

**HOW TO
GROW AS A
PEOPLE
MANAGER**

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How can you develop your people management skills? And how can you ensure that you provide the right breeding ground for a happy and productive workplace? What skills are essential for leaders to have a positive impact on people?

Leaders in organizations are responsible for **people management**. This requires **broad leadership skills as well as human resource management skills** (hereafter referred to as 'skills'). This book is unique because both types of skills are addressed in an integrative way. *How to Grow as a People Manager* aims to provide a theoretical and empirical foundation to acquire crucial insights into skills for leaders, and to apply them in practice through numerous self-assessments and useful tips. In this way, this book is relevant for current and future leaders at all levels in organizations, students, management trainers and human resource managers.

Leaders often find it difficult to turn into effective people managers. In the first chapter *Problem statement: How to grow as a leader?*, we are looking for an explanation for this issue. We discuss the predominant input-oriented approach to leadership. Leaders focus on trendy and popular competencies that are not necessarily a priority in their context. Input-oriented leadership takes place without considering why certain competencies are relevant. Leaders choose to develop certain competencies based on personal preferences and leadership assumptions. Often, books about people management do not discuss how skills offer a solution to current challenges and what their theoretical and empirical foundation is. Finally, there is too much close-minded thinking about which leadership style is ideal. When trapped in their own beliefs, leaders often do not understand each other's complementary strengths.

As described above, we zoom in on the problem statement in the first chapter. Consistent with this problem, *How to Grow as a People Manager* uses three guiding principles in the subsequent five chapters: (guiding principle 1) integration of leadership styles; (guiding principle 2) current challenges in the organizational context; (guiding principle 3) research as a building block.

1. GUIDING PRINCIPLE 1: INTEGRATION OF LEADERSHIP STYLES

In order to integrate the leadership styles, we have built the order of the chapters (from the second chapter onwards) according to **the people management cycle** that you go through with your staff as a leader:

- Phase 1: you take **the right people on board and pursue continuity** by embracing justice (the transactional leader).
- Phase 2: you **inspire people for their goals and drive them towards more results** by engaging them (the transformational leader).
- Phase 3: once people have goals, you **support and follow them** in function of their commitment and health (the servant leader).
- Phase 4: you pay attention to the **sustainable career** of your employees, which also benefits innovation at work (the empowering leader).
- Phase 5: as a summary of the integration of the various leadership styles, in the last chapter we discuss the need for a **balanced application of leadership** (the authentic leader).

Rather than considering these phases as tight, rigid, chronological phases, we see these phases as a continuous and iterative process.

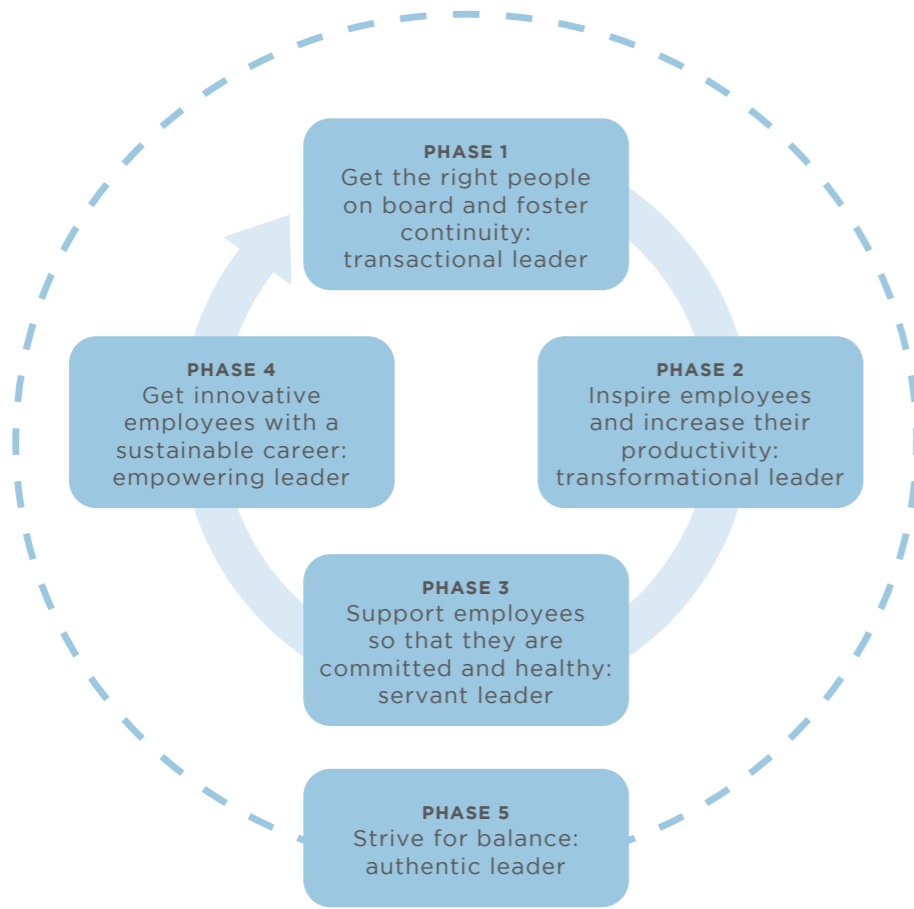


Figure 1: People management cycle determines the order of the chapters

2. GUIDING PRINCIPLE 2: CURRENT CHALLENGES IN THE ORGANIZATIONAL CONTEXT

Leadership styles can meet current challenges and priorities starting from the organizational strategy. This principle is reflected in the structure within the chapters by starting from **current challenges** at each stage that give rise to a focus on a particular leadership style: the transactional leader, the transformational leader, the servant leader, the empowering leader, and, finally, the authentic leader. We explain why and how the leadership style responds to certain challenges by motivating people in a certain way and

how this results in attention for certain **skills**. Challenges that apply to many organizations are addressed. At the beginning of the chapters we start with a **case with discussion questions** to illustrate the material with practical challenges and events.



Figure 2: Recurring structure from Phase 1 until Phase 5

We build on a rich research tradition about leadership styles to gain insights on relevant people management skills for leaders to develop. To make the connection between the leadership style and the required skills, we use the metaphor of an iceberg. Leadership styles contain observable behaviors that we can link to certain skills. We can imagine the leader's behavior using the **iceberg metaphor**: just like an iceberg, there is a visible part that is situated above the water surface and an invisible part that is below the water surface. What is visible are the leader's behaviors. Underlying the behaviors of the leader there are invisible (1) people management skills, and (2) beliefs and values about the appropriate management model that determine the leader's behaviors.

