaders inspire new structures and animate others to implement them.

► Leadership means cultivating and ritualizing.

Leaders who devise processes, workflows, responsibilities, and rules bring rhythm to their organizations. They specify how things are arranged, how solutions to problems work, and who is to play which role in these workflows. In this way, leaders take care of the **spatial arrangement** of the elements in their team (for example, they specify how resources, people, and competencies are to be

Table 6.2 Types of leadership structure

Structural element in leadership	Content of the structural element
Decision-making structures	Who may make decisions? How are decisions made?
Information structures	How do we gather information? How do we evaluate it?
Planning structures	What are the workflows? How do we proceed?
Relationship structures	What exactly is the hierarchy in the group like? Who belongs to the elite and the management level? Which opponents need to be eliminated so that the group remains effective?

assigned and distributed). They determine the functional workflows (by defining processes and describing rules or sequences) and define how the elements of their team are positioned in relation to one another (by stipulating hierarchies, reporting patterns, and relationships—e.g., interfaces).

Leaders provide rhythm to their organizations through workflows and rules.

A leader has created culture with the potential to have an effect beyond the leader's tenure and to remain effective, once the followers have successfully internalized the structures that were simply announced initially (i.e., the leader's declaration of intent). The internalization of these structures is partly conscious (e.g., the conscious implementation of certain process arrangements), but also partly unconscious (e.g., the internalization of certain values and convictions of the leader). Leadership is the creation of culture. Leadership is structuring. Structure and culture are the stable and stabilizing elements of leadership (see also Excursus "Leadership Strength and the Group Help to Structure Each Other").

Once the followers have successfully internalized new communicated structures, culture has been created.

Leadership Strength and the Group Help to Structure Each Other

If we pursue the line of thought described here, we can also understand the phenomenon of leadership as a structured group. As soon as a group has structured itself, leadership is effective in the group. The members of the group behave in a repeatable and stable manner. When this happens, what we see is leadership. From the outside, it would appear in such instances that the leader structures the group, and it is true that the leader does in fact assume the task of the main structuring agent (we can also describe this from the opposite perspective: the person who has actually taken on the main structuring of the group is ultimately the leader, irrespective of whether or not he or she is above the other person in the organizational chart).

In reality, it is not one person who takes on the main structuring work, but rather the leader and the members of the group stabilize each other mutually. The responses and reactions to the leader's attempts at leadership and structuring in turn cause the leader to react with certain activities.

Leadership in the group is built up jointly and mutually. As soon as the structures are there and the group “works”, the leader of the group is still visible as the responsible manager, but in reality the name of the manager has now become more synonymous with the name of the system. The group performance no longer depends only on the manager’s leadership actions, but emerges from the structures that have been built up. The more stable the established structures are, the more effectively and sustainably the group is able to deliver comparable performances even without its leader.

These considerations clearly show once more that leadership, particularly in complex environments, means 80 % introduction, that is to say introduction into a structure that already exists or that has been conceived by the leader and then animated. Only 20 % of the leadership performance ultimately involves implementation and supporting that implementation (note that these percentages are not scientific results, but merely an expression of our weighting).

Leadership today is 80 % introduction and 20 % implementation.

The more successful the introduction has been, the less leadership performance needs to be involved in implementation. This consideration leads us to a further conclusion. If leaders encounter situations in which many effective and stable structures already exist, they may be able to take over a lot of these and allow the structures to lead for them. In this case, leaders may also be able to enjoy a very quiet life (at least until the next crisis!).

If many effective structures exist, leaders don’t have so much to do.

What we have outlined above shows that leaders create structure and structure a group through the following activities:

- **Leaders build hierarchies.** They create an elite leadership, regulate access to the elite, and create a relationship lattice that stabilizes the relationships in the group. Stabilizing relationships means sorting them into hierarchies. The less of a hierarchy a relationship exhibits, the more unstable and prone to conflict it is. The stronger the hierarchy of a relationship, the more stable and repeatable the work is that can be carried out in it. Leaders create a hierarchy in their group very practically, for example by assigning certain tasks according to the perceived competencies of their team members.

Groups with a weak hierarchy are susceptible to conflict.

- **Leaders shape values.** Leaders shape values by expressing their priorities and illustrating the meaning of their values through symbols. The bonus for a specific performance is a clear symbol of its value. Dismissal of an integrated employee is a clear symbol that the employee’s behavior is undesirable.

Values are shaped by the priorities that are set.

- **Leaders distribute roles and institutionalize them.** Leaders distribute tasks and responsibilities and explain which function a specific position or person has in the overall structure. These roles are institutionalized through formalization (e.g., job profiles, skill descriptions, task definitions).

Roles are institutionalized.

- **Leaders set up rules to govern actions.** Companies are full of rules that bear a large proportion of the leadership work. The employment contract is the basis for the rules that govern the relationship and the jointly developed team model is its ideal culmination. In between the two is a vast number of regulations and **legalities** that control actions within the company.

Actions are also controlled by rules and laws.

- **Leaders define processes.** Leaders decide on the arrangement of certain activities, how workflows are designed, and ensure that these workflows are adhered to. All these activities that comprise a leader's actions in creating a structure initially only exist as a formation of will and a mental concept in the mind of the leader.

New structures initially only exist in the formation of the leader's will.

The mechanism involved in making these structures come alive begins with a communicative step. You may remember the three leadership strengths we described in Chap. 3. We described endowment with meaning, motivation, and assertion as the three essential mechanisms that leaders use to influence others. These three leadership strengths are also effective when establishing structures. Leaders who want to establish structures need to be able to explain the meaning and significance of these structures. They will be especially successful if they manage to convey the new structures as something positive and generate motivation for them in others. However, many structures first need to be asserted so that they can become effective, especially if the new structures require the destruction of or changes to existing structures. Assertion is sometimes necessary here in order to counter the inertia and previously desired stability of the existing structures.

Leaders persuade or motivate followers to accept new structures, or they assert such structures.

The traffic structure, too, will never be able to run itself. Many rules and processes only work permanently if they are continuously and consistently asserted. Without on-the-spot fines, motoring fines, or points added to driving licenses, many traffic structures would certainly not be able to survive.

- ▶ Lasting leadership needs structure! If you want to create leadership structures, you need to create hierarchies, decision-making structures, information structures, and planning structures. The leadership performance consists in inspiring (i.e., conceiving) and animating (i.e., introducing and implementing) these structures. Those who succeed in explaining the meaning of structures, conveying them as something positive, and motivating others to accept them or asserting them in the face of resistance have created culture.

6.1.4 Leadership and Leadership Efficiency

At this point it is worth turning our attention to a term that plays an important role in management today and that can be understood by many managers as a model for their own actions. That term is **efficiency**. What does leadership efficiency actually mean?

The following answers are all possible:

- There are few conflicts in the organization being led.
- As few resources as possible are used in delivering performance and achieving goals.
- Few leadership actions are necessary that take up the time and capacity of the leader.
- There are few situational needs for communication and intervention that take up the time and capacity of the leader.
- More is achieved overall in the organization (because the behavior that contributes to performance is very stable and practiced).

Looking at these aspects of efficiency, we can see immediately that the increase in efficiency means the same as creating stable structures.

Efficiency emerges through the creation of stable structures.

- ▶ Anyone who has created a good culture has the potential to deliver efficient performance. The more culture there is to steer behavior and performance in a practiced, lasting, and stabilizing form, the less time is taken up by conflicts and the fewer resources are required for personal intervention and controlling.

6.2 Leadership Problems and Leadership Structure

When introducing and stabilizing structures, it is important for leaders to be able to find the right degree of structure. Of course, you can overstructure or understructure groups, meaning either that the structures created are too narrow and too rigid, or that too few structures have been implemented, leaving too much openness in the group. This gives rise to typical problems:

Groups can be overstructured or understructured.

6.2.1 Problems in Groups in Which Too Many Structures Have Been Created

If the leader creates too many, too narrow structures for a group, this usually gives rise to a countermovement in the group that strives for freedom. The structures are then no longer efficient but can paralyze and cause an overwhelming passivity in certain people and the need for escape and change in others.

Structures that are too narrow lead to passivity or countermovement.

The phenomenon described here applies not only to working groups in organizations and commercial enterprises, but can also be transferred to entire countries. If we look at the collapse of the Communist system in the last 15 years of the twentieth century, we can see that the demise of many countries behind the Iron Curtain was also due to the tightness and rigidity of their structures. The very extensive and detailed controls and the narrow view taken on conceptions of life, which was considered provincial and backward in an increasingly open world, caused different reactions among the populations of the Communist countries at the time. Part of the population exhibited a resulting passivity, while another section showed rebellion and an urge for freedom.

The fall of Communism is also attributable to the narrowness of its leadership structures.

6.2.2 Problems in Groups in Which Too Few Structures Have Been Created

Where there is too little structure, the group descends into conflict. Of course, this is also problematic in terms of efficiency and achieving goals. Understructured groups constantly produce conflicts because every problem that occurs has to be clarified and negotiated independently. There are too few rules and hierarchies to relieve the pressure of solving individual problems, as such structures would already define how the circumstance is to be understood and dealt with. Groups with too little structure are unstable. There is no stabilizing element, otherwise structure would be there. Understructured groups break down internally or fail at the external task.

Groups with too little structure need to negotiate each problem individually.

These two points show that finding the right degree of structure is also a very important act of leadership. Yet we can also consider the problems associated with too much or too little structure from a psychological perspective. What ultimately causes people to overstructure or understructure a group? Why do leaders sometimes walk into such traps? People who may give a group too little structure often possess too little inner structure and stability themselves. Such people usually do not have any lasting, reliable, and stable identity of their own, but live for the intensity of the moment. These people overstress the charismatic side of leadership, see themselves as crisis managers and agents of change, but not as stabilizers.

Leaders who create too few structures often possess little inner stability themselves.

These leaders are not necessarily unsuitable for all contexts. There most certainly are successful crisis managers or reorganization specialists who can use the power of their charisma, their courage, radicalism, and willingness to destroy existing structures to find answers to specific crises and to garner enthusiasm for great goals. However, they are not usually the people needed for the slow, arduous,

and detailed restructuring of an organization. Instead, these managers move on to the next crisis or run aground in the everyday working world. So there certainly are charismatic leaders who underestimate the value of structures and overestimate their situational abilities (“It doesn’t matter what happens, I’ll manage it.”). These managers can be useful in a crisis because a crisis is an unstructured time; yet they are not the ones who subsequently create trust in stability.

Leaders who create too few structures can be useful in crises but not during the arduous restructuring phase.

Ask yourself what drives leaders who create excessive structures and you will find that these are often the control-oriented and somewhat compulsive personalities who do not rely on their flexibility and spontaneity (we can also call this charisma), but who want to solve every problem via structure. The problem that arises in this case is twofold. First is the provincial limitedness that is created by this habit; and second, a completely structured and detail-oriented working environment often takes the fun out of work that lies in small freedoms and breaching minor taboos, or that gives rise to a conviction of self-efficacy in being able to solve problems without assistance (i.e., without an external structure).

Overstructuring leaders lack flexibility and spontaneity.

Think back to the discussion of our basic motivations and fears in Chap. 2 on the subject of charisma and you will recall that there are two types of personality that are susceptible to either too much or too little structure (see also Excursus “Charisma and Good Leadership”).

- ▶ Highly stimulation-oriented leaders live for the intensity of the moment but they lack the reliability and consistency that are necessary to create and pass on lasting, functioning structures. Balance-oriented or compulsive leaders, on the other hand, fear freedom and change and try to compensate this fear by creating rigid, narrow structures.

Charisma and Good Leadership

So far in this book, we have described the power of charismatic leadership most emphatically. Major goals, major tasks, major changes, getting the maximum performance out of the moment, and the power to remove fears in times of uncertainty can only be achieved by charismatic leaders. Yet it is no contradiction to state at this juncture that there are also very good leaders who are not charismatic.

It can hardly be denied that there are good, non-charismatic leaders. All you need to do is take a look at reality—in politics, in your own company, even in your own family—as we witness successful and effective leadership in all of these places without feeling that we have been touched by charisma in the sense of an exceptional leadership experience.

(continued)

So there are obviously leaders who organize their success primarily through their good structuring performance and not so much through relying on the charismatic element of leadership. It's not just change that is an act of leadership, but also stability. It's not just overcoming crises that is an act of leadership, but also efficiency. It's not just rebellion that is an act of leadership, but also predictability and regularity.

However, this dimension of leadership is often underestimated, both in selecting and developing personnel. Leaders are assessed first and foremost according to their communicative or charismatic skills. It's not unusual for calm, matter-of-fact leaders skilled at building structures to be at a disadvantage against enthusiastic visionaries. Or, which is sometimes worse, the inspirational ability and communicative skills of enthusiastic visionaries make them so persuasive that far too few checks are carried out and too little attention paid to whether they are actually able to cultivate and stabilize an organization. But there is more to leadership than just charisma. Leadership needs a daily routine, and this daily routine needs structure rather than charisma.

6.3 Changing Structures

In management today, it seems as though the most important leadership task consists in changing structures. The subjects of change, change management, or reorganization are omnipresent management challenges. Many large corporations careen from one reorganization to the next, with the new restructuring not uncommonly beginning before employees have been able successfully to convert the changed external structures of the previous reorganization into inner structures and fully internalize them.

Today, change management seems to be the most fundamental act of leadership.

Of course, change and overcoming crises are important and decisive acts of leadership. We have shown this at length in the previous chapters. Yet despite the priority given to the subject of change, it must not be forgotten that stabilization is also an act of leadership.

Stabilization is an important act of leadership.

6.3.1 What Makes Changes So Difficult?

At the beginning of this chapter we showed that external structures begin to steer behavior once they have been copied as an inner structure and internalized. Once this internalization process has been successfully completed, the internal structures have become stable and lasting. This was precisely the goal of the internalization. So, if a specific structure has been created, it has been created

with the goal of being stable, lasting, and reliable. When a new change is introduced, what seems to be inertia and sluggishness actually only shows how successful the previous process of structural creation was. Structures that can be destroyed easily with no real effort and then be recreated can't have been particularly stable and efficient before.

Structures are mostly created with the goal of being stable and lasting.

- ▶ A structure's stability and resistance to change therefore show the success of the previous leadership performance.

When a new structure is created, there are suddenly new processes, new roles, new expected behavior, new hierarchies, new rules. What follows is a typical and practically unavoidable problem in such circumstances. Many of the employees will have found a series of characteristics in the old structure that they identified with. The employees' professional identity will have been comprised of feeling responsible for certain topics, of being able to identify and improve certain competencies and skills within themselves, and of having successfully internalized certain values, convictions, and rules.

Many people find their professional identity, their lasting conception of themselves, in existing structures.

If new roles, rules, and values are now to apply, resistance will always be voiced to changes to such structural elements as have given the people affected their identity. For example, someone who has seen and defined themselves as a financial consultant for years in a conservative financial services institute may find it very difficult suddenly to internalize the expected role of a salesperson. The more strongly that person's own professional identity has been constituted over the years by the structural element: "I am a consultant", the greater the objection that can be expected from this person if a role change is required and the greater the resistance will be.

Resistance to changes occurs primarily when characteristics of the existing structures that provide identity are changed.

Certain people may cope very easily with a new change. This merely shows that the structural elements affected by the change were not ones that these people identified especially strongly with and are therefore not such a strong constituent of their basic personality structure. The greater the resistance to the change is, the surer you can be that you are demanding a change to structural elements that provide other people with an identity and are fundamental to their own self-image.

The more identity a structural characteristic provides, the greater the resistance to a change.

As such, a company cannot argue that it is merely changing the external structures and that this is ultimately not a major step. If you want to change external structures, you also have to change inner structures, and changing inner structures that provide a strong identity is no mean feat.

- ▶ The more stable and mature your identity and your personality structures are, the more difficult you will find it simply to implement a corporate change process. Change therefore becomes harder if structures have become more established, more practiced, more intricate, and more stable.

6.3.2 Notes on Successfully Implementing Changes

The points we have considered above give rise to some considerations and recommendations for successfully designing change processes that may seem surprising and counterintuitive at first glance:

6.3.2.1 Changes Must Not Be Made Radically with the Promise of a Utopia!

Many change managers believe that changes are most successful when you symbolically destroy the old structure to make room for the new. This is completely the wrong way to think! Changes are most successful if you are able to retain much of what has been proven to work. The more old, stable, efficient, and successful structures remain, the more easily an organization will be able to adjust to the new structures.

Changes are easier if you can retain parts of the established structures.

6.3.2.2 Changes Must Be Understood as a Transformation and Not as a Revolution

Revolutions result from crises. Changes that are triggered by good leadership are simply organic growth. If you manage to retain the old structures in organic growth, you will be able to establish the new ones with considerably more success. Early Christianity, for example, was extremely successful in taking on and incorporating other structures. The pagan summer solstice became Christmas and leveled the way into Christianity for many “heathens” of the time.

Organic growth is often longer lasting than revolutions.

For all its alleged conservatism, the Catholic Church in particular has been good at assimilating other structures and symbols in the last 2,000 years so that it did not have to define itself as distinct from them, but was able to represent continuity. The Church’s missions in many parts of the world would never have been as successful if it had always demanded a radical break instead of linking to existing structures. That’s why the missionaries in Africa who allowed gospels to be sung and didn’t insist on practicing Bach’s Christmas Oratorio were so successful.

The Catholic Church’s missionary efforts were often good at integrating existing structures.

6.3.2.3 Radical Changes Seldom Work Without Cruelty

Take a look at the durability and success of major changes and you'll have to admit that the great revolutions were often cultural steps backward. Because the old structures still worked, people were unable to adapt to the radical new structures as quickly. Robespierre's Reign of Terror following the French Revolution was barely any better than the previous monarchy. Khomeini came to power in Iran in order to break down the Shah's reign of oppression but produced a system that was repressive in a different way. Mao Zedong staged a radical break with the ancient Chinese culture and felt forced to murder millions of people who were unable to make this change. Those who make changes that are too sweeping and radical can scarcely avoid slaying people who cannot internalize the new structures easily, if at all. That's why the new structures can seldom be more humane or liberal than the old ones.

Those who want to make radical changes seldom manage not to use cruelty because many people are unable to let go of the established structures quickly.

6.3.2.4 Organizations that Are Open to Change Need a Culture that Does Not Consider Itself to Be Especially Stable

Anyone wanting to keep their organization flexible and ready for change must strike the balance between generating a stable and efficient culture and creating a culture that doesn't see itself as too stable, otherwise it will take major crises in order to change them. The real act of leadership lies in this balancing act and optimization challenge. Bear in mind that creating a very stable, efficient, and durable structure always means that you have also created a structure that is resistant to change.

Creating stable structures also means creating structures that are resistant to change.

It is not possible to create a structure that works stably and efficiently, provides identity for the members of the organization, and has been copied successfully into the inner structures of the members of the organization, while also representing an organization that is completely open to change and easy to shape.

Openness to change and malleability can go hand-in-hand with strong identity, efficiency, and stability.

6.3.2.5 Making Changes to Structures Requires Linking to What Already Exists

If you want to change structures, be aware that you will never be able to create something *new* in the true sense of the word. You can only ever link to what already exists. You need to refer to something that is already in existence, otherwise people will not understand you. If you fail to link changes to established structures, people will be unable to identify and grasp what you want. The *old* structure is what you make reference to.

You can never create anything completely new, but must always refer to what already exists.

- ▶ A structure's resistance to change reflects the success of the previous act of leadership in creating and stabilizing this structure. The more identity that certain structural elements provide for the members of the organization, the stronger the resistance to the change will be. If you want to make changes successfully, do not symbolically destroy everything. You need to link to the old, retaining as many old structures as possible so that the new ones fit in and can be expanded.

Change is a continuous and gradual process and is only a revolution in exceptional cases. Anyone who wants revolution must be aware that it claims many victims. These victims will be the people whose inner structure is too stable and rigid to allow them to internalize the major revolutionary change without problems. Those who want to make changes without claiming many victims must take the route of continuous organic growth.

Those who want revolution create victims. Those who want to make changes without victims must develop existing structures.

Leadership, the Group, and Dynamics: How to Generate Leadership Strength in Conflict Situations

7

Conflict is essentially the central issue of our life or our social life. Conflicts challenge us. We experience them as distressing but often unavoidable and, as such, they are also present in everyday leadership. As we will see later, the result of conflict is effectively what triggers the need for leadership in a group. A group that is completely free from conflict does not require leadership but, by definition, moves harmoniously in a single direction that is clearly desired by everyone.

Conflict-free groups do not require leadership.

The greater the conflict energy in a group (or in a relationship), the greater the potential need for leadership and decision making, which, in this constellation, could lead to reconciliation or make it possible for the conflicting parties to act together. A leader who either reconciles a group or enables it to act as a team by means of active conflict management has unleashed a great deal of leadership strength.

A leader who enables a conflicted group to act has performed leadership.

In this chapter, we will look more closely at a further detail of our leadership sculpture: the aspect of conflict management. For leadership is also **successful conflict management**.

The more dynamic (i.e., heterogeneous, conflict-ridden, and unstable) a group is, the greater the need for leadership. The more clearly a dynamic group has been oriented toward a goal, however, the more successful the conflict management has obviously been and the greater the leadership strength that has been generated.

The more conflict-ridden a group is, the greater its need for leadership.

An open and critical look at the world shows that many latent or even open conflicts cannot be resolved without leadership. This is why great leaders are mostly present where there are great conflicts. Many attributes of great leaders

(courage, bravery, the desire to win, assertiveness, but also negotiating skills, integrational ability, and reconciliatory ability) only become apparent and relevant in conflictual contexts.

Great leadership performances reveal themselves in major conflicts.

However, conflicts have a more fundamental hold on our life. Our “inner and outer” conflicts are our lot in life. The conflicts we experience form our character. In Chap. 2 we showed that charisma develops from our inner conflicts, which ultimately lead to charismatic strengths by triggering certain acts of compensation. If we don’t overcome our own limitations, we lose to our inner conflicts and if we fail to stand up to the resistance of the world, we lose to outer conflicts. Yet conflict does not just form our character; our character is also revealed in conflict. If you really want to assess and understand other people, you will have to see how they behave in conflicts. You need to understand which inner conflicts drive these people and how they deal with outer conflicts.

A person’s character is revealed in conflict.

- ▶ Once you have understood how people deal with conflicts, you have understood their character!

In this chapter we will look initially at the psychological causes and conditions of a conflict. We will also examine typical misunderstandings and illusions about conflicts. In the next step we will establish the connection between conflicts and leadership and demonstrate the extent to which a group’s need for leadership is determined by conflict. The following section will deal with active and practical conflict management for a leader. It will describe approaches and strategies for successfully dealing with the situation in the different phases of a conflict. In the final step, we show the basic strategies you can use in leading groups in different phases of group dynamics.

7.1 Psychological Causes of Conflicts

- ▶ Conflicts are oppositions between people that arise as a result of emotionally charged opinions and interests.

Conflicts can potentially arise if you are pursuing a matter (an opinion or interest) that is emotionally or motivationally meaningful to you. Conflicts and differences of opinion are therefore two different things: In differences of opinion, you hold a more or less rationally justifiable view of a specific topic. However, if this opinion is not of any particular emotional significance to you, you are prepared to change it if new arguments or other views are put forward that appear rationally justifiable and reasonable. As such, differences of opinion deal with **right and wrong**.

Differences of opinion concern rationally justified views.

The more emotion is associated with a certain opinion or interest in you, the more difficult it is to change this through specific rational arguments. In a genuine conflict (as opposed to a difference of opinion) you are not concerned with gaining new insights, but primarily with realizing the side of the conflict that you have positively charged with emotion. In other words, whereas a difference of opinion deals in right and wrong, conflict deals in **victory and defeat**. It is so difficult to solve conflicts rationally because the oppositions that trigger the conflict are emotionally charged.

In conflicts the different viewpoints are emotionally charged.

Conflict or Difference of Opinion?

Let's use a practical example to clarify the distinction between a difference of opinion and conflict. Imagine a married couple sat at the kitchen table planning their next vacation. The wife wants a beach vacation somewhere warm and far away from other people, whereas her husband wants to go hiking in the Alps. These are the two different interests that start the conflict discussion. It immediately becomes clear that they are not trivial opinions that can quickly be changed by presenting some good arguments, but rather that both points of view are the expression of an emotional need and are therefore *motivated*. The discussion at the kitchen table initially ensues with seemingly practical arguments. Each person lists specific advantages of the vacation he or she favors but realizes that these arguments are not becoming any more convincing to their partner, even if they are repeatedly put forward at an ever greater volume. This is because neither partner wants to be practically convinced as neither of them holds an opinion that can be easily swayed, but rather their opinions have a strong emotional implication.

The opinions and interests that hold a particular emotional charge in you form your character. There are certain points that will certainly arouse a strong emotional reaction in all people, if, for example, a very fundamental motivation is threatened—such as survival. In this case, most of us would be prepared to fight, regardless of any arguments. Yet the human character takes on its different hues and tones primarily according to which things are important to a person, which really mean something, and which interests cause a conflictual reaction in the event of a threat.

Interests that are of particular emotional significance, and are therefore motivated, form a person's character.

Think back to the four basic orientations or fears that we described in Chap. 2:

- Autonomy-oriented people enter into conflict if the perception of their specialness and status as standing out from the crowd are threatened.
- Relationship-oriented people enter into conflict if they feel rejected and unloved.

- Stimulation-oriented people enter into conflict if they are forced into a straitjacket of rules.
- Structure-oriented or balance-oriented people enter into conflict if the world appears too unstable, unpredictable, and uncertain.

You can no doubt come up with conflicts for all four orientations that can't easily be resolved through good arguments.

Different experiences generate an inner conflict for different orientations.

For highly stimulation-oriented people, certain regulations and limitations are irritating and arouse fear, no matter how good the practical arguments for the rule in question are. You can explain as much as you want to a person who is very strongly oriented by structure and balance why spontaneity and uncertainty are “objectively beneficial” in certain circumstances (as the quotation marks imply, there is nothing objective in these situations)—you will certainly not be able to convince them in such discussions. You can discuss with highly relationship-oriented people why it would be “better” to give up on and end a certain relationship, but taking such action may still be so laden with fear (and therefore lacking in motivation) for highly relationship-oriented people, that your apparently good arguments don't really help. You are also unlikely to be able to get strongly autonomy-oriented people to accept a subordinate role for any duration through good arguments because the submission required for this is too strongly associated with a loss of autonomy and would therefore cause fear.

If you have understood the character of another person, you can predict which arguments will arouse fear in them.

Let's assume you are speaking to a very autonomy-oriented person about a future project and there are two options for tackling it: A and B. If neither option would arouse fear in this person (the inner structure of autonomy orientation would not be affected), you could rationally discuss the pros and cons of the different ways of achieving the goal with this person and weigh up the arguments practically. The problem would be very different if one of the suggested options, for example, involved much less of a raise in profile for this person.

Weighing up alternatives rationally only works if no significant orientations or fears are affected.

