

# Agenda

Ambidextrous leadership: A role concept – The effects of context-dependent leadership roles on company success (study report 2020)

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## Preface

## Study report on the role concept for ambidextrous leadership.

Plenty of discussions take place about what is assumed in general to be the "best" leadership style – and most of them end up deciding:

"It depends". For this reason, we have dedicated this study to the question of what, in fact, "it" depends on. Here, we have focused on the compatibility of various leadership practices, operationalised in the form of leadership roles, with the contextual characteristics of a company (department) and determined to what extent a good fit actually offers added value.

Our study report is directed at a broad audience – at managers, heads of personnel and organisational development departments as well as interested researchers. Therefore, this report can be useful in many different ways.

- As a source of information, if what is wanted is a new perspective on the topic of organisational leadership in order to drive forward both optimisation and innovation.
- As an orientation aid and opportunity for reflection on one's own leadership behaviour in various contexts.

- As a basis for analysis to investigate the quality and suitability of leadership in one's own company, identify development needs and address them in a targeted fashion.
- > Or as an **ideas generator** to derive implications for personnel selection and management training.

We hope this document is insightful for you, the reader, and that we have been able to deliver valuable impluses. One thing should be clear, when all is said and done: ambidextrous leadership works!

Jens Bergstein

Julia Baier

Florian Schnitzleı

#### 3 Core results

**(1**)

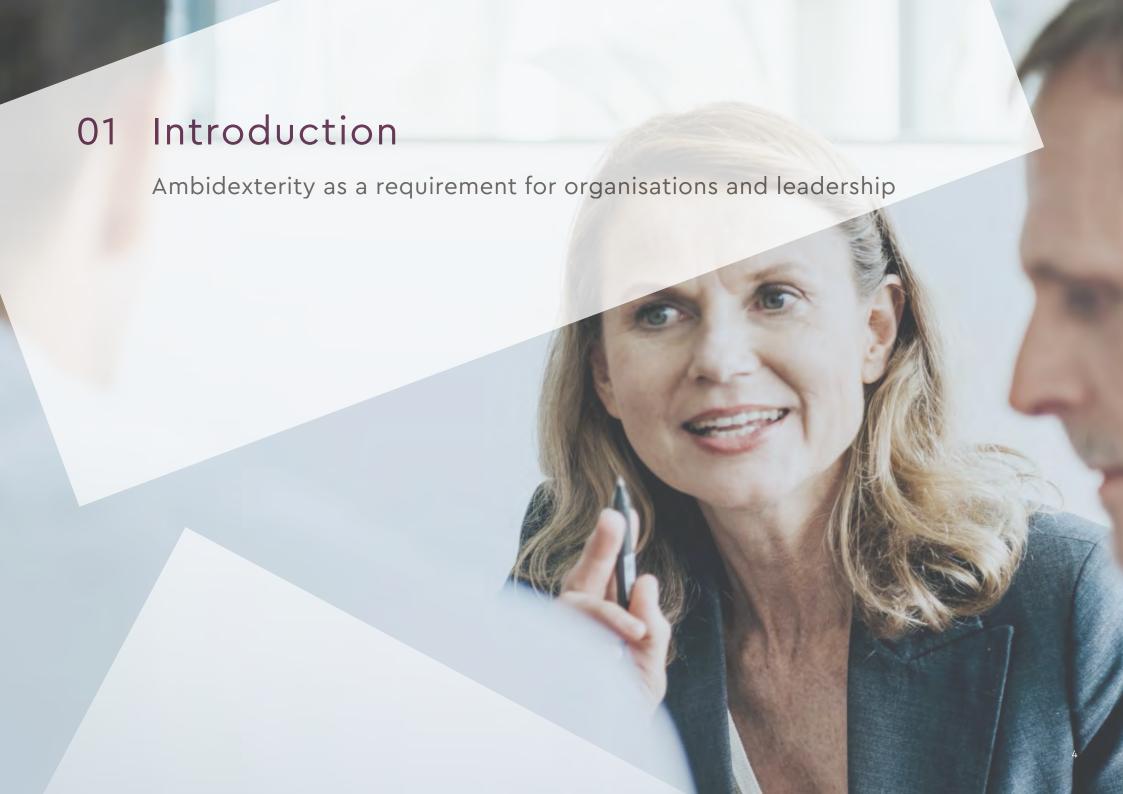
Successful leadership is demanding, because innovation and self-organised work are becoming more and more important. At the same time, the focus on the optimisation of the core business remains constant.