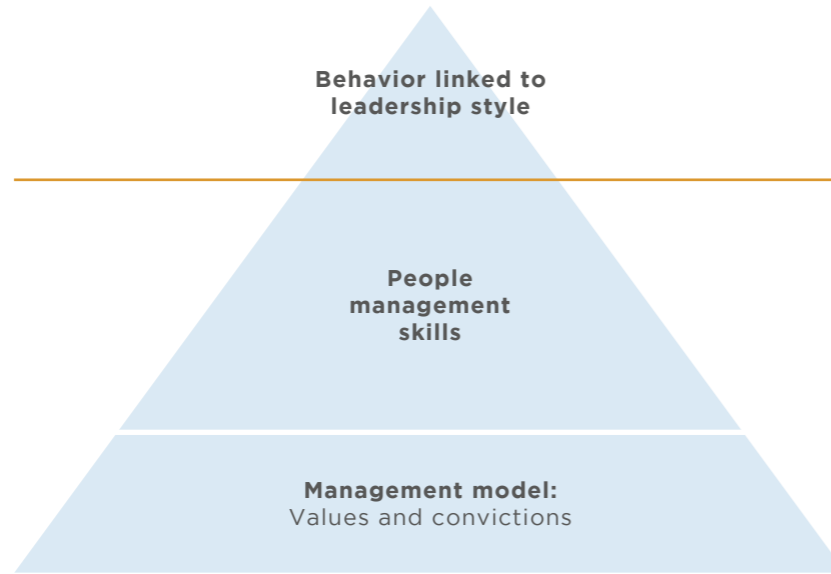


Figure 3: Iceberg of leadership style, people management skills and management model, inspired by McClelland¹

and how leaders have an impact on their employees. We start as much as possible from recent meta-analyses that provide state-of-the-art knowledge about leadership styles and explanatory motivation mechanisms. We also treat some **counterintuitive research findings**, which can challenge certain assumptions.

In each of the chapters, we discuss skills that are linked to the discussed leadership style, without being exhaustive. Depending on the leader's context, certain skills will be more relevant than others. With these skills, we provide **practical tips** for leaders, **self-assessments** and **guidance for a number of formal discussions**. We mention our sources in case you would like to dig a little further into a certain topic.

3. GUIDING PRINCIPLE 3: RESEARCH AS A BUILDING BLOCK

This book is based on **research** from various fields such as Organizational Behavior, Sociology, Economics, Philosophy, Psychology and Human Resource Management (HRM). In this way we offer a theoretical and empirical foundation within which certain skills fit. Based on research, we link a certain leadership style with a motivational mechanism that explains why



PROBLEM STATEMENT:

**How to grow
as a leader?**

PROBLEM STATEMENT: HOW TO GROW AS A LEADER?

Are you a leader? You may have more impact on others than you might think at first glance. But do you have a leadership identity? Although leadership can be learned, some people turn out to be leaders early in their childhood. Nevertheless, it can still be hard to grow as a leader in an organization. Employees are often not very satisfied with their leader. Many organizations face a shortage of good leaders, despite the good intentions of leaders to grow in their people management skills. It is often not easy for organizations to have a pipeline of leaders, let alone to prepare future leaders. Not everyone feels ready to make the switch into a leadership position. This is not even surprising, because being a leader is not easy. ‘How to grow as a leader?’ is therefore the overarching theme in this chapter. We will discuss: (1) what is the problem, (2) why are leaders lost, and (3) which skills should leaders develop. In this last section, we provide an overview of people management skills that are discussed in this book and how these skills can ensure a trust-based relationship with employees. Right-to-left thinking is discussed in order to set priorities in which competencies need development. The basic idea here is that people management requires situational effectiveness. Leaders should thus move away from input-oriented thinking about people management.

1. WHAT IS THE PROBLEM?

1.1. WHAT IS LEADERSHIP?

What characterizes leadership? For some, a leader is a hero who achieves an unattainable, almost mythical success, such as Steve Jobs, Apple’s founder. But we also consider the star of a children’s football team or the junior manager with many followers on social media as a leader.

We find leaders in **all types of organizations** and at **all levels**. CEOs, managers, coordinators, department heads, professors, principles, foremen, team leaders, scout leaders ... you name it. But also employees who take their responsibility or act as informal leaders in the organization are in fact leaders. As soon as you take an initiative that has an impact on someone else’s life, you are a leader. Even if you do not currently have a job with that title.

The term *leadership* has never had a precise definition and is often confused with *management*. According to the famous management guru Peter Drucker, *a manager does things right and a leader does the right things*. Leaders and managers are different, but both are necessary for an effective organization. Managers try to control chaos by establishing manageable processes and procedures, by monitoring and evaluating plans and by implementing management systems. In contrast, leaders thrive in ambiguous situations by bringing in innovation, developing a vision for the future and inspiring people for this vision. Having an impact on people is central to leadership. The source of this impact may be the formal position as a manager in the organization. But not all leaders are also managers, and not all managers are also leaders. Good leaders are often good managers, but they are much more than that. For a good leader, it may be useful to also have management skills. It is nice for employees if their manager has a good vision and is also available for practical work problems.¹

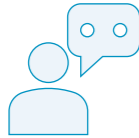
In this book we use a broad **definition** of leadership in the context of organizations:

Leaders create a positive impact on the wellbeing and performance of people in an organization by tapping into various motivational mechanisms.

This broad definition addresses not only intrinsic motivation as a motivational mechanism, but also other motivational mechanisms such as justice, trust and commitment (see below). The positive impact concerns the impact of the leader on many attitudes and behaviors of the employee, such as performance but also mental health. By focusing on a positive impact, we explicitly choose not to address bad behavior by leaders such as destructive, psychopathic and abusive leadership.

1.2. SHORTAGE OF GOOD LEADERS

Research by the economist Richard Layard shows that we enjoy being with our family and friends. However, we prefer to avoid our boss. We'd rather be alone than having to spend time with our boss.² However, very few, if any, executives think as they go to work: 'Today I'm going to make my employees' lives miserable.' Nevertheless, some leaders behave accordingly. Or better put, employees experience them that way.



Some figures from an employee poll³

- Less than 40% of employees believe that their leader works in the interest of the organization.
- 78% of employees believe their leader will not admit to making a mistake.
- 33% of the leaders are described by their employees as 'strong leaders'.

Leaders often have a hard time growing into their leadership role. This is reflected in the above figures; they tell little good about leadership in organizations. According to these figures, only a minority of employees believe their supervisor works in the interest of the organization. This raises many questions: can organizations be competitive if employees think that their leaders have their own agenda that may conflict with the interests of the organization? How can a leader who doesn't take the organizational goals seriously motivate people to pursue the goals of the organization? Furthermore, is it a problem if many employees think their leaders do not admit to their mistakes? What are the personal traits you need to admit to your mistakes? Are these traits important for effective leadership? Finally, why would it be that only a minority of leaders is perceived as strong by their employees?