By simply weighing up the advantages and disadvantages of the two possible approaches sensibly, it could become very hard to gain the autonomy-oriented person's enthusiasm for a rationally justified alternative. Even if both options were equally good from a purely practical point of view, the autonomy-oriented person would always intuitively consider which solution would cater more to his or her own emotional interests and would prefer this solution. If you are not focused on your employees' inner structures and only look at agreement processes rationally, you will sometimes miss the inner conflicts that—despite all your rationality—are triggered by certain decisions.

You need to be sensitive to the internalized structures of others if you want to understand their inner conflicts.

Conflict and Biology

In evolutionary terms, conflict is a very old occurrence. Conflicts are also present among considerably more primitive life forms than humans. If you look at how animals behave in conflicts, you will notice the two typical biological conflict strategies of fight and flight. It is also easy to identify the two associated emotions, namely fear and aggression. For us humans, our biological, evolutionary, and cultural development has given rise to a communication system that opens up a third conflict strategy to us, and that is negotiation. In these times of communication and rationality, negotiation is therefore a potential third avenue that can sometimes be taken successfully. However, in order to understand why this does not work in many cases, we need to have another look at the relationship between reason and emotion in humans. In evolutionary terms, our emotional system is the older system, which we use to evaluate the world. Our primeval ancestors intuitively knew whether they were scared long before they were in a position to analyze situations rationally. In evolutionary terms, our emotions are older than reason. The emotional evaluation of certain situations and circumstances still takes place (due to our inner psychic structures) very quickly and intuitively. Our emotions therefore determine our inner experiences. Yet our reason is most certainly capable of dominating over our emotions when it comes to selecting alternative actions. For example, if you are afraid of flying your reason can force you to board an airplane anyway. When it comes to our behavior, our reason can, if our will is strong enough, also steer us in a different direction to that which our inner experience would prefer. But our reason can't change our inner experience so easily. Even if you courageously board the airplane as in the example we just mentioned, your reason cannot switch off the fear, regardless of how irrational it may seem to you. Even if you are sat next to someone very friendly and supportive who gives you a very demonstrative lecture on how flying is superior to other forms of transport with respect to safety and accident risk, your fear doesn't simply disappear in the face of these objective and rational arguments.

The Excursus “Conflict and Biology” nicely demonstrates why the appeal for objectivity cited by one of the parties—usually the one seemingly less involved emotionally—generally doesn't achieve much in conflict discussions, but instead often just adds fuel to the flame as it can be perceived as arrogant and inflammatory.

The appeal for objectiveness is often unsuccessful in difficult conflicts.

You can't simply apply reason to decide whether an opinion is emotionally charged or practical for you! If a certain opinion is very emotionally charged for you, then the helpful hint “Don't get so worked up!” won't be of much help.

How are you supposed to control it? How are you supposed to switch off the anger or aggression if you feel you are being attacked about something that is emotionally significant to you?

Reason cannot simply switch off an emotion.

Yet these considerations also show that humans will continue to have potential conflicts for as long as they are motivated by something. As long as we have opinions and interests that get under our skin, that are emotionally significant to us and of which we cannot be dissuaded by “objective” arguments, there will be space for potential conflicts. Our life cannot be completely free of conflict until there is no longer anything that motivates us. And that only happens when we’re dead.

Conflicts are potentially there as long as there is something that motivates us.

7.1.1 Conflicts and Relationships

If we think about what we said in the first section from a different perspective, we can see why conflicts become more likely the closer a relationship is. Certain oppositions only become apparent and relevant in particularly close relationships, and dealing with these conflicts becomes more urgent the less you want to end the relationship. This results in the very ambivalence that often makes relationships so difficult and distressing for us humans. In every conflict situation you need to decide whether you want to assert your cause as strongly as possible in a relationship (but then perhaps risk the relationship, or at least its quality), or whether you would rather swallow the bitter pill of not realizing your emotional preference in full—if at all—but limiting damage to the relationship.

In every conflict lies the ambivalence between assertion and relationship quality.

This ambivalence is a constant feat of optimization and we can recognize a conflict by the fact that both elements cannot be optimized at the same time. Yet both will cause negative emotions for you in a conflict. If you make compromises in a matter that means a lot to you emotionally (in order to maintain the quality of the relationship), you will of course be emotionally dissatisfied. However, if you fully assert your cause, thus risking a relationship that would have been positive and worth maintaining, this part will also fail to make you happy. Conflict hurts and, irrespective of the outcome, will always hold an element of unpleasantness for you (see also Excursus “Conflicts and Win-Win Situations”).

Conflicts unavoidably contain negative emotions.

- Conflicts are oppositions between people that arise as a result of emotionally charged opinions and interests. The greater the emotional involvement, the less likely it is that a conflict can be resolved by weighing up and analyzing practical arguments. Conflicts are potentially unavoidable if we have emotionally charged interests that are worth fighting for and straining the relationship for.

Conflicts and Win-Win Situations

What we discussed above shows how skeptical we need to be about the promise that there is always a win-win solution in conflicts. Of course, it would be great and something to really work toward if the interests of both parties were sensibly taken into account after a conflict. In the vacation example we mentioned earlier, such a win-win solution could be to go on vacation to mountains close to the coast, where both the leisure interests of the disputing partners could be catered to (whether this would actually be conflict-free remains to be seen, as the conflict was most likely not just about where to go on vacation, but also about spending free time together).

Many typical communication trainers hold the opinion—without stopping to think about it—that conflicts can be solved through better communication and that it is always possible to find a win-win solution. Our stance on these opinions is this: Better communication can only help to solve conflicts that are based on misunderstandings or a lack of information. As soon as the lack of information or misunderstanding has been cleared up through good communication, the conflict will also disappear.

Better communication can only help to solve conflicts that were based on misunderstandings.

In our estimation though, this does not apply to the major and truly relevant conflicts in the world. A pay dispute, for example, cannot be resolved by good communication. The opponents have distinctly different interests in the real world (the unions would like higher salaries for the employees, the employers would like to pay less). These opposing interests remain in place even if communication is good. The only thing good communication is able to do in such a situation is to stop the conflict from getting any worse. Or in other words: Bad communication would add fuel to the flame. Good communication, however, wouldn't do anything to resolve the conflict.

In the event of opposing interests, all that good communication can do is prevent the conflict from worsening.

In a similar fashion, the matter of win-win solutions is often idealized and backed up with moralizing arguments. However, there can only ever be win-win solutions in conflicts if the opposing parties possess **bartering objects**. This means that win-win solutions are only possible if partners can depart from their original positions because they get something from their opponent that would also satisfy their interest. The 1979 peace agreement between Israel and Egypt is often vaunted as an example of a good win-win solution. At the time, Israel occupied the Sinai, even though it had no long-term interest in a costly cultivation of the enormous desert; instead, Israel's primary concern was security. Egypt wanted the Sinai back for reasons of territorial integrity. In this case, bartering objects could be used.

(continued)

Win-win solutions exist where there are bartering objects.

Israel was able to accept the land-for-security trade. Israel gave the Sinai back and it became a demilitarized zone. Together with several other security agreements, the interests of both sides were taken into account. The reason this example worked so well is because there were bartering objects that could be used—it was possible to trade “land for security”. The more fundamental the principles are that are affected in a conflict, the less likely it is that a win-win solution can be found. Let’s look at a drastic example that highlights this point: Assume that you were stepping up to negotiate with the Catholic Church on relaxing its ban on abortion. What would you offer the Catholic Church in return? More members? More trainee priests? A wider reputation? More church tax? Stronger faith? It is immediately clear how absurd such negotiations would be. There can be no bartering objects for a principle that is so deeply anchored in Catholic doctrine (and that is as charged with emotion within the Church as it is outside of the Church). Without bartering objects there is no win-win solution.

There are often no bartering objects for fundamental principles.

It is not that we disapprove of the ambition to look for such bartering objects in different conflict situations. If they exist and make it possible to balance interests, this is obviously the best possible outcome. We only oppose the facile, but often held view that there can always be win-win situations. If you look at the major, relevant conflicts of the world, you will often find that the opposing interests relate to such fundamental points that there are simply no useful bartering objects.

The great conflicts of the world often cannot be resolved with a win-win solution.

7.1.2 Conflicts and Roles

In order to better understand the different dynamics of conflicts in different situations, it can be helpful to explain the connection between conflicts and our roles. In the sociological sense, a role is a bundle of expected behaviors that are applied to us. The crucial element here is that we can never encounter other people just as themselves, as if in an empty universe. We always encounter other people as a person and a role, as we always meet people in a context in which certain mutual expected behaviors become significant.

We unavoidably meet other people in a context that is associated with role expectations.

We don’t just meet other people as a person, but as a person and customer, a person and brother, a person and partner, a person and co-worker, a person and supplier, a person and enemy soldier. The possible areas of conflict that may now

arise result from how contrary or compatible the mutual role expectations are. If, for example, you are a service provider and perfectly fulfill the expectations of your customer, and the role expectations you have of your customer also concur with your experiences, then you have a conflict-free relationship at that moment in time. As such, certain personal idiosyncrasies can be overlooked in the above example because they are of only minor relevance to the role that each of you occupies (for instance, extravagant leisure pursuits or particular sexual preferences do not usually affect the customer–supplier role expectations and are therefore irrelevant as areas of conflict).

Different role contexts activate different areas of conflict.

However, the two aspects mentioned can play a very significant role indeed in the reciprocal role expectations of a couple and can trigger conflicts as a result. These role expectations can cause conflicts that are not important in other role contexts. The fact that conflicts are also dependent on roles does not change their emotional content and intensity, yet it can explain the following phenomenon: A male marketing manager and a female sales manager in the same company share a strong mutual dislike of one another, as neither of them sufficiently meets the role expectations of the other. In this constellation, they are therefore in a perpetual state of conflict. However, if they both worked in different companies and had met at a cocktail party, for instance, they would have encountered each other in completely different roles and would perhaps have fulfilled each other's expectations of a potential life partner so well that they would now be married.

The involvement of roles in conflicts has nothing to do with their emotional intensity.

A boss who marries his secretary subsequently has different areas of conflict with her than before, as other role expectations are suddenly introduced into the relationship. After a divorce, certain areas of conflict disappear because the role expectations of a divorced partner differ greatly from those of a married partner. Which role expectations you are or aren't willing or able to fulfill and in which way says something about your own inner structure. Nevertheless, it will always be the case that certain areas of conflict can only be activated in very particular contexts because they do not belong to the bundle of role expectations in other contexts.

Inner structures determine which role expectations a person can and wants to fulfill.

- Conflicts are not comprehensible if we only consider them as a phenomenon between people. Conflicts only become comprehensible once you put them into the context of the reciprocal role expectations that dominate in certain situations. It is evident from looking at a conflict which role expectations the conflicting parties have of each other and which expectations are not met by another side. Specific areas of conflict are then relevant or irrelevant depending on the context and activated role expectations.

7.1.3 Exacerbating Circumstances in Conflicts

At this point, we would like to demonstrate why certain conflicts lead to violence, while other conflicts can be solved with less escalation. From what we said above it is already clear that one of the reasons why conflicts progress differently lies in how emotionally charged a certain interest is. There are also three further factors that determine the intensity of a conflict and how likely it is to be escalated.

The escalation potential of a conflict depends on different factors.

7.1.3.1 The Stake Involved

An important aspect that contributes to the intensity of a conflict is the stake involved. In short, we could say that manners get worse the more is at stake. You wouldn't argue as vehemently over ten dollars as you would over a million. If the survival of your company is under threat, you will probably react more strongly than if you just lose a moderate-sized order. The greater the stake involved, the more easily you can justify to yourself and others the use of violence or immoral conflict strategies (deception, lies, fraternization with an adversary to fight a common enemy, etc.).

Conflict strategies become more immoral when the stakes are high.

7.1.3.2 The Psychic Structures of the Individuals Involved

What exactly it is that leads to a conflict can be attributed to the psychic structures of those involved (by structure, we mean structure as described in the previous chapter). Your psychic structures serve as a screen through which you evaluate the world and they direct your actions like a compass in an otherwise very complex environment. The psychic structures of individual persons can be laid out so that they exacerbate or rigidify conflicts. A person's convictions, values, principles, and fears can be so emotionally charged that they increase the person's willingness to use assertion and violence or cause this person to face many areas of conflict.

Psychic structures can exacerbate conflicts.

How do you recognize people with difficult psychic structures? That's easy: you can recognize them from their readiness for conflict!

- ▶ You will encounter difficult psychic structures in every type of relationship in the form of conflict.

If you look at conflicts, you can initially only see the *outer* conflict in the form of the conflictual behavior exhibited by the person in question. The *inner* conflict that lies behind this is something only vaguely perceptible. In order to understand it, you need to be sensitive and sure of your interpretations.

The inner conflict that energizes an outer conflict can only be interpreted.

- ▶ Inner conflicts always become outer conflicts when the inner structure concerned is activated.

When observing people who you consider always to be starting conflicts for no practical reason, you need to redirect your attention away from the outer conflict and toward the mental state of the opponents. For example, a person who is characterized by a very strong need for validity and recognition in his or her inner psychic structure (someone who is narcissistic in the psychological sense) is likely to invoke a conflict in situations that threaten his or her validity and reputation or that do not accord him or her sufficient appreciation in that person's estimation.

The inner structures determine which external events generate inner conflicts.

However, you can only ever perceive a conflict as an external observer (unless you are involved yourself and ask yourself what is going on within you). You can only ever guess at the inner conflict. The reverse also applies:

- ▶ Outer conflicts become inner conflicts.

An outer conflict always activates your inner structures. The threat emanating from an outer conflict (e.g., an attack) appeals to your inner structures and you experience the outer conflict as an inner conflict, as ambivalence, despair, rage, and strife. You will surely have already observed people (or know the dynamics in yourself) who reacted very sensitively and extremely to conflicts. It may be difficult to understand why this is at first, yet if you develop a sense for the inner structures and areas of conflict affected, you develop greater sensitivity to difficult psychic structures in other people. From outside, you always experience difficult psychic structures in other people as a conflict or readiness for conflict!

Outer conflicts activate inner structures and emotions.

7.1.3.3 A High-Stress Situation

The third factor that exacerbates conflicts is high-stress situations. The more pressure people feel themselves to be under (or if they are in a crisis), the less they are able to suppress tendencies toward conflict through will and self-control. Conflicts erupt much more quickly, easily, intensely, and with less control if your own threshold is significantly lowered. In small children especially, you can see that their threshold is very low in situations that are unfamiliar to them, and they immediately act out experienced stress conflictually (e.g., through fits of rage).

The greater the perceived stress, the worse the self-control in suppressing tendencies toward conflict.

7.1.4 Goals of Successful Conflict Management

If we now look at conflict management as a significant leadership task, it is important to consider the goal we are pursuing through successful conflict management. There are basically two poles that can be characterized as desirable contrasts of a conflict. The first pole is **harmony**. Harmony means (also in the original meaning of the word) the absence of opposition. Where there is no opposition, there can be no conflicts. Were we to hold this view though, we would see successful conflict management as restoring harmony.

Harmony can be seen as a desirable opposition to conflict.

However, in view of what we discussed above, too, it quickly becomes clear that many conflicts can't be harmonized because the oppositions exist in the real world or in people's own psychic structure, or are so deeply rooted that they are not easy to eliminate.

Many conflicts cannot be harmonized.

So what would be a suitable alternative goal for successful conflict management? The answer is **peace**. Peace comes about in a conflict when oppositions are handled in such a way that it is no longer necessary to continue the argument, even if the oppositions still exist. As you can imagine, there would be far more conflicts in traffic if there weren't so many rules that prevent many potential conflicts from breaking out in the first place.

Peace is another opposition to conflict.

Industry-wide collective agreements are another example of a regulated conflict mechanism, which means that pay increases do not have to be fought over in each individual company, putting much less strain on the relationship between the employee and employer than would be potentially possible in most companies. The result of a pay dispute is therefore peace and not harmony. The employers consider the collective agreement to be too expensive and the employees feel that they are entitled to more. Harmony cannot be expected on this matter. However, a good peace settlement ensures that the conflicting interests can be lived out in a regulated manner and are therefore much less violent and damaging to the relationship than would otherwise be likely.

Peace means that conflicting interests are regulated without violence.

On the face of it, peace seems to be a very pleasant word. What many people overlook though, is that peace is only necessary where there was once war or where there is the threat of war. In a harmonious situation we do not need to give any thought to peace. The fact that we need to think about regulating conflicts (and that's all that peace means) shows that there were and are conflicts and that these oppositions can be dangerous and destructive. The more thought we need to give to peace, the greater the threat of war.

Peace is only needed where there was war or the threat of war.

- ▶ There are two possible results or goals to conflict management. The first is to strive for harmony—dissipating the oppositions that cause the conflict. In most conflicts, this ambition is unrealistic though. The alternative is to strive for peace. Peace means that the oppositions can continue to exist, but good rules have been found so that they no longer need to be fought over. Peace is by no means a harmonious state then, but merely a mechanism for regulating conflict.

7.2 Conflicts and Conflict Management in Leadership

7.2.1 Conflict Management as an Act of Leadership

This section deals with how to handle conflicts in the role of leader. Active conflict management is always an act of leadership! If we apply our initial definition of leadership as “directed movement” to conflicts, it is clear that successfully handling conflicts should always be understood as an act of leadership. If you have successfully asserted yourself against an opponent in a conflict, you have led in that situation. If, as a facilitator and mediator, you have contributed to directing a conflicted group or two conflicting parties toward a common goal, you have also led in this situation. As such, leadership can always be understood as successful conflict management. The greater the conflicts are, the greater the need for leadership. Conversely, the following also applies: the fewer conflicts exist in a group, the less need there is for leadership.

Successful conflict management is an act of leadership.

As the leader of a group, you deal with conflicts from many angles. First you need to deal with the latent or open conflicts within your own group. The latent conflicts in a group are the contentious areas or topics that can potentially escalate into a conflict. Not all emotionally charged opinions or interests are activated in every situation. The latent conflicts are therefore the topics that can potentially be activated in a certain group.

Latent conflicts are the conflicts that can potentially be activated in a group.

As a manager, you may already have come across open conflicts in your group, that is to say that the latent areas of conflict have already been activated and a tense situation or even real animosities have already arisen. Both the latent and open conflicts within a group can only be resolved through an act of leadership. Even if we argued that the members of the group can resolve certain conflicts among themselves, in hindsight it would always be apparent who had contributed more or less to solving the conflict in the end.

Open and latent conflicts in a group can only be solved through leadership.

You would see these people's acts of leadership. A conflict doesn't resolve itself! If it did, then it would not have been emotionally significant interests that had triggered the conflict. The leadership performance in a group that works stably therefore lies in carefully balancing out the latent areas of conflict that exist in the group. The better this balancing out works, the better the group can ultimately perform outwardly. Yet these are not the only areas of conflict that pose a challenge for a leader.

Stable groups have carefully balanced areas of conflict.

There are, of course, also common areas of conflict with external parties. A group in a commercial enterprise also has areas of conflict with parties that include markets, customers, suppliers, administrative institutions, or other interest groups that are relevant to the company. A third important category of conflict is *interface conflicts*, which exist between a group and other groups within the organization or institution. In such situations, the goal of leadership must be to strategically even out the areas of conflict in the long term.

One of the goals of leadership in organizations is to strategically even out areas of conflict.

In the last chapter on structure, we argued that efficiency comes about largely through the absence of areas of conflict. Constantly having to negotiate and resolve conflicts in individual situations is a drain on time, resources, the leader's attention, and regularity. As such, a leader who wants to set up an efficient, functioning area of responsibility must always work toward the goal of resolving conflicts for the long term, ensuring that this resolution is strategically effective. The leadership action necessary to bring about a long-term resolution of the conflict differs depending on which phase a conflict is in.

Efficiency comes about through the absence of areas of conflict.

- Leadership is conflict management. Latent or open conflicts within groups cannot be resolved without acts of leadership. As a leader, you need to manage the latent and open conflicts within your own group as well as taking into account the outer conflicts that this group has with other institutions or organizations, and interface conflicts with other groups within your own organization. The goal of conflict management must be to strategically resolve the conflicts for the long term.

7.2.2 Phases in the Development of Conflicts

In the next section we will turn our attention to the practical strategies of conflict management. The strategies of conflict management vary, however, depending on which phase the conflict is in. We distinguish between three typical phases that a conflict can go through. Figure 7.1 shows the three phases of conflict development.

A conflict does not necessarily always pass through these three phases. It may be that a conflict is directly escalated and the tension phase is skipped. It is obvious, though, that a latent area of conflict must exist for a dispute to even arise. In contrast

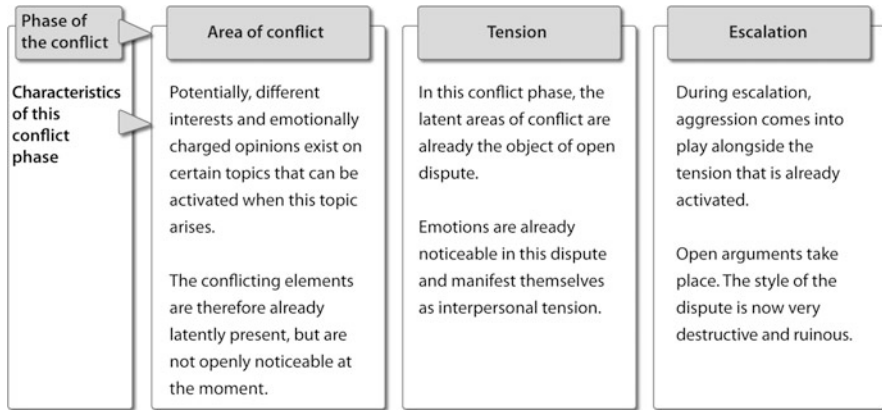


Fig. 7.1 Phases of conflict development

to latent areas of conflict, harmony is defined by the absence of differences. Some conflicts can be identified while they are still latent areas of conflict and resolved immediately so that a dispute can be nipped in the bud. Still other areas of conflict can be tackled in the tension phase and resolved so that an escalation can be avoided.

Latent areas of conflict are the prerequisite for tension and escalation.

The loudest and most dangerous conflict stage is escalation. This stage is characterized by aggression, typically through emotionality and a decrease in rational strategies. The opponents act quickly and rashly. Their style is mostly characterized by a manner that is threatening or destructive to the relationship.

At the start of the chapter, we argued that conflicts are ultimately always characterized by inner ambivalence over whether you are prepared to make concessions on your own interests to avoid endangering a relationship you perceive as worth maintaining, or whether you would rather risk the relationship and pursue your own interests with less heed for others. In the escalation phase, the danger that this process of weighing up the options will no longer take place in a strategic manner, but in a reactive way, is greatest. We often observe the phenomenon that rather hot-tempered people apologize in the aftermath of a dispute—after the smoke has cleared, so to speak. However, they often lose the trust of the other person, as they will once again come out very emotionally with all guns blazing at the next opportunity.

In escalations the inhibitions that suppress relationship-threatening aggression are lost.

- Escalated conflicts are quickly and so strongly emotionalized that long-term and strategic considerations play much less of a role. That is why this conflict phase has the greatest potential to ruin relationships. The phase in which the conflict is

escalated is when situations are most likely to arise in which, through your own readiness to use violence and inflict injury, you place strain on a relationship that, with hindsight, you would perhaps have liked to maintain.

However, there are exceptions to this finding: Escalations are not always avoidable. Sometimes conflicts need to be escalated for strategic reasons because this escalation is an important means of defense for your own goals. Occasionally a conflict will need to be escalated in order to force people to enter into a dispute if their own inner structure would have caused them to avoid or ignore the conflict, and peace negotiations with it.

Escalation cannot always be avoided from a strategic perspective.

However, if a person degenerates in the escalation phase to a purely response-driven being that only requires a certain button to be pressed for aggression and a readiness to use violence to flare up, there is next to no chance of working out a strategic and corrective resolution to the conflict. Much of the violence, injuries, and broken relationships that we see in normal interpersonal interaction result from this impulsiveness.

Impulsiveness is dangerous in a conflict.

Escalations planned deliberately and strategically to gain a long-term benefit occur in cooperation within companies just as often as a reactive escalation of emotions. These considerations also make it clear which people can be particularly dangerous in escalated conflicts: people with little capability for conscious self-control and poor deflection of negative emotions. Practically speaking, this means that there are people in whom negative emotions immediately demand to be acted out conflictually and who also possess little ability to act out such emotions in an organized and conscious manner, but submit very reactively and impulsively to their own negative feelings. The greatest risk in escalating conflict situations emanates from these types of personality.

In conflicts, people with poor self-control and little ability to endure negative emotions are particularly dangerous.

7.2.3 Strategies of Conflict Management

There are different strategies for the phases of conflict management described in the last section.

7.2.3.1 Conflict Management in the Phase of Latent Areas of Conflict

Which leadership challenges are associated with conflict management in the first phase of latent areas of conflict? Let's remind ourselves of the goal of this phase. The different latent areas of conflict must be balanced out so that they do not grow into an open conflict. The first challenge that leaders face is to increase their own

sensitivity to these latent areas of conflict. Leaders must be able to understand the inner structures in their own employees so that they can foresee and interpret potential areas of conflict.

A leader must be able to understand the inner structures of the employees in order to foresee latent areas of conflict.

The four basic orientations described in our chapter on charisma (Chap. 2) provide an initial structure for better understanding and grasping the latent potential conflicts in one's own team. It is important to remember here that looking at the objective size or drama of an area of conflict or a conflicting occurrence often leads us down the wrong path. The necessary sensitivity lies in understanding how symbolically certain events or actions could be interpreted by the opposing parties and how a situation could become emotionally charged or assessed emotionally in this way. The leader's job in this phase is primarily to shape culture and perform preventive conflict management. A leader, then, will have to create structures that prevent the different inner structures of the members of the group from leading to open conflicts.

In latent areas of conflict, a leader must prevent the outbreak of conflicts by creating good structures.

Imagine this process as follows: At the beginning of this chapter, we argued that it is the difficult inner structures of the members of the group that cause inner conflicts within them and that then later necessarily lead to outer conflicts. Let us assume that you have an employee on your team whose inner structure for "perseverance in difficult times, in the face of resistance and high stress" is not particularly well developed. This employee would certainly be able to perform in such situations, but would succumb to mood swings or demotivating influences very quickly. You can imagine that this structural deficit can rapidly lead to outer conflicts, that is to conflicts in the team, too.

Inner structural deficits can lead to outer conflicts in the team.

If you realize this as a leader then you have identified a latent area of conflict, even though the performance deficit may not yet have resulted in any serious problems. The measures you take must now follow this basic rule:

- ▶ When inner structures are missing, they need to be compensated by outer structures.

If the inner structure of perseverance is not well developed, measures now need to be taken to create structures that compensate for this deficit. If you lead the person we have described here according to what may, to you, be the desirable leadership principle of extensive delegation, then conflicts are unavoidable. The more requirements for self-organization, perseverance, and goal orientation are associated with an extensively delegated task, the more you would activate the structural psychic deficit of this person, throwing him or her into massive inner conflicts. They would come back to haunt you in no time as outer conflicts.

Leading people successfully means not activating their structural deficits too strongly.