2

The model describes ambidextrous leadership by using four roles that need to be filled out in order to be successful in various contexts. There is no typological logic in place.

3

If the leadership role matches with the organisational situation and demands, employees, leaders and the company will benefit.



# Setting the Scene – Ambidexterity as a requirement for organisations and leadership

Ambidextry raises diverse challenges for organisations and leaders

Only if company goals, organisational structures and leadership culture are in harmony the full potential of the company can be exploited.

This fact has manifested itself not only in numerous consulting projects over recent years but also in this new study, carried out by Kienbaum and involving 266 managers.

Alongside efficient management of the **core business**, something that often successfully involves classical management techniques, many organisations are facing the challenge of becoming ever more innovative and establish modern working methods (catchphrase: "New Work"). This so-called "ambidexterity" implies very different demands of leadership and collaboration within an organisation and the design of collaborative processes within organisations in order to ensure future success. The logical result: within an organisation, different leadership methods and roles must coexist in order to offer the best possible support for the company's success. These cover a broad spectrum, from classical management to coach-style leadership of self-organised teams.

Here, the **role concept of ambidextrous leadership** comes into play: alongside the analysis and classification of the starting position of the company, its future business goals and organisational design, the concept delivers a clear message regarding to what extent leadership behaviour is beneficial within an organisation to the achievement of its goals – and where there is further **need for optimisation**.



Ambidexterity (lat. "two-handedness") normally refers to those people who can use both hands to an equal extent. In an organisational context, ambidexterity describes the simultaneous combination of innovation (exploration) and optimisation of the existing resources (exploitation).



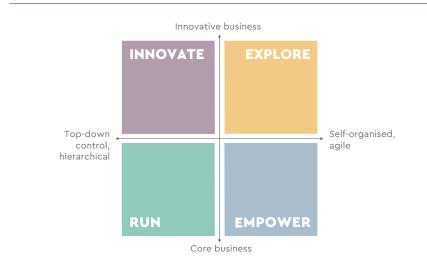
## Ambidextrous leadership: a role concept

The role concept offers an aid in guidance for the design of ambidextrous leadership and organisation

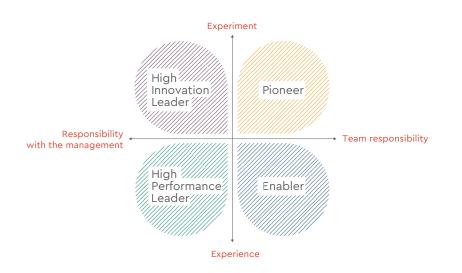
### **Core points**

- > The concept provides **orientation support**, giving companies an overview of the various demands regarding leadership and collaboration.
- Here, the organisational context is considered, with both business goals and company or departmental design being taken into account.
- > Using the concept, the **differences** between the organisational context and the status quo in management culture can be identified and addressed in a targeted fashion.
- > On the basis of a systematic analysis, it is discovered which measures can be used to redesign leadership and collaboration at an **organisational and individual** level so that they make the maximum contribution to the achievement of the company goals.
- > The analysis leads to an understanding of which leadership roles promise success under **various conditions** and in **various contexts**, and of how the leadership culture can be improved at an overarching level.
- > In addition, clear requirements and effective measures for use in the individual **development of leaders** are derived.

#### **COMPANY PERSPECTIVE**



#### LEADERSHIP PERSPECTIVE



## The components of the concept

The role concept describes the organisational context and the resulting leadership demands



Among the company perspectives, on the one hand, the **goals** of the entire company or individual company departments are considered, and on the other, the **work or organisational design.** In this way, we can describe four different context quadrants.