Other polls show that not only employees hold negative perceptions of leadership quality. An opinion poll among HRM professionals in the United States indicated that, according to HRM professionals, only 30% of leaders in their organization would be of high quality. This poll was re-done among leaders. They estimate that 42% of the fellow leaders in their organization are of high quality.⁴

Where do these painful figures come from? Do organizations invest sufficiently in leadership? According to Boston Consulting Group, companies worldwide spend more than \$40 billion annually on **leadership development** initiatives. However, most efforts to develop leaders seem to be failing. Companies do not get the return-on-investment they hoped for.⁵

1.3. WHY IS THAT A PROBLEM?

VUCA context

The current context of organizations, characterized by globalization, health threats, more and diverse stakeholders and economic, political and social instability, offers unprecedented complexity. This complexity is linked to the VUCA context (**Volatile** or changeable, **Uncertain**, **Complex** or complicated, **Ambiguous** or vague: continuous, uncertain and complex changes prevent us from planning everything in advance and from top to bottom. Therefore, employees and leaders should have the necessary competencies to take on leadership. In fact, the need for positive and exceptional leadership at all levels of the organization has never been greater than it is today.

Awareness of the importance of unique human skills in addition to technical skills has recently increased significantly. There are some trends that increase the need for people management skills. The accelerated growth of **artificial intelligence, robotics and automation** in the workplace suggests a further increase of this need. Research predicts an **increasing future demand** for skills such as social skills and cognitive skills.⁶ There is a growing consensus among managers in many organizational contexts that the future success of their organization will increasingly depend on their skills to address human problems. Also digitalized work forms, such as the increase of working from the home office since COVID-19, increase the need for leaders with people management skills.

In addition, **globalization** has an impact on the increasing relevance of people management skills besides (the also important) technical skills. Globalization – the ability of individuals and organizations worldwide to compete and to work together – results in an exponential digitization, as witnessed by the use of mobile telephony and the Internet. As a result, experts predict that interpersonal and relational competencies will

become more important to successful leaders. Technical skills will continue to be required but will make less of a difference between a good and a less good leader.⁷

Effective skills for leaders

In some organizations, leaders are recruited who do not have the **technical skills** of the core employees. Think of hospitals that are run by managers who are not doctors. Is this a good idea? There is a broad assumption in society that if you are good at motivating people in one context, you can also be a successful leader in a completely different context. But recent research contradicts this. The most effective leaders also know a lot about the domain in which they lead. They are partly successful due to their technical skills.⁸

Nevertheless, most leaders in organizations soon learn that much of their success can not only be ascribed to their technical skills, which helped them to get into the leadership position in the first place. Much of the success in any leadership and management role has to do with **people management skills**. You do not only need to have the right expertise in terms of content and technology. Employees and executives (or informal and formal leaders) also need people management skills to succeed. It is this aspect of the job that poses difficulties to leaders. However, less attention is paid to this in higher education curricula.

It is therefore often an eye-opener for young employees and leaders that these people management skills are so important. For those who have experience in leadership positions, this goes without saying. People management skills are a critical predictor of a successful career as a leader. In the section ‘Which skills should leaders develop?’ (see below) we go deeper into which skills specifically belong to people management.

Organizational success

Successful leaders manage to make their employees more satisfied and involved. This is important as an end in itself. It also ensures that customers and shareholders are satisfied.

Research confirms the need for people management skills. Indeed, there is

a strong link between the ‘100 Best Companies to Work For’ and organizational performance. In other words, having satisfied and engaged employees (by good people management) ensures organizational success. A tip for investors: the 100 companies that are chosen as ‘best place to work’ achieve more profit on the stock market in the longer term. Research demonstrates cumulative returns over three years of 82% versus 37% in the control group.⁹

2. WHY ARE LEADERS LOST?

Despite the many investments in leadership development, there is a shortage of good leaders. This is problematic because the skills of our leaders are more important than ever, for example to maneuver the employees into an uncertain future.¹⁰ Leadership is not self-evident for many reasons, such as the Peter principle, the imposter syndrome, a lack of leadership identity and narrow-minded ideas, as explained in this section.

2.1. BLINDED BY GUT FEELING

Assumptions about leadership and human behavior

Let’s say you enrolled in a physics course at university. During the first lesson the professor asks to take a piece of paper and answer the following question: what are the laws of fluid dynamics? If you have never been taught about this topic before, it is unlikely that you will be able to answer this question. Your response may be: ‘How should I know?’

In a different scenario, you take a course on skills for leaders. During the first lesson the professor asks you to answer the following questions: what characterizes a good leader, and how can you motivate your employees as a leader? You may be able to give suggestions for this and you may even feel quite confident about it.

Apparently, you take a leadership skills course with a very different attitude than a physics course. You have many assumptions about leadership that you assume to be facts. After all, you already know a lot about human

behavior as you continuously study people in your environment. In contrast to many fields, a leadership course will not only introduce you to concepts, theories and research insights, but will also confront you with (your and generally accepted) **assumptions about leadership and human behavior**. For example, your idea of what a leader has to put energy into, is colored by your gut feeling.

Obviously, your gut feeling can be right. It is important to base yourself on research insights, but that does not mean that what you assume based on your gut feeling is necessarily wrong. You will often read insights based on research in this book. Those may be insights that match with your intuition in a more or less conscious way but you might also come across scientific insights that go against your gut feeling.

Mental models

Your own preferences strongly determine your view of which skills are effective for leaders. If you are quite an organized person, you may prefer a leader who is good at project management and planning down to the smallest detail. On the other hand, if you are a rather chaotic person, you may prefer a leader who always comes up with new initiatives.

We try to get a grip on leadership as much as possible and develop **mental models** about what works. Using models, we make a simplified representation of a complicated reality. These models are built on assumptions of what leaders ideally do, how best to communicate and make decisions. Our leadership model strongly determines how we behave as a leader and how we perceive other leaders. Our mental models make us aware of some things, but also blind to other things.