An outer structure therefore needs to be created to compensate for the inner structural deficit. It is perfectly clear that this outer structure needs to involve a much more “bit-by-bit”, supported approach to delegation and cooperation so that the latent conflict does not break out. You may argue that this requires much more effort and resources from you as a leader than your preferred principle of delegation based on medium-term goals. Of course this would be preferable! We are merely arguing that it would probably be less successful (think back to our example comparing the connection between leadership and riding in Chap. 3: the horse’s character defines how you can ride it most successfully).

Leadership that takes account of the followers’ structural deficits is not easier, but more successful.

- ▶ The act of leadership for latent conflicts consists in sensitively perceiving and understanding these conflicts and then shaping a culture or creating structures that ensure that the conflicts do not break out.

Of course in this phase of conflict management you will also have to tackle matters of style concerning how you establish a culture in which potential conflicts can be discussed appropriately. This is the implicit goal of almost all communication training courses that managers will attend at some point during their career. The courses are often called communication training but they actually cover how to handle latent areas of conflict sensitively. The contents of many communication training courses can be interpreted as meaning that sensitive and skillful communication allow you to understand another person’s latent areas of conflict and that you can avoid activating these areas of conflict through your own communication style.

Many typical communication training courses are actually conflict management training courses.

This is certainly useful, however we believe that it is necessary to go one step further in conflict management, even in this phase. As many conflicts are not just misunderstandings, although good communication can stop things from getting worse, the real skill lies in creating structures—that is to say rules and processes—that do not activate latent conflicts.

Preventive conflict management creates structures that do not activate latent conflicts.

Furthermore, you must always remember in this phase that you need to create external structures where the people involved are lacking inner structures. This process is made clearer if we take a look at the act of leadership involved in parenting. In small children, there are naturally still many inner structures missing. These need to be created by means of external rituals and regularities. Thus, the external structures compensate for the inner structural deficits and this is repeated throughout the parenting process for as long as it takes for the corresponding inner structures to form.

In parenting, the external structures created by the parents compensate for the missing inner structures until these have become established.

After a certain age, you rely on your children's sense of personal responsibility to do their homework after school, whereas when they were younger you initially compensated for this missing inner structure with the external structure of checking their homework. The more ritualized, established, and clear the external structure of your homework-checking process has been, the less susceptible this process will be to conflict (being completely free from conflict is a little too much to ask for in this example).

7.2.3.2 Conflict Management in the Phase of Tension

In the tension phase, the latent areas of conflict have already evolved into a noticeable opposition that is reflected in discussions, disputes, and arguments, but sometimes also just in a tangible deterioration in the working atmosphere. The leader has a different set of tasks in this phase. The primary job for the leader now is to "ground" the tangible tension so that good rules for dealing with the opposition can be found in an explicit negotiation mechanism. As long as the conflict is still noticeably emotionally charged with the conflict energy represented by the tension, it will generally not be possible to discuss a resolution constructively. On the other hand, we have also said that appealing to reason is not necessarily the mechanism that could be used to disperse conflict energy effectively.

In the tension phase, the conflict energy needs to be "grounded".

Grounding the conflict well usually results from sensitively explaining the different interests and standpoints that feed the conflict. In this phase, a leader will take the first steps in alleviating the conflict by demonstrating a certain understanding for the conflicting parties and not ignoring their emotional involvement, but explicitly recognizing and incorporating it and facilitating between the opponents. The goal of such conflict facilitation is always to regulate the conflict, never to resolve it. After all, resolving the conflict would eliminate the opposition described. When we wrote about harmony, we argued that it is barely attainable in most practical situations. A good rule can help to deal with the existing oppositions in a clear manner set out to achieve the long-term benefit of bringing about peace.

The goal of good communication is to regulate the conflict.

A typical conflict in many teams concerns vacation planning. Looked at from a purely situation-based perspective, there is little chance of resolving this conflict reasonably. Good rules that help to set priorities for granting vacation in a way that people consider fair reduce tension in this context. The rules don't make the whole matter harmonious (because the people who can't get the vacation dates they want due to their position in the priority list are still personally dissatisfied), but the established rules ensure that the conflict usually doesn't escalate beyond the phase of latent areas of conflict or the first signs of tension. Your task as a leader in this phase is therefore a mediatory one.

Good rules can prevent escalations.

It can of course be argued that it is possible to reduce many tensions by making firm, tightly regulating decisions, as it would save the time taken up with mediation. Nevertheless, if you look more closely, you will see that the effort is worthwhile in this phase of conflict and that creating a common set of rules can pacify a latent area of conflict more lastingly than a leadership decision that may result in there being winners and losers, giving rise to injury that can lead to new areas of conflict. Certain conflicts can of course only be regulated by making a clear decision (we will look at this in the next section), but as long as it is still possible to negotiate a solution and mediate, it is worth the effort in most cases because of the lasting nature of the results and the avoidance of potential further conflicts.

Leadership decisions are often more short-lived than the results of mediation because they create winners and losers.

7.2.3.3 Conflict Management in the Phase of Escalation

In the escalation phase, the conflict is already apparent and the danger of reactive and impulsive behavior by the conflicting parties leading to avoidable destruction is great. It's clear then that this is the phase of leadership authority. As a leader, you will not be able to avoid regulating the crisis and making real decisions. Directive leadership is needed to stop and restrict the dangers that arise from the phenomenon of escalation itself.

The escalation phase is the phase of leadership authority.

What's particularly important in this phase is for the leader not to lose sight of the strategic angle. It is easy for leaders themselves to become part of the escalation and for their own emotional interests and motivations to appear on the agenda. A leader needs to retain the ability not to lose sight of the strategic angle. Yet this requires enough self-control not to succumb to one's own impulsive reactions, which may make everything even worse.

In escalation situations, leaders must not lose sight of the strategic angle.

Obviously we need to make tough decisions sometimes and pursue goals resolutely. Yet this must be done with distanced consideration and a clear overview of the situation, rather than based on a hardening of emotions as a result of a spur-of-the-moment dispute. Leaders are responsible for external goals—the goals that transcend the internal relationship of their own members. The strategic obligation must be to pursue the external goals and not to relieve a specific emotional stress in the internal relationship.

Leaders' obligations are to their goals, not to relieving their own emotional stress.

Strategic Conflict Escalation

Let's assume that co-workers at your management level are complaining bitterly about an employee under your responsibility. It's clear to you that the magnitude of the complaints is also symbolic of a dispute in an area of conflict with you that

is not being addressed openly. As the complaints make a series of unjustified points, you feel anger welling up inside you and the impulse to react on it. However, a swift, impulsive reaction could exacerbate the area of conflict and weaken your own position in the medium term. In such situations you therefore need sufficient self-control not to be lured into reacting impulsively, but to consider the facts of the situation as a whole from a distance, as you are pursuing a long-term plan (think of your external goals!). After carefully weighing up all of the advantages and disadvantages, you may come to the conclusion that an angry, indignant counter reaction is what is most useful in the long term (e.g., because you want to send out a clear signal about which style of argument you refuse to tolerate in the dispute, or because it has become clear to you that you absolutely must be seen to be protecting your employee in the eyes of many co-workers). In this case your counter reaction would not have arisen from the reactivity of the moment, but from a careful consideration of your strategic goals and your strategic position.

- Tough measures are strategically acceptable, but not if they are born of an impulsive reaction!

Leaders who improvise or experiment with the measures they take in escalated conflicts are risking a lot. The need for good self-control is understandably strong in this phase. People with poor self-control usually take a moralizing attitude, idealizing their bad self-control skills as *authenticity*. These people see it as their due to live out their feelings in a given situation and even describe others as dishonest and manipulative if they conduct themselves in a more purposeful and balanced manner.

Poor self-control is often idealized in a moralizing manner as *authenticity*.

Hot-tempered people who are quick to escalate in conflict situations claim this authenticity for themselves and even see it as a quality worthy of moral protection and something to be proud of. They often fail to see that it is this very authenticity that fans the flames in many situations. Instead, the accompanying emotional reaction is considered as legitimate and morally righteous, but they do not recognize the need to balance out the associated escalation and injury to the opposing party.

Authenticity is not helpful if it leads to impulsive escalations.

A responsible leader can often ill afford this kind of authenticity. If you are pursuing large, difficult goals, you are constantly confronted with the question of where to set priorities in cases of doubt—either in authentically "letting off steam" through your own emotions, or in carefully selecting alternative actions, which is of benefit to achieving goals in the long term. People who strain many of the relationships around them by thoughtlessly acting out their own negative emotions normally have fewer chances of successfully attaining their goals than people who can retain freedom by responding with balanced self-control.

Good self-control opens up more alternative actions.

The things that are personally required of leaders when it comes to conflict management are therefore quite antagonistic. On one hand, leaders need to balance out, integrate, and bring about reconciliation and peaceableness in order to create a cultural environment in which latent conflicts contain as little potential threat as possible. Leaders need to mediate and facilitate in tense situations and be able to generate fair, long-term, and strategically tenable rules. On the other hand though, leaders need to be able to assert themselves in order to stop escalated conflicts. They need to be able to push through tough measures from a strategic perspective. In so doing, they require the ability not to succumb to their own impulsiveness, particularly in difficult escalations, but rather to keep their distance and maintain an overview of the situation, which will allow them to take the right long-term measures.

Leaders need to be able to show reconciliatory ability as well as strategic toughness.

As a leader, you also need to be able to use the tough side of conflict management, as you don't just get the conflicts you want to have. Sometimes you may also be forced into a fight you didn't pick. You don't always choose your conflicts and your opponents! Displaying your own peaceableness and reconciliatory ability is not necessarily the method that promises long-term success in the face of aggressive attackers. Sometimes you need power and violence in order to force peace (Excursus "Conflict Resolutions with Power"). Sometimes, leaders can only create peace by making continued arguing so insufferable that a truce suddenly becomes attractive.

You also need the tough side of conflict management because you can't always choose your conflicts and your opponents.

Conflict Resolutions with Power

Perhaps this practical example will help you to imagine this process: In your department a hugely escalated fight has blown up about whether to go to an Italian or Thai restaurant for the Christmas party. Attempts at mediation and facilitation have failed. Yet as soon as you announce your decision to cancel the Christmas party completely if staff cannot find a workable solution themselves, the likelihood of agreeing on such a solution suddenly increases rapidly. Without the power to cancel the Christmas party, this truce would probably never have been reached.

For people with a strong ideal of peaceableness and reconciliatory ability, it is generally a bitter realization that it sometimes takes power and violence to generate peace or defend good goals. Mature conflict management serves to defend good goals!

Sometimes it takes power and violence to create peace.

7.3 Leadership and Group Dynamics

In the last section we looked at conflict management first and foremost from the perspective of an individual conflict or area of conflict. In other words, we examined conflict as an *event* and analyzed how it is possible to react to this conflict under certain circumstances. From a leadership perspective, however, it is also interesting to look at conflict management from the standpoint of group dynamics. Group dynamics describes the process that a group uses to find and structure itself and to gradually become effective as a group. When a group is successfully created, it means that the integration of the different members of the group has also been successful.

In a successful group, the different members of the group have been integrated successfully.

The individual members of the group have found their role, hierarchy, task, status, and relationship network in the group. As long as this process is still being negotiated, the group is not usually working to its full capacity. Interestingly, the process of group integration takes place through an increasing distinction between the individual group members. By observing the other group members as increasingly distinct from one another, we can see more clearly which space they require or intuitively assume in the group in order to really contribute to the group performance.

Group integration takes place through the increasing distinction between the individual group members.

- ▶ Successful group integration takes place through the distinction of the group members. This process of distinction goes through various phases that are described in many instances in management literature as the phases of group dynamics or team development.

Figure 7.2 shows these four phases of group dynamics.

The characteristics of these four phases of group development are described as follows:

1. **Forming.** In the first phase of group development, the group members meet, get to know one another, and form relationships.
2. **Storming.** The storming phase is the more conflictual part of group dynamics. The increasing differentiation of the relationships means that latent areas of conflict suddenly become apparent (and are perhaps even activated) and the different role understandings that predominate among the team members lead to conflicts and a need for regulation.
3. **Norming.** The norming phase is where the group members find their rulebook and their roles. Culture is created and structures are established.
4. **Performing.** The performing phase corresponds to what we described as efficiency in the previous chapter on structure. The roles in the team have been clarified, the relationships established, the processes negotiated, and the group can dedicate itself efficiently to common goals.

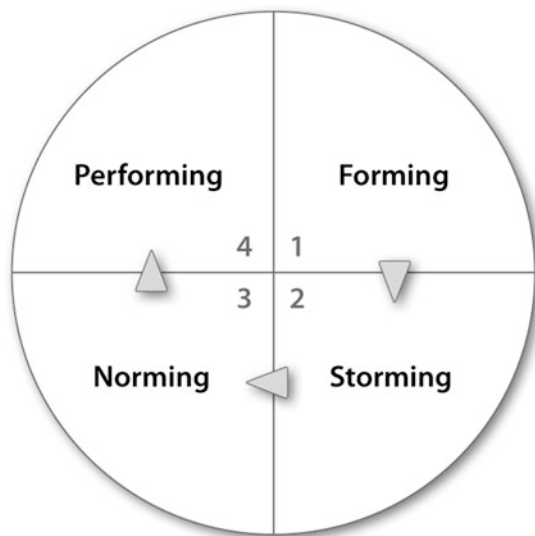


Fig. 7.2 The four phases of group dynamics (according to Bruce Wayne Tuckman)

For each of these four different phases of group development there are four more different tips for useful, goal-oriented leadership action.

In each phase of group development, something different is required of the leader.

1. **Recommendations for leadership action in the forming phase.** When a team is just becoming established, as the leader you will choose an integrative and bonding approach. In this phase, relationships need to be formed, the meaning and purpose of group activities explained, and you need to position yourself as the integration figure for the team. This phase of group dynamics is the phase of extending a friendly welcome to everyone in the team, taking in new group members, and strengthening relationships.

Forming requires integration and strengthening of relationships.

2. **Recommendations for leadership action in the storming phase.** In the storming phase, you will notice a stronger need for leadership. You will require moderating, carefully balanced authority. In this phase you need a certain authority to enable matters such as dominance disputes in the group to be settled satisfactorily and the group hierarchy to be stabilized as you wish it to be. Yet you will need to use your authority in different ways and with the requisite sensitivity. Unnecessarily strict authority in this phase generates winners and losers, and causes areas of conflict in the future. You will need to handle the identified areas of conflict with decisive authority, but still mediate. A leader who turns into an arbitrator too early on in this phase and simply makes decisions exacerbates not only the current areas of conflict but also becomes party to this dispute and sows the seed for further areas of conflict in the future.

Storming requires authority with sensitivity.

- 3. Recommendations for leadership action in the norming phase.** In the norming phase, a leader needs to hammer out the rules and processes for the group and transfer them to a long-term structure. The wranglings and dominance disputes of the storming phase are finished and you can turn your attention to the practical matters of group work. However, the group is still busy with itself, as this is the phase in which the structures are created that enable the group to become efficient and productive in the fourth and final phase.

Norming requires rules, processes, and structure.

- 4. Recommendations for leadership action in the performing phase.** In this last phase of group development the team reaches its full capacity. The leader's job in this phase is to take care of the group's contact with the outside world. Whatever type of groups you lead, you never usually lead them for your own sake. Almost every group pursues goals in the outside world and has interfaces to this outside world. And it is generally the leader who sets up, maintains, develops, or strengthens these interfaces. With a structured group behind you, you can play this role in an efficient and productive way.

Performing enables the leader to take care of contacts with the outside world.

7.4 Typical Misunderstandings About Conflict Management

The subject of conflict management suffers from a wide range of misunderstandings and idealizations. We have already remarked that typical communication training courses in particular often overestimate the ability of communication to solve conflicts and underestimate the actual, and sometimes authoritarian, need for regulation in conflicts. This is one of the typical misunderstandings concerning conflicts. A second misunderstanding that we have already covered is the matter of win-win situations, which we absolutely accept as desirable, but which is not a useful compass because of the lack of bartering objects in many conflicts (if someone holds a knife to your throat, there is usually no conceivable win-win situation). We have also already mentioned the fact that unconditional authenticity is not necessarily a constructive and helpful element in many conflicts. The idealization of authenticity embodies another typical misunderstanding regarding conflict management.

There is a series of misunderstandings concerning how to deal successfully with conflicts.

A final point concerns the evaluation of conflicts themselves. In certain circles that deal with conflict management, you sometimes come across the view that conflicts are actually positive occurrences from which you can ultimately always learn something good. This is not an opinion we can confirm. Differences of opinion are certainly good because they encourage additional awareness and development of substance. Conflicts, and especially escalated conflicts, don't actually contain anything good in themselves.

Conflicts don't actually contain anything good in themselves.

The world would surely be a more pleasant place if there were less violence, war, and aggression. Conflicts are unavoidable by nature, as long as people have goals that really mean something to them. But that by no means makes conflicts positive or even desirable. Conflicts can make people strong, they reveal courage and bravery, and are inevitable, particularly as a means of defense for good goals. Good conflict management can mean that certain escalations do not have to occur, that certain areas of conflict can be regulated early on so that they do not develop into tension and open aggression, and that relationships that would have broken down in an escalating dispute therefore remain stable. Yet this does not make a conflict positive (by which we mean desirable). Good conflict management, however, is unquestionably a great act of leadership.

Conflicts are unavoidable, particularly as a means of defense for good goals.

Leadership, Influence, and Communication: How to Generate Leadership Strength Through Sensitive and Clear Interaction

8

The last subject we will look at with regard to generating leadership strength is communication. In many contexts, communication is the true social activity involved in leadership, which is why it is probably also the most common topic covered in management qualification. Most management training courses deal with communication or conflict management. Often, communication training courses in management look at certain typical discussion situations or the use of management tools. Accordingly, many management training courses cover holding meetings with employees, feedback sessions, or performance appraisals. They deal with conflict discussions, target agreement meetings, or development and coaching talks. As such, the subject of communication is ever-present in leadership.

Communication is the typical focus of many management training courses.

The many practical—and more often than not correct—tips for these situations are summarized in innumerable how-to manuals. Meeting techniques, such as active listening and asking open questions, feedback rules, and hints on how to verbalize goals, are dealt with in depth in these books. In this chapter, we will deal in much greater detail with the psychological foundations of meetings and communication, and investigate which criteria communication has to meet in order to unleash leadership strength. We will see that restricting ourselves to the verbal level and matters of formulation are not enough to give us a true understanding of leadership communication and that contextual or cultural aspects always have to be considered if communication is to be successful. We will also demonstrate that this requirement is the key to understanding successful communication.

The verbal level is not sufficient to give a psychological understanding of communication.

8.1 Quality Criteria for Leadership Communication

The previous chapters (particularly Chap. 7 on conflict management) give a summary insight into what is required of managers: One of the most important skills of a manager is the ability to act in a **considered and deliberate** manner. Managers need to be able to use acts of will to break free from their own inner patterns so that they can act as well as react. In discussing conflict management in particular, we have seen that it is crucially important not to succumb to one's own reactions to the present moment, but to apply conscious self-control in order to be able to act against one's own inner impulses so as to prevent further escalations.

Good managers can break free from their inner patterns and thus create the freedom to act.

This insight provides us with several of the elements required for good leadership communication (Fig. 8.1).

The first quality criterion for good leadership communication is that it must take place actively and proactively. Purely passive or reactive communication cannot unleash much leadership strength because it is not the result of conscious self-control and therefore an expression of considered acts of will, but is merely a reaction to environmental signals.

Reactive communication is not an expression of considered acts of will.

► Good leadership communication is active and proactive, not reactive or passive.

A second important criterion for good leadership communication is that it must be directive, which is to say that it must be goal-oriented. In the previous chapters we saw that leadership is inconceivable without goals. Leadership communication must therefore refer to these goals in a directive form and not to this or that depending on the situation. This point, too, requires conscious control of one's own actions, which we described before as a general requirement.

Situational, random communication does not refer to clear goals.

► Good leadership communication is directive and goal-oriented, not situational and random.

The final important criterion for good leadership communication is that it must be sensitive. In this context, *sensitive* means that leaders need to be able to assess the effects that certain communicative forms and content have in order to find the right words and strategies. Leaders who are not sensitive to the symbolic power and effects that certain formulations can trigger in a specific context or culture may possibly achieve something other than what they had intended. Poor leadership communication is egocentric and, as such, is related only to the leader. Through insensitive communication, the leader merely expresses his or her inner life and does not pay enough attention to environmental variables.

Insensitive and egocentric communication does not achieve the effects you want.

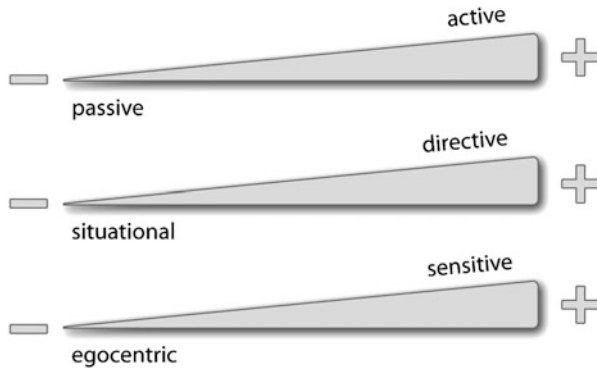


Fig. 8.1 Criteria for good leadership communication

- ▶ Good leadership communication is sensitive and can assess and calculate the possible effects of certain approaches. Poor leadership communication is egocentric and insensitive to the effect on one's environment.

When it comes to communication behavior, conscious self-control is a key requirement for managers in communication, just as it is in conflict management.

Conscious self-control is crucially important.

8.2 Levels of Leadership Communication

At the start of this chapter, we argued that communication is not just made up of language and formulation, but that three different levels of communication also need to be considered.

In examining leadership communication, we need to consider three subject areas. The first is the language and formulation level. This area encompasses many typical conversation techniques and this part of communication is the one that is usually looked at most often.

The first level of communication is the language level.

Next comes the nonverbal level, in which the effects of facial expressions, gestures, and body language must be discussed.

The second level of communication is body language.

The third level is the context in which communication takes place. This aspect is often forgotten when examining communication. Communication does not take place in an empty space, but always has a context, a backdrop, and a setting.

The third level of communication is context.

This phenomenon is illustrated by the following example. A manager asks an employee: “Tell me, how many years have you been working for our company now?” The employee replies: “Eight years.”

If we look solely at the verbal level, it’s difficult to fully interpret the meaning of this brief conversation sequence. Now let’s put this short conversation into two very different contexts. Let’s assume that it takes place a few days before the company Christmas party, at which certain deserving employees are usually honored with a brief mention in the Christmas speech. In this case, the employee would probably assume that the manager was simply gathering some more information to bring up in the aforementioned Christmas speech. However, this conversation sequence would be interpreted completely differently if it were to take place in the run-up to a major round of lay-offs that had already been announced. In this case, the employee would probably assume that the manager was checking the social selectivity criteria for different employees. So we can’t really assess the actual exchange (and of course the potential trigger for conflict and the emotional significance that are inherent in this short sequence) if we leave this context level out of the equation.

Without taking the context level into account, it is not possible to assess the potential that certain formulations have to cause conflict.

In the following three sections of this sub-chapter, we will turn our attention to what managers need to consider at these three levels if they want to communicate in a manner that unleashes leadership strength. First we will look at the contextual level, as we are of the opinion that it is only possible to interpret communication if you understand the context and setting in which it takes place. Then we will examine the nonverbal and finally the verbal aspects of communication.

Managers need to take all three levels of communication into account.

8.2.1 Communicative Requirements at the Contextual Level

When considering leadership communication, you need to ask yourself where and when it takes place in a certain cultural environment. Does it occur primarily in the group or in individual conversations? Are there specific rituals or procedures? Does leadership communication take place spontaneously in a certain culture or do formal structures need to be adhered to in order to get a point across?

Where, when, and how does leadership communication take place?

Leadership also means gaining and retaining control over a particular situation. If you want to communicate well as a leader, you need to develop an awareness of how to gain and maintain control of certain communicative situations. In certain cultural environments such as meetings, it is, for example, significant where the manager sits (at the head of the table). Many “official” leadership situations have a ritual element to them. If you look at meetings chaired by a manager, in many

contexts it is usual for the manager to give the opening statement and begin the meeting, draw interim conclusions, and close the meeting.

How do managers gain communicative control of a situation?

- ▶ Leaders who want to gain communicative control of situations need to be sensitive to and aware of the cultural codes that are relevant in the particular contexts.

The most important piece of advice that managers who want to communicate successfully can take from this is therefore:

- ▶ Be a manager with a distinct style of communication! Use the cultural codes, otherwise you will lose influence!

Sometimes you come across leaders who deliberately want to play a different role, often for ideological reasons. They may consciously not want to stick to the formal leadership rituals that exist in a certain culture. This can mean that they are unnecessarily giving up opportunities to exert influence by choice because they are not making themselves recognized communicatively as a leader in that specific culture. Such behavior usually immediately provokes ambivalences and conflicts in the group, which has lost what was previously a culturally important structural element.

Leaders who withdraw from the established rituals for ideological reasons provoke conflicts in the group.

The advice given above does not mean that leaders always need to behave formally or officially. There are certainly leadership cultures in which it is not possible to identify leaders using the formal rituals described above. Instead, the leaders model their communicative style on personal proximity and position themselves as being “cool” and part of the group. They exude a close, on-the-same-level quality. In this case, this can be precisely the relevant staging for leadership communication in this context. In this culture, a leader cannot be identified by formal rituals (such as seating order, chairing meetings, etc.), but by his or her personally integrative element and implied control from the background. Leaders who behave like this in these contexts do not relinquish any of their influence, but cater to the communicative code that is relevant in this culture.

Using existing leadership rituals does not necessarily mean acting formally.

Communication cannot be understood without the cultural environment. Managers who enter into a new cultural environment need to be able to assimilate the relevant cultural codes that leaders are required to use very quickly so that they can be perceived and acknowledged as leaders themselves. Think back to the third quality criterion for leadership communication: Leadership communication needs to be sensitive. It needs to be sensitive to the contexts and situations in which it takes place and to the rituals that need to be catered to.

Successful managers can sensitively identify and cater to the cultural codes and rituals of a context.

8.2.2 Communicative Requirements at the Nonverbal Level

The second important aspect that needs to be considered with regard to successful communication is the nonverbal level. The nonverbal level deals with facial expressions, eye contact, and body language. It covers proximity and distance, but also tension or intensity.

- There are ultimately two aspects that are expressed communicatively at the nonverbal level: reinforcement and attenuation.

We can reinforce a situation nonverbally by increasing concentration, tension, and intensity. We can attenuate a situation by distancing ourselves and withdrawing. Reinforcement could take the form of intensified eye contact, body language that is directed more strongly to one's conversation partner, or intensified proximity and concentration. Attenuation would result from the opposite signals, such as closed, distanced body language, avoiding eye contact, or turning away from one's conversation partner.

We can reinforce or attenuate a situation nonverbally.

