

Sustainable leadership (SL) as a concept for leadership in ambidextrous organisations

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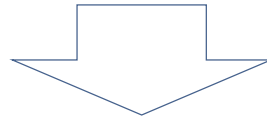
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Agenda

- Introduction
- Ambidextrous organisations: Role of leadership
- Sustainable leadership approach
- Research gap and method
- Results
- Conclusion
- Contribution and limitations

Introduction / Starting point

- Complex environmental requirements
- Competitiveness and success of an organisation are associated with its human and social resources (Straub 2012)
- Pressure to demonstrate short-term success and to plan flexibly



Efficiency as well as innovation is required

= Exploitative production processes and explorative innovation processes,
'ambidextrous' organisations (Duncan 1976)

Ambidextrous organisations: Role of leadership

- Dependency on leadership
(Van Den Bosch et al. 2008; Jansen et al. 2008; Andriopoulos & Lewis 2009; O'Reilly III & Tushman; 2011)
- “Transactional leadership” as core mechanisms for ‘exploitation’ of innovation
“Transformational leadership” as support of ‘exploration’
(Baskarada et al. 2016)
- Organisational ambidexterity is structured differently in various forms of an organisation (Smith & Umans 2015)

Sustainable leadership approach: Characteristics

- Holistic perspective on “Human Resources Management”
(Voegtlin and Greenwood 2016; Watson 2010; Mueller and Carter 2005)
- Targets at social and economic sustainability
(Hughes & Hosfeld 2005; Quinn & Baltes 2007; Kramar 2016)
- Current action must be conducted to preserve the initial resource base for future contributions to long-term goals

Sustainable leadership approach: Characteristics

- Object of Sustainable Leadership:

*Human 'Capital' = immediately realisable element of human resources
from which the company is currently benefiting in the sense of
'exploitation' (Osranek & Zink 2014)*

+ available dispositions for future success in the sense of 'exploration'

= Human 'Resources'

Sustainable leadership approach corresponding to ambidextrous organisations

	Justification	
Scope	Instrumental	Responsible
Acquisition logic	Medium/ long-term preservation of the success base	Moral interaction with staff
Development logic	Long-term preservation of the resource base; maintenance of the ability of the environment to provide resources (e.g. Müller-Christ 2014: 192)	Moral interaction with surroundings / avoidance of social externalities (e.g. Mariappandar 2012)

Research Gap/ Research question

- Studies on ambidextrous organisations design leadership fundamentally
- Sustainable leadership
 - indicates that human resources are the basis of future exploitable human capital
 - confront leaders with the task of preserving human resources.
- Both – sustainable leadership & leadership in ambidextrous organisations – lack concretion.

“To what extent is the preservation of human and social resources realised that contributes to exploration?”

and

“What is required in order to effectively link ‘exploration’ and ‘exploitation’?”

Method

17 semi-structured interviews, supported by a structural mapping technique (seven line managers and ten executives from HRM; 08-10/2014)

- Understanding and level of importance of sustainable leadership
- Current and future-oriented economic and social objectives
- Linking and balancing objectives
- Success in meeting efficiency and sustainability goals
- Challenges for the integration of current achievements and resource preservation

Results

Notion of Sustainable Leadership = long-term alignment of the organisation and availability of staff

- Confirmation that sustainable leadership is of high importance
- Motivation: Preservation of personnel, acquisition of knowledge as a long and cost-intensive process; particularly preservation of capacities
- Only few of them report that sustainable leadership or social sustainability is explicitly demanded of them

Results

Objectives and targets for economic sustainability

Objectives	Targets
Corporate level	
<ul style="list-style-type: none"> Cost reductions, success, lasting success in the past 	Share value; profit/EBIT, costs/budgets and forecasts, cost reductions, growth/revenue growth
<ul style="list-style-type: none"> Productivity and efficiency 	Actual expenditures/target times; cost/income ratio; processing times; delivery capacity
<ul style="list-style-type: none"> Quality 	Defects and repair quotas
<ul style="list-style-type: none"> Innovation and development 	Expenditures of the number of implemented development projects; new products on the market; external development costs; time to market
Related to human resources	
<ul style="list-style-type: none"> Success/lasting success 	Performance and lasting performance in accordance with MbO; contracts/revenue/growth in revenue per employee
<ul style="list-style-type: none"> Productivity 	Cost/income ratio per employee; attendance; target times
<ul style="list-style-type: none"> Reduction of personnel costs or expenditures 	Recruitment costs; days to fill; outsourcing (external development and production costs; requirement for external expertise)