The mental models that leaders use often relate to **current challenges** of society. Thus, in the twentieth century, a number of new management models emerged in response to a complex interplay of technological, social and political evolutions on what effective leadership is (see Phase 1: Emergence of internal process model; Phase 2: Emergence of rational goal model; Phase 3: Emergence of human relations model; Phase 4: Emergence of open system model; Phase 5: Emergence of corporate social responsibility model). The emergence of new management models is often a response to older management models. However, that does not mean that older management models are no longer relevant. Some leaders prefer to hold on to

beliefs that are consistent with older management models. Depending on the contextual demands, this can be detrimental, because the world is constantly changing, which has an impact in many organizations. Strategies that worked in the past are not necessarily effective today nor in the future. However, leaders can get caught in their own style and/or in the culture of the organization.¹¹

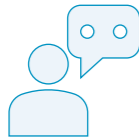
Narrow-minded ideas

With a slightly less neutral word than ‘mental models’ or ‘management models’, we can refer to narrow-minded ideas. This fits well with the possible limitations of models. Each of us has **narrow-minded ideas** about the skills in which an effective leader should excel. For example, a leader who is deeply convinced of the value of order and authority may not be able to see opportunities for renewal and growth.

Your own leadership preferences are related to who you are, what your underlying values are, to role models of leaders you look up to and others you dislike for the way they incorporate their leadership. Once you get this, you can see why you do not appreciate that one colleague (who has completely different values than you). Provided you take off your **blinkers**, you can now see that you can actually learn from this colleague. In order to do that, you need to be conscious of your own behavior and that of others and appreciate other leadership models. After all, the complexity of the world requires us to rely on multiple leadership models.

2.2. LEADERSHIP CANNOT BE TAKEN FOR GRANTED

Peter principle



Some examples of the Peter principle

- A financial manager for whom a balance has no secrets but has trouble dealing with the political skills of his colleagues.
- A gynecologist who has all the necessary clinical skills but feels hopelessly lost as the head of the lab in his leadership position because he has to compete with doctors closer to retirement who are less willing to innovate.
- An engineer who is great at the most difficult mathematical calculations but struggles as the leader of a team of people who no longer trust the organization.

Many leaders feel that they are good at the core of their substantive tasks, but their job satisfaction is not optimal. The ‘people management’ component makes their job burdensome. The vast majority of the time of leaders does not go to the substantive task for which they are trained, but to motivating their people. However, they are not trained for this and often lack the required skills. Many leaders report a **lack of training** in their role as leaders.

We can link this with the ubiquitous **Peter principle**. According to this principle, people work generally well in their first job in a hierarchy. This gives them opportunities to grow. If they function properly again, they will continue to grow. Once they are in a position where they no longer perform well, they stop growing. Apparently, the skills that make people function well in a certain position are overestimated, causing them to climb higher up the organizational ladder. In this way, people are promoted to their level of incompetence. This could explain why many organizations are not functioning properly. If we apply the Peter principle to leaders, it is possible that many people grow into a leadership position because of their excellent technical skills. However, they lack potential in people management. This deficiency may be due to a lack of leadership training and experience. After all, having technical expertise in a particular job does not mean that you also have expertise in leading people to do that job.¹²

Imposter syndrome

Meryl Streep told a journalist: ‘I don’t know how to act anyway, so why am I doing this?’¹³ However, her numerous Oscars, Golden Globes and Bafta Awards suggest something else. As a professional or as a leader, you may feel insecure about your skills in a similar way.

For leaders who suffer from the **imposter syndrome**, it seems that the other leaders in the organization are much more gifted than themselves. They are therefore afraid that someone will have their deception uncovered and that they will be exposed. They believe that others think they are better, more intelligent and more skilled than they really are. As a result, the most communicative people can feel so insecure in meetings that, for example, they suddenly cannot convey their story in a clear way anymore. They experience every meeting as a test. When they have successes they say ‘It was good timing’ and ‘I was lucky’.

Interesting detail: imposter syndrome is common in successful women in a male work context. Early research therefore mainly focused on high-performing women. But research has now shown that the syndrome occurs in roughly equal numbers in both women and men.

Leadership identity

Although leadership is often seen as an attractive role that people aspire to, organizations often turn out to have a shortage of leaders. Why are talented employees often reluctant to climb the organizational ladder into a leadership position?

An important explanation for this phenomenon is that employees often do not have a **leadership identity**. They do not see themselves as a leader, and they are not motivated to lead. They do not believe in their own leadership abilities and see personal risks in taking up a leadership role. For example, people can be reluctant to take a leadership position because the friendships with colleagues are at stake.

It may also be that someone does not feel ready yet to develop into a leadership position. The **leadership self-efficacy** (the belief in one’s own ability to accomplish goals) refers to the individual perception of the extent to which he/she is able to take up leadership. Those who are convinced that

their skills as a leader are insufficiently developed will be less likely to have a leadership identity. The more someone takes on a leadership identity, the more that person is open to develop his leadership skills. This does not have to be done in a work context.

Developing as a leader already starts in the childhood years and continues throughout the career. Childhood experiences with parents and other **role models**, for example in sports and youth associations, provide the basis for forming implicit opinions about what leadership means. Parents and other adults can act as role models and have an impact on leadership identity formation. Team sports activities also offer an opportunity to build leadership skills such as influencing and motivating teammates to perform well. Adults adopt formal and informal leadership at work within and beyond the boundaries of their function.

Continuous experiences with new situations, on the work floor and outside work, provide opportunities to experiment with new skills and to receive feedback. In this way, the leadership identity can continue to develop and refine. Becoming a leader and forming a leadership identity represents a growth process that takes years. This growth process involves trial and error. Rather than asking ‘are you a born leader?’, we better ask: ‘Have you already had the opportunity to develop as a leader?’

Who takes the plunge?

Sometimes leadership means daring to step away from well-trodden paths. There are the stories of some whistleblowers and leaders who make enemies along their way by standing up and taking up a leadership role.

From painful to deadly: (1) Christopher Wylie acted as a whistleblower to denounce that Cambridge Analytica illegally used the data of millions of Facebook users to put Donald Trump in power. Wylie was promptly *kicked off Facebook* and other reprisals followed. (2) Aleksey Navalni, the opponent of Putin, was in a coma after (allegedly) being poisoned in Russia. Navalni almost had to pay for it *with his life*.

Every day brings opportunities to speak up by following your values and making a difference in other people’s lives. Often you doubt whether you should take the **jump to leadership**. Caution is indeed advised. After all,

you can irritate others if you take an unpopular initiative or if you put a provocative new idea on the table. By doing so, you make yourself vulnerable and you can run into a lot of problems. After all, *to lead is to live dangerously*, no matter how careful you are.