 $\rightarrow$  see company perspective on p. 9

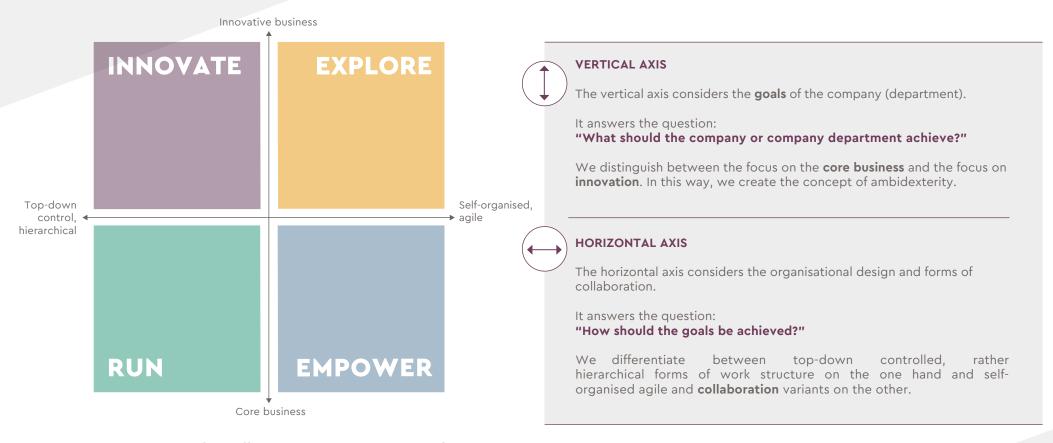
On the basis of the contexts, various different leadership demands can be derived. With the aid of four leadership roles, the leadership practices critical for success in the different organisational contexts can be described.

→ see leadership perspective on pp. 10-11

The comparison of the two perspectives allows the identification of areas with a high **compatibility** of leadership styles and organisational contexts as well as areas where this can be improved, and permits the derivation of **specific measures at an organisational and individual level**.

## Company perspective

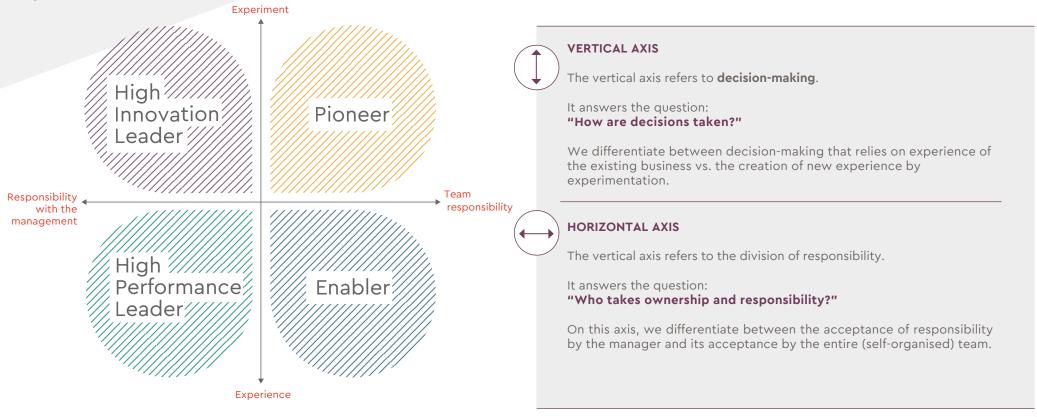
## The initial basis of collaboration within a company



By considering two axes, four different sections can be derived from company perspectives. Using these, entire companies or individual departments can be described. A company (department) can have different proportions of several sections. These sections have different implications for topics such as leadership, organisational design, performance management, recruiting etc.

## Leadership perspective

The concept considers four leadership roles, all of them promising success in their particular context



The role concept is understood as a contextual leadership model. That means that it is not based on the assumption that any particular leadership practice or style is fundamentally better than any other. Rather, the concept describes, based on the four sections, four different leadership roles that could be taken on by a leader.

Thus, it is expected, for example, that leaders whose area of responsibility can be described in large part by the sections *Run and Empower* will be particularly successful when they show leadership practices corresponding to the "High Performance Leader" and "Enabler".

## The four leadership roles

These four leadership roles describe in a practical fashion the types of action, attitude and methods critical for success within the respective context

#### HIGH INNOVATION LEADER

The work focus of a **High Innovation Leader** is on the systematic, top-down controlled innovation of new products/services. They derive **goals from overarching strategies** and control classically structured innovation processes using milestones and indicators (e.g. stage-gate processes).

Examples: Research and development departments





#### **PIONEER**

Pioneers recognise innovation potential in the market and in their own organisation. They use modern methods to develop, test and scale new ideas. They promote self-organised collaboration, free up space and inspire the team to be creative, make "bold moves" and apply "out-of-the-box"-thinking.