We therefore stage proximity and distance, interest and disinterest, relation to the conversation partner or aversion nonverbally. Yet we also stage harmony or conflict. Reinforcing mechanisms are usually used in conflictual situations. Concentration, intensity (e.g., intensity of eye contact), and relation to the conversation partner increase.

Conflicts lead to reinforcing nonverbal communication.

Now we need to discuss which aspects of leadership communication must be considered at the nonverbal level. Let's look first of all at a context in which a person needs to establish him or herself and gain acceptance as a new manager. In these situations, the person will initially use positive reinforcement at the nonverbal level in order to establish and intensify the relationship. A manager who is new to a team needs to indicate interest, concentration, openness, attention, and positive feedback at the nonverbal level in order to establish good relationships.

People who need to establish themselves as new leaders help to build up the relationship through positive nonverbal communication.

Once the manager has succeeded in stabilizing relationships in this way, it is possible to control situations at the nonverbal level by withdrawing the reinforcement through body language. Let's assume that you have established a positive leadership relationship using the reinforcement mechanisms described here. If you suddenly reacted to a situation in a distanced, absent manner using strict body language, your employees would be alarmed and would understand right away that certain leadership expectations had obviously not been fulfilled. In most cases, they would immediately be motivated to restore the previous state of positive reinforcement.

Withdrawing positive body language can be used to control situations.

- ▶ People who need to establish themselves as managers usually begin with positive nonverbal reinforcement and use the “withdrawal option” as an active and directive element to express the behavior they expect more clearly.

In certain contexts, this process can also work the other way around: If managers encounter a situation in which a strong “traditional” authority is anchored in the structure solely due to the functional structure and hierarchy, they may not need to seek as many positively reinforcing points of contact with the followers at the nonverbal level. In this case, they can also begin right away by establishing a strict distance through body language, which is immediately understood as leadership communication from the context of the hierarchy.

In very hierarchical structures, leadership can also be begun with strict distance.

Communication that relates too strongly to the conversation partner and is too open may even damage your authority in certain cultural contexts (e.g., in countries with a very hierarchical tradition such as some Asian cultures or in Russia). On the other hand, if you begin with strict body language that conveys intensity, you can by all means deliver small snatches of positive feedback to the followers and influence the situation directly and actively as a manager in this way (see also Excursus “Nonverbal Communication in Teachers”).

In certain cultural contexts, positive and reinforcing communication can even damage leadership authority.

Nonverbal Communication in Teachers

A particularly illustrative example of the two different strategies is the matter of how teachers handle a new class. It explains the two strategies very clearly. On the one hand you will see teachers who convey proximity, personal relation, interest, and openness to the pupils directly at the non-verbal level and then establish a punishment mechanism in cases of control by withdrawing this proximity. On the other hand, you will also see teachers who approach a class in a very distanced, formal, and hierarchical manner first of all, and then soften after a time and bring positive reinforcement to the relationship.

There is no general answer to the question of which strategy is more successful. It depends on the cultural context and the codes established in these contexts. In certain cultural contexts, you will definitely need to start with a strict nonverbal approach in order to be perceived as a leader. In other cultural contexts, your first concern should be to ensure positive reinforcement and build the relationship.

8.2.3 Communicative Requirements at the Verbal Level

Let's look now at the verbal level of communication. At the verbal level we need to distinguish between two different aspects. First there is the matter of the content of the leadership communication that we wish to convey, that is to say our statement and message. Second, we need to deal with the form that the communication takes, that is to say the way in which the message is expressed.

Verbal communication deals with content and form.

First let's consider the content of leadership communication: How is language actually understood by the other person? What is so exciting and fascinating about this question is that we are only able to understand other people through metaphors and images. Language is not a natural code but a cultural one. People who understand each other within a culture have a common understanding of the images that lie behind the terminology. Comprehensibility comes about when you are able to translate a certain matter into the images and realm of understanding of the other person. Without being able to access the images that are already known to others, it is not possible to generate understanding. Comprehensibility therefore means that you are able to formulate communicative responses in the other person's set of images and metaphors.

Comprehensibility comes about when you are able to formulate responses in the other person's set of images and metaphors.

Now we will look at a simple example of this process. Let us assume that your 4-year-old child asks you: "What is a president?" How would you answer this question? Perhaps you would say something like: "A president is like the king of a country. But the difference is that he doesn't reign for his whole life; instead, the people can choose a new president every four years." You can see that in your explanation you referred to an image (the king) that already existed in your child's set of images. If you were unable to refer to something that already had meaning in the everyday language of your child, you wouldn't even be able to answer the question.

If you want to create understanding, you need to refer to something that is already understood.

As such, culture can also be understood as a common linguistic area in which the same metaphors and images are shared. Perhaps you have a pet name for your partner that only has meaning in the culture of your relationship. When you use this pet name, your partner knows which metaphor and image you are using. If you associate the same images with this pet name, culture has grown between the two of you. A third party who doesn't have access to this image cannot understand the real meaning of the pet name.

Culture also arises in relationships through the use of common language.

Many words in our language already contain the cultural metaphors that exist in our linguistic world. Take the word “wellbeing”, for example. This word has positive connotations in our cultural sphere and is made up of the two root words “well” and “being”. “Being” describes something actual, real, and existent. In our culture then, it is obviously desirable and positive for the “well” to be real and existent.

Many words in our language already contain the metaphors and images to which they are attributed.

Leaders need to be able to understand the metaphors and images of the culture in which they act. A person who is unable to speak in the metaphorical language of another person cannot unleash any directive effect through communication.

- ▶ As such, a leader is always a translator. If you want something new, you need to be able to refer to things that exist. Every definition requires something that is already there.

When a manager comes out with the phrase: “We need to increase customer satisfaction,” this sentence only works communicatively if the image that the followers associate with the subjects of customer satisfaction and increase match the image that the manager wishes to convey. If this is not the case, further explanation is needed. The term “customer satisfaction” may need to be further clarified to make clear what is really meant.

The less you are able to relate to existing images, the more you need to explain.

Yet this explanation, too can only be related to images that are already familiar to the followers (“For me, customer satisfaction is more than the absence of complaints. I want our customers to be enthusiastic about our quality and services.”). In the realm of understanding in which our manager is now struggling to find a description of customer satisfaction, the term was obviously associated with a different image in the past. Our manager clearly also wants customers to be enthusiastic. But what is enthusiastic? “To me, enthusiastic customers are customers who recommend us to other people without being prompted and actively give us repeat orders.” The manager may now have succeeded in providing a translation that enables the followers to understand what the manager wants. The images conjured up for the manager and the employees for “repeat orders” and “recommendation” clearly overlap to such an extent (even if they are probably not completely identical) that it is possible to understand the other party.

Mutual understanding can only be brought about if images are used that overlap in the communicating parties’ realms of understanding.

- ▶ Leaders can only communicate directly if they can translate their goals and causes into the images and everyday symbols of the followers. Leadership is a communicative act of translation. Leaders need to be able to explain the new things they are aiming for by drawing on existing images and metaphors.

From this fundamental requirement for communication we can also conclude that the more communication is needed, the less familiar a goal or a subject area is to the followers. The more familiar the leader's goals and causes are to the followers, the fewer words are required. In this case, the parties understand each other intuitively and with few images.

The more familiar a subject area is, the easier it is to communicate with fewer images.

Leaders who have many new plans have to explain a lot in order to create understanding. A basic willingness to understand and make oneself understood is therefore crucial to successful leadership communication. A leader who is not prepared to try to understand the followers' everyday symbolism and set of images will never be able to reach them where they are most accessible.

A leader who doesn't try to understand the followers' set of images won't be able to reach them.

- Understanding does not come naturally. Linguistic understanding is not biologically inherited in humans. It is a process that first needs to be established. Once harmony has successfully been established in the linguistic world and the world of images, a culture has been created in which people can understand one another.

Ultimately, this understanding is always an intuitive process. At a rational level, we never know exactly whether an interlocutor associates exactly the same with an image as we do. Nor can we ever check this precisely, as the images we need to use in explanations hold the same element of uncertainty regarding whether they are linked with the same associations in the imagination of the other person. As such, approaching the other person's sphere of association can only ever be intuitive.

Understanding is an intuitive process.

Leaders need to be sensitive to the world of images and metaphors of their cultural environment. They must be able to respond in the language and images of the environment they are in and to translate their new goals and ideas in such a way that they relate to the existing images and metaphors and are therefore comprehensible to the followers.

Good leadership communication is sensitive to the set of images and metaphors used in the cultural context.

Now let's look at the second aspect of language, which we called *form* at the beginning of this section.

- In leadership communication, the form of the language must always be an argument. As a leader you need to be able to justify your goals and explain your proposals for solving problems.

Managers need to be able to argue using images. Communicating the goal on its own can only ever be sufficient when coercion is applied. All other approaches in leadership always require an explanation and justification. Goals only unleash leadership strength if you can provide grounds for the promise they contain. Expectations and requirements only unleash leadership strength if you can explain which problem they solve and what can be achieved by solving this problem successfully.

Goals require justification and explanation.

And this justification also has to be taken from the followers' relevant set of images and metaphors. Let's assume that you want to get your 16-year-old son to clean his teeth before he goes out to a party. Which justification is likely to unleash greater leadership strength in this case:

- “Please clean your teeth before you go out—you don't want to get tooth decay, do you?”
- “Please clean your teeth before you go out—you don't want to scare off the girls, do you?”

No doubt this example clearly shows which justification and which argument are capable of relating more strongly to the follower's relevant set of images and metaphors. Leaders need to be able to convey a clear picture of what they want and why they want it.

- ▶ Leaders need to be able to convey a clear picture of what they want and why they want it. They must have the ability to relate the goal and the justification for the goal to the followers' imagination and set of images.

8.3 Typical Problems in Leadership Communication

Sadly, however, the process of good leadership communication described here is not always successful. The following section summarizes the most typical problems in leadership communication:

- **The communicative context is not given sufficient consideration.** There are leaders who act in a sense as though leadership communication and language were something universal. As such, they are not prepared to adapt to the cultural contexts of a situation. This attitude almost always causes difficulties. Cultural contexts change. A leader needs to be flexible in order to succeed in different cultural contexts.

Leaders need the flexibility to adapt between different cultural contexts.

- **The verbal and nonverbal “synchronization” fails in discussions.** A good discussion is generally successful when it develops like a dance. The two parties adapt to one another verbally and nonverbally, synchronize, and there is a greater likelihood that they will understand each other. At the beginning of a

discussion, leaders need to be aware of reflecting their interlocutor in a positive manner at the nonverbal level in order to initiate this “dance”. At the verbal level, this synchronization is usually begun by innocuous small talk. By discussing innocuous topics, the parties adapt to one another verbally and prepare the way for achieving understanding on the relevant topics.

Small talk at the start of a discussion initiates the synchronization of the parties.

- **Managers underestimate the symbolic significance of certain modes of behavior.** When managers need to establish themselves in a new group especially, they are at great risk of making errors at the symbolic level. As there is not yet any common culture, many of the manager’s actions are immediately interpreted symbolically by the followers and possibly loaded with over-interpretation. When you join a group as a new manager, everything is a symbol: It doesn’t matter whether you leave your office door open or closed, both are interpreted symbolically. For example, if a manager reads out a document in a meeting, he or she sends out a much stronger symbol than when one of the employees present reads. Managers need to develop sensitivity to the symbolic language of their cultural environment.

Managers mustn’t underestimate the symbolic power of their behavior.

- **When justifying their goals, managers do not relate to the everyday symbolism and linguistic world of the followers.** This point sometimes results in followers simply not understanding why the manager wants something in particular. Politicians especially must, for example, be able to translate their goals and causes so successfully into the metaphorical language of the people that as many of them as possible understand what it is they want. Let’s assume that you are a politician and are of the opinion that weekly working hours in, say, Germany are too short. You could express this with the following statement: “In international comparisons, working hours in Germany are too short. This leads to relatively high unit labor costs, which make us less competitive in the international arena.” To really illustrate the contrast, you could also argue—as former Chancellor Helmut Kohl once did—that Germany is turning into a “collective amusement park”. Clearly, the second image would convey what the politician wants and does not want in a manner that is accessible to a much larger audience.

Successful leaders translate their goals into images that are accessible to the followers.

To sum up, there are seven recommendations for successful leadership communication, as shown in Fig. 8.2.

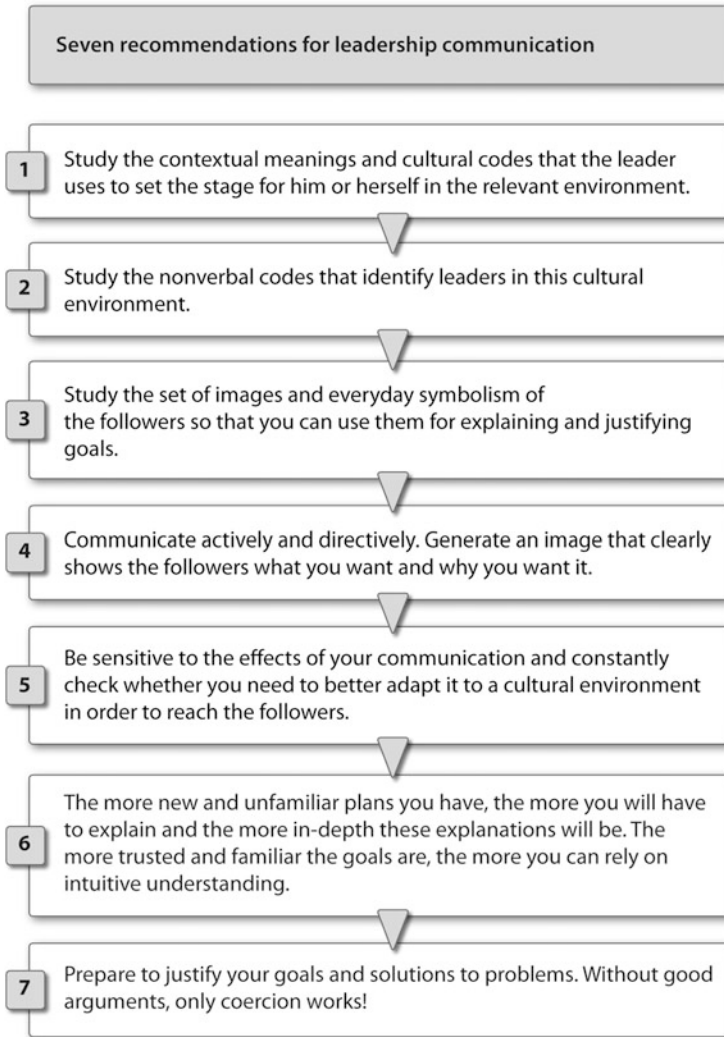


Fig. 8.2 Seven recommendations for successful leadership communication

Leadership, Power, and Dominance: How to Gain Power and Use It Maturely and Constructively

9

So far in this book, we have concentrated primarily on the psychological side of leadership. To complete the picture though, we also need to take a look at a few other perspectives. In this chapter we examine leadership from a more political angle, namely looking at the aspects of power and how it is exerted. We have already seen that leadership can be looked at from very different perspectives. We have shown that leadership is a relationship phenomenon that is stabilized by the power to remove fears. We have demonstrated that leadership involves structuring and that it lends an organization stability and efficiency through structure. Now we will look at leadership from the perspective of exerting power.

We will look at leadership from the perspective of exerting power.

Leadership can also be understood as an exertion of power. However, such a term is not very accessible or positively thought of in some countries, such as Germany. In Germany, the term *power* has dark, idealizing, mythical, immoral, and even pathological connotations. *Power* sounds mysterious and dark and not positive or rational. *Power* also seems to have little to do with practical everyday leadership, but has more religious, political, or historical overtones.

The term *power* sounds dark, mystical, immoral, and mysterious, especially in a country like Germany.

The first time we encounter the concept of power (at least in Christian Western civilization) in our socialization and upbringing is actually in a religious context. We learn about “God, the Almighty” and we experience God’s omnipotence as a contrast to the powerlessness of man. Yet we also see power in forces of nature, in the face of which we are uniformly defenseless. As we grow older, we encounter power as a historical phenomenon. In school we learn a lot about kings and ruling houses and come to associate the term power much more strongly with these contexts than with everyday corporate leadership.

We first encounter power in a religious and historical context.

Only later does power obtain its political and moral dimension, often linked with a critical, skeptical view of power, which is easy to understand in view of Germany's history. The burden of having unleashed two world wars and of a barbaric regime of suppression has made the Germans distrustful of power and the concentration of authority. An understandable reflex suddenly makes freedom appear to be the positive alternative to power.

Two world wars and National Socialism have made Germans skeptical of the concentration of authority.

However, this intuitively plausible opposition between power and freedom is not entirely tenable, as we will demonstrate later on. First let's look at how various great minds have interpreted the term *power*. Welsh philosopher Bertrand Russell (1872–1970), for example, defined power as follows: “Power is the ability to produce intended effects.” A description that is still prominent and accurate today, however, is the somewhat more precise definition by the famous German economist Max Weber (1864–1920): “Power is the ability to exercise one's will over others, even if they resist.”

Power enables you to exercise your own will and realize your own intentions.

A closer look at these definitions reveals that **power** and **freedom** actually mean the same thing. Freedom consists in being able to do and not do what you like, and therefore having the power to determine your own life. Having freedom means having power, although freedom is of course the more positive of the two terms. In job interviews, managers almost never say that they desire and strive for power. They use terms that are more socially acceptable, such as the potential to shape one's environment and action, independence, broad responsibility, or even entrepreneurial freedom. All this means having power.

Instead of the word *power* we often use terms with more positive connotations, such as “potential to shape one's environment”.

Friedrich Nietzsche coined the phrase: “Life is will to power.” If we somewhat reduce the pathos and spiritual darkness associated with power, we can certainly follow this train of thought. Power means increasing your social freedom, determining and shaping your life more independently, realizing your goals—even in the face of resistance—and being able to assert and defend your plans against attack.

Having power means increasing your social freedom.

If you've asked yourself while reading this book what motivated you to buy it, the answer may be that you want to “be a better and more successful leader”. Ultimately, this means nothing other than wanting to expand the contexts and areas of life in which you are able successfully to determine events, and that means the same as wanting to have more power.

People who want to lead more successfully want to expand their power.

We are basically unable to detect anything morally reprehensible or pathological in the will to power. With this in mind, we will attempt in this chapter to specify the phenomenon of power itself more precisely and to describe which resources power is based on. We will explain which stages of development lead to a mature exertion of power and which dilemmas people in power face.

First we will examine the phenomenon of power.

The fact that power is not fundamentally something morally reprehensible or pathological does not mean that it doesn't also produce moral dilemmas. Powerful people can certainly develop pathological traits and the phenomenon of power also attracts certain pathologies. We will look at these aspects in the next two chapters, in which we describe the most typical psychic disturbances found in powerful people (or managers). To conclude this book, we will then deal with the ethical dimension of power.

Power creates moral dilemmas.

9.1 Power Is Possibility, Not Action

In order to get a more precise idea of the phenomenon of power, it must be clearly understood that power is not an **activity**, but a **condition**. Power manifests itself in an **ability to exercise assertion** and not necessarily in any associated action. When discussing assertion in Chap. 3 we explained that the power of assertion exhibits itself in the fact that you can incur costs for others (costs in a metaphorical sense). Just this ability on its own can have a leading influence, even without you having to make use of it.

Power is not an activity, but a condition.

Power is potency or potentiality. You don't necessarily have to actually use this power. Especially striking or great power works solely by virtue of the fact that all others know what the person in the position of power **could do**. The knowledge of the possible costs (disadvantages, sanctions, burdens) that followers would face if they did not submit to the power is sufficient. This knowledge alone is enough to instill a willingness to follow.

The knowledge of sanctions and burdens is sufficient to engender submission.

This is an especially comfortable position for those in power. It means that someone with a plenitude of power is only seldom forced to actually exert this power. Often it is sufficient to present one's power symbolically (why else do great dictators need so many military parades?) or to execute it symbolically and demonstratively (public executions are very popular with certain rulers for this reason). The greater and more apparent the perceived power is, the less often all of its possibilities need to be used.

Those with a lot of power are less often forced to actually use it.

- ▶ Power is potency or possibility, not activity or action! The greater the power, the more often it is sufficient simply to present this power symbolically. This is a comfortable position for very powerful people.

If we look at how we experience power psychologically, in our own development we initially feel the opposite of power, namely the feeling of powerlessness. We experience power as powerlessness first of all. We experience the other person's power in the form of limitation and a restriction of our own freedom. If power means freedom for one person, then it is a restriction of freedom for the other person, and the first person's potential for shaping their environment is a restriction of the other person's potential to shape things (Excursus "The 'Psychohygiene' Between the Powerful and the Powerless").

In our own development we first experience power as powerlessness within ourselves and power in the other person.

That's why life becomes the will to power when people want to escape the restrictions imposed on their ability to shape things by others and work toward freedom in their own life. In this sense, striving for power is the beginning of everything that has been achieved in the world, and the precondition for achieving something significant.

Striving for power is the precondition for all significant things that are created in the world.

The "Psychohygiene" Between the Powerful and Powerless

The experience of powerlessness in the presence of powerful people explains the negative connotation of the term *power*. The experience of freedom and autonomy is positive. The experience of restricted freedom and limitation is negative. This gives rise to a kind of *psychological contract* between the powerful and the less powerful person. This psychological contract looks like this: People with a lot of power necessarily make decisions that deeply affect the freedom of others. These decisions are not good or bad and can certainly be considered with responsibility, but they affect the lives of others. Whenever the powerful have to operate with limited resources (e.g., the typical politician), they cannot exert power and bring only *benefits* to the world without incurring *costs* elsewhere. Whatever our politicians spend money on in order to bring benefits to part of the population, funds need to be raised or savings made elsewhere and someone bears the burden of this. From the point of view of the people who have to bear the costs, the behavior of the person in power can quickly come to seem immoral because the power of the other person is experienced as a burden on one's own way of life. The powerless therefore feel that they have less freedom and autonomy than the powerful person, but that they are morally superior. The psychohygiene between the powerful and the powerless works according to the following

principle from the point of view of the less powerful people: “You have more power than we do, but to make up for it we are the good people.” It’s easy to be “good” when you have little power. You are seldom faced with dilemmas that only occur if you need to create benefits with limited resources and thus necessarily incur costs for others. The less power a person has, the easier it is to be good and free from guilt. People with power incur costs for others and do not remain free from guilt. That’s why power (even if it is exerted in a responsible and considered manner) almost always seems wicked and immoral from the viewpoint of the less powerful people (at least from the perspective of stakeholders who have to bear the costs of the benefits that the person in power creates elsewhere). The bar-room indignation and the outrage of the populace about the immoral behavior of those in power, which is happily encouraged by certain areas of the media, is the psychological compensation for one’s own powerlessness: I may not have any power, but at least I’m a good person.

9.2 Sources of Power

Next we will look at where power actually comes from. How is it that some people develop more power and influence than others? What are the sources of power? In thinking about these questions, it quickly becomes apparent that there are two very basic and fundamental sources of power: The first source of power is rooted in the person’s position or hierarchy. The source of this power is fed by *having* power in a certain sense. In contrast to this, there is a second source of power that emanates from one’s personality or personal authority. Authority does not mean *having* something, but *being* something specific.

Managers’ sources of power lie in their position and in their personality.

Table 9.1 shows the different sources that these two basic power resources feed on.

This shows the basic difference between the power sources that are determined by position and those that are fed by the person him or herself. The sources of power arising from position are characterized by the fact that the corresponding people in the hierarchy hold a very specific mandate that enables them to decide on certain resources (funds, staff, etc.). At the same time, it is also possible to allocate and execute punishments or sanctions. The ability to place a burden on others and punish them through certain actions does not come from the personality but arises from the position and role that a person plays in a hierarchical structure. Access to even more powerful people is of course also a source of power that should not be underestimated. Someone with access to powerful people can control which

Table 9.1 Sources of power

The power of the position	The power of the person
Ability to assign resources	Advantage of experience and knowledge
Ability to distribute loads	Trustworthiness and charisma
Ability to access even more powerful people	Strategy development and tactics

information these people receive as well as the connotation and attitude with which it is delivered, which matters are brought to their attention, and which are not, etc.

The ability to distribute resources and impose sanctions doesn't come from personality, but from one's role.

Power Through Access to More Powerful People

Loyal secretarial staff of high-level managers often assume a plentitude of power that is not to be underestimated. They generally control who has access to their superior and, if there is a good relationship based on trust, it is not unusual for high-level managers to use their secretarial staff to test the waters for certain procedures around them. The ability to influence a powerful manager in this way is of course an indicator of the fact that a person already holds a very powerful position. What we are dealing with here is a plentitude of power that is triggered by position and role and is not caused by personality (even though this has a strengthening effect).

If we look at the sources of power in personality, competence and previous experience are the first important sources that, in the context of modern business, are usually also requirements for gaining positional power. However, experts who are powerless by virtue of their position can obtain considerable influence if their expertise is heeded. We talked about trustworthiness and charisma in Chap. 2, where we looked at the subject of charisma. We identified trustworthiness (i.e., integrity and credibility) as important sources of authority. Yet the strength that a person radiates—confidence—is an important dimension that increases followers' willingness to restrict their own freedom and place their confidence in a leader they trust to achieve certain goals and keep promises.

Trustworthiness and strength can lead to considerable influence.

The weak are unable to generate authority because your lack of confidence in them means that they are unable to motivate you to give up your own freedom in favor of the hope of their future promises. The last personal resources are clever strategy development and tactics. Here it is political action, which is calculated and considerate of interests, that certain people use to increase their spheres of influence. However, deception or calculated breaches of the rules can feature among the strategies people choose to expand their influence (Italian Renaissance philosopher Machiavelli, in particular, became famous for his thoughts on these power resources).

Clever political action and tactics can increase power.

It's interesting to note that these sources of power can compensate each other to a certain extent. People with little personal skill or personality-driven authority need to offer a lot of positional power in order to assert themselves. People who are incontestably recognized as personal authorities will be able to assert a lot of influence even if they have little positional power (see also Excursus "Positional Power and Authority Based on the Example of the Political System in Germany").

The various sources of power can compensate each other to a certain extent.

Positional Power and Authority Based on the Example of the Political System in Germany

Implicitly speaking, this is the distribution of tasks that is expected between the president and the chancellor in the federal German system: The president has relatively little positional power and that is why great efforts are made to find a personality who exudes such strong authority that he or she can still play a visible role in political discussions. As a result of the practical exertion of power, the chancellor is drawn more deeply into the aforementioned dilemma between creating benefit and spreading costs, and necessarily loses part of his or her authority because a large section of the population will always feel that the chancellor is making the wrong decisions. That's why the chancellor needs positional power. As the president is not burdened by such dilemmas (he or she does not need to make any polarizing decisions), his or her power must be legitimated by authority in order for any influence to be wielded.

In politics, the possibilities of compensation that these sources of power offer are used with cool calculation. Strong positional power and clever tactics can definitely make up for a lack of skill and specialist knowledge. If this were not the case, it would not make sense to appoint politicians as the heads of ministries, even though they have no prior experience or superior knowledge in the relevant area. A competent politician seems to need to be able to lead any ministry! With this attitude it is clear that specialist knowledge and expertise in the narrower sense cannot be the basis from which power is exerted. Of course, the population is often somewhat critical of this state of affairs.