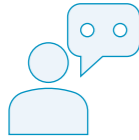
The trick to difficult issues is to present the message in such a way that people can digest the message. This is certainly better than ignoring the message or, in extremis, killing the messenger. That requires you to understand other people’s motivation and what goes on between the lines. Although leadership is difficult to record and poses a true danger, it is noble and worthwhile. It provides potential for small and big improvements. To put it in the words of Martin Heifetz and Ronald Linsky, both affiliated with Harvard University: ‘The world needs you and other leaders.’¹⁴

3. WHICH SKILLS SHOULD LEADERS DEVELOP?

People management skills are crucial to be effective as a leader. Of course, it also remains important that leaders have technical skills. But what are the required people management skills on top of technical skills? In what skills should leaders develop themselves? In this part it becomes clear that not only broad leadership skills matter, but also HRM skills. It is also useful to understand why these skills have a positive effect on employees. By learning how their leadership interacts with employees, leaders can use their knowledge to be more effective. The importance of a trustful relationship is highlighted here. A good relationship of trust between leaders and employees ensures hard results. Finally, we discuss right-to-left thinking where leaders aim at situational effectiveness rather than input-driven thinking.

3.1. PEOPLE MANAGEMENT

Definition of people management skills



Robert had always respected his leader, Lynn. He thought Lynn gave him a lot of support and that she dealt very cleverly with the many challenges that faced their team. Then came his appraisal conversation with Lynn. This was a disappointment because Robert really thought he had done a good job. He was therefore surprised that Lynn was negative about several things. From that point onwards, Robert was much less satisfied with Lynn.

Was Lynn really dissatisfied with Robert? Or why did Lynn highlight several negative aspects during the appraisal conversation? Is it possible that Lynn is strong in many skills such as giving direction and support, but that she is lacking some other crucial skills such as empathy and giving feedback? Was this magnified by blindly applying some of the classical principles of the appraisal conversation? The way Lynn applies the appraisal conversation (or the skills applied for it) seems to have an impact on her effectiveness as a leader.

This case suggests that we apparently cannot separate Human Resource Management (HRM) skills from a leader from broader leadership competencies. As a leader, you not only ensure that everything runs smoothly, you also have numerous formal and informal conversations with your employees, such as selection interviews and development interviews. These tasks are inextricably linked to a broader set of skills as a leader.

An example can further clarify this: if a leader has strong project management competencies but is unable to assign clear roles and tasks to his employees on a new project, this may jeopardize the project's effectiveness.

Another example: a leader who pursues innovation may focus on negotiating well and developing strong political skills, but because it is the employees who make or break the innovation, HRM competencies will also make the difference. Can the leader act as a coach where people take their development into their own hands? Or does the potential to change stop after generating resources for the department because people are stuck in the team and do not dare to speak up?

Since leaders are responsible for implementing HRM practices¹⁵, it is not surprising that HRM competencies for leaders are also important, in addition to broad leadership competencies. Moreover, there is a **symbiotic relationship** between broad leadership competencies and the leader's HRM competencies. These two types of skills result in effective people management.¹⁶

People management skills encapsulate both broad leadership skills and HRM skills for leaders to have a positive impact on the wellbeing and performance of employees. By putting these two types of skills under one umbrella, the effectiveness of broad leadership skills can be boycotted due to a lack of HRM skills, and vice versa. From this the following equation follows:

$$\text{People management skills} = \text{broad leadership skills} \times \text{HRM skills}$$

The above reasoning builds on research about the leader's role in applying HRM practices¹⁷ and research into effective leadership behaviors.¹⁸ Moreover, this reasoning is in line with the recent link between HRM and leadership in people management.^{19,20,21}

Overview of people management skills

Starting from research on **leadership styles**, we cluster people management skills in five categories. This clustering is a simplification of reality. There are many leadership styles with a long research tradition, and new ones are often added.²² The measuring instruments of these styles contain items that are often quite close together. Nevertheless, these leadership styles build on different theoretical and philosophical foundations about what motivates people and thus how leaders can motivate their people.

Although research does not provide a clear dividing line between the ways in which leadership styles are measured, we can distinguish some types:²³

- **Transactional leaders** want to bring order and structure. They organize the work from an internal focus and monitor the work of their employees. They issue contingent pay and emphasize the importance of processes and systems to control outcomes. They personify the image of the classic, efficient manager. (See chapter 2)

- **Transformational leaders** are focused on a desired future and give employees meaning by envisioning this desired future. These individuals are often seen as a true leader. (See chapter 3)
- **Servant leaders** aim for a positive relationship with others by addressing the legitimate needs of others. They see themselves as strong relational leaders but are not always seen as a true leader by the environment. (See chapter 4)
- **Empowering leaders** focus on creative problem-solving methods by coaching their employees to take their responsibilities. (See chapter 5)
- **Authentic leaders** start from personal values, an ideological mission and a strong moral compass. (See chapter 6)

In order to arrive at an overview of people management skills in this book, we integrate research insights on leadership styles²⁴ with leadership skills.²⁵

| | |
|--------------------------------|---------------------------------------|
| Transactional leader | Managing distractions |
| | Job analysis |
| | Selecting personnel |
| | Expectation management |
| | Conducting STARR conversations |
| Transformational leader | Articulating and communicating vision |
| | Charisma |
| | Goal setting and monitoring |
| | Providing strength-based feedback |
| | Conducting appraisal conversations |
| Servant leader | Modesty |
| | Emotional intelligence |
| | Communicating effectively |
| | Mindfulness |
| | Conducting feedforward conversations |
| Empowering leader | Political skills |
| | Orchestrating conflicts |
| | Accountability |
| | Coaching careers |
| | Conducting career conversations |
| Authentic leader | Avoiding extremes |
| | Striving for balance |
| | Embracing cognitive complexity |

Table 1: overview of the treated people management skills in *How to Grow as a People Manager*, which are divided according to five leadership styles

Sometimes the categorization is a bit rudimentary, in the sense that some skills can be linked to different leadership styles:

1. We link goal setting and monitoring with transformational leadership, but these can also be considered to be skills that are relevant to transactional leadership. By categorizing these skills with the transformational leader, we want to emphasize the implementation of an inspiring vision based on goal setting.

2. The self-awareness component makes emotional intelligence and mindfulness relevant to both the servant leader and the authentic leader. By connecting these skills to the servant leader, we provide an answer to the need for modesty. To put himself in perspective, the leader needs a clear understanding of the broader picture. In the closing chapter of the authentic leader, we want to deal with skills that are linked to the aspect of balanced information processing, on which we focus in this last chapter.
3. The feedforward conversation can also be used by the empowering leader to promote innovation by building on the strengths of the employee. When applied with the values that are pursued by servant leadership, the conversation particularly aims to promote commitment and wellbeing.

3.2. TRUST, WELLBEING AND PERFORMANCE

Effect on wellbeing and performance

Each leadership style affects employees in a certain way, but the ultimate objective of people management includes **wellbeing**, such as the satisfaction and health of employees, **organizational performance** and wider **social impact**.