Examples: Innovation labs, digital units

#### HIGH PERFORMANCE LEADER

High Performance Leaders put their focus on optimisation potential in the core business (product improvement, efficiency increases etc.). On the basis of analysis and planning, they determine goals, tasks, standards and responsibilities and monitor success with the aid of indicators.

Examples: Production management, controlling





#### **ENABLER**

**Enablers**, while remaining similarly focused on the core business, but build self-organised and agile working teams. To do so, they determine competences, transfer responsibility and **act as a coach for the team and its individual members.** 

Examples: Marketing, IT departments



# Method of the study

The role concept of ambidextrous leadership was investigated for applicability and useful-ness using an broad international survey

Why: What effect does applying leadership roles to the organisational context have on the performance of the organisational area as well as the satisfaction and commitment of a leader? International online survey What: Promulgated via social How: networks and newsletter Participants in leadership Who: roles

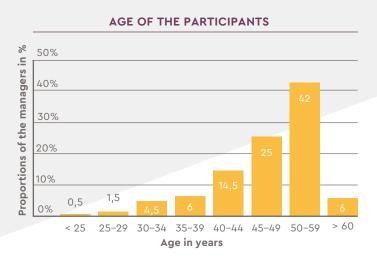


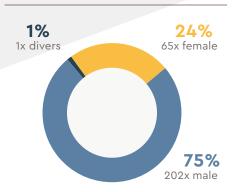
### Content of the study

- 16 questions concerning the organisational area
- 20 questions to describe the respondent's own leadership practices
- Questions on the **performance** of the respondents' own organisational unit, their **own performance**, individual **satisfaction with work** and **attachment** to the company
- Collection of general demographic data

## The study - who took part?

The survey is based on an international sample of 266 leaders and aims at validating the role concept of ambidextrous leadership



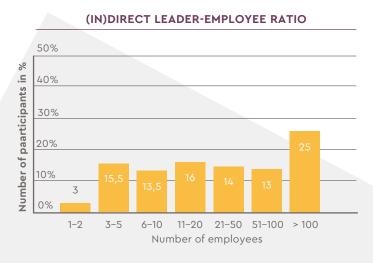


**GENDER PROPORTIONS** 

#### **COMPANY ORIGIN BY CONTINENT**



\*Not taken into consideration in continent-calculations



#### YEARS IN CURRENT ROLE



#### THE PARTICIPANTS WORKED IN COMPANIES...

- ... from over 25 industries.
- ... with on average over 5000 employees.
- ... with on average over € 100 million annual turnover.

In total, **266 international leaders** took part in our study.



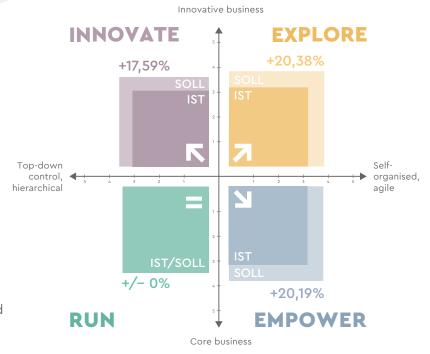
# Study results: Comparison of actual and desired statuses of the contexts from a company perspective

From the company perspective, increases in all contexts are desired, with the exception of the "Run" quadrant

The participants answered various questions about their area of responsibility within their company (e.g. its goals and the way their work is structured). This allowed to define the actual status (proportion of the four context quadrants within the leader's department or team), the proportion status (ideal position in two years) and the difference between the two.

The results show that the participants believe proportions of the Innovate, Explore and Empower sections should increase. The organisational unit should thus, in the future, place an even greater focus on innovation. In addition, in a majority of cases, a clear development of self-organised and agile forms of collaboration is desired.

However, according to the participants, this should not involve a decrease of the top-down controlled core business (the "Run" status is currently as desired). Thus, it is not about shifting the focus to the benefit of innovativeness and agility, but extending the organisational complexity. The demands made towards managers will therefore be more varied and extensive.



#### CONCLUSION

The participants indicate that in the sections focused on innovation and agile, self-organised ways of working will ideally increase in proportion over the next two years. The Run context should remain constant.

The graphic shows the actual and desired statuses with regard to the four quadrants ffrom the company perspective, as well as the difference between the actual and desired values, in percent. Positive percentage values mean the desired value (ideal status in two years) is greater than the actual value.

