

VALUES-ORIENTED LEADERSHIP IN DIFFICULT TIMES

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Abstract: *Digitalization is one of the current changes extending dramatically. It is expanding and penetrating all areas of life, but above all the work life. Digitalization and the Internet of Things are issues that affect all companies, regardless of size, industry or business model.*

In times of such a dramatic change a clear and thoroughly defined set of organizational values is inevitable in order to keep orientation. The following article introduces and describes the Synercube leadership theory that enables an organization to use its corporate power in order to achieve excellence on the basis of three fundamental orientations: results, people and corporate values. Based on the Synercube Theory, the guidance of change under consideration of psychological and behavioural effects empowers to continuously and effective change.

Keywords: *Synercube, Leadership, Leadership Style, Digitalization, Values-oriented leadership, values-oriented behaviour, Change, Organizational Culture.*

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Introduction

"Business as usual" no longer works. Even politics have just realized that things change. What about companies? What kind of challenges do companies, managers and employees face today? Demographic change, the increasing shortage of skilled workers and digitalization are only three of them.

Taking a closer look at digitalization: Digitalization is expanding and permeating all areas of life, but above all the working world and thus the values foundations of companies. Digitalization and the Internet of Things are issues that affect all companies, regardless of size, industry or business model. All industries, from manufacturing to retail to healthcare and service, can meet and respond to the challenges that leverage opportunities and actively change.

This change requires companies and the employees working in the company to face this changed situation and to be ready for this change. Only this enables a healthy corporate culture.

The question companies and especially corporate management have to face is how they can transfer the newly generated values, norms and demands by the increasingly interconnected world into their own corporate culture and maintain or develop their values foundation.

Through the changes named above, we are experiencing a fundamental paradigm shift that needs to be addressed. Businesses need to be able to work with leaders AND employees to meet their economic, political and social needs. However, this is only possible using two clear priorities:

1. Optimization of internal processes and structures;
2. Adaptation of the company to the environment.

The optimization of internal processes and structures must come first. Here, internal conflicts are solved and the company is developed into an integrated, purposeful community. Only then the organization is able to adapt to the environment. A foundation of clear values as a compass for daily action is essential.

Adapting to the environment means taking into account the new values that have developed from digitization within the company. This is because these values form the backbone of the necessary change for the company. They thus represent the foundation of the corporate culture. The values that have arisen from digitalization and are relevant today include:

- Candid communication,
- Transparency,
- Flow,
- Participation,
- Customer orientation,
- Authenticity,
- Empathy,
- Diversity
- Agility.

This does not mean that companies should throw their own existing and established values overboard. Instead, new values that will be important in the future must be in line with existing values.

Two questions are relevant in order to align the new values with the existing ones:

1. What shapes people?

- Experience;
- Up-bringing;
- Personal values;
- Culture;
- Personal goals;
- Believes;
- Social environment.

2. What shapes organizations?

- Hierarchy;
- Values;
- Culture;
- People;
- Environment/market;
- Competition;
- Goals;
- Experience & traditions;
- Norms & standards.

These aspects amongst others need to be merged because personal behaviour is always a function of the human being himself and the environment in which the human being moves. If the intersection between the two is particularly small or absent, these positive and motivating factors do not occur. Thus, you will not be able to deliver top performance and make a real contribution.

With a large intersection between the individual values and the values of the company "you feel at home", or "you feel that you belong", "you feel as part of the whole". The company provides meaning!

Therefore, the point is to open the culture of the company towards the necessary changes. In our example this means to open the company's culture towards the digital environment, to incorporate digitalization into the corporate culture and thus anchor it in the company. This requires visionary leadership, which is:

- Meaningful for the employee,
- Involve the people affected, and
- Transferring and taking responsibility.

In the end, the core elements of a corporate culture come from three areas:

- Corporate values that provide orientation and form the ideal framework for action
- Usage of power to implement and develop the actual corporate culture
- Behaviour that makes the actual corporate culture tangible or makes it clear to what extent and to what degree the desired culture is actually being lived

Every company has a culture. The question is whether the corporate culture is an ethical culture that can meet the challenges outlined above. Or, is it an insufficient culture that is not able to do that?

Synercube – A framework for ethical leadership

The challenge for leaders who have been educated and grown in thinking of performance and control is great.

Leaders who have been participatory and cooperative for a long time find it easier to create a corporate culture that is transparent, promotes open communication, and that is authentic, empathetic and flexible.

However, if we want to exploit the opportunities offered by digitization for us, it is necessary and possible to orient the organizations and above all the people in the organizations to this. The scientifically founded Synercube concept offers the possibility to define the behaviour on the basis of a theoretically sound founded method that limit or strengthen the performance, always taking into account the standards and demands that apply today and in the future.