- Transactional leaders determine the extent to which employees clearly know where they stand and whether they feel treated fairly.
- Transformational leaders ensure that employees will perform well for the organization because they feel committed to their goals.
- Servant leaders influence the extent to which employees are mentally healthy and feel committed to the organization.
- Empowering leaders ensure that employees find meaning in their job and from this meaning find intrinsic motivation to develop themselves and to innovate.
- Authentic leaders are open and honest, and they promote a sense of responsibility for the broader social impact based on an awareness of the complexity of contemporary organizational issues.

Leader-Member Exchange

Just as we build favorable and less favorable relationships with others in our private lives, this is also true in our working environment. As an employee, we can be blessed with a constructive relationship with our supervisor, based on professional respect and trust.

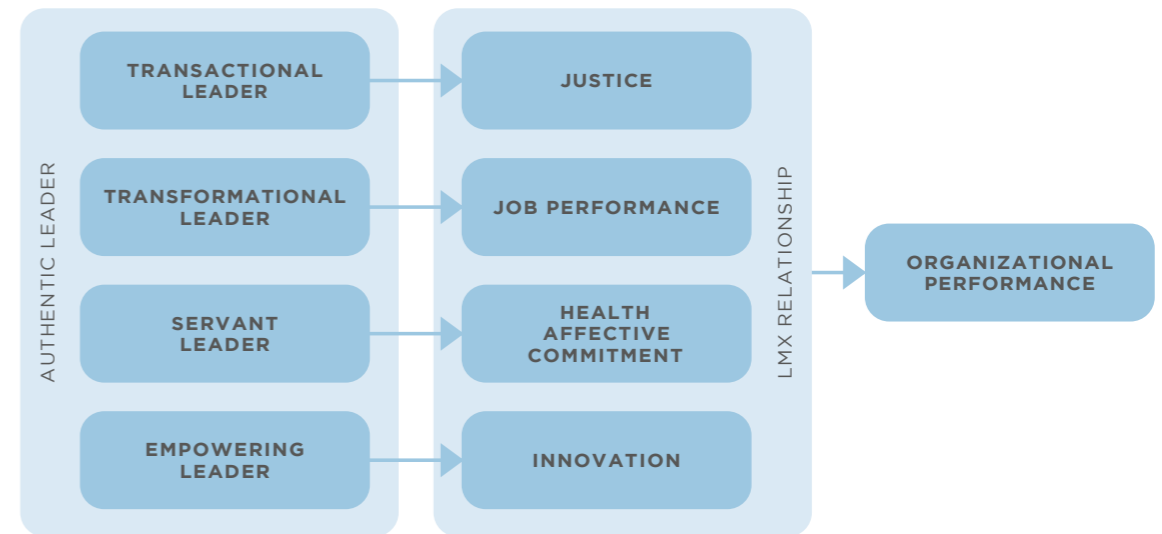


Figure 4: Role of the leader-member exchange relationship in the link between leadership styles, wellbeing and performance of employee and organization

The quality of the **Leader-Member Exchange** (LMX) relationship is about the extent to which the employee experiences a constructive, trustful relationship with the leader. Trust in each other acts as the cornerstone of this relationship. Trust is something you build slowly, but it is difficult to repair if it is broken. You can compare it to climbing a ladder: each step upwards symbolizes a strengthened relationship of trust through mutual contributions. However, falling off the ladder can lead to a fracture that is difficult to heal.

A constructive working relationship with the leader (LMX) is based on four dimensions:

- Mutual contributions: I like doing things for my leader because my leader does a lot for me as well.

- Affection: if this were not my leader, we certainly would be friends.
- Respect: I respect my leader professionally and I experience that my leader also respects me for my professional contribution.
- Loyalty: I am loyal to my leader.

The figure²⁶ shows that leadership styles affect wellbeing and performance through LMX. Positive leadership styles motivate employees because they have a beneficial effect on the relationship between the leader and the employee. Leaders can thus positively influence their employees by pursuing a strong professional relationship. This depends very much on how they behave towards the employees.²⁷ This reasoning is the core of **relational leadership theory**. The behavior of the leader influences the strength of the relationship of the leader with the employee. The employee interprets the leader's behavior as an indication of the quality of their relationship:²⁸

- By getting contingent rewards and a clear division of roles, employees perceive that the **transactional leader** wants them to be successful. Only a leader who cares about the employee's success would organize a clear structure and division of roles. The leader provides a safe context in which to function properly. Therefore, employees perceive clarity and justice.
- The **transformational leader** inspires and challenges employees. These behaviors can also be seen by employees as indications of the quality of their relationship with their leader. This ensures that employees experience that the high performance expectations are embedded in a safe context. They experience that they can rely on guidance from their leader to excel in their jobs. This benefits the performance of the employees.
- If the staff gets attention, gains respect and trust, they perceive that their **servant leader** likes and appreciates them. Therefore, they identify with the organization and feel part of the family in the organization. They are affectionately committed to the organization.
- **Empowering leaders** express that they consider it to be important that employees find meaning in their work and that they can have an impact in their work in a competent and autonomous

manner. Because the employees develop a good relationship with their leader, they can also count on the necessary support for challenges. The employees therefore feel safe and motivated to express their ideas and pursue innovation.

- Finally, **authentic leaders** ensure that employees can have a strong confidence in their leaders because of their steady concern to balance important values. That is why employees feel more optimistic, hopeful and resilient about the future.

In the figure, we represent authentic leadership as a transversal style across the other styles. The different leadership styles have their own orientation on which values are important (e.g. for the transformational leader, performance is of utmost importance while the servant leader prioritizes the wellbeing of the employee). Authentic leadership aims at a balanced processing of (management) values. That is why we decided to position authentic leadership in the last chapter as an integral conclusion across the various leadership styles.

Psychologically safe environment

Leaders are a crucial key to boosting performance. In this regard, the bond they develop with their employees is important. They can improve this bond by the way they behave towards their employees, and by nurturing their people management skills. For each of the positive leadership styles, the bottom line is that the trustful relationship plays a critical role in the link with employee performance. The psychologically safe environment associated with this relationship explains why.

A high-quality relationship creates a **psychologically safe environment** in which employees can focus and in which they are and remain motivated to do their job. After all, if employees experience a psychologically safe environment, they assume that they can take interpersonal risks to share their ideas, questions or concerns with the group. Employees trust and respect each other and they feel obliged to give their frank and honest opinion, rather than holding hidden agendas. It is no problem to be open about poor performance or errors because there are no formal or informal negative consequences. Asking for help or admitting mistakes is encouraged rather than punished. This working environment ensures that employees can work not only in function of their own performance goals, but also

in function of the team or the organization as a whole. They can put their ideas forward without fear of reprisals.²⁹

Hard results

Some leaders are critical about the emphasis on building high-quality relationships in order to boost the performance of their employees. People are paid to do their jobs, aren't they? Can't they just take their responsibility?