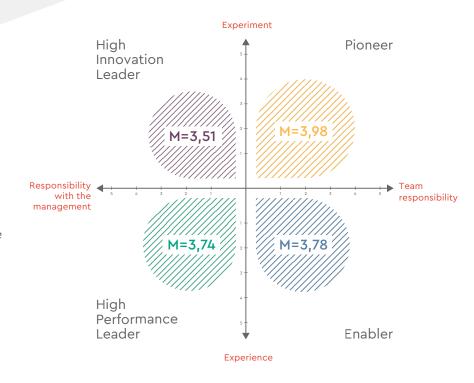
# Study results: Importance of the leadership roles

The four leadership roles are given equal importance and acceptance by participants

The participants answered various questions about their own individual leadership practices. Here, a calculation was made as to the **proportions of the four roles represented in the leadership behaviour** of participants.

The different leadership roles are embodied on a **comparable level** by the participating leaders. This result makes it clear that the role concept of ambidextrous leadership does not represent a typological logic (there is no either... or...). Rather, these are roles that should be exercised by leaders depending on the need and the context. Therefore, leaders should ideally be capable of fulfilling all four roles.

What is surprising, however, is that the participating leaders see themselves mostly in the **Pioneer** role. Even, if the design of self-organised work structures to focus on innovative business is gaining importance in leadership, it does not, according to experts, represent the predominant aspect of leadership practice yet. For this reason, the result could be attributed to a **distorted self-perception** caused by high media presence of the topic, or to method-related causes.



#### CONCLUSION

The four leadership roles are fulfilled by the participants in similar proportions, which underlines that fact that they are equally important depending on the context.

The graphic shows as to what extent the participating leaders fulfill the different leadership roles. The numbers indivate the mean value for each role on a scale from 1-5. 1 means that the leadership behaviour associated with the respective role is not shown, 5 means that the related behaviour is a prominent part of the leadership practice.

# Study results: A fit between context and the extent of the leadership roles

If the organisational context and leadership roles go together, the company, employees and managers benefit

The role concept always takes the context into account. That means that the **compatibility of the context** with the leadership role exercised by the **manager** is critical. The comparison of the company and leadership perspectives allows the identification of areas with a high compatibility of leadership practices and organisational context as well as areas where this can be improved, and permits the derivation of **specific measures at an organisational and individual level**.

From this results the following **core hypothesis**, which we have investigated in this study: The greater the compatibility between the extent of each context from the company perspective and the extent of each leadership role, the higher the performance of the organisational unit and the manager in question, the greater the manager's job satisfaction and commitment to the company. To test this, an **overall fit** was calculated – a value that expresses the compatibility over all four quadrants. The basis of this was the difference between the actual organisational status and the expression of the corresponding leadership role in each quadrant.

Our result: the greater the overall fit between the context and the leadership practices shown by the leader the higher the performance of the organisational unit, the manager's individual job satisfaction and his/her commitment to the company.

There is no significant correlation with the self-determined performance of the manager.

#### CONCLUSION

If the leadership practices match the contextual requirements, the company, the employees as well as the leader him-/herself will benefit.



The graphic shows the correlation coefficients of the overall fit (fit of leadership roles and context across all four quadrants) with the following variables: Commitment of the manager to the company, job satisfaction of the manager and performance of the organisational unit. The greater the overall fit, the more positive the three resulting variables.

- \* Correlation is significant at 0.05 (both sides)
- \*\* Correlation is significant at 0.01 (both sides)

## Study results: Further insights

The fit between current and desired extent of the organisational context as well as the context dependency of the leadership roles are of great importance

A good fit comes together with positive performance, job satisfaction and strong commitment

The study restults show that it is apparent that the high **fit of actual and desired statuses** with regard to the contexts from a company perspective correlates positively with the performance of the organisational unit, job satisfaction of the manager and the commitment of the manager to the company.

If the actual state equals the desired one, then the organisational unit is either well prepared for the future, having fulfilled the future demands already, or no need for development or change is expected within the next two years. If this is the case, this positively correlates with the above-mentioned result variables.

There is not just ONE leadership role – context fit is the name of the game

All of the roles in the concept correlate with each other. This means that theoretically all leaders can exercise the roles to a certain extent and even flexibly switch between different leadership practices. In addition, the leadership roles correlate positively with the corresponding contexts from a company perspective. If Run is called for, for example, the managers will express themselves more strongly as a High Performance Leader.