In politics, we can see how positional power can compensate for a lack of specialist knowledge.

9.3 Psychological Stages in Developing Awareness of One's Power

As with many other abilities, the way in which we deal with power is shaped, socialized, and learned. There are various stages in the development of power that each involve integrating a very particular aspect of power (according to McClelland

& Burnham, 1975: *Power: The Inner Experience*). This integration must be fully achieved in one's own development, otherwise it may result in an immature handling of power. Table 9.2 illustrates the stages of personal development in dealing with power and shows what difficulties arise if the integration at this development level is unsuccessful.

Power needs to go through different stages of maturity if development is to be successful.

Dealing maturely with power requires all four of the development phases described here to be completed successfully and therefore integrated into one's own personality. In order to build up a relationship with power, we need to be able to endure our own powerlessness, as we must always have the ability to integrate both power **and** powerlessness in life. Those who cannot deal with their own experiences of powerlessness are unable to trust and, as constant skeptics, will always avoid relationships in which power plays a role.

We need to be able to integrate our own experiences of powerlessness in order to avoid becoming constant skeptics.

The next step is learning that we obtain and retain power over others by successfully controlling and developing ourselves. Our own competence and knowledge are an important power base for authority.

Power is obtained through self-control.

However, we must also grow beyond this phase because there are some things that we cannot achieve through our own competence, but by controlling others. We must learn to assert and distinguish ourselves, accept strains on relationships, and defend ourselves against attack. We must learn how control is exerted over others and how we can achieve it.

We must learn how to control others.

If we want to deal with power maturely, the question of how to justify the exertion of power over others is unavoidable. We need to ask ourselves about the legitimacy of power and understand that power is only ever justifiable if it is used to **defend good goals**. These good goals must be something outside of our own person. Power is justifiable for a purpose but not merely for oneself.

Power is justifiable as a means of defense for good goals.

Dealing maturely with power requires powerful people to complete all four stages of development so that they are able to deal with all four phenomena in a mature and considered manner. You can also integrate your own powerlessness and thereby recognize other authorities. You need to have the self-discipline and self-control to constantly develop your skills and knowledge without submitting to the misguided belief that your own superior genius justifies every action. You need to be able to assert yourself in the face of opposition and defend goals when you are attacked, even if this incurs costs for yourself. Last of all, you also need to recognize that all this is only justifiable if it is done for a goal outside of yourself. As such, this

Table 9.2 Stages of development in dealing with power

	Powerlessness	Autonomy	Assertion	Meaning
Task at this stage	One’s own experiences of powerlessness (e.g., as an infant) must be integrated and accepted	In this phase we learn that it is possible to influence others by successfully controlling ourselves	This power phase deals with controlling others and not with controlling ourselves (as in the previous phase)	In the fourth phase of power development, we accept that power needs legitimization beyond the exclusive pursuit of individual and personal goals
	We need to develop a basic trust in the fact that surrendering to other powers is not fundamentally harmful	In this phase we create our power base on the foundations of knowledge and ability	In this phase we learn that power can be asserted over others through pressure, violence, punishment, or dominance	In this phase we understand that power is only legitimized if we do not use it for ourselves but for something meaningful
	A basic trust in others must be formed	Through an increasing acquisition of knowledge and skills, we learn that we can expand our own freedom and potential to shape our environment In this phase, we learn that self-control and self-regulation are possible and enable us to influence others	In this phase we learn to attack, distinguish ourselves, and assert ourselves	In the previous stages, we exerted power for our own sake and served as our own compass. We were concerned with the autonomy of asserting our own goals. In this phase, we understand that power is only agreeable and justifiable for a higher purpose
Developmental disorder if integration into our own personality is unsuccessful	Those unable to successfully integrate surrendering to other powers are unable to trust and remain forever skeptical and distrustful	Those who do not successfully integrate this phase risk undergoing narcissistic development. People in this stage of development legitimate their will to power through their own over-elevation, genius, and superior skills	Those who do not successfully integrate this part of power behavior development remain stuck in the aggressive attacker phase	If this phase is not successfully integrated, people limit their own opportunities to exert influence and become contemplatively introspective, for example
	An inability to trust can create people who become broken, paranoid, or even antisocial Trusting that other powers may also be beneficent is a highly necessary condition for healthy psychic development		Disturbances in this phase result in people who condone or actively create great strain on relationships, or even violence, for their own goals	Those who discern no meaning that is worth fighting for will naturally avoid and reject the exertion of power

power development model also shows the learning experiences that powerful people gather if they want to deal with power in a mature manner.

Mature, powerful people have gathered all the learning experiences from each of the four stages.

9.4 Strategies for Obtaining Power

While the last subchapter focused primarily on describing the psychological requirements for dealing maturely with power, this section will take a more pragmatic look at the practical strategies for obtaining power. Those wishing to obtain influence and leadership potential usually use the following four strategies, either deliberately or intuitively.

Strategies for obtaining influence

9.4.1 Power Strategy: Skill Acquisition and Development

The first typical basic requirement for obtaining power is to strengthen and develop one's own skills. The key to obtaining positional power in our democratic institutions (politics) or performance-driven organizations (commercial enterprises) is generally **ability**. Those who want more power need to educate themselves in order to qualify for more power. Once you have reached a certain positional level, however, the formula "more competence = more power" no longer applies. One's own qualifications are then merely a necessary condition for acquiring more power, but are not sufficient on their own.

Qualification and skills justify more power.

9.4.2 Power Strategy: Networking

Under the last point, we finished by stating that obtaining one's own skills is merely a necessary, but not sufficient condition once you have reached a certain level of power. From this point on, it is primarily a successful network that helps those in power to obtain more power. Those who want more power must be able to sensitively understand and interpret formal and informal structures in hierarchies and make the right decisions concerning which contacts to build on and maintain.

Power-conscious leaders understand who they need to network with.

Without maintaining good contacts to even more powerful people there is no further use in expanding one's personal skills. You will always find managers at middle hierarchy levels who reject this political aspect in their own career development. People who want to make a career for themselves based purely on their

own skills may well not be noticed at all in certain circles and limit their development with this particular attitude. Whether we like it or not, access to even more powerful people remains one of the central power resources, without which no progress can be made in many cases.

People who rule out maintaining contacts to more powerful people limit their own visibility in the relevant circles.

9.4.3 Power Strategy: Selection and Shaping of the Environment

People who want more power need to be flexible about deciding on the environment in which they can make the best of their own potential. People in search of power look for the right followers in a corresponding environment, possibly in the right country and in the crisis or challenge that suits them. If the given environment cannot be developed accordingly or does not allow for such a development, it is only possible to increase one's influence by finding the environment in which one can be effective and influential. People who reject this type of mobility are denying themselves one of the most important power strategies. From a purely practical viewpoint, this aspect is a cause of voluntary fluctuation in the economic environment: managers fluctuate because they are looking for an environment in which they can exert more influence.

9.4.4 Power Strategy: Loyalty and Willingness to Work

Today in almost all institutions, power is only allocated for a limited period. This is a given in democracies, and in commercial enterprises too it is now rare to get a lifetime contract. Many people in power are therefore under constant pressure to justify the power bestowed upon them. This justification is provided through performance and willingness to work, but also through loyalty to the hierarchy of which one has become a part. People who rebel against their own hierarchy or who fail to achieve the promised goals are quickly challenged. Those who wish to expand their power and influence, however, prove that this wish is justified through loyalty, willingness to work, and performance.

People in power today need to justify their claim to power through loyalty and performance.

9.5 Personality Changes as a Result of Power

In politics, it is often said that the office generally changes the person faster than the person changes the office. Power obviously has an effect on the personality and has a significant impact on shaping the psychological development of the person in power. Yet we by no means want to pathologize power here. The fact that power

has a formative influence on the development of personality and psychology is by no means unique. Power shares this influence on personality development with many other incisive life experiences, such as a person's choice of partner, which can also have a strong influence on personality development.

Power exerts a strong influence on personality development.

Power can be perceived in a mature and responsible manner and we will look at this phenomenon in Chap. 11, which deals with leadership ethics. However, we will also examine the psychological problems faced by many managers in Chap. 10. In this section, we merely wish to touch on which fundamental—but not necessarily pathological—personality changes can be caused by power. First of all we note that many powerful people (once they have established themselves in the hierarchy with a certain positional power) **underestimate** the extent to which other people's willingness to follow them is brought about by this positional power, and **overestimate** the extent to which this willingness to follow is brought about by their personality.

Powerful people easily overestimate their personal charisma.

Powerful people—and we exaggerate here—often discover that small instructions, comments, suggestions, or wishes immediately trigger hectic activity. These people may get the misguided impression that this willingness is the result of extraordinary charisma, special authority, or skill (a small indication of this phenomenon: The boss makes a mediocre joke to employees and everyone laughs. The boss now becomes confident that he is a good entertainer.). The ensuing development can most certainly be positive: Leaders' growing self-confidence and increasing trust in their own authority and charisma sometimes make them more bold, aggressive (in Chap. 2 we used the word *uninhibited*), and perhaps actually charismatic. In this case then, positional power became the trigger for charismatic development and not the other way around.

The *disinhibition* caused by the positional power can certainly lead to charismatic development.

On the other hand, negative dynamics may also develop. Belief in one's own genius, superiority, and exceptional skill is so exaggerated that development takes a narcissistic turn. Leaders who believe that they can justify themselves through their own superiority and genius lose their sensitivity to the needs of others, lose contact with reality, lose their openness to advice from others, and the self-reflection and will to critically examine themselves and to learn. They punish other opinions (rather than insufficient performance) and in the end they often founder because of a serious misjudgment and incorrect decision that reveal how far their self-elevation and self-overestimation have removed them from reality.

Too strong a belief in one's own superiority can lead to serious misjudgments.

The psychological challenge in dealing with power seems to lie in preventing one's own self-overestimation and self-elevation, which come about as a result of

the feedback a person with a lot of positional power receives. Incidentally, it is not the case that this development can be undergone only by the manager. Often, the assigned employees or the followers bear a significant share of the responsibility for narcissistic development. Employees project their own wishes for glamor and strength onto their managers, who can then feel admired and strong. Employees idealize their boss in a kind of “guru-fan” relationship and draw part of their own feeling of self-worth from their proximity to the over-elevated singularity of their superior—as they say, power is sexy. The more strongly the relationship between the boss and the employees is characterized by this dynamic, the more susceptible the relationship is if the admiration and devotion of the followers disappear, and the narcissistic boss feels suitably hurt. Relationships once characterized by admiration then become hostile rejections.

Employees contribute to the narcissistic development of their superiors.

- ▶ People with a lot of positional power often underestimate how much others’ willingness to follow them is generated by their positional power, and overestimate their personal charisma. Sometimes this can create a positive dynamic and the self-confidence that grows from this process enables true personal authority to develop. Occasionally this process doesn’t work and narcissistic leaders develop who find themselves in a constant struggle to prove their own superiority and genius.

9.6 Taming and Limiting Power

At the start of this book we stated the view that one cannot be against leadership or power. Those who are against leadership or power forego the pursuit of goals that extend beyond the power of the individual.

It is not possible to be against power if you consider great goals to be worth pursuing.

- ▶ Those who want the world’s major crises to be solved and significant things to be created need to recognize that this requires power. They must acknowledge that this power also needs to include the potential to stand up to attackers and assert oneself against resistance. In a world full of challenges, crises, and problems, we are therefore unable to fundamentally reject power.

We can, however, consider how power should be regulated in order for its negative and dangerous manifestations to be avoided as far as possible. Our Western history is also a history of regulating power. Even the great royal and ruling houses had installed mechanisms to regulate power (e.g., the transition of power following the birth of a successor), which remained in place for a long time.

Our history is also a history of regulating power.

Many overthrows and revolutions have given rise to ever more distinct possibilities for taming power: The origins of democracy, the division of power, independent jurisdiction, right through to complicated corporate law for companies are ultimately all to be understood as mechanisms for taming and regulating power. The basic precept of these regulatory mechanisms is that power and the retention of power must not be an end in themselves, but must serve a greater goal. In democratic systems, power is only permitted as a means of defense for asserting good goals.

Power is regulated to ensure that it is not an end in itself, but that it serves greater goals.

In democratic systems, means of coercion may only be used against those whose actions threaten good and useful goals. It is a great cultural achievement that criticizing powerful people (in our democratic system) is no longer sanctionable, but only attacking their goals is. Today we expect powerful people to take responsibility for their power. They must consider the consequences of their actions and give a full explanation of them (such as in the process of approving the actions of the board at an annual general meeting). Generally today, power is no longer conferred without restriction, but is distributed. It is conferred for a limited period and usually only following a competence evaluation.

Today, power is conferred for a limited period following a competence evaluation and we expect powerful people to take responsibility.

Power is also limited and tamed by strictly regulating and restricting the possible means of exerting power. In Chap. 3 we discussed that many managers often feel that they are lacking real resources for assertion and options for sanctions or punishment.

The means permitted for exerting power are much more restricted today than they used to be.

When we say leadership, we mean power. When we say power, we mean assertion. Those who don't want power can only submit to or avoid it. But they will not be able to solve any of the world's great problems. Power does not become any more ethical or simple if one avoids it. Even good and noble goals need people with power to defend the goals in the face of attack. The challenge facing us in all contexts in which power is exerted is to regulate and limit it to such an extent that those in power are forced to fulfill their role responsibly.

Those in power must be forced to fulfill their role responsibly by good structures.

Leadership, Disorders, and Problems of the Powerful: The Abnormal Psychological Developments to Which Managers Are Especially Susceptible 10

To many people, the very leadership and thirst for power exhibited by managers are in themselves a type of mental disorder. It is easy to pathologize politicians and managers and brand them as abnormal. This explanatory model applies in the extreme when passing judgment on great dictators. Hitler, Stalin, or Mao easily come across as crazed psychopaths whose abnormal mental systems caused the many inhumane acts for which we hold them responsible today. In this chapter we examine the question of whether there really is a *psychopathology of power*. Can extreme leadership behavior be described using psychopathological explanatory models? We will show that this is not necessarily the case in a medical or therapeutic sense, but rather that Hitler and Stalin were “normally disturbed” people (and not “abnormal lunatics”).

Evil leaders were often not sick people in the clinical sense.

Nevertheless, we wish to examine whether there are particular distinctive mental features and disorders that occur more frequently in leaders. This could either be caused by the fact that people with the relevant dispositions strive particularly strongly for leadership tasks, or by the fact that the living and working conditions of leaders particularly encourage these disorders. We will briefly outline the most common dispositions that lead to difficulties and disorders and give advice on how to provide coaching and personality development for affected managers.

Are there mental disorders that occur more frequently in managers?

10.1 Psychopathology and Power

Psychopathology is the branch of psychology that deals with mental disorders. Fundamental criteria indicating the presence of a psychopathology (in the sense of a medical or therapeutic diagnosis) are almost always connections with a person's own grave suffering and a decline in the ability to function (particularly in working and social ability). In addition, the cause of the subjective suffering and the loss of

ability to function must also be evident in the mental structure of the person affected and in developments and experiences that restrict the person's ability to adapt to situations.

Psychopathologies often attach themselves to severe personal suffering and a loss of working and social ability.

A widespread psychopathology in this connection is schizophrenia, which not infrequently leads to such severely distorted perceptions of reality that sufferers are periodically admitted to psychiatric hospitals. Manic-depressive disorder, which is also not uncommon, almost always considerably limits a person's ability to function in everyday life. In the manic phases of this disorder, sufferers often destroy their existence through reckless and erratic behavior, unless they are prevented from doing so by their environment or in-patient treatment. In the depressive phases on the other hand, sufferers' lack of drive is so severe that they can barely muster the strength to get out of bed. Both of these examples are true psychopathologies in the narrower sense.

Schizophrenia or manic-depressive psychoses are examples of serious psychopathologies.

As with physical illnesses, psychology or psychiatry have a detailed system of diagnosis by which the presence of relevant symptoms indicates the presence of the illness. Psychology therefore has a general psychopathology that can be used to describe mental illnesses and dispositions for certain disorders. However, there is no special psychopathology of leadership in these diagnosis systems. Nor are there special psychopathologies for professions other than management, such as fishermen, teachers, or heating engineers.

There is no special psychopathology for managers.

Yet this is not to say that a professional environment cannot have a stimulating effect on certain mental developments. Of course, the professional environment can intensify certain mental dispositions just as other dominant life circumstances or events can. Relationships can also stimulate certain mental dispositions. Personal catastrophes or physical illnesses can encourage certain mental illnesses just as strongly. The fact that there are psychopathic leaders does not mean that there is or must be a psychopathology of leadership, and certainly does not mean that leadership itself is related to a particular kind of psychopathology.

Many types of personal circumstances can have a stimulating effect on certain dispositions.

Dictators: Hitler, Stalin, and Mao

In the introduction we stated that in light of our current understanding of mental illnesses, most psychiatrists or psychotherapists would probably not have described Hitler, Stalin, or Mao as needing treatment. The two fundamental criteria that we defined as indicators for the presence of a psychopathology (severe subjective personal suffering and a decline in the ability to function in society) were not present in these three men to an extent that the majority of psychiatrists would have considered worthy of medical certification. Simply

pathologizing, then, is of no help in understanding the extreme variations in leadership behavior. Incidentally, this understanding of the term *mental disorder* shows progress compared to earlier times. In the past, deviation from the norm (i.e., the “normal”) was sufficient to be considered mentally ill. The linguistic roots of the term *derangement* reflect this idea: From the French *dé ranger*, meaning “to move out of line,” someone who was deranged—or not in line with the norm—was considered mentally ill. Given this meaning, Hitler and Stalin would of course have been categorized as ill. For the same reasons, many geniuses of times past were also considered deranged, though often with a positive connotation of deviating from the norm. It is not surprising that many great criminals and dictators therefore saw themselves as “geniuses”.

Previously, those who deviated from the norm were considered deranged.

However, such an understanding of mental illnesses is very problematic, as it is really no longer clear who is actually still “normal” and therefore healthy. As each of us deviates from the norm in certain aspects of our personalities (otherwise we would be characterless), by this definition we would all have a psychopathological element in us. Accordingly, the loss of social and societal function has become more and more prominent in the description of mental illness. Even though there are still gray areas, this allows us to determine more precisely who really appears to be in need of treatment. The problem is, though, that people such as Hitler, Mao, or Stalin were perfectly capable of functioning for quite a long while. In the later development phase of their lives they had probably lost a good deal of their social ability, but all three performed their role in society and their jobs for quite some time.

Today, the description of the illness focuses on social and societal function, which even extreme leaders often hold onto for a long time.

The three leaders named here certainly showed extreme behavior (in terms of unscrupulousness, readiness to use violence, and a lack of self-reflection), but branding them as ill wouldn’t really explain anything. By today’s standards, none of the three offenders could hope for mitigating circumstances in a court of law. Pathological criminals avoid their punishment if it can be proven that their actions were so impulsive or uncontrollable that they were unable to exercise the self-control to behave otherwise (e.g., under the influence of alcohol). We can assume that Hitler, Stalin, and Mao ordered their crimes to be carried out under possession of their full self-control and were in no way subject to uncontrollable impulses. As such, no court of law today would accept the existence of a psychopathology in the three leaders as an explanation for the crimes they committed, and all three would probably be held fully accountable for their actions.

Hitler, Stalin, and Mao could not expect mitigating circumstances on the grounds of psychopathologies in a court of law today.

The Excursus “Dictators: Hitler, Stalin, and Mao” shows that although branding dictators as psychopaths may reduce the malaise that we feel at having to accept extreme leaders as part of “normality”, it does not provide any real explanation for the psychological foundations of even conspicuous leadership developments.

For this reason, we have not structured this chapter as a contemporary key to diagnosing mental illnesses, as this book deals with leadership, after all, and not psychopathology.

Irrespective of this fact, however, we can describe the mental disorders that managers tend to suffer from most frequently. We have deliberately chosen the term *mental disorders* here to show that we also wish to explain phenomena that are highly capable of causing suffering and problems around managers or leaders, even though they would not be diagnosed as needing treatment in a psychiatric or psychopathological sense, as their ability to function has not yet declined sufficiently to make a diagnosis.

There are managers with mental disorders that are in need of treatment in the psychiatric sense.

- ▶ There is no special psychopathology for managers. People with mental illnesses can be found in all professions. Corresponding diagnoses are usually made if severe subjective suffering and a steep decline in the ability to function and cope with everyday life are present. A profession can of course stimulate abnormal mental developments, although the following applies to all major life situations and events: relationships, illnesses, personal crises, or difficult personal circumstances can encourage mental disorders. Certain parts of the media like to pathologize leadership and the pursuit of leadership, yet this explains little and can turn dictatorial leaders into victims of their own “psychopathology”.

10.2 Life Circumstances of Managers

At the beginning of the chapter we argued that certain professions can be attractive to people with certain mental dispositions and also that working circumstances can particularly stimulate certain disorders. Let’s return here to our basic personality orientations, which we used in Chap. 2 to describe charisma. You may recall the two antagonistic poles of relationship orientation and autonomy orientation, and of balance orientation and stimulation orientation. We could ask ourselves now whether certain professional fields particularly attract certain orientations.

Which professional fields particularly attract people with certain orientations?

Let’s look at the occupational group of teachers, for example. It is not unusual for relationship-oriented people to be attracted to a job in teaching. The ability to “do something for others” and a working environment that appears to promote

devotion and idealism suit people with this orientation. If we analyze which mental disorders are encountered most frequently in this profession, we see that depression (often referred to in the public eye as the burn-out phenomenon, particularly with regard to teachers) is not uncommon. Now let's turn our attention to another occupational field that seems at first glance to also attract people with an idealistic motivation to help others, namely doctors. Among doctors, however, the motivation to help is typically more strongly associated with control orientation and less focused on personal proximity. Compulsions and addiction problems are typical disorders that seem to occur in this context (but they are of course not exclusive to this profession).

Burn-out and addiction problems often affect those who belong to the broad spectrum of caring professions.

Among pilots, too, the subject of control and domination is an important element. Being constantly uprooted from one's social environment often seems to result in addiction problems in this occupational field. By contrast, the observation has been made of many artists that they are lacking a stable, balanced, and content self-image. Setting themselves center-stage is the compensation mechanism for this lack of stable identity. It is not unusual to observe narcissistic tendencies as a result.

Artists are often observed to lack a contented self-image.

- Understandably, certain careers attract people with certain orientations and motivations. This applies to the "normal" spectrum as well as to the somewhat more extreme variations of these orientations.

Next we will take a look at the typical life circumstances of managers in order to understand the influential mechanisms that can facilitate abnormal mental developments. Figure 10.1 shows the categories that demand particular attention in this context.

Life circumstances of managers

There are two antagonistic poles for each basic dimension that is of significance to a manager's identity. Upon initial examination, autonomy appears to be an important element in managers' professional identity, and freedom and security play a role in this. Instead of freedom, however, managers often experience limitation and coercion in their life circumstances, as being embedded in a hierarchy means that one is often caught in the middle and has nowhere near as much freedom as it would appear to outsiders. Instead of security many managers feel a great degree of insecurity because they constantly have to make high-risk decisions.

Managers often experience considerably less freedom and more insecurity than one would expect in their role.

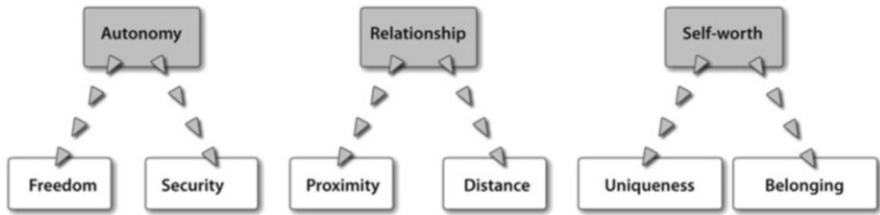


Fig. 10.1 Life circumstances of managers

With respect to their relationships, managers find it difficult to maintain a personal realm with real closeness to others. In a certain sense, a manager becomes a “public person” and forfeits some of his or her personal realm. At the same time, it is not unusual for this distance to turn into loneliness. The prominent role that leaders play makes it difficult for them to have genuine personal exchanges and they can no longer simply put their trust in and seek help from others.

It is much harder for leaders to place their trust in others in view of their exceptional role.

It’s not unusual for a manager’s self-worth to be based on a feeling of possessing superior skills and importance. Yet at the same time, managers are often under great pressure not to fail. Managers are supposed to be role models for their employees and are idealized in this role. Of course, many managers don’t want to disappoint those who believe in them in this idealized fashion and therefore put themselves under immense pressure.

Many managers don’t want to disappoint those who have placed their hopes in them.

On the other hand, managers become embroiled in many conflicts that actually have more to do with the mental structures of the other parties involved (e.g., employees). Many conflicts (e.g., authority disputes with employees) are not therefore caused by the manager, but must nevertheless be resolved by the manager. It is difficult to really belong to a group, as managers ultimately always remain on the outside.

Managers are involuntarily involved in many conflicts.

In addition to the influencing factors that originate directly from a manager’s role context, there are also social or historical developments that characterize the living and working environment of managers today.

- **High degree of mobility.** The contemporary working world requires managers in particular to be highly mobile, often across an international area. Maintaining a functioning social network alongside one’s career is made considerably more difficult by this mobility and the amount of time it takes up.

A high degree of mobility makes it hard to maintain a stable social life.

- **The non-binding nature of rules and roles.** The role pattern of managers is nowhere near as clear-cut and simple as it used to be. Managers today much more frequently find themselves faced with the need to rediscover and reinvent themselves. Different corporate cultures and working environments require a

great deal of flexibility from managers in how they behave in their role. For example, a manager who is only able to play the strict patriarch will not succeed in many working contexts. Someone whose role behavior is completely flexible, however, loses his or her identity.

The expectations placed on managers to fit many role patterns make it difficult to form a stable identity.

- **Frequent change situations.** The subject of change is a constant companion for many managers. Many organizations never settle. These frequent change processes always leave people feeling uprooted, and that affects not only the employees, but also the managers implementing the change.

Frequent change leads to people feeling uprooted.

- **Loss of direct power.** Managers today have less power than they used to. The taming of power in our organizations, the lack of respect (e.g., for the institution known as “the boss”), and the embedding of managers in collective leadership structures and committees make leadership harder.

Leaders today have less power and experience less respect.

- **The size of the company.** In large companies in particular, the opportunities for managers to really plan things and to attribute subsequent success to the implementation of their own plans is dwindling. Genuine successes in this sense are becoming rarer.

In large and complex environments it is difficult to claim successes as one’s own.

Modern managers are less sure of their identity than they used to be. Today it is easy to choose a new role and a new position. Flexibility features much more strongly as a model of the postmodern era than stability. The more quickly managers are able to invent and reinvent themselves in a new role and position, the less sure they can be of this position or role in the long term.

Postmodern flexibility means that managers are less sure of their identity than they used to be.