Perhaps at first sight this emphasis on a trustful relationship may sound rather 'soft'. For those who are not yet convinced of the importance of the relationship of trust between the leader and the employee, it may help to get some hard results.

Ryan Gottfredson and Herman Aguinis calculated what the effect of LMX is on some relevant organizational performance indicators of salespeople on the basis of their meta-analysis. For example, it appears that an increase of 1 standard deviation (this is a measure of how strongly the values deviate from the average) of LMX results in a sales increase of USD 85,000 per seller, 5.60% increase in annual turnover, 1.50 % increase in sales volume with new customers, 2.86% increase in market share ... and all this per year! If we multiply this by seller, it is clear that having a good bond is not only beneficial from a 'soft' point of view, but directly leads to hard business results.³⁰

The message to (future) leaders is simple: if you behave in a way that ensures you to build a good relationship with your employees, this ultimately is reflected in the bottom line of the organization.

HRM practices and trustful relationship with leader

What is the role of HRM practices to motivate people when LMX has so much impact?

Over the past two decades, many researchers have proven that HRM affects employee performance. We get the best effects when **challenging job requirements** are accompanied by a strong **investment in human capital**. Thus, challenging targets in terms of the quantity and quality of work can be more effective if there are simultaneous investments in job security, training and education and career management of staff. In this way, HRM

can add value to the organization and thus earn its legitimacy. However, for that legitimacy it is increasingly important to approach performance in a balanced way.

The following consideration is now also under scrutiny: is HRM positive for wellbeing at work? Or: does HRM ensure higher performance at the expense of employees? It turns out that HRM intrinsically motivates people with challenging job requirements. It gives people enthusiasm in their work and thus increases their job satisfaction. At the same time, however, the same challenging job requirements may lead to burnout.

In recent research³¹ we looked at how the supervisor interferes with this situation. What we found is relevant: HRM is important for the **wellbeing** of employees and for **innovative employee behavior**, but the positive effect depends on the LMX relationship that builds on trust with the leader. This constructive relationship is crucial for wellbeing at work and for innovative performance. For both outcomes, it is striking that the **impact of the leader is stronger** than the impact of HRM practices.

The best effects for wellbeing are achieved if HRM and LMX both emphasize **investing in the employee**. The employee can be confident that the organization will invest in the employee in the long term. HRM does this by offering the employee numerous growth opportunities, such as career management, training and participation. For employees with a high-quality LMX relationship, these signals from HRM are in line with what their leader tells them. Because HRM and the leader invest in the employee, the employee feels encouraged to successfully meet challenging job requirements. In turn, this benefits wellbeing at work.

It also turned out that a constructive LMX relationship strongly **compensates** for HRM that invests little in the employees. For example, as an organization you can set high expectations and have people perform under high pressure, but at the same time, for example, you may not provide career opportunities or offer fairly low wages and a lack of job security. Such scarce investment opportunities ensure that employees appreciate the opportunities of LMX even more. The leader gives opportunities and support wherever possible, despite the limitations of the job. In the context of challenging job requirements, LMX gives employees more access to the scarce growth opportunities of the job. This intrinsically motivates employees, which promotes job satisfaction and reduces the chances of a

burnout. These findings imply that there are big differences in terms of wellbeing among colleagues depending on their trust in their leader.

As a consequence, HRM programs to promote wellbeing and innovative behavior are not sufficient. It is also crucial that leaders are aware of their role in this area. As explained earlier, research confirms the leader's important role in HRM.

SELF-ASSESSMENT

To what extent do I have an LMX relationship with my leader (scale based on Bauer and colleagues)?³²

| 1 | 2 | 3 | 4 | 5 |
|------------------|----------|----------------------------|-------|---------------|
| Totally disagree | Disagree | Neither agree nor disagree | Agree | Totally agree |

| | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| I usually know where I stand with my leader. | | | | | |
| My leader understands my problems and needs. | | | | | |
| My leader acknowledges my potential. | | | | | |
| My leader would use his / her power to help solve my work-related problems. | | | | | |
| Chances are that my leader will stand up for me if that's important to me, even if it is to his disadvantage. | | | | | |
| My leader trusts me enough to defend my decisions when I'm not around. | | | | | |
| My relationship with my leader is very good. | | | | | |
| I usually know how satisfied my leader is with me. | | | | | |

Note: the higher the average score, the more the relationship with your supervisor can be described as a qualitative LMX relationship based on mutual respect and trust.

3.3. RIGHT-TO-LEFT THINKING

Dominance of input-oriented thinking

We often do things on autopilot. We don't think about what we need in terms of leadership. We are rather **input oriented** in our thinking and acting. Some leaders think that they are doing well if, for example, they have a large team and have gathered resources to recruit someone again. Or they follow off-the-shelf leadership training because others have followed it.

To address leadership challenges, organizations often invest in **wrong development pathways**. Leadership training initiatives are often not aligned with one another or with the organization's other HRM practices. Let alone that these processes are linked to strategic organizational priorities. This approach does not help organizations to achieve their strategic objectives.

Need for situational effectiveness

Leadership styles and behaviors that are successful at one moment and/or in one context may be doomed to fail at another time and/or in another context. This means that a leadership style that is paying off in one organization is not necessarily functional for another organizational context. After all, leadership styles are **situationally effective**. It is therefore recommended not to use a normative approach in the field of leadership.

By the way, this does not alter the fact that there are also leadership styles that are normatively undesirable, namely toxic and destructive forms of leadership in which leaders intimidate, force, blackmail, etc. These have a strong negative effect on functional behavior, job satisfaction, commitment, wellbeing and employee performance.³³

For example, **Steve Jobs** is often portrayed as an exemplary leader. But is a Steve Jobs a good leader in any organizational context? Jobs' leadership style is characterized as dominant. Dominant leaders often speak louder than others, hoard information, do micro-management and isolate employees from others according to the divide-and-rule principle. For example, they can intentionally assign the same project to different teams and keep them from communicating. A dominant style works well if leaders want to push through their vision and if the leader's goal is to get the organization in one direction faster, namely that of the leader.