It is particularly important to emphasise that there is no one leadership role that correlates most strongly with all contexts and result variables. In contrast to many leadership style models, this role concept of ambidextrous leadership does not claim that there is the one optimal style or role. The focus is rather more on the fit: the leadership role exercised must meet the demands or the context of the organisational area in question in order to achieve a positive effect.

## Study results: International comparison

In our international comparison, no notable country-specific differences are detected



# Study results: Differences according to demographic variables

Age, gender, company and length in a position influence the results of the study in various different ways



**Age:** The two leadership roles of **High Innovation Leader** (r = 0.18\*\*) and **High Performance Leader** (r = 0.21\*\*), marked by a hierarchical understanding of leadership, tend to be more strongly expressed by people of a more advanced age. This could be because both these roles are closest to the classical understanding of leadership, which was predominant in many companies in the past.



**Company:** Neither the number of employees, nor the turnover of the company correlate with the type of leadership roles or organisational contexts. However, one thing does stand out: the more employees a manager supervises, the higher the expression of the roles **High Performance Leader** (r = 0.26\*\*) and **High Innovation Leader** (r = 0.20\*\*). A more hierarchical form of leadership seems to predominate where there is a large number of subordinates. There is no connection between the two other leadership roles and the leader-to-staff ratio.



**Gender:** Male participants claim to show more leadership practices that are associated with **High Innovation Leader** and **High Performance Leader**. If we interpreted this on the basis of current gender stereotypes, we could conclude that men prefer to take controlling positions while women are more drawn to cooperative/coaching forms of collaboration. But there's more: male managers estimate the current state of organisation higher in all areas than women. We could conclude from this that male managers tend to be more optimistic when analysing their own departments/companies.



**Tenure in position:** The tenure, meaning the time a leader has spent in his/her current position, has no effect on the extent of the different leadership roles.

<sup>\*\*</sup> The correlation is significant at the level of 0.01 (both sides).



High Performance Leader//////

Enabler

## These are the success strategies of leading companies

# This is how you can strengthen your High Performance Leader role:

- > Assign roles and determine in writing what expectations you have towards the role and how successful execution will be reflected in KPIs.
- > Use the SMART method to design effective goals and check the extent to which they have been attained regularly.
- > Structure performance management processes with e.g. well-chosen KPIs and dashboards so that performance can be measured and the progress of all involved parties can be inspected.
- > Report transparently about (intermediate) results.
- > Define and formalise your approaches, processes and standards of procedures and give your team access to these descriptions.
- > Use methods like the RACI matrix, ABC analyses, FORDEC etc.
- > Evaluate completed projects with your employees and ask for feedback from internal and external clients.
- > Constantly search for optimisation potential in your area of responsibilities and set up business cases to estimate their value.
- > Carry out a clear analysis and reduce capital expenditures that deliver no added value.



Dr. Reza Moussavian

SVP HR Development/
Digital & Innovation,
Deutsche Telekom AG

"Many companies are rapidly establishing more agile structures and ways of working – with all the changes this brings regarding leadership roles, responsibilities and development of leadership competences. In the future, good Run profiles will be a critical resource.

For this reason, it is important to find, develop and keep **High Performance Leaders** on board. "



Alexander Hochgürtel Co-Founder & CEO, New Forge GmbH

"Today, the core business brings the money for the company. This supports the high commitment of **High Performance Leaders** to their organisations."

## These are the success strategies of leading companies

"A leaders needs the mindset of a **coach and mentor**. To ensure this leadership quality, the right people must be selected and hired, or given additional training. The selection of employees and managers tis a team-oriented process, in which the management as well as the team members are involved."

Alexander Hochgürtel
Co-Founder & CEO,
New Forge GmbH



# This is how you can strengthen your Enabler role:

- > Visit workshops and training sessions on agile methods and other agility-related best practices together with your team.
- > Introduce agile role concepts (e.g. SCRUM with the roles of Product Owner, Scrum Master and Team) and continue to develop these further together with your team on the basis of the experiences made.
- > Use various meeting formats in agreement with your team, such as daily stand-ups, reviews or retrospectives.
- Organise workshops with your team in which you collaboratively define the goals and focal topics of your team for the coming months.
- > Plan regular one-on-one talks with team members in which you focus on their personal development.
- > Use coaching techniques in your meetings, such as the GROW model, various questioning methods or the OSCAR feedback technique.
- > Give your team members around 10% of their work time for self-organised learning. Regularly reflect on achieved learning results with your team.