As a result, it is not unusual for younger managers to doubt themselves and their own ability to identify with the organization. Many younger managers no longer feel as if they really belong to their organization, but instead feel isolated. They get the impression that they are no longer in touch with the “bigger picture”. The self is no longer able to become sufficiently grounded in its role and an unstable identity develops. Exaggerating somewhat, we could say:

Many managers feel isolated.

- ▶ Many managers are increasingly turning into a walking collection of buzz phrases with a patchwork identity. The high degree of flexibility and constant change are making it more and more difficult to find one’s own permanent core and to define it for oneself, others, and the company.

On a personal level, managers may perhaps experience more freedom to reinvent themselves. At the same time this makes life more unstable and there is less coherence and meaning.

As such, the mental problems that occur in the life of managers today are primarily identity and relationship problems.

Managers' increased freedom to constantly reinvent themselves leads to less coherence in their conception of life.

10.3 Typical Abnormal Mental Developments in Managers

There is a range of abnormal mental developments that typically occurs in many managers in response to the tougher life conditions we have just described. In this chapter we do not examine these from a medical, psychopathological perspective, but instead give an overview of the typical spectrum of disorders that are frequently encountered in managers. We will elaborate these abnormal developments based on the four orientations that we introduced in the chapter on charisma (Chap. 2).

There are abnormal developments that occur in managers in response to the living conditions of the postmodern age.

10.3.1 Managers with Abnormal Developments from the Narcissistic Spectrum

One of the most common abnormal mental developments in managers is narcissism. If you think back to our model of the different orientations from Chap. 2, narcissism can be seen as an exaggeration of autonomy orientation. You will remember that we used the term autonomy orientation to describe the tendency to distinguish oneself through individuality and standing out from the crowd. On the one hand such a tendency is practically essential, especially for high-level managers. Without the belief in the superiority of their own skills and potential, managers are unlikely to have the courage to dedicate themselves to major ambitious goals. In this sense, a certain degree of narcissism is a fundamental requirement for great achievements, in particular leadership achievements. Yet there is of course a point when it becomes too much.

Only the belief in one's own superior skill makes it possible to take on major goals.

From a psychological viewpoint, the dynamic witnessed in managers with a narcissistic tendency is as follows: In response to the question "Who am I really?" which is becoming ever more difficult to answer in management today, managers will often overcompensate by replying that they want to be something special, thus setting themselves up as something big: "I am an (extraordinary) visionary." Their loss of identity is overcompensated by a grandiose self-image that is to be realized through leadership. Narcissistic managers fantasize that they are great and superior.

The question of one's own identity is responded to with delusions of grandeur by way of overcompensation.

As such, the elixir of life that is made up of admiration and recognition becomes an essential drug. Narcissistic managers overestimate their own greatness, thereby increasingly losing touch with their environment. Narcissistic managers no longer occupy the role of manager as one of numerous roles, but are a manager and nothing else. Their own identity is underpinned solely by portraying their own greatness. This results in the fact that disruptions to this self-image (e.g., by employees who do not follow, a lack of success, or even disempowerment) lead to narcissistic crises, as they are associated with an immense loss of self-worth. The counter reaction to such experiences is accordingly strong.

Disruptions to the narcissistic self-image generate serious crises with a severe counter reaction.

Narcissistic managers come across as mistrustful and unsociable people who are lacking in empathy and any real relation with those they interact with. The environment is increasingly assessed by how much it contributes to the manager's overinflated self-image. As such, it is increasingly only loyal submissive employees who have a place in the narcissistic manager's relationship context. Resistance and differing opinions are experienced in this context as narcissistic injuries because, if they were true, they would threaten the manager's own overinflated self-image.

Narcissistic managers only accept loyal submissive employees.

In understanding narcissism, it is important that the narcissistic managers are no longer actually concerned with the goals themselves, but with coming across as admirable and exemplary. Personal PR becomes more important than success, while slick, media-friendly behavior replaces real performance and becomes a performance in itself. What is important is consciousness of one's own greatness and not actual tangible success.

Self-portrayal becomes more important than real success.

This underlines once more that narcissism is primarily a relationship phenomenon: Narcissistic managers define themselves in relationship contexts as being in a constant state of competition. When it comes to admiration, other people who reinforce this narcissism are welcome. If they fail to show admiration, however, then they are attackers or enemies who are often fought with much aggressiveness and vengefulness. Narcissistic managers have little problem with sacrificing the quality of relationships in order to maintain their great self-image.

Narcissistic managers live in relationships in a constant state of competition.

The private environment of these people is often caught up in the maelstrom of constant potential conflicts. Spouses, family, and friends are left by the wayside if they are not prepared to play the role of the applauding subjugate. This is why many narcissistic managers increasingly descend into a spiral that feeds their delusions of grandeur, isolated and cut off from advice and realistic feedback.

The private environment of narcissistic managers is often destroyed too, and the isolation continues.

This dynamic often leads to serious misjudgments and incorrect decisions, which become possible because all the people who would have admonished and warned the manager have already lost influence. Sometimes we see narcissistic leaders step down from the stage at this point, embittered and enraged. They remain unforgiving of a world that didn't understand them and failed to appreciate their greatness and superiority. This phenomenon can be well observed in situations in which modern media have allowed us to witness great leaders in the moment of their downfall and failure.

Disconnection from reality often leads to serious incorrect decisions.

In the description of narcissism in particular, the distinction between a mental disorder and psychopathology becomes clear. Many functioning and successful managers are narcissistic according to our meaning of the word. They are competition-oriented, expect loyalty and following, and have an elevated positive self-image with regard to their skills and genius. They can assert themselves forcefully against their enemies, they are mindful of how their skills are perceived, and do not like to be criticized or advised by others. Described in this somewhat milder form, it becomes clear why a certain degree of narcissism even forms the fundamental condition for charismatic leadership, which can only emerge when people have the confidence to take on major goals.

Many narcissistic managers function and are successful.

However, narcissistic leaders can also be dangerous. Their lack of empathy, their poor ability to accept criticism, their unwillingness to reflect on their own actions, their extreme readiness for conflict, their vengefulness, and their own isolation from real, actual people lends them the potential for catastrophic decisions and inhumane leadership behavior. In this sense, Hitler, Stalin, and Mao were obviously very strong narcissists with the self-image of a misunderstood genius. It was with this self-image that they encountered people and environments that were only too willing to fuel and pander to their delusions of grandeur. It was in this dynamic that the respective disasters ran their course.

Narcissists can become dangerous, even if they continue to function as managers for a long time.

10.3.2 Tips on Coaching Narcissistic Managers

The essence of narcissism lies in the fact that narcissistic managers are never completely sure of themselves. For this reason, their self-confidence depends particularly heavily on who they are interacting with. If the person they are dealing with is unable to assure them that their own delusions of grandeur are justified, this results in the narcissistic injury described above and the dysfunctional behavior that this triggers. Narcissistic managers must learn to understand and endure their aloneness.

Narcissistic managers must learn to endure their aloneness.

Narcissists are driven by the longing to find relationships that give them lasting, strong self-confidence. What narcissists actually wish for is to become absorbed in the company and the team and merge with their own delusions of grandeur in this way. Narcissistic managers must understand, however, that this merger cannot take place. They must understand that their role and position in the company are not identical to their own person. In this vein, narcissistic managers must accept that they are something separate and must also learn to live with this *aloneness* (aloneness in this sense doesn't necessarily mean loneliness, as human contacts do still exist).

Narcissistic managers must learn that their role is not identical to their person and personality, but is only a part of it.

Narcissistic managers must be able to see themselves from the outside and not only define themselves by the admiration of others. Narcissistic managers sometimes need to be uprooted from their career and to start anew in order to discover their own identity and escape the previous dependencies. People with a mature and stable personality can endure and process injuries and failures or integrate them into their own self-image.

Mature managers can endure and process injuries and failures.

Interestingly, it helps when coaching narcissistic managers to talk about goals and success. What initially seems counterintuitive reveals upon closer inspection to break through the narcissist's logic. The narcissist must recognize that admiration and esteem are not awarded within a company for being an outstanding personality, but for being able to deliver outstanding performance.

Narcissistic managers must learn that they are only loved for performance and not for personality.

For narcissists, the search for relationships must be replaced by the search for performance. Narcissistic managers must accept that certain relationship hopes remain unfulfillable for managers and that managers are loved primarily for their performance and not for themselves as people. Managers who wish to remain in good mental health must be able to withstand narcissistic temptations, which lie in increasingly interpreting the admiration received for specific performances as admiration for one's outstanding personality. People who go down this road are on the way to the destructive, narcissistic relationship patterns that mostly exhibit themselves in a kind of "guru-fan" relationship.

Narcissistic managers must learn that their relationship hopes cannot be fulfilled.

- ▶ Narcissistic managers must learn to endure their aloneness and must understand that they are loved for performance and results and not primarily for their personality.

10.3.3 Managers with Disorders from the Depressive Spectrum

A second typical form of disorder arises from an exaggeration of the relationship orientation described in Chap. 2. Relationship-oriented people seek personal proximity and experience dissociation and distance as aversive. They stabilize their self-image by doing something for others. They are helpful, accessible, generous, compliant, peaceable, and modest. In extreme cases, however, they become so dependent on emotional feedback from those around them that they become exploitable and incapable of making decisions.

Relationship-oriented managers do something for others.

Depressive managers set themselves up in their company as moral idealists who suffer from being “too good for this world”. The company and those around them are pathologized and they themselves become exploited victims. Depressive managers consider harmony within the group to be more important than achieving goals. They want to be liked and experience appreciation, and come across as humanistic and people-oriented.

Depressive managers portray themselves as the exploited victim.

The problems begin because depressive managers are only able to integrate at a personal level, but become incapable of action when it comes to achieving the goals for which they are responsible. They find it difficult to implement or defend things against emotional or personal resistance. They are sympathetic to insufficient performance and opposition, and become incapable of making tough decisions that go against their idealist self-image. Pathologizing their environment is the mechanism that makes depressive managers completely incapable of action.

Depressive managers become incapable of making tough decisions.

It is clear from the description that this type of mental disorder is extremely rare at higher hierarchy levels. The disorder pattern described here would be typical for team leaders, who are unable and unwilling to take the step of distancing themselves from the employees they lead and for this reason are usually no longer recommendable for higher leadership positions. As such, the typical team leader remains a wanderer between two worlds who, as an advocate of the employees, always feels bound to their interests and in cases of doubt will give these higher priority than contributing to the corporate goals.

Self-sacrificing, altruistic managers are rare at higher hierarchy levels.

Disorders in this spectrum are rare in the corporate leadership environment, but often occur in social institutions or similar establishments. What is usually lacking for promotion to greater responsibilities is the readiness to enter into conflicts and assert oneself, for which a certain narcissism is advantageous. A typical corporate leadership environment stimulates narcissistic dispositions much more than

depressive ones. Strong performance orientation, competition, and an admiring environment pander to and encourage latent narcissism much more than latent depressiveness.

In commercial enterprises narcissism is stimulated more strongly than depressiveness.

10.3.4 Tips on Coaching Depressive Managers

The challenge for depressive managers is to admit and accept unpleasant feelings. This applies to one's own unpleasant feelings, but also to unpleasant feelings in one's environment. Depressive managers must learn that they cannot be responsible for the happiness of those around them. People who feel responsible for happiness, motivation, and positivity in their environment will encounter difficulties in achieving them.

10.3.5 Managers with Dispositions from the Compulsive Spectrum

Compulsiveness is the extreme form of the balance orientation described in Chap. 2. Balance-oriented leaders are structured, reliable, thorough, consistent, and stick to the rules. The exaggerated form of this orientation can grow into extreme control orientation, which is characterized by rigidity and perfectionism. For compulsive managers—and again this is exaggerated—work becomes merely a sequence of procedures, or a structure. There is no room for personal, emotional, and intuitive elements. Compulsive managers are mistrustful of their feelings or the feelings of others and want to solve everything analytically.

Compulsive managers mistrust emotions and intuition.

A structured working style then becomes a rigid adherence to principles. Compulsive managers are control-oriented dominators under whose strict leadership an organization becomes paralyzed. Cheerfulness no longer has any place in the routines that are driven solely by efficiency. Breaches of the rules are harshly punished. When it comes to principles, these leaders also accept that they have to be tough and cause suffering for others (this is different to the toughness in narcissists: Narcissistic toughness is aimed at the enemy who fails to bend to the manager's own delusions of grandeur. Narcissists are not so concerned with compulsively following principles).

Compulsive managers mete out tough punishment for breaching the rules.

Another problematic development is that compulsive managers often forfeit decision-making strength because they need to reinforce every decision analytically. Of course, this no longer works in many leadership contexts because not all the information is available or because intuition is essential in making decisions. People who no longer feel anything are unable to make decisions!

Making decisions under uncertain circumstances requires intuition.

Compulsive managers change their environment if this results in better processes, rules, or structures, although they are not good at enduring changes that affect them. Compulsive managers are no longer adaptable, but are obsessed with the idea of implementing their rigid principles. Normally these managers are found in middle management in companies rather than in top management. Middle management has room for rule-oriented structure fanatics who are lacking the vision, breadth of thought, and decision-making ability required in top management.

Compulsive managers cannot deal flexibly with change.

When control becomes an addiction, followers lose all enjoyment in and motivation for their work. In describing this mental disorder, too, we can clearly see how it is distinct from a psychopathology. Compulsive managers often still function very well in certain contexts, even though the people around them despair of the humorless and strict working atmosphere.

Excessive control and adherence to the rules destroy motivation.

10.3.6 Tips on Coaching Compulsive Managers

Compulsive managers must learn to let go in coaching and to tolerate uncertainty. They must form the ability to trust others and to endure the uncertainty that goes along with this. They must also accept that emotions and intuitions are sometimes guides that actually enable decisions to be made. Furthermore, they must learn to feel at ease in a world in which the absence of regulations does not just mean losing security, but also gaining freedom. The best way to get through to compulsive managers is to use their basic structures for the coaching objectives we have described. In coaching it is easy to draw up plans, agree goals, and define measure checklists and milestones with these managers. These elements are then consistently and bindingly implemented with a view to achieving more emotionality and more suitable options for integrating aggressiveness.

10.3.7 Managers with Disorders from the Egocentric Spectrum

The last spectrum of mental disorders that we want to describe is understood as egocentrism. Egocentrism is the extreme form of stimulation orientation described in Chap. 2. Stimulation-oriented managers are very erratic, they seek freedom and change, and define themselves as flexible and open. As such, egocentrism is also born of a weakness of identity. However, this weakness of identity is not compensated by fantasizing over one's own greatness (as with narcissism), but by experiencing one's identity in the intensity of the moment. Egocentric managers can reinvent themselves in every situation.

Egocentric managers live off the intensity of the moment.

Unlike compulsive managers, they are not bound to enduring principles and are therefore free to be spontaneous. In this sense, egocentrism means *instability*. There are no lasting principles, rules, and structures in which they can permanently ground their identity. As such, egocentrics revolve around themselves and their ego, which is constantly repositioned in an unstable world. What in a positive sense can be the charisma and enthusiasm, adaptability and flexibility of the moment, can become the superficiality and instability that make egocentric managers unpredictable to those around them on the negative side. Egocentric managers are moody, unstable, erratic, and often dramatic. They lie and are often impatient and rebellious.

Egocentric managers live in a world without stability.

Employees experience a breathless superior who constantly changes everything and exhibits little reliability. Yesterday's pledges and promises are quickly forgotten. Egocentric managers constantly feel challenged by others and live in a continuous state of dispute in their rebellious attitude. Narcissists fight against people who criticize their aggrandized self, while egocentrics fight against those who are not prepared to follow their constant great visions. Egocentrics think in categories of "allies and enemies" and feel themselves to be in a constant fight to realize their ideas.

Egocentric managers constantly feel challenged and portray themselves as rebels.

In crisis situations the last external standards usually fall away and egocentrics feel bound by few moral (or even legal) restrictions. If you think of managers who have had serious conflicts with the law and our typical social morals, you will find that they are often surprised that their fight to defend their good cause does not justify this breach of the rules. In many cases, the unstable arbitrariness of egocentric managers is very easily influenced. It's often important for the employees of such managers to know who was last in the boss's office, as this person will have been the latest to exert influence.

Strong egocentrism goes hand-in-hand with low acceptance of moral and legal restrictions.

10.3.8 Tips on Coaching Egocentric Managers

What egocentric managers need to learn is to accept a benchmark that conveys stability in an arbitrary world. They must accept that it is not all about the "victory of the moment", but rather integrity and durability. Egocentric managers must understand that others always measure them by their deeds and not their ideas.

Egocentric managers must commit to integrity and durability.

However, the fact remains that egocentrism has the least favorable prognosis of the four disorders described. It is inherent in this spectrum of disorders that

egocentric managers do not experience any sense of duty that would enable them to commit to long-term goals (e.g., their own development through coaching). Egocentric managers live so strongly for the intensity of the moment that they don't fight on through when a coaching and change process hits tough times and demands exertion. Egocentric managers often discontinue coaching processes because they are no longer enough "fun" and the initial euphoria dissipates when perseverance and real work are required.

Egocentrics have the worst prognosis in coaching.

Leadership, Success, and Morality: How to Make the Right Decision in Ethical Dilemmas

11

In Chap. 9 we discussed power and asked how power can be dealt with in an ethically or morally acceptable manner. This is a highly relevant and ever topical question and we will examine it in greater detail in this chapter. That's what makes this chapter stand out from the others to a certain extent. In each chapter we have endeavored to describe and discuss the psychological phenomena connected to the different aspects of human leadership. This chapter focuses less on psychological processes and instead discusses the concept of leadership from a philosophical perspective. The psychological perspective describes what *is* or how something *can* be. The philosophical perspective describes how something *should* be.

This chapter focuses on the philosophical perspective of leadership: What should leadership be like?

In this chapter we will begin by looking at the phenomenon of leadership ethics from various philosophical perspectives. This will then be followed by some fundamental psychological principles, as we are ultimately investigating the psychological conditions under which people behave more or less ethically, and which situations or developments facilitate or discourage unethical or immoral behavior. These observations will bring the book to a close.

There are psychological conditions that promote ethical leadership action.

11.1 Ethics and Morality: Explaining the Basic Terms and Problems

When it comes to tackling ethics and morality, we first need to get to grips with a few basic philosophical terms. This in no way entails entering into a theoretical discussion; instead, the practical implications that these ethical observations have quickly become clear.

First let's clarify the terminology: Ethics is from the Greek meaning "moral understanding". As such, ethics means the contemplation of correct behavior or the

teaching of moral behavior. Morality (from the Latin *moralis*: “concerning custom”) means the rules of conduct that govern the behavior of a society, a social group, or an individual, or is understood as the rules of behavior established in a community and internalized by the people belonging to it. It is important to note that these two terms are actually very different: Ethics describes the fundamental consideration of the principles governing behavior. Morality simply describes which norms are shared and practiced in a society.

Ethics is contemplation of the principles that govern behavior, morality describes the accepted norms in a group.

Without wishing to be misunderstood, we could say that there was also a clearly practiced, established morality that governed behavior among the Nazi leaders of the Third Reich, as the shared basic understanding of which actions were permissible and impermissible was represented in specific principles. Contemplation of the superiority of the “master race”, the perception of “worthless life”, the persecution of the Jews, or other National Socialist convictions were moral values and norms in this meaning, which were shared by and therefore governed the behavior of the group in power and its followers within the frame of reference in place at the time. Morality is therefore neither good nor evil. At most it is instead established to a better or worse extent and shared or internalized by a group to a greater or lesser degree.

Even the Nazi leaders had morality—in the form of the shared norms in the reference system in place at the time.

In some countries, the death penalty is easily compatible with the shared morality of society, while in other social frames of reference it appears barbaric. An action is therefore moral or immoral in light of the relevant frame of reference. What seems moral in one society or group can be considered as completely immoral in another and vice versa.

What is moral in one society can be regarded as immoral in another.

Ethics possesses an additional level. Ethics claims to establish a basic disposition as a principle for governing behavior. This disposition goes beyond morality and is “true” independently of social frames of reference. Ethics introduces a new category and this is generally **conscious self-restraint**. Ultimately, all ethical frames of reference and discussions are concerned with conscious self-restraint of the person, who, for reasons of certain principles, does not do everything that he or she could or would want to do. Instead, ethical people avoid specific actions based on principled considerations.

Ethical behavior always contains the principle of conscious self-restraint.

► Morality denotes the standards of behavior that are shared or internalized in a group. Ethics searches for generally applicable principles beyond these that govern behavior. Morality is therefore dependent on social and historical

circumstances. In discussing fundamentally good principles of behavior, ethics requires the idea of conscious self-restraint of the person, who, for ethical reasons, does not do everything he or she could do.

11.1.1 Dispositional Ethics and Ethics of Conduct as the Framework of Justification for Ethical Behavior

The ethical principles that function as prime regulators and represent maxims that govern behavior have changed and diversified throughout the course of history. The older philosophical direction in the discussion of ethics is known as dispositional ethics or normative ethics. According to this school of thought, conduct is good if it takes place on the basis of good principles. In world history there have been long phases during which absolute frames of reference were shared with correspondingly explicit principles in such a way that ethical conduct was possible.

In dispositional ethics, conduct is good when it is based on good principles.

For many centuries, Christianity and the principles of brotherly love and unconditional piety dominated Western history. It was a time in which absolute certainties were possible without ambivalence and doubt—this does not mean that there were no individual doubters, but merely that there was an inherently consistent, absolute frame of reference for ethical conduct that regulated and dominated human behavior. In Christian dispositional ethics, there are absolute truths concerning permissible and impermissible conduct. Those who were pious and practiced brotherly love were “good” in the meaning of this ethical frame of reference.

In Christian dispositional ethics there are truths concerning good conduct.

The best known proponent of dispositional ethics was Immanuel Kant, with his categorical imperative (at the time of the Enlightenment, this was already a progression from the more absolute belief systems). According to Kant, people should measure every action according to whether they would want the principle behind the action to become general law. In the Kantian sense, an action is good if it can be justified by good principles.

Kant considered conduct to be good if the principles behind it were good.

In Western history, it was during the Renaissance that these absolute dispositional ethical systems first began to show signs of crumbling. During the Renaissance movement, people’s consciousness of achieving particular success through their own talents and individual abilities was awakened (in the Middle Ages, success as an individual category alongside piety had little effect on determining conduct).

During the Renaissance, individual success became a strong category that determined life.

The term “genius” was born in the Renaissance. It was in this era that a moral philosopher emerged who is still prominent today (Niccolò Machiavelli), and who bluntly and unsparingly disclosed the following dilemma: Machiavelli observed the conduct of the successful and powerful with a dispassionate eye. In comparing this conduct with the principles of Christianity that were officially still shared and applicable, he discovered that success and “being good” are two different things.

Machiavelli analyzed that success and “being good” are not fundamentally compatible.

- Dispositional ethics sees conduct as ethical if it is based on good principles (e.g., Christian principles or categorical imperative). Niccolò Machiavelli was the first to bluntly discover that being successful and being good are, in practice, two different things.

Someone whose conduct is relentlessly good (i.e., free from guilt) in the Christian meaning is often not a skillful and cunning prince who accomplishes great things in the world. On the basis of this observation, Machiavelli is often accused of inciting unethical behavior. In his writings, Machiavelli was much more descriptive. He was a physicist of power and observed what those in power did and which practices evidently stabilized and expanded power. The only conclusion he could come to was that this very obviously failed to concur with the official ethical principles. For the first time in human perception, ethics and success appeared to become different categorical systems. Nothing has changed regarding this problem to date.

As a physicist of power, Machiavelli investigated what those in power did to be successful.

In an ethical dilemma, dispositional ethics would often require self-restraint. However, self-restraint is usually not what promises success and enables major goals to be achieved. These are simply different frames of reference. Success is measured by goal achievement. Ethics is measured by congruence with principles. Accordingly, striving for success is a moral phenomenon and success is good if it is desired by a social peer group and shared as a goal.

Self-restraint and success refer to different frames of reference.

In a way, as the main symbol of Christianity the cross very pointedly embodies and symbolizes the difference between success and ethics: those who consistently live by Christian principles will not be rewarded with earthly success!

The cross proves that consistent Christian principles do not necessarily lead to earthly success.

The more the general principles were lost and the more the world drifted apart into competing value systems, the more another ethical principle came to dominate the discussion. We are referring here to utilitarianism or the ethics of conduct. In accordance with this ethical way of thinking, conduct is measured by whether a practice produces the greatest possible benefit for as many people as possible.

The ethics of conduct requires the greatest possible benefit for many.

- ▶ According to utilitarians, an action is good or justifiable if it generates more happiness or benefit overall than the costs it incurs.

In the ethical thinking of utilitarianism, it was accepted that there is no absolute pureness of principles as the foundation for conduct and that fundamental principles are not of sufficient assistance in many practical everyday ethical matters. Utilitarianism is therefore much closer to the basic principles of the social market economy, because the social market economy also works according to the principle of automatically rewarding the person whose products and solutions generate the greatest possible benefit for as many people as possible. Nevertheless, ethical dilemmas also exist within a utilitarian school of thought. Ultimately, utilitarianism is unable conclusively to answer the question of which *costs* are to be justified for which *benefits*. It merely provides the principle according to which this question must be discussed.

Utilitarianism accepts that there is no pureness of principles and that they cannot be sustained in many practical dilemmas.

11.1.2 The Fundamental Ethical Dilemma of Leadership

The fundamental ethical dilemma in leadership can be summarized as follows: If you want to accomplish something great, you will never be able to create just benefits for everyone. In the real world, you are surrounded by people who oppose your goals and by limited resources that you have to use to achieve your goals. When you assert your goals, you incur costs for other people in a metaphorical sense. Incurring costs for others means that you wrong these people. If you are a politician and send your army to war to defend your nation, you must register a victory for the higher goal of protecting the country's population from aggressors. However, you may have had to sacrifice many thousands of soldiers in doing so and have wronged them and their families. These soldiers have paid the costs that had to be paid in order for you to achieve your goal.

Someone operating with limited resources can never generate just benefits.

If you are a politician asking yourself whether you should raise or lower the maximum tax rate, in both cases there will be someone who benefits from your decision and someone who pays for it. You cannot create benefits alone!

Mostly these dilemmas are much smaller and more practical, however, (see Excursus "Can Leaders Avoid Getting Their Hands Dirty?"). Imagine you are a manager with two employees in your department who are both young fathers and both want to take vacation during the Easter holidays. You urgently need at least one of them to be present in the team so as not to jeopardize an important project, however, so you are faced with the same structural dilemma. In this case, you are

also unable to generate only benefits. Someone will “pay” for it. Either the company pays and has to put up with delayed project results, or one of the young fathers pays by not going on vacation with his family.

If a major benefit is to be generated, someone has to pay for it.

Can Leaders Avoid Getting Their Hands Dirty?

Jean-Paul Sartre expressed this dilemma very pointedly in his play *Les mains sales* (*Dirty Hands*). The play is set during the French Resistance movement against National Socialism. In one scene there is a discussion between a young French Resistance fighter and the leader of the Resistance group. In order to achieve certain practical goals, this leader had collaborated with the National Socialists and is viciously attacked by the young Resistance fighter for doing so.

