Two of a kind

How change management and leadership development relate

We are frequently not aware of it, but leadership development and change management are often closely related. Almost every time we act in one of the two-fields, we impact the other one, which is mostly not consciously targeted. The big advantage is that considering both areas usually gives a more colorful and complex picture of the situation. **by András Karácsonyi**

A more colorful picture

We often work in the areas of leadership development and change management. Our experience in both fields has two significant advantages:
— Being experienced in both fields gives us a multiple set of concepts, methods and tools. This, in turn, gives us a more colorful and complex set of answers to client situations and needs. However, there are some limitations, as well: even if we use all our tools and resources, we cannot simply transfer these tools from one area to the other.
— We can design and propose solutions that build on each other. A leadership development process becomes significantly more efficient if it takes the organizational context and the participants' reality into account. Not only that; an organization development process can reach much better results if leaders find their own role and ways to support the changes.

Even if we do not often work on both areas at the same time, we can – in almost all projects – observe that either leadership development has an impact on organizational development or vice versa. In these cases, only one area is consciously targeted but the »side effects« contribute to the overall process. We illustrate these experiences in two cases from our practice.

CASE 1

Developing change talents

We have supported a complex leadership development program at one of our long-term clients for seven years. The program in this global company consists of personal coaching, training and peer learning. Approximately 60 key talents have participated in the program so far. Beside the personal development of the participants, the program has contributed to an increased change capability of the entire organization through the following elements:

1. **A community was created**
   The one-year-long leadership development program created a real community with its own, dialogue-based culture, consisting of high potentials. They really understand each other and are able to resolve issues in a different way, thereby avoiding getting stuck in their own functional silos.

2. **Alliances were forged**
   The participants saw each other as an alliance they could rely on. Thus changes in the unit of one person were supported by the colleagues. This is how changes could happen within the complex matrix organization.

3. **A task force was established**
   The program created a high-performing cross-functional team, which also shared joint responsibility for the organization. The management realized that they could use these people as a »task force« for critical projects.

4. **A shared reality was created**
   The structure of the leadership development program provides space for discussion. Participants see the overall picture of the strategic and leadership challenges their organization is facing. By having a dialogue about the current issues, the key people can prepare their answers better and align them among themselves before communicating. We can also see that this joint sense-making still works after the end of the program.

CASE 2

Boosting leadership performance

One of our international clients – a medium-sized financial institution – decided to launch a cross-functional cooperation development program for its subsidiaries in South-East Europe. For a year and a half, we worked with management boards and middle managers from five countries, supporting them in transforming their organizations into a new type of functioning. The top-down change management support targeted a better organizational performance. As a result, we had some »side effects« in the leadership quality in each of the countries. The main leadership-related impacts of the program were as follows:

1. **Roles were clarified**
    Management board members in each country clarified and found their own role within the board as well as within the entire organization. We saw CEOs shifting from an operational functioning toward being a true number one strategic leader of the organization. In addition, senior managers found a way to truly support the top managers of their organization. What is more, middle managers clearly understood and supported the roles of various board members as a result of joint workshops.

2. **Leadership team performance increased**
    In each of the management boards, we experienced a different quality of teamwork. The smoother the

cooperation got, the better the management board members could identify with their own role(s) and their leadership team. This led to more respect for each other, a better atmosphere and an increased leadership team performance. The local team (board and middle managers team) learned to better handle the headquarters' needs and requests. This ultimately increased the acceptance of the extended management team within the local organizations.

3. **Leadership behavior improved**
    Many of the leaders we worked with changed certain aspects of their own leadership practice as a result of the significant amount of feedback they received from peers and direct reports. The feedback helped them to better grasp the expectations of their colleagues, thus enabling them to better tailor their behavior to the needs of their environment.

4. **Implementation of decisions got better**
    The leadership culture improved in each of the organizations, on both the board and middle management levels. The middle managers experienced the leadership practice of their board members, gaining more insight into the »why?« of decisions. With this understanding they could better explain actions to their units and thereby ensure their commitment. Management decisions were better accepted and more easily transferred into everyday practice within the entire organization – simply because of the different leadership practice. ●

»Good management is the art of making
problems so interesting and their solutions
so constructive that everyone wants to get
to work and deal with them.«

Paul Hawken