In stark contrast to the dominant style, leaders can listen to others and pass on power by adopting an empowering leadership style. This style works well when innovation is needed in a context where sharing expertise and brainstorming on new ideas are important in the organization. In this case, the leader has no clear vision, but employees need innovative and creative goals and they need to be involved in strategy generation. The leader then acts as a facilitator and coach. He or she seeks feedback and tries to understand the strengths of others. A pitfall may be to focus on building relationships and making popular decisions, rather than making the best decisions rationally.³⁴

Organization-specific people management skills

Since there is no normative framework for which leadership styles and skills are relevant in any context, it can be useful to have an organization-specific **competency dictionary** to manage a range of skills of leaders that are relevant in the specific context of the organization.

With **competency profiles** organizations communicate the skills they expect from their leaders. A competence profile consists of knowledge, skills, attitudes and other characteristics that can predict effective performance. The competency profile defines which behaviors are essential for leaders in the organization. This may involve generic skills, but also skills that are specifically relevant to the culture and contextual challenges of the organization. These competence profiles can form the basis of any of the HRM practices that are used to manage leaders (goal planning, coaching, evaluation, reward). Organizations often establish the common denominator of required competencies of leaders in the organization. They also recognize differences between departments.

In addition to skills for leaders, the organization's competence dictionary includes technical and job-specific skills that end up in certain positions. In this way, skills provide leaders with a basis to manage and encourage their employees to focus on their strengths. If job requirements and career plans change, leaders can translate this into other required skills. If, however, the organizational objectives change, the competency dictionary needs to be re-examined to be aligned to the organizational objectives.³⁵



Value chain of leadership

Step-by-step plan for the leadership value chain based on Boston Consulting Group's leadership development approach³⁶

1. Define people management skills and priorities
 - Do we have the amount and quality of talent needed to achieve the strategy?
 - Do we have the right people in the right places? Where are the gaps?
 - Which people management skills are needed in the organization?
2. Design development
 - What people development strategy is needed for our context and our people?
 - How can we build the capacities of our people to succeed in this transformation?
 - How do we develop our leaders?
3. Embed systems for HRM management
 - How can we align the HRM system with our strategic objectives?
 - How can we set up an effective leadership academy to support our ambitions?
 - How do we know if our efforts and investments are effective?

As an organization it is important that you clearly know which outcomes the organization pursues with the development and deployment of people management skills. The question we have to start with is: why do we want to pursue certain people management skills in our organization? This question includes: what do we want to achieve in terms of organizational objectives, and what does this mean in terms of people management (broad leadership skills and HRM skills)?

In accordance with these questions, we read on the Boston Consulting Group website: ‘Only through a tight coupling of leadership and talent development to value creation do companies ensure sustainable, superior organizational performance.’³⁷ In the pursuit of added value, the pursuit of an advantage for the stakeholders of the organization should be central. So, the next question comes first: what do we strive for in terms of customer benefit and competitive advantage?

Because in this line of reasoning we start from the desired outcome (on the right in figure 5) and arrive at the input (left) through questioning, we call this **right-to-left thinking**. In other words, we first assess our **deliverables**: what should we deliver as an organization? If we make these deliverables explicit and quantify (follow-up based on measurements), we must take into account that these are **lagging indicators**. This means that they can only be reached in the (medium) long term. Think of the attitudes and performance of employees and teams and the resulting organizational performance. The longer-term results (measured by lagging indicators) are determined by changes in the area of people management skills. These skills are **leading indicators**, these are measures that map out what you can do in the short term to ultimately achieve success. So, these could be, for example, skills that are linked to transformational and transactional leadership. Because of this **added-value thinking** as the basis of applying HRM practices, leaders can act as an engine for employees and the organization to perform better.

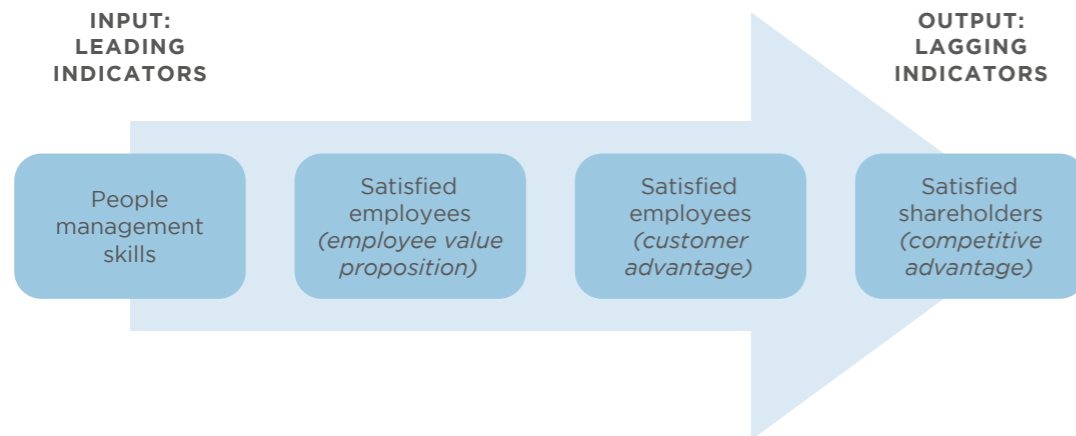


Figure 5: Value added chain of people management skills (inspired by the conceptual model of Lisa Nishii and Patrick Wright³⁸)

By focusing on effective skills as a leader, you can deploy the right person in the right place and make your employees satisfied. It is striking that the teams that succeed in this are also the teams that perform well. You satisfy your employees if you know how to approach them in the right way. A successful **employee value proposition** is about employees finding value in their work. This in turn ensures satisfied customers. And ultimately, this results in **customer advantage** in terms of pricing and quality, as well as **competitive advantage** that puts the organization in a privileged position over competitors.

Challenges and the organizational strategy can trigger the choice of indicators and can help determine which competencies should be developed as a priority. If you do not (yet) conduct your own research into this in your organization, meta-analyses can help to draw up an added value chain that is evidence-based. **Meta-analysis** is a statistical technique that combines research from multiple studies to uncover the relationship between the variables. Also, **systematic reviews** can be interesting. This type of systematic literature review comes from medicine studies and is now also used in management research to summarize the results of numerous studies.³⁹ In the following chapters, we always use the results of recent meta-analyses and/or systematic reviews to discuss which performance outcomes and motivational processes are related to the discussed leadership style and competencies.

It is important to realize that an added value chain also starts from a **value pattern**. What value do we want to add and for whom? Who are our stakeholders and what do we want to deliver for them? The answers to these questions should again be closely related to the strategy of the organization. If, for example, we apply the above model in an organization that wants to generate added value from a perspective of corporate social responsibility, this question should also be asked: what do we want to deliver for people, society and the environment? There are therefore boxes in the added value chain that contain results for these stakeholders.