Here is his response: “How you cling to your purity, young man! How afraid you are to soil your hands! All right, stay pure! What good will it do? Why did you join us? Purity is an idea for a yogi or a monk. [. . .] Do you think you can govern innocently?”

Certain people answer this dilemma for themselves by consciously avoiding power, because the dilemma we have described here is the dilemma of the powerful, the leaders. The powerless don’t need to weigh up these options. But avoiding power and influence cannot be a permanent ethical strategy. Ultimately, this can lead to the sacrifice of goals and positive developments that could have benefitted the world if these people had not given up straight away for fear of their own impurity.

Those who want to avoid the dilemmas of power may sacrifice good goals as a result.

Those who wish to remain pure may sacrifice positive contributions and goals that would certainly have justified the costs they would have incurred. Put more radically, certain staunchly principled martyrs of fixed dispositions in human history would perhaps have achieved more good overall in their lives if they had been somewhat less radical, but had lived 20 years longer.

Radical dispositional ethics may mean that a potential benefit is not generated.

Success and ethics follow different frames of reference. The fact that success is something good or desirable is a morality that is widely shared in our society. Yet ethics does not measure actions by their success, but by their congruence with certain principles (be they the fundamental and generally applicable principles of dispositional ethics or the utilitarian benefit calculation for many in the ethics of responsibility).

Success sometimes needs to be paid for with ethical costs.

However, ethics always means that we impose restrictions on ourselves when there is a conflict between the actions available to us and the chosen principles. This is not the typical mindset for success. Those who want power and pursue major goals will hardly be able to remain ethically pure and guilt-free because they incur costs as well as generate benefits. Even if these costs are barely noticeable sometimes, they are still there. A CEO who steers the company on the course to success and creates a lot of jobs may actually destroy just as many if not more jobs at a less efficient competitor's company.

Those who pursue major goals cannot remain pure in the meaning of dispositional ethics.

Those wishing to escape this dilemma will not be able to lead. Yet they will not necessarily remain morally or ethically purer as a result, as comfortably avoiding this dilemma may have led to a benefit being withheld from the world that would have been worth enduring the dilemma for.

Those who wish to avoid ethical dilemmas cannot lead.

11.2 Morality and Ethics: How Would You Decide?

In this section we wish to clarify once more the practical relevance of the question that just came up. Imagine yourself in the following situation: You want to build a vacation home in a popular South European vacation destination. In the region you have picked out there is one stunning and affordable lot available right next to the beach. Giving you a meaningful look, your contact at the local building authority indicates that this lot could be available to you, but that there are of course a lot of other people interested in it. You realize at this point that an envelope containing a certain amount of motivation could work wonders. Would you pay?

Have you ever given generous tips to buy favors?

If you were to pay, the question would be why. As a resolute dispositional ethicist you could hardly legitimize this behavior. Kant would have asked you whether you really want the maxims of your conduct—bribery—to become general law, and you would probably have answered shamefully in the negative.

Bribery can never be legitimized using dispositional ethics.

A utilitarian would have asked you whether your conduct would have achieved the greatest possible happiness for the many. You would most likely not be able to respond to this in the affirmative either. Instead, you would probably present a utilitarian argument and say that the lot would have been sold to an interested individual anyway, and that this would not cause any harm to a large group of people—you merely seized your chance. Yet this argument wouldn't be especially convincing either. Consequently, you would have to confess that the conduct would be measured according to a frame of reference that was not an ethical one in this case.

You would be willing to pay a certain ethical price for your success. Success and ethics are partly based on different frames of reference.

When ethics and success clash, success sometimes takes priority.

Now let's make the dilemma a bit bigger. Let's assume that you work for a major international energy supplier and receive a request from a distant country—let's call it Absurdistan—to build a nuclear power plant there. This would be a very profitable project for you. However, you are aware that in Absurdistan, the relevant tender and approval procedures take place according to principles that do not comply with your corporate governance rules. There is, however, a consultancy in Absurdistan that has a great deal of experience in such initiation processes and would issue you with an auditable invoice for its very comprehensive services, which contain many points. You secretly know, of course, that some of this money ends up in channels that expect to be fed during the tender process. What would you do? Would you sacrifice your corporate success in order to stay “pure”? Would you really do that on the basis of this disposition? Or would you perhaps do it because the risk of attracting attention and bad press if the whole thing came out seems to great? In this case, you would not be guided by ethics, but again simply by success—or avoiding failure on the basis of a bad reputation.

How much corporate success would you sacrifice in order to stay “pure”?

Would your decision change if you were sure that a company from a newly industrialized country would be awarded the contract if you were to withdraw from the tender, and that this company would then build a nuclear power station with safety technology dating back to the early 1980s? Would you then say that your responsibility to deliver state-of-the-art nuclear safety, and therefore protect the population, outweighs adapting to the processes for major tenders that are commonplace in Absurdistan? If you are morally outraged by the circumstances in Absurdistan, how would you react to discovering that many of the salaries paid to state employees are so small that bribes and payoffs are basically an indispensable part of one's salary in Absurdistan and are viewed much less critically in the morality of the country (i.e., its applicable conventions)?

What is immoral to one culture is tolerated in other cultures.

Through this discussion, we by no means want to justify or suggest any particular decision, or even vindicate illegal behavior. We simply wish to make clear that a consistent ethical or even dispositionally ethical adherence to principles does not conclusively resolve dilemmas, even if there are unambiguous laws in place. How would you feel, for example, if you had decided against participating in the tender in Absurdistan for dispositionally ethical reasons (“bribery is wrong!”), which had then led to the reactor being built with much older safety technology? Imagine that

there had then been a serious incident that cost many people their lives, but that would probably not have occurred with your modern technology.

Laws guide our conduct but ethical dilemmas can also occur within the law.

We are aware that these questions are very uncomfortable if you really think about them. But in a world in which absolute values have been lost, the dilemmas and processes of weighing up options have become more difficult. In a world of absolute certainties, the answer would have been simple. Being launched into our own freedom and into a world with competing frames of reference (e.g., ethics and success) is what generates the ethical dilemmas, and only unfree or powerless people can avoid them.

Only unfree and powerless people are not faced with ethical dilemmas.

11.3 Rules as a Compass for Ethical Dilemmas

In public discussion, a typical reaction to the dilemmas just described is to call for more rules. There has yet to be a major crisis in which the call for “more and better rules” would not have been considered as the definitive solution for avoiding the dilemma in the future. This applied after the collapse of the New Economy at the start of the century as well as after the major financial crisis of 2008 and 2009. Yet can rules really help to ensure ethical behavior? The more thought we give to this question, the clearer it becomes that it is an illusion to believe it possible to devise a perfect system of rules that dispenses with the need for ethical dilemmas and individual responsibility.

No system of rules can dispense with the need for ethical dilemmas and individual responsibility.

The more we consider the individuality and situational dependence of ethical dilemmas (“Can I break into the chemist because my wife needs life-saving medication?” “Can I break into the chemist because my wife needs a strong painkiller?”), the more apparent it becomes that not every ambivalence can be regulated. Otherwise, the laws that we have would at least theoretically be able to bring us closer to a society that behaves ethically.

Dilemmas are situational, while rules must be general.

There are many indicators to suggest that this is not the case and is not caused by the fact that we just have the wrong laws, but that laws cannot be the principal and ultimate solution for every situation. This is also clearly anchored in our legal system. We have laws and legislators, and we have the police as an executive authority. Yet we also have judges, who are able to exercise discretion in applying the laws and, where conflicting laws could apply to a case, can set priorities and are even permitted to override a law if its strict application would cause severe injustice.

Laws can't always provide the ultimate ethical answer to every situation.

Yet those who call for more rules overlook the fact that this simply shifts the dilemma problem onto those who make the rules. If a rule is to successfully replace an ethical dilemma, the authority that institutes this rule must have made the decision and defined the priority. So all that rules do is to shift the responsibility for dispensing with ethical dilemmas onto other authorities. They do not resolve these dilemmas. To make it absolutely clear, we are by no means against instituting good laws and rules. Quite the opposite: We described the creation of good structures—which include laws and rules—in Chap. 6 as a fundamental act of leadership. We are simply arguing here that calling for rules cannot relieve people of having to deal individually with ethical dilemmas. No one can relieve us of the responsibility to weigh up the different claims in dilemma situations.

In ambivalent situations, even good rules do not relieve us of the responsibility to weigh up the options.

- ▶ Rules are unable to conclusively replace and prevent ethical dilemmas. Someone has to make the rules. The ethical dilemma is then simply shifted onto this authority. It is also impossible to conceive a system of rules that is so completely free of contradictions that there is no need for discretion—otherwise we would only need laws and no judges, who sometimes have to take responsibility for weighing up the options.

11.4 Responsibility and Weighing Up Options in Leadership

In the previous sections we primarily argued that the burden of responsibility and weighing up options in ethical dilemmas cannot be removed from people who hold power and influence or pursue great goals. However, we must still answer the question of what a useful inner dialog and mechanism for weighing up options in ethical dilemmas can look like in order to ask which ethical costs can be paid for particular successes.

Which successes justify which ethical costs?

In leadership there are basically two ethical questions connected with this:

- Which goals is it acceptable to strive for?
- Which means may be employed to pursue these goals?

In asking these questions, we implicitly admit that we need to examine our own conduct with regard to the effects it has on other people. Those who only pursue goals for themselves, regardless of the effects on other people, have failed to fulfill this minimum requirement for responsibly weighing up options. Responsible leaders cannot avoid considering the effects that the pursuit of their goals and their choice of means have on other people.

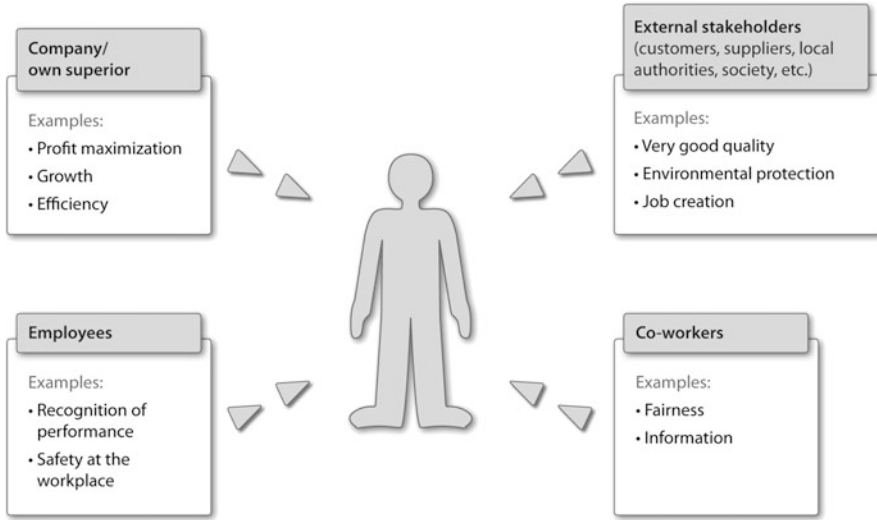


Fig. 11.1 Scope of responsibility for managers in commercial enterprises

Responsible people do not calculate the effects of their actions just for their own benefit, but for all those affected.

There are generally four parties to which a typical manager in a commercial enterprise owes this responsibility. Figure 11.1 shows these four parties and the relevant expectations that they have in a corporate context. These expectations give rise to the dilemmas and goal conflicts.

The four parties to which a manager is responsible.

We describe these four parties as the “affected scope” of leadership action. The first area affected by the actions of a typical middle manager is the **company** (e.g., the shareholders or owners), represented by the expectations of the manager’s own superior. The moral expectations formulated by this party generally concern aspects such as maximizing profits, growth, or cost efficiency.

Company owners expect profit.

Employees, however, have different expectations. For instance, they expect their efforts to be recognized, opportunities for professional development, a secure job, or sufficient occupational safety in their workplace.

Employees expect attractive working conditions.

Co-workers at the same management level usually expect information, fair teamwork, and mutual support.

Co-workers expect good cooperation.

Furthermore, there are many **external parties** that have expectations of the company, namely society (represented by politics)—which may, for example, expect environmentally friendly products—but also suppliers or customers, who each have their own expectations.

The external parties expect relevant benefits.

All of these moral expectations are legitimate and understandable in themselves. Managers are likely to easily accept these expectations as a guiding principle for their own conduct. The dilemma arises when the expectations of the different parties conflict. Environmental protection and profit maximization are seldom goals that completely overlap. A high level of efficiency and processes tailored to deliver top performance don't always represent employees' needs for a comfortable working atmosphere and the ability to shape their environment. The service expectations of one's co-workers are not always consistent with the means available.

Every expectation is legitimate in itself, yet expectations often conflict with one another.

Figuratively speaking, middle managers are attached to four elastic bands, each of which is pulled by one of the four parties described and their respective expectations. Depending on how contrary the goals are and how limited the resources, or how great the crisis is, the tension that is generated by the different expectations can increase or decrease.

Managers are pulled in different directions by four elastic bands.

No rulebook or leadership principle can help a manager in practical dilemmas. Many companies give themselves corporate values or principles that are often vaunted and positioned as a “compass” for steering one's own actions. The preamble to such company principles often contains sentences such as: “We feel bound in our leadership actions to our shareholders, our employees, our customers, and society.” This statement is as true as it is useless in actual dilemmas. Everyone is agreed on the basic values.

Corporate principles are often useless in actual dilemmas.

The problem arises when conflicting values clash. Who isn't in favor of freedom and security? The problem occurs if freedom and security suddenly become conflicting actions. Who isn't in favor of environmental protection, profit maximization, employee satisfaction, and happy customers? The problem emerges when we have to weigh up and prioritize these values.

Often it is not the values themselves that are contentious, but their priority.

Ethical conduct does not therefore mean that we can follow just one abstract principle that conclusively resolves this dilemma—principles cannot do this, they merely highlight the dilemma. We are left with the consequence that no one can

relieve the manager of responsibly weighing up the options. As such, this self-commitment to responsibly weighing up the options is the first step toward ethical conduct.

- ▶ Those who accept that their own leadership actions affect other parties to whom they owe something, fulfill the initial requirement for responsible leadership conduct. Those who understand that having a responsibility to several parties can cause dilemmas that cannot be solved by rules or principles will recognize that there is no avoiding responsibly weighing up the options.

People who only act according to which actions will benefit or damage their own career advancement in the dilemmas described, for example, are not acting ethically in this sense. Ethical leadership conduct means recognizing that there are parties that have justified expectations of the manager and that managers incur a debt to others if they ignore or fail to meet these expectations. Simply the fact of acknowledging the responsibility to orient one's own actions to the affected scope is the basic requirement for responsibly weighing up options. Only managers who feel a responsibility to corporate goals, employees' wishes, and social questions are conscious of moral dilemmas.

Committing to orient one's own conduct to the consequences for those affected is the basic condition for ethical conduct.

- ▶ Leadership is good if it is not done for oneself. Leadership is good when we recognize that there are parties who are affected by our leadership actions and to whom we owe it to consider and take account of their needs and expectations. Leadership is good when we recognize that failing to meet these expectations puts us in debt, and that's why we examine the justification for certain expectations in specific situations by responsibly weighing up the options.

If people use leadership only to achieve their own career goals, it cannot be responsible because they are avoiding the burden of weighing up options and simply maximizing their own individual benefit. Power can only be legitimized if it is used to defend what is useful and good.

Leadership only for one's own ends cannot be responsible.

It is unsatisfactory that we are unable to formulate any universal principles for dealing with this weighing up of options, and it is precisely this situational element that is so difficult to address with universal rules. It's not that we wouldn't be able to agree on useful values for leadership, but we cannot give a general answer to how these values are to be prioritized in cases of ambivalence or conflict. In some corporate decisions, employees' needs and expectations may be weighted more heavily than cutting company costs. In other corporate decisions, the reverse will apply. Sometimes profit opportunities may be sacrificed in favor of environmental protection. Sometimes the reverse may be the case, yet it can still be justified. Agreeing on a list of values is generally not a problem. Formulating a generally

applicable list of priorities for these values is, however, impossible. As such, ethical leadership action is expressed by the self-imposed duty to responsibly weigh up the options (see also Excursus “Skills as a Prerequisite for Ethical Conduct”).

It is not possible to fully prioritize values using general rules in the event of ambivalence and conflict.

Skills as a Prerequisite for Ethical Conduct

In this context it once more becomes clear why empathy is such an important skill for managers. The duty to responsibly weigh up options requires powerful people to be able to perceive and empathize with the needs and expectations of the people or parties affected by their actions so that they can weight and weigh them up. Such managers as have lost or never developed their ability to empathize are the ones who are most susceptible to unethical or immoral conduct. People who do not notice how much suffering or injury they inflict on others cannot usefully incorporate or calculate these effects in weighing up their options. Leaders with no empathy are the most unscrupulous at making decisions that would perhaps have been implemented differently if the justified interests of those affected had been weighed up responsibly. Empathy does not necessarily ensure responsible conduct. It simply constitutes the basic condition for enabling all relevant aspects to be taken into account when weighing up the options. The second condition for ethical conduct is the self-imposed duty to weigh up the options responsibly.

In addition to empathy, there is another skill that constitutes a basic requirement for good solutions: creativity. In many leadership situations, there are more or less creative solutions that minimize the *costs* of a certain decision and maximize the *benefit* for those affected. The more creative a person can be in seeking and finding solutions, the greater the potential for responsible leadership conduct. In terms of disposition, a sense of responsibility is the prerequisite for ethical leadership conduct, while in terms of skill, empathy and creativity are called for.

11.5 Developing Ethical Leadership Conduct and a Sense of Responsibility

The discussions above raise the question of how we can promote the development of ethical and responsible conduct. In our society, there are different mechanisms and attractive forces that also represent different approaches and convictions. There are certainly forces in our society that see a return to dispositional ethics (i.e., to commonly shared absolute value standards) as the solution to today’s problems. The Catholic Church still struggles with the fact that it has had to relinquish its claim to exclusivity in many parts of the world and must now offer a framework of

values to compete with other value systems. However, a return to major commonly shared belief systems seems unlikely. In today's extremely diversified world, everyone needs to laboriously build up their framework of values and be able to come to terms with the relativity of conceptions of life and priorities in life.

Absolute and commonly shared value standards have been lost once and for all.

In a theoretical respect, it is easy to define values for oneself. Yet we only really get to know ourselves when we have to make decisions in a dilemma. The more rigidly we stick to certain values ("I never lie!"), the more quickly and thoroughly we can sink into dilemmas in which we discover that it is harder than we had thought to stick radically to this principle in competition with other values. Stating values is easy. But you only discover your true priorities once you have had to make a decision.

We only learn what the true priorities of our values are once we have had to make a decision.

As such, power reveals a person's character more clearly than many other things. The powerful constantly find themselves having to weigh up options, and the true framework of values—which never has to be proven in practice in less powerful people—is immediately and unsparingly visible in the powerful. Only less powerful people can be in favor of social security, extensive investments in infrastructure, improved performance, investment in education, secure pensions, and low taxes all at the same time—a powerful person can make these claims in campaign speeches, but not when it comes to making decisions.

The powerful have to make big decisions that clearly reveal their true framework of values.

The next question is what actually makes someone a person who thinks ethically. The answer is as surprising as it is simple: It is the number of long-term relationships and group identities that a person enters into or assumes. Long-term relationships naturally become more ethical. In a relationship intended to be long-lasting, we need to consider and take account of the needs of the other party and align them with our own needs by responsibly weighing up the options, otherwise the relationship is not tenable in the long term. If we don't pay into the joint relationship account, we won't reap a long-term relationship. The longer we want to maintain a relationship, the more ethically we behave. We can only afford to ruin relationships by ignoring the needs of the other party and unconditionally asserting our own goals if longevity is not important.

Long-term relationships encourage ethical behavior.

The more connections we have to groups (be they with our family, our church, our company, or other organizations) and the more strongly the group connections are geared to the long term, the more we will feel bound to weigh up the needs of the group members. The moral danger emanates from people who live their lives without stability, who are completely flexible in their social relationships, and who create few long-term anchors for themselves. At the start of the chapter we

argued that ethical behavior means self-restraint. We submit to this self-restraint when we feel that we belong to a group or are in a relationship that warrants such self-restraint in order to preserve it in the long term. In an unstable social world, there is no need for self-restraint. In an unstable world, self-interest doesn't destroy anything that would be worth preserving and that would be worthy of self-restraint.

Those who are very flexible and random in their social relationships and group identities have nothing that would be worthy of ethically motivated self-restraint.

Our society has become very flexible and mobile and, as such, is destroying the foundation on which ethical conduct was born. Ethics cannot be formed in a world without long-term social connections and long-standing membership of groups. Nor can we simply fill the gap with new values. Values do not govern behavior per se simply because some party or other wants them to, but only if they represent an important moral element in a social frame of reference and thus ensure the long-term cohesion of the group.

Ethical values govern behavior if they represent a moral category in a social group.

For sociopaths with no such long-term relationships, abstract values cannot regulate their conduct. Why is it possible for there to be so much lying, hypocrisy, deception, and cheating in internet relationships on so-called social networks? Because this is not a social frame of reference that is based on stability—instead, the flexibility and replaceability of the relationships are already inbuilt. The self-restraint of ethics is not worth it for short-term, replaceable relationships!

Sociopaths cannot be educated to act morally using abstract values.

11.6 The Legitimization of Leadership and Power

Having considered all this, we are now faced with the fundamental question of what it is that legitimizes leaders incurring costs for other people. What means of justification are there for exerting power and leadership? Figure 11.2 illustrates a total of four means of justification that can certainly be described on the basis of their historical development.

Justifications for exerting power.

We describe the oldest legitimization of leadership as the pharaonic legitimization: “I am God.” Those who exert power in a God-like manner do not need to justify themselves to anyone. This legitimization of one's own power (and of course one's own cruelty) requires no further justification. Monarchic legitimization (“I am God's representative on Earth”) at least recognizes that there is a higher authority to which one must justify oneself—namely, God. However, this justification probably does not take place until the afterlife and, as a king sent by God, a person can falsely suppose to be performing God's will on Earth. This, too, is a

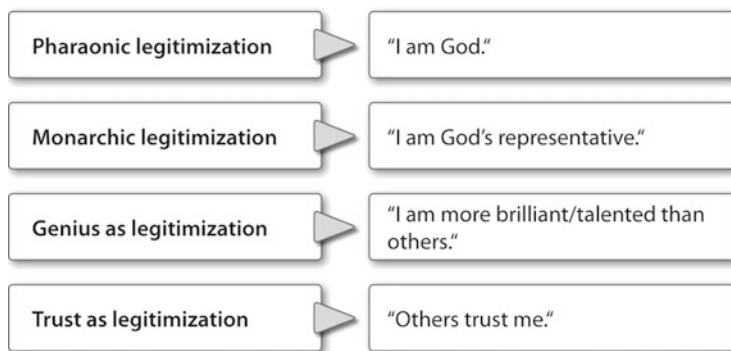


Fig. 11.2 Different legitimizations of leadership

legitimization that is difficult to counter and that eludes further need for justification.

Those who see themselves as God or having been sent by God can easily legitimize their actions.

The third legitimization, that of having power due to one's superior genius ("I am more brilliant or qualified than others"), is somewhat more ambivalent. In a way, this would be the narcissistic legitimization of leadership. At first glance, it seems sensible to justify the power through competence. Yet such a justification opens the door to unenlightened leadership action. If you are led by such a manager, you will be able to recognize this type of internal justification of the manager's power primarily by the scornfully raised eyebrows you encounter when you approach him or her with a good idea. You can tell two things from this facial expression. First, that an idea that didn't come directly from your manager cannot be good, and second that you are not responsible for new ideas but are supposed to carry out your work according to instructions.

Power legitimization through belief in one's own genius gives rise to unenlightened leadership action.

As you are less brilliant than your boss by definition, you can't have any good ideas, otherwise the situation would be reversed. Leaders who legitimize themselves through the narcissistic self-aggrandizement of their own superior genius produce the following problem—metaphorically speaking: The guest is not allowed to criticize the soup. If you don't like the soup, it's because you are unable to recognize the brilliance of the cook in this soup. By definition, this legitimization mechanism of power means that other opinions, perceptions, approaches, or ideas do not need to be taken into account or are even to be considered as hostility, as they are only ever formulated from the perspective of inferior talent. Leaders who legitimize themselves through their own genius become resistant to advice, unable to learn, rigid, and, by failing to make use of the performance potential that

surrounds them, ultimately become inefficient, too. Usually they founder at some point because of a serious misjudgment and incorrect decision.

With narcissistic managers, the guest is not allowed to criticize the soup.

We believe that there can also be an enlightened and rational legitimization of power and leadership. As a leader, you need to clearly understand that power is granted because the people who award you the mandate trust the person in power. They trust in your integrity and credibility with regard to the goals and principles being pursued. Yet they also trust you to achieve the promised goals and solve the problems encountered along the way responsibly. In this sense, leaders play a role that is legitimized by the trust of the people who awarded the mandate to exercise power. Leaders play this role because they are trusted to handle the power and decisions responsibly and not because they are under the impression that they know better.

In an enlightened understanding of leadership, power is awarded on the basis of trust.

According to this way of thinking, enlightened leaders will always seize contradiction, differing opinions, and other approaches as an opportunity to develop, distinguish, and improve their own ideas. Leaders who act in this enlightened manner know that they will have to be able to justify their power (and with it the goals that they are pursuing and the means they use to achieve them) at any time if asked (they are not constantly being asked). Leaders who act responsibly weigh up every critical decision individually and responsibly consider all the possible options in such a way that they are able to explain their actions at any time.

Leaders who act in an enlightened way know that they have to be able to justify themselves at any time.

Enlightened managers do this for they know that they were granted power because they were once trusted to handle the process of weighing up options in a responsible manner. You can spot an enlightened manager by the fact that it is poor performance that is punished and not objection. This basic stance is also evident in the habit of inviting employees to argue against the manager's own new ideas in order to see whether all points have really been considered. Such an approach would never occur to the aforementioned narcissist who is convinced of his or her own brilliance.

Enlightened managers punish poor performance and not objection.

Enlightened leaders accept the fact that their own power is limited by a system of rules and that they must constantly justify their own power by delivering suitable performance. They do not abscond from their responsibility to make difficult decisions out of a misconstrued sense of romantic philanthropy, but face up to the dilemma even if it makes them unpopular. They endure criticism and objections because they know that the level of outrage at a decision is not always the relevant yardstick for measuring ethicality.

Enlightened managers know that power is granted for a limited period and must be justified through performance.

They become sensitive to their own narcissism in that they have so much self-confidence that they consider their own goals to be worth defending and see themselves as competent and strong enough to achieve these goals. Yet they are also aware of the relativity and competition of conceptions of the future and goal systems, and therefore safeguard themselves against the radicalism that produces cruelty and tyranny. They are aware of the transience of their positional power and can see themselves in a role as part of a wider frame of reference in which they must remain replaceable in order for stable structures to exist.

Enlightened managers commit to following rules, avoid radicalism, and know that they are replaceable.