In the future too, an essential corporate goal will be optimizing the results in the sense of the company - in compliance with the intended corporate values. This is achieved by overcoming fundamental, internal and external conflicts in companies, such as:

- Organizational goal vs. Individual goal;
- „Work-Life-Balance“;
- Striving for profit vs. Striving for ethical norms;
- Corporate values vs. personal values;
- Orientation towards the future vs. Orientation towards the past.

Synercube targets the personal attitudes and behaviours of executives and employees. It is about reconciling personal aspirations with the company's aspirations and acting accordingly.

Each behaviour can have a more self-centred or business-oriented values orientation.

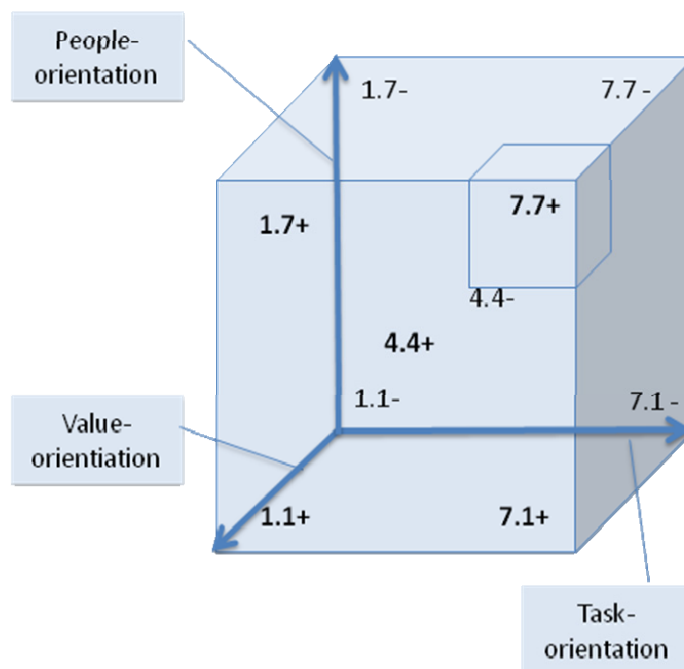


Figure 1. Three-dimensional leadership cube "Synercube"

1.1- Indifferent, cynic
A low focus on the outcomes and on people, indifference, and negative attitude towards everything. Tendency to distance oneself from responsibility for the outcomes, desire to avoid organizational problems and any involvement in organizational activities. Being pressed by organizational requirements, he adopts a protective and aggressive attitude that emphasizes the uselessness and futility of any action. His role, performed within the group/organization, seems quite satisfying to him.
1.1+ Inhibited, unfulfilled
A low focus on the outcomes and on people. Interest is concealed behind the mask of indifference, unrealized desire to contribute to the common cause. Disappointment associated with the inability to provide benefits, the desire to avoid political games and conflicts. Withdrawing into oneself. In a critical situation, possesses the ability to discard doubts and fears and to take an active and constructive attitude, aimed at overcoming the crisis. His role, performed within the group/organization, seems depressing to him.
1.7_ Adulator (How can I help you?)
Low focus on the outcomes, high focus on people, and indifference towards the work of the organization, the desire to please everyone. The desire to get along with people at all costs, adjusting to the situation. Avoidance of conflicts and tensions, lack of sincerity, flattery, and servility for their own personal purposes that man himself is not always understood.

1.7+ Weak-hearted enthusiast
A low focus on the outcomes, a high focus on people. He is not indifferent to the work of the organization and wants to create an atmosphere of friendship and encouragement. The prevalence of fantasies over real plans and actions. All kippers and curtains. He motivates colleagues to focus on positive aspects of work.
7.1- Dictator, authoritarian.
High focus on the outcomes, low focus on people, indifferent or negative attitude towards people, who are regarded by him as tools to achieve results. Expecting obedience and diligence, total control and constant pressure onto subordinates. A rigorous and strict adherence to the rules.
7.1+ Paternalist
High focus on the outcomes, low focus on people, not indifferent towards work and organization. Treats subordinates as immature and in need of care. Mentoring, protective position.
4.4- Conservative, formalist.
Average focus on the outcomes, average focus on people. Indifferent, formal attitude towards work and organization, the fear of change and innovation. Contentment with the status quo, defending the usual views and approaches. A rigorous and strict adherence to the rules and procedures that ensure stable and smooth functioning of the organization.
4.4+ Tradition-oriented patriot of the organization (a backbone).
Average focus on the outcomes, average focus on people. Concerned with the work of the organization, desires to create an atmosphere of stability and reliability. Respecting and upholding organizational traditions and values. Devotion and loyalty to the organization.
7.7_ Opportunist.
High focus on the outcomes, high focus on people. Indifferent, pragmatic attitude towards work and organization. Ability to work with people and to achieve results that provide personal benefit. Lack of sincerity, declarative adherence to higher values, the ability to manipulate.
7.7+ Ideal, visionary.
High focus on the outcomes and on people as well as a positive attitude towards work and the organization. A desire to create an atmosphere of commitment and involvement. Recognizing the importance of each employee, striving to achieve the highest standards of performance. Search for and adoption of optimal solutions that are supported and shared by everyone. Committed to development and improvement, while respecting organizational traditions and values.