# Janko Zöllner Executives and Talent Development EVONIK



"Ambidexterity and individual responsibility are part of everyday life for our managers. With deployments in various different businesses, functions and regions, we offer our future managers the opportunity to gain the right experience as part of our talent development. For nonmanagers too, self-organisation and responsibility for one's own development have massively gained importance in recent years. That is why these topics are at the centre of Evonik's learning strategy. Employees are able to decide for themselves with ever greater frequency which learning topics they want to work on to be more successful in their role. We support in the selection of development topics, curate so-called "learning journeys" and in general want to establish a stronger "pull" dynamic and less "push"."

# High Innovation Leaders

High Innovation Leader

Pionee

High Performand Leader////

Enabler

## These are the success strategies of leading companies

# This is how you can strengthen your High Innovation Leader role:

- > Visit conferences and support cooperations with local universities to get informed about current trends and benchmarks in your industry to stay up to date regarding.
- > Carry out SWOT analyses in your business division regulary.
- > Use the overarching company strategy to define innovation goals together with the management.
- > Set up medium- to long-term project plans containing regular quality checks ("stage-gates") and following the waterfall principle.
- > Define clear roles and responsibilities within innovation processes, such as "project leader", "sounding board" and "sponsors".
- > Develop clear service-level agreements with all internal and external partners.
- > Get to know innovation methods and observe colleagues who use them in order to learn from them.



**Dr. Kai-Holger Liebert**Head of Global Learning Campus
Siemens AG

"Innovation plays an important role at Siemens.
Generating ideas on the basis of new technologies is critical. For this reason, we enable our employees e.g. through practical e-learning offers on our Learner Experience Platform 'My Learning World'. Here, we give supply knowledge of AI, Data Analytics and the IoT, combining it with business know-how to make them fit for the future."

#### Alexandra Hauser

Head of Corporate Qualification and Training Knorr-Bremse AG

"Through support programmes such as traineeships, we are able to support the development of innovative managers. Trainees have to change their perspectives constantly in the course of their programme; this is how you grow into an **innovator role**. Also in later stages of the career, changing perspectives and stimulating new ways of thinking can still be promoted amongst managers, e.g. through compulsory international exchanges in the course of the management curriculum."



#### High Performand Leader////

Enabler

## These are the success strategies of leading companies



**Fabio Ziemßen**Director Food Innovation,
NX-FOOD by Metro AG





**Dr. Daniel Schmelzer**CEO,
everskill GmbH

"As it is very difficult to discard one's own ideas and decisions, managers of large business units should not be the CEO. As they are unable to kill their own ideas, the company will be unable to work disruptively. A CEO must always be an Innovator."

## This is how you can strengthen your Pioneer role:

- Learn and use modern innovation methods such as Design Thinking,
   Design Sprint and Lean Startup.
- > Establish agile forms of working such as Scrum, "Tribes and Chapters" (cf. Spotify approach) or Holocracy.
- > Regularly inform your network about new, innovative ideas and invite partners to become "testers".
- > Put on innovation days with customers and network partners to actively drive forward the principle of open source innovations.
- > Use ideation jams, hackathons and bar camps to collaborate and develop innovations with a cross-functional groups (internal + external).
- > Encourage your team members to work on at least one "passion project" and report on their progress and successes (or failures) in team meetings.
- > Provide an ideation budget that team members can use for independent work on innovation projects.
- > Use internal communications formats to position yourself as a pioneer, innovator and opinion leader.

# Our consulting approach

The role concept of ambidextrous leadership offers numerous ways to support your organisation in getting future-proofed – pragmatic, scientific, innovative



**Executive Search & Leadership Diagnostics:** Search and selection of people who fit particularly well to the demands of the organisational context and who can embody chosen leadership roles



**Leadership Development:** Targeted development of future and experienced managers to strengthen role-specific leadership practices and achieve even greater effectiveness in a particular organisational context



**Organisational Development:** Analysis of your current status quo with relation to organisational design and forms of collaboration, definition of targets, goals and fields for actionand derivation of specific measures for the optimal design of your structures and processes



**Performance Management:** Comparison of your current performance management with the context-specific role demands described in the concept and derivation of measures tstrengths and room for improvements

pragmatic, scientific, innovative

## Contact

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## Get in touch!

We look forward to your feedback and questions.

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