They invest in long-term relationships and group identities, thus creating an ethical framework for themselves in a world that is no longer able to convey stability through absolute values. Managers who think and act in this way ensure a culture and legacy that go far beyond the bare results that once represented their success.

- ▶ We will remember people who act in this way as great leaders because they used their leadership strength and authority to create something significant.

Appendix

Title	Comments
Riemann, F. (2009). <i>Anxiety. Using Depth Psychology to Find a Balance in Your Life</i> . Munich/Basel: Ernst Reinhardt.	Fritz Riemann wrote this classic of popular depth psychology on personality theory and personality disorders. Taking an approach based on Freud and psychoanalysis, he differentiates between four forms of anxiety that shape us and form our personality in avoiding the relevant anxiety. He identifies the schizoid, depressive, compulsive, and hysterical personalities and personality disorders. His basic concept is incorporated into our chapters on charisma and dysfunctional dispositions of the powerful.
McClelland, D. C., & Burnham, D. H. (1975) <i>Power Is the Great Motivator</i> . Boston: Harvard Business Review Press, 54(2), 100–110.	McClelland presents a theory of motivation that was based on Henry Murray’s theory of personality from 1938. In his book <i>The Achieving Society</i> , McClelland writes that human motivation covers three dominant needs: the need for success, the need for power, and the need for affiliation. The subjective meaning of each need varies from individual to individual and also depends on the cultural background of the person concerned. McClelland identified this motivation complex as an important factor in social change and the evolution of societies. McClelland’s theory bears similarities to Max Weber’s <i>The Protestant Ethic and the Spirit of Capitalism</i> . One of the most important studies to confirm the validity of his theories is that by Bradburn and Berlew (1961), who analyzed motives for success in British school reading books and, one generation later, demonstrated a close correlation between these topics and industrial growth in Great Britain. This book is a step toward research on power. We kept these concepts in mind in our deliberations on leadership and simply saw a different understanding of motivations in the depth psychology-oriented approach.

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Title	Comments
<p>Badaracco, J. (1997) <i>Defining moments: When Managers Must Choose Between Right and Right</i>. Boston: Harvard Business Review Press.</p>	<p>In this book, Josef Badaracco gives an introduction to the basic concepts of ethics, employing examples from everyday management to develop them. Each chapter is dedicated to a different ethical approach or a school of philosophy. Beginning with the classical philosophers of ancient Greece, Badaracco demonstrates how certain ethical dilemmas of the powerful would have been interpreted and assessed in this philosophical vein. The book is a worthy overview of the history of ethical discussion, introduced using practical examples from everyday leadership. In his book, Badaracco concludes that the only ethical guide for managers can be to responsibly weigh up the available options, and not a radical regulatory process. We are in complete agreement with this view.</p>
<p>Badaracco, J. (2002) <i>Leading Quietly: An Unorthodox Guide to Doing the Right Thing</i>. Boston: Harvard Business Review Press.</p>	<p>Whereas the previous book by Badaracco provided a theoretical foundation of ethics for managers, this book aims to address the typical dilemma decisions that arise in management from a much more practical angle. Using examples that are as pleasant to read as short stories, the author once more introduces typical dilemmas faced by managers in order to give tips on processes for weighing up available options responsibly. These are structured according to their complexity and the type of dilemma rather than the school of philosophy best able to provide a solution to this particular situation. The basic assertion of this book is that responsible leaders are quiet, while ethical radicals stylize themselves as martyrs. Badaracco asks the provocative question of whether many martyrs would have achieved more overall in their lives if they had been less radical in terms of dispositional ethics but had instead lived 20 years longer. Badaracco inspired our ideas by very pointedly demonstrating that purity with regard to dispositional ethics seldom leads to better decisions in management.</p>
<p>Machiavelli, N. (1532) <i>The Prince</i>. Florence.</p>	<p><i>The Prince</i> can be read as a manual for politicians and managers striving for personal success and power. Machiavelli makes it very clear to his reader that all means are justified for a prince in leading his country to peace. He provides a logic for achieving and retaining power without moralizing. To us, the book clearly and non-normatively described which</p>

(continued)

Title	Comments
Vroom, V. H., & Yetton, P. W. (1973) <i>Leadership and Decision-Making</i> . Pittsburgh: University of Pittsburgh Press.	dilemmas can occur in leadership and when exerting power. To this day it is still disputed how Machiavelli's advice to the powerful should be interpreted: as immoral or as pure description.
Sartre, J. P. (1976) <i>Critique of Dialectical Reason</i> . London: Verso.	Victor Harold Vroom, Professor at Yale University, developed a decision-making model along with his co-workers Philip W. Yetton and later Arthur G. Jago that iteratively determines the optimal decision-making style over several levels. The model built on the plain, stylistic specifications by Tannenbaum and Schmidt by adding further criteria that were important for making decisions: quality requirements, self-commitment, information for the leader, problem structure, likelihood of voluntary commitment, congruency of goals, conflicts among subordinates, information for subordinates. This reading motivated us to develop our complex leadership model with multiple influencing factors, as presented in our book. However, we did not stick closely to this book.
Kets de Vries, M. F. R., & Miller, D. (2007) <i>Narcissism and Leadership: An Object Relations Perspective</i> . In the book <i>Human Relations</i> , 38, pp. 583–601, 1985 in <i>Leaders and the Leadership Process</i> , McGraw-Hill/Irwin, publication forthcoming in 2007.	In this ambitious and comprehensive work, Sartre describes how groups develop and become a historical element. He introduces the term "totalization" of a group, meaning that people who happen to find themselves in a situation can be activated by certain circumstances to team up, form leadership, and act. We benefited from this view in our chapter on leadership and situation in particular, and took up this idea as a leadership strength. We are of the opinion that totalization doesn't just take place randomly, but can actually be leadership action in itself.
Bennis, W., & Nanus, B. (1985) <i>Leaders: The Strategies for Taking Charge</i> . New York: Harper & Row.	This paper discusses at least three different narcissistic forms and their effects on the organization. It also contains a good list of symptoms that can be used for substantiation and diagnostics. Overall, the paper gives a good overview of the phenomenon of narcissism, which is so important for leadership personalities. We gained much inspiration from this paper.
	The authors don't waste time theorizing, but try to work out what it is that the leaders they surveyed have in common. They came up with a concept for successful leadership that gives important practical conclusions. It refers us to the elementary components of leadership and

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Title	Comments
	inspired us to develop elementary models for communication and the nature of leadership ourselves—venturing away from the two authors in some aspects. Many quotes and anecdotes make this book an easy and pleasurable read that gives plenty of food for thought.
Nanus, B. (1992) <i>Visionary Leadership</i> . San Francisco: Jossey-Bass Publications.	This book provided us with particular inspiration on the subject of goals. In his book, published in 1994, Nanus described how the quality of goals moves and motivates people to a greater or lesser degree. We share this basic view and, in our chapter, are simply a little more skeptical as regards the difficulty of being able to find such goals.
Freud, S. (1945) <i>Group Psychology and the Analysis of The Ego. The Standard Edition of the Complete Psychological Works of Sigmund Freud</i> . London: Hogarth Press.	Here Sigmund Freund investigates the connection between narcissism and strong personalities and true leaders. This paper often forms the basis for many thoughts inspired by depth psychology on employee-manager relationships—our thoughts on this relationship and charisma are no exception.
Kernberg, O. (1995) <i>Borderline Conditions and Pathological Narcissism</i> . New York: Jason Aronson, Inc. (Although not the exact volume used for reference in compiling <i>The Psychology of Human Leadership</i> , this book covers the ideas on which we based our hypothesis.)	The book covers all aspects of a personality structure and disorder that poses one of the greatest challenges for psychiatrists and psychotherapists—and that also plays an increasingly problematic role both socially and forensically. The new “scientific variations” on the subject of narcissism and personality disorders are consistently tailored to the social, structural, therapeutic, and health-economic circumstances in German-speaking countries in this book, and enrich the relevant literature with a new standard work. We used this book to enhance our perceptions of narcissistic disorders and narcissism in general.
Kets de Vries, M. F. R. <i>Leaders, Fools and Imposters: Essays on the Psychology of Leadership</i> . iUniverse.	Although the book, which contains seven essays on the psychology of leadership, is already several years old, the author—a trained psychoanalyst and management consultant of many years’ standing at INSEAD—has created a work that is still relevant today. Without relying too heavily on the academic disciplines, he built on his many years’ experience to write an entertaining piece of management literature. Away from the mainstream, psychological expertise and management practice are woven together in a pleasing manner to create a rich tapestry on which to rest the mind. Be it in “The Leader as Mirror”, “Narcissism and the Exercise of Power”, or “Emotional Illiteracy,”

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Title	Comments
	Kets de Vries captivates us with a combination of powerful factual arguments and practical examples from his clients, characterized by black humor and clarity. As such, in his literature he constantly takes the reader back to his or her own personality development, keeping the book pleasantly personal. As part of the psychodynamic development theory is conveyed almost as an aside, the book is one of those literary works that you can dip into from time to time. There are certainly suggestions, such as on the subjects of identity, the self, power and powerlessness and their misuse, emotional autism, imposture, fools, unconscious motives, etc. The author avoids using fashionable jargon (“EQ”, etc.), and instead probes decision makers and clearly questions what their driving motives are. “The book can be described confidently as a vade mecum in the labyrinth of passions, delusions of grandeur, and power games in the psychology of leadership” (book cover).
Drucker, P. (2006) <i>The Practice of Management</i> . New York: HarperBusiness.	Once you have read this standard work by Peter F. Drucker, you will hardly believe how highly topical his hypotheses, which he wrote over 50 years ago, still are today. For these theories continue to grow in significance at the management level. Peter F. Drucker, who passed away in 2005 at the age of 96, was rightly described as “still having the youngest mind” and being the “most consistent thinker of our time.” We particularly benefitted from this book in answering the question of what leadership is all about in the economic arena—in particular that leadership also has to deal with questions of structure and the organization of leadership.
Wirth, H. J. (2009) <i>Narcissism and Power: Psychoanalysis of Mental Disorders in politics</i> . Giessen: Psychosozial-Verlag.	In his study of power and narcissism, the psychoanalyst and associate professor Hans-Jürgen Wirth interprets these two elements as “Siamese twins”. This view goes a little too far in our opinion. Despite their close connections, power and narcissism are not inseparable. Narcissism in politics often takes paths other than power. The sadistic and narcissistic exertion of power can compete with one another. Democratically controlled circumstances tailored to media publicity can certainly force power to moderate itself in the public eye, and if necessary to hide itself if it is to be retained. However, the author certainly

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Title	Comments
Arendt, H. (1970) <i>On Violence</i> . New York: Harcourt Brace JOvanovich.	deserves the credit for having emphatically revised Freud's far too simplistic narcissism concept. There is also no denying the methodical difficulties that were involved. We benefitted greatly from tackling the topics and concepts in this book—and in arguing against them.
Le Bon, G. (2012) <i>The Crowd: A Study of the Popular Mind</i> . CreateSpace Independent Publishing Platform.	Hannah Arendt wrote this book, which first appeared in 1970, at the time of the Vietnam war and under the impression of global student protests. In this essay she shows the differences and commonalities between the key political terms of power and force. She analyzes the theoretical justifications for violence and violent actions in Vietnam, the racial conflicts in the USA, and the student uprisings throughout the world. Just how absurd the old theory of war and violence as the last resort of power is—at least between nations—has been demonstrated by nuclear arms. Hannah Arendt succinctly and provocatively formulates findings from our own reality on the functions of power and violence in politics. We looked to her for inspiration and used her work to draw our own conclusions on leadership.
Le Bon, G. (2012) <i>The Crowd: A Study of the Popular Mind</i> . CreateSpace Independent Publishing Platform.	With his book <i>The Crowd</i> , Gustave Le Bon became the founder of crowd psychology. His positive influence on psychology and sociology is undisputed and has been muddied only slightly by the fact that Adolf Hitler seized his work to study the soul of the crowd for his own ends. Le Bon's main hypothesis is that the individual loses his or her critical faculty in a crowd and does things that he or she would reject as an individual. A crowd situation creates "mental infection" and the individual tends toward affective, primitive-barbaric behavior. The individual, when in a crowd situation, surrenders his or her individual consciousness in favor of a crowd consciousness and allows his or her actions to be led by it. Feelings, morality, and the intellectual level can be greater or lesser in the crowd than in the individual. This book was valuable in reminding us of the interdependency of managers and employees. We were impressed that this book appeared way back in 1895.
Foucault, M. (1980) <i>Power/knowledge: Selected Interviews and Other Writings, 1972–1977</i> . New York: Vintage. (Although not the exact volume used for reference in	Michel Foucault concerned himself with power throughout his life. To him, power wasn't something positivistic or materializable; in this connection, Foucault took a stance against

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Title	Comments
compiling <i>The Psychology of Human Leadership</i> , this book covers the ideas on which we based our hypothesis.)	Marxism in particular, which was the dominant scientific interpretation of things in France until at least 1968. Foucault talks very seldom of power itself, but of power relationships. As such, he was often our starting point for our idea that power is a relationship structure and not an objective fact.
Jonas, H. (1985) <i>The Imperative of Responsibility: In Search of an Ethics for the Technological Age</i> . Chicago: University of Chicago Press.	This, the main work of the philosopher and peace prize winner Hans Jonas, which was published in 1979, concerns the fundamental (and no longer necessarily religiously founded) principles of the ethics required in the technological age, which the author best describes using the term “responsibility”. We learned from him in addressing the questions of ethics and morality in leadership and took inspiration from this work.
	Tuckman was the author who created an easy-to-remember structure for the group process in this topic area, which was attracting growing interest in 1963. It helps tremendously as a starting point for team-related considerations—although it is actually more of a central idea than a law. Forming, storming, norming, performing are terms related to the development of teams and organizations that are now familiar to every manager. We were happy to take up this model to describe which leadership is necessary and effective depending on certain group phases.
McClelland, D. C. (1975) <i>Power: The Inner Experience</i> . New York: Irvington.	The book interested us greatly because it shows that the political and sociological phenomenon of power is also a psychological experience. In this vein, the author shows power, achievement, organization, and affiliation motivation in an anthropological, sociological, psychological and historical context. Power motivation and its development in particular are described on the basis of power fantasies. Furthermore, power motivation is examined as an individual and collective experience and the expression thereof.

Index

A

- Assertion, 68, 76–81
- Attenuation, 174–175
- Authenticity, 163
- Authority, 38
- Autonomy orientation
 - charismatic relationship, 40, 42
 - conflict, 145, 146
 - motivation, 44, 86

B

- Balance orientation
 - charismatic relationship, 41–43
 - conflict, 146
 - motivation, 44, 86
- Bartering objects, 149–150
- Bribery, 219

C

- Charismatic leadership
 - in animal kingdom, 32–33
 - authority, 38
 - autonomy orientation, 40, 42
 - balance orientation, 41–43
 - catastrophic experiences of, 29
 - development of
 - aristocracy, 58
 - compensation, 50–51
 - crisis, 56
 - enthusiasm, 56–57
 - example of, 58–59
 - identify/look for people, 57
 - individual history, 50
 - initial successes, credibility of, 57
 - psychic energy, 50–51
 - relationship contracts, fulfillment of, 57
 - self-confidence, 55–56
 - stages, 52–54

- symbols and rituals, 57–58
 - exceptional experience of, 29
 - fear
 - emotional readiness, 34
 - personality traits, 38
 - psychological benefit, 33
 - relationship phenomenon, 38
 - trust, 34–37
 - historical leaders, 29
 - mystical and irrational, 28, 29
 - need of, 59–60
 - power, 194
 - psychological powers, 39
 - rational goals, emotional reactions, 30–32
 - relationship contract, 45–48
 - relationship orientation, 40, 42
 - stimulation orientation, 41–43
 - unresponsiveness to, 49
- ## Communication
- conscious self-control, 171
 - contextual level, 171–173
 - directive and goal-oriented, 170
 - insensitive and egocentric, 170–171
 - management training courses, 169
 - nonverbal level, 171
 - reinforcement and attenuation, 174–175
 - in teachers, 175
 - passive/reactive communication, 170
 - recommendations, 180–181
 - sensitive, 170–171
 - situational and random, 170
 - typical problems in, 179–180
 - verbal level of, 171, 176–179
- ## Compulsive managers, 209–210
- ## Confidence, 35, 37
- ## Conflict management
- an act of leadership
 - efficiency, 156
 - interface conflicts, 156
 - open and latent conflicts, 155

Conflict management (*cont.*)

- in escalation phase
 - authenticity, 163
 - impulsiveness, 158
 - leadership authority, 162
 - negative emotions, 158
 - power and violence, 164
 - reconciliation and peaceableness, 164
 - relationship-threatening aggression, 157
 - strategic angle, 158, 162–163
- group dynamics
 - forming phase, 165, 166
 - group integration, 165
 - norming phase, 165, 167
 - performing phase, 165, 167
- harmony, 154
- latent areas of conflict, 157–161
- misunderstandings, 167–168
- peace, 154–155
- in tension phase, 157, 161–162

Conflicts, 4

- appeal for objectivity, 147
 - autonomy-oriented people, 145–146
 - balance-oriented people, 146
 - conflict management, leadership
 - (*see* Conflict management)
 - differences of opinion, 144–145
 - escalation potential of
 - high-stress situations, 153
 - psychic structures, 152–153
 - stake involved, 152
 - great leadership performances, 143–144
 - person's character, revelation of, 144
 - potential conflicts, 148
 - reason and emotion, 147–148
 - relationship-oriented people, 145–146
 - and relationships
 - ambivalence, assertion and relationship quality, 148
 - negative emotions, 148
 - win-win solution, 149–150
 - role expectations, 150–151
 - stimulation-oriented people, 146
- Corporate goals
- cooperation, 73
 - individual goals, 117–118
 - performance, 73
 - profitability, 72–73

D

- Depressive managers, 208–209
- Dispositional ethics

- bribery, 219
- in Christianity, 215
- good principles, 215
- Machiavelli, Niccolò, 216
- Renaissance, 215–216
- self-restraint, 216
- utilitarianism, 216–217

E

- Efficiency, 135
- Egocentric managers, 210–212
- Escalated conflicts, 157–158
- Ethics and morality
 - bribery, 219
 - conscious self-restraint, 214–215
 - dilemmas in leadership
 - ethical costs, 222
 - limited resources, benefits, 217–218
 - power, 218
 - responsibility for managers, 223–226
 - rules, 221–222
 - sacrifice corporate success, 220
 - success, 218–219
 - unambiguous laws, 220–221
 - unfree and powerless people, 221
 - dispositional ethics, 215–216
 - meaning of, 213–214
 - social relationships, 227–228
 - success, 220
 - utilitarianism, 216–217
 - values, framework of, 226–227

F

- Fear
 - assertion, 76
 - charismatic leadership
 - emotional readiness, 34
 - personality traits, 38
 - psychological benefit, 33
 - relationship phenomenon, 38
 - trust, 34–37
 - situational sensitivity, 96–97

G

- Goals
 - belief in success, 112
 - business leaders, 119
 - comprehensible, 116
 - of conflict management
 - harmony, 154

- peace, 154–155
 - and delegation, 119–121
 - desire to overcome adversity, 12
 - disappointment/optimism, 16
 - endowment with meaning and persuasion
 - belief in market, 75–76
 - corporate goals, 72–74
 - corporate visions, 71–72
 - financial compensation, 71
 - future, conception of, 70
 - indicators, 70
 - meaningful reasons, 70–71
 - measurability criteria, 74
 - middle managers, 72
 - stimulus and momentum, 68
 - truths, 75
 - ultimate justifications, 74–75
 - ethical and normative, 17
 - exertion, 12–14
 - fight to realize, 112
 - individual aspects, 111
 - inner experience/feeling, 111
 - intellectual ideals, 16
 - Management by Objectives, 109
 - people's personality, expression of, 112
 - in politics, 121–123
 - promising, 116
 - repetitions of past, 111
 - self-leadership, 13–14
 - situation, 104–106
 - of survival, 112
 - target systems, misunderstandings of
 - indicators, 115
 - performances, assessment of, 114
 - SMART criteria, 110, 113–114
 - workshop-oriented goal processes, 114–115
 - types of
 - autonomy vs. integration goals, 118
 - defensive vs. change goals, 118
 - individual vs. collective goals, 117–118
 - latent vs. innovative goals, 117
 - visionary, 115–116
 - young and old leaders, 113
- Great Man theory, 27

H

Harmony, 154

I

Integrity, 34–35, 37

Interface conflicts, 156

K

Kant, Immanuel, 215

L

Latent conflicts, 155

Leadership

antithesis of

behavior, determination of, 5

conflict, 4

individual freedom, 4

challenges, 19–21

characteristics of

descriptive and normative

definition, 6–7

power, 6

promising goal, 5–6

social relationship, 5

charisma (*see* Charismatic leadership)

communication

contextual level, 171–173

nonverbal level, 171, 174–175

quality criteria, 170–171

recommendations, 180–181

typical problems in, 179–180

verbal level of, 171, 176–179

conflicts (*see* Conflicts)

daily routine, 125

definition, 2–3

as directed movement, 6, 91

endowment with meaning and persuasion

(*see* Persuasion)

ethical dilemmas (*see* Ethics and morality)

ethical expectation, 2–3

goals (*see* Goals)

Great Man theory, 27

hierarchical organization

competence, 22–23

decision-making speed, 22

reducing complexity, 21

humankind, history of, 27

initiative, 64–66

instrumental, 89–90

internalized leadership, 18

leadership actions, 7

linguistic origin, 3

manipulative, 89

meaning, 62–63

mental disorders, managers

compulsiveness, 209–210

depressive managers, 208–209

egocentrism, 210–212

life circumstances of, 201–204

- narcissism, 204–207
- psychopathology and power, 197–200
- motivation (*see* Motivation)
- personality, 27–28
- power, exertion of (*see* Power)
- process steps, 14–16
- situation in (*see* Situational leadership)
- in social environment, 3
- social skills, 66
- structure (*see* Structure, leadership)
- Les mains sales (Dirty Hands)*, 218

M

- Machiavelli, Niccolò, 216
- Management by Objectives, 109
- Managers
 - ethics and morality, 223–226
 - levels of communication
 - contextual level, 171–173
 - nonverbal communication, 171, 174–175
 - verbal communication, 176–179
 - mental disorders
 - compulsiveness, 209–210
 - depressive managers, 208–209
 - egocentrism, 210–212
 - life circumstances, 201–204
 - narcissism, 204–207
 - psychopathology and power, 197–200
 - persuasion, power of, 69
 - social skills, 66
- Manic-depressive disorder, 198
- Morality. *See* Ethics and morality
- Motivation
 - communication, 81
 - competition and victory, 87–88
 - emotional drivers, 86
 - emotional incentives, 68
 - good personnel selection, 85
 - inner needs and compulsions, 82–83
 - leadership training courses, 81
 - learning experiences and change, 87
 - “motivated from within,” 85
 - positive relationship shaping, 84
 - power and freedom, 87
 - “prevent demotivation,” 85
 - recognition and status, 87
 - relationships and teamwork, 87
 - rewards and compensation, 83–84
 - security and order, 87
 - self-assurance and pride, 87
 - sensibility, 86
 - and sexuality, 81–82
 - situational leadership, 92–93

N

- Narcissistic managers, 204–207
- Nonverbal communication, 171
 - reinforcement and attenuation, 174–175
 - in teachers, 175

P

- Parenting, 10, 129
- Peace, 154–155
- Persuasion, 67–68
 - democratic skill, 69
 - endowment with meaning and goals
 - belief in market, 75–76
 - corporate goals, 72–74
 - corporate visions, 71–72
 - financial compensation, 71
 - future, conception of, 70
 - indicators, 70
 - meaningful reasons, 70–71
 - measurability criteria, 74
 - middle managers, 72
 - stimulus and momentum, 68
 - truths, 75
 - ultimate justifications, 74–75
- Power, 6
 - assertion, 68
 - compromises, 78
 - crisis, 79
 - escalation, 79–80
 - ethical dilemma, 80–81
 - ethical justification, 77
 - fear and coercion, 76
 - relationship, breakup of, 80
 - relationship with followers, 78
 - rescuing meaningful goals, 76–77
 - tension, 79
 - unpleasant consequences, 76
 - charismatic development, 194
 - coercive mechanisms, 63–64
 - conflict resolutions, 164
 - definition of, 184
 - development, stages of, 189–192
 - and freedom, 184
 - as historical phenomenon, 183–184
 - leadership, legitimization of
 - enlightened managers, 230–231
 - genius, 229–230
 - monarchic legitimization, 228–229
 - pharaonic legitimization, 228
 - trust, 230
 - moral dilemmas, 185
 - narcissistic development, 194–195
 - personality development, 194
 - positional power and authority, 187–189

- potency/potentiality, 185–186
 and powerlessness, 186–187
 psychological stages, 189–192
 psychopathology and, 197–200
 in religious context, 183
 social freedom, 184
 strategies
 environment, selection and shaping
 of, 193
 loyalty and performance, 193
 networking, 192–193
 skill acquisition and development, 192
 taming and regulatory mechanisms,
 195–196
 Practical leadership, 64, 120
 Psychopathology, 197–200
- R**
- Reconciliation, 164
 Relationship orientation
 charismatic relationship, 40, 42
 conflict, 145–146
 motivation, 44, 86
- S**
- Schizophrenia, 198
 Self-leadership, 13–14
 Self-restraint, 216, 228
 Sexuality, 81–82
 Situational leadership
 company's situation, 93–95
 crisis, 94–96
 forecasts, 93–94
 goals, 104–106
 group totalization, 98–99
 interpretive ability, 97
 critical situation, components
 of, 99–100
 decision-making problems, 100
 extreme totalization, 106–107
 information problems, 100
 innovation problems, 100
 manipulation, 106
 metaphors, 100–104
 objective exterior, 92
 qualification and motivation, 92–93
 situational sensitivity
 fear/scattered troubles, 96–97
 objective situational characteristics, 95
 stimulus, 95
 Stimulation orientation
- charismatic relationship, 41–43
 conflict, 146
 motivation, 44, 86
 Structure, leadership
 change management/reorganization,
 138–142
 in chemistry, 127
 culture, 11, 132
 efficiency, 135
 external and inner structures
 behavior, competence, 127–128
 childhood, 128–129
 evolution, 128
 identity and personality, 129
 learning, 128
 traumas, 128
 guide behavior, 8
 leadership actions, 8–9, 126
 overstructure/understructure groups
 Communism, fall of, 136
 crisis managers, 136–137
 flexibility and spontaneity, lack of,
 137–138
 passivity/countermovement, 135
 possess little inner stability, 136
 parenting, 10, 129
 productive organizations, 126
 relationship lattice, 127
 in road traffic, 130
 stabilizing element of, 130–131
 types of, 131–134
 workable relationship contracts, 131
- T**
- Tension, 157, 161–162
 Trust, 230
 confidence, 35, 37
 examples of, 36
 integrity, 34–35, 37
- U**
- Utilitarianism, 216–217
- V**
- Verbal communication, 171, 176–179
- W**
- Win-win solution, 149–150