Results

Objectives related to human (and social) capital/resources

Objectives	Targets	Number of interviews
Personnel-strategic		
▪ Access to staff	▪ Attractiveness and image as employer	2
▪ Stability off staff	▪ Stability of work and internal regeneration	8
▪ Convictions and values	▪ Establishment of norms and values ▪ Development of company culture ▪ Identification	5
Human / Social		
▪ Health	▪ Reduction of sick days/absences ▪ Number of accidents at work ▪ Physical and mental health ▪ Ability to work	14
▪ Competency	▪ Preservation and increase in expertise ▪ Investment into training and development ▪ Support and development of competencies	10
▪ Commitment/satisfaction	▪ Commitment, motivation, well-being, satisfaction	9
▪ Cooperation (horizontal)	▪ Team development and cohesion	2

Results

Objectives related to human (and social) capital/resources

- Problem of measurability
- Value creation is just the only legitimate justification for execution in some interviews
- Indicators/key figures do not have the ability to predict:

“Whether the expertise can be kept in-house, it isn’t expressed this way in the key figures. Of course I have fluctuation statistics. But in the end, you can only tell by the fact that it is missing. [...] A loss of expertise is noticed at the point when someone physically leaves or when we have problems doing certain things.” (H 143-147)

Results

Design of sustainable leadership in daily working life

Behaviour and influences on behaviour:

- Explanation of strategies, communication and information to instil purpose, to support fulfilment of objectives and to assume responsibility
- Performance-related conduct demands and development
- Autonomy and participative leadership elements as an answer to flexibility demands and ability to adjust to changes

Design of working conditions:

- Design of tasks
- Personnel planning/ calculation of staff
- Working environment, including job security and protection
- Use of specific rules to balance workloads

Results

Conditions of sustainable leadership

- Understanding and consideration of the demands of routine leadership by senior levels of management

“I have been dealing with this issue for 14 years now. In theory they are not fundamentally different [...] but the execution is different. And at this level, from the perspective of the CEO, the direct reports do not have to be developed anymore. [...] if you have no more success, you are done [...] here it’s just, you know what, go. Here you don’t have to discuss anymore.” (O 412-420)

- Availability of time for leadership tasks
- Provision of autonomy for action
- Structural and cultural embedment of sustainable leadership
- Selection of line managers and training

Results

Challenges of sustainable leadership

- Demands and hidden costs of change, flexibility, flexible workforces
- Difficulties in evaluating the utility of investments into human capital or the costs of its misuse
- Dominance of high current productivity
- Claim to add value immediately
- Sustainability in an international environment.

Conclusion

- Interviewees (only) assume that a sustainable interaction with staff is desired by executive management.
- Measurable, short-term performance targets are specified.
- Social or human targets or early indicators of a possible future are hardly taken into consideration.
- Human or social capital related objectives are usually set in direct relation to performance.



Doubtful, if companies are aware/ meet long-term oriented ambidextrous objectives.

Conclusion

- Conflicting objectives in organisations are often delegated to leaders' areas of responsibility.
- Inconsistencies between what is demanded and what leaders consider as appropriate/ feasible.
- HR managers indicate that staffing is insufficient, while leaders tend to accept the situation as a given.
- Impression that everyone should perform as senior level does; Lack of serious Feedback processes.



Explicit orientations, consistent concepts and an enabling of the organization to design modern working conditions that allow exploration are missing.

Contribution

- Functional approaches of sustainable leadership may be used to explicitly address demands of ambidextrous organisations

- **Definition of realisable concepts** of ambidextrous organisations:
 - Specification of the embedded sustainability approach
 - Development of the ability to look ahead and use of suitable, impact-oriented targets and early-indicators
 - Context fit and recognition of (different) needs

- **Consistent implementation:**
 - Concretion of actions of middle management, strengthening of implementation behaviour
 - Analysis and establishment of favourability conditions for their implementation
 - Development of awareness of senior management
 - Re-justification, what is an achievable output in the long term.

- Assessment of short-term strategies

Limitations & Future research

Limitations

- Relatively small sample of Swiss and Austrian companies
- Restrictions in applicability of statements due to the selected sample of companies (size, cultural heritage, sector etc.) and method
- Respondents themselves referred to likely international variations

Future Research

- Quantitative research incl. differentiation of geographical, individual/ corporate characteristics
- Activity analysis and observation