With 7.7+ behaviour, a company is able to recognize and exploit the opportunities that digitalization brings with it. High result and people orientation combined with a focus on adhering the company's

values form the framework for action. Traditions, norms and standards, and achieved results are questioned with the aim to make the company successful in the long term. 7.7+ helps those affected to participate. Commitment, engagement and personal identification with the company are increasing. Communication is precise. Enthusiasm, self-esteem and und team cohesion are typical characteristics. Ideas, suggestions, doubts and fears are spoken out and heard promptly.

Values among others that reflect this behaviour are:

Trust
Trust is the basis for effective cooperation today and tomorrow. People trust in their own performance, that of others and of the organization.
Fairness
Motivation is related to the results achieved. Clear criteria help people address mistakes and insufficiencies fairly and equitably.
Integrity
Integrity, honesty and candour are the basis for trust and effective collaboration. Integrity supports people in setting clear goals, planning processes, organising work and measuring results.
Commitment
Commitment derives from clear and sound organizational goals and the awareness of the impact of the people's contribution to achieving them.
Social responsibility
Taking responsibility for relationships among employees, customers and suppliers, and also for the environment and sustainability is part of the organization's culture. People's actions are based on that. People act as a role model.

For executives, another important factor is the use of power.

The understanding of power according to 7.7+:

Punishment
Punishment is the justified consequence for actions that repeatedly controvert general standards or implicate loss for the organization.
Reward
Reward is the recognition of punctual and good work. It is linked to previously formulated criteria. This way, reward activates the achievement of top results.

Position
Mutual relations are aspired with professionalism, enthusiasm and active positioning playing key roles. The hierarchical status aims to represent, explain and defend the organization's interests outwards.
Information
Unlimited access to information is the most important condition to achieve best results and overcome conflicts. Participation in active exchange of information is inevitable.
Expert
In today's world, knowledge is always limited. Therefore, the individual competence of all is essential. In order to come to the best decision, experts are consulted when necessary.
Referent
Referent means distinctive charisma, strong self-confidence, modesty, and persuasiveness. Actions are authentic and goal-oriented and emphasize the bond with the organization.

The Synercube concept enables the consideration of relationship quality at the individual, group and company level. Each style represents concise, characteristic leadership behaviour. On a different level each behaviour enables or hinders the opening towards the digitalization.

The question „What is right?" and not "who is right?" is at the centre. Synercube provides a framework for implementing change as it offers a way to define effective and ineffective behaviour. The Synercube concept serves as a guide to achieving mutual understanding, which promotes solidarity with the company and realizes goal-oriented cooperation.

Behaviour under 7.7+ aspects includes:

Conflict resolution
People conduct research regarding the cause of a disagreement or conflict and encourage the open and candid debate of differences. To find a sound solution, People focus on facts and not on people.
Communicative Competence
People actively seek for information and question it. People promptly and adequately inform the people involved. People foster new ideas and different opinions and listen actively. In doing so, People constantly question their personal view.
Active Positioning
People define their position clearly and confirm it with arguments. People encourage others to do the same. As long as there are no better arguments stated, People adhere to their opinion.

Decision-Making

People make sound decisions based on understanding, agreement and the resources available. People question opinions by means of ambitious standards, and People don't avoid difficult decisions.

Constructive Critique

People encourage open and candid critique, which describes the impact of incidents and behaviour. People constructively and promptly reflect upon processes and invite critique and feedback. People use critique for continuous development and improvement.

Conclusion

In order to take advantage of the tremendous changes that occur currently and in the future, a profound values system that guides all corporate actions as a compass is inevitable. The Synercube Theory supports organizations to systematically transfer a certain set of values into day-to-day business activities and hence makes behaviour measurable. By this a values system enables organizations to face change as an opportunity to grow and develop.

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Major Fields of Scientific Research: Organizational Behaviour, Organizational Culture, Synercube Leadership.