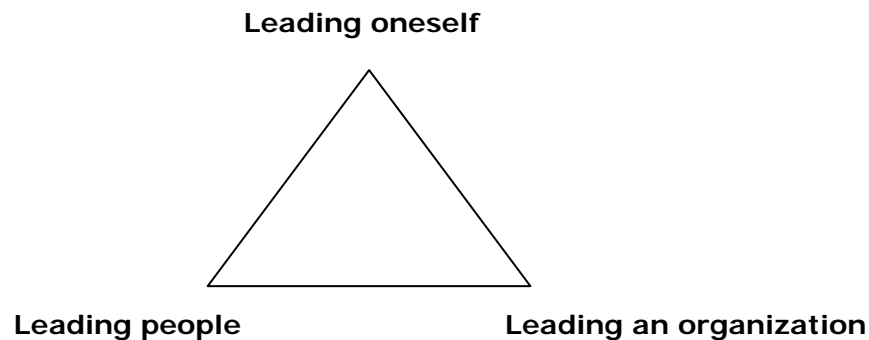


## **THE TRAIN CONSULTING ORGANIZATION MODEL AS A LEADERSHIP TOOL**

In our leadership model "Leadership Map"<sup>©</sup> (see Train Mail 2/2005), we specified three core tasks of practical leadership:



We are very well aware of the fact that the definition of this threefold task is nothing new. But this is not the decisive point here. The decisive point is that underneath these tasks, there are concepts and theories. It is also important to see how these tasks are understood and how they are theorized.

We start from the assumption that leadership needs theories and models and not just a bag of tools - even though we can relate to there being a pronounced need of having "tools". Tools are useful and effective provided that the "objects worked upon" are stable and hold still. If that is the case, drills and screwdrivers come in very handy. However, as soon as things are in constant motion and in an ongoing process of change, these tools turn out to be a problem.

These situations rather call for general theories and models that provide orientation and facilitate decision-making processes.

Self-leadership is the ability and willingness to observe oneself and to engage in self-reflection.

When leading other people, the focus lies on finding adequate approaches to communication about the work that needs to be done.

Both types of leadership require models and theories and most certainly also some useful tools, which we have developed. Other models and theories have been published before.

Leading organizations is a much more intricate endeavor. Tools are not enough when it comes to effectively leading an organization or the one part of an organization an executive is responsible for. Here is where theory-based and theory-supported models prove to be very useful in providing orientation.

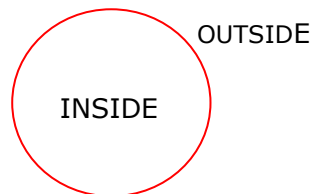
Our organization model relies on the system-theoretical concepts of organizations developed by Niklas Luhmann, but also on other systemic models, such as the triangle of values in cultures introduced by Varga von Kibéd: order - knowledge - trust.

We have combined the seven factors we consider to be the most important ones to form a model, which we believe depicts the crucial aspects and factors of successful and strong organizations.

## The Factors:

### Identity

Every living system has boundaries that separate it from its environment and from other systems. This is all about distinguishing the outside world from the inner world: determining what is part of me/us and what is not.



For individuals, this definition of boundaries has its origin in the concept of "self", which involves questions like the following: what is part of me, what is not, what make me be me, what distinguished me from others?

The same questions apply to organizations: what is part of the organization, what keeps it together, what makes it special?

This extends to issues such as corporate culture, loyalty, values, "self-sense", CI and unity.

When it comes to the feeling of belonging, the question may arise whether clients or, more specifically, the clients' employees, should be considered to be part of an organization. The question of identity also involves abstract issues such as dealing with an organization's history and pondering the question if the founders and their visions are still a part of the company.

It is a task of leadership to continually work on questions of collective perception of identity, thus ensuring an organization's unity and collective energy.

### Meaning

Organizations are different from other social systems such as families because there is always a reason of their having been created in the first place. Organizations do not come into being without there being an act of will on the part of individuals who create an organization in order to reach a specific goal.

It follows that organizations always have a purpose and a mission. This purpose may reside in what an organization is intended to achieve for the benefit of its owners or what an organization is intended to achieve for the benefit of the world and society as a whole, which is often the case for NGOs.

An organization's meaning may be defined very differently by stakeholders or other people involved.

Leading an organization requires executives to constantly rethink an organization's meaning and its mission as a whole. This provides orientation and a feeling of stability to the members of the organization. In organizations, the question of meaning is addressed in mission statements, services and products. The question of meaning often serves as a starting point for strategy processes.

### Development

Being living systems, organizations are in a constant process of change - sometimes changes happen slowly, sometimes quickly, sometimes changes are major, sometimes rather superficial.

It follows that every living system has a history, a past as well as ideas about the future.

Working on these development issues goes hand in hand with addressing questions of learning and reflection. These topics are usually discussed in strategy processes and change management processes.

### **Resources**

Living systems need constant renewal - a kind of "metabolism" taking something from the outside world, processing it and converting it into energy and then giving it off again. Organizations need highly specific "nourishment" that ensures their survival: know-how, clients, employees, or just money, infrastructure, contacts. It is an organization's members who decide what is regarded as a resource and what is not: resources can be a positive working environment that motivates employees or an organization's products, identification with the organization or a good market position.

Resources are usually associated to finance only - cash flow, profit, sales, stock price, etc. However, these are just part of all resources and are often overrated, which can eventually be a problem.

### **Order**

From the very first minute of their existence, organizations have a high degree of complexity: different observers, persons involved, goals and interests collide and need to be balanced out in order for the organization to move into one direction as a whole and evolve.

In order to reduce complexity, organizations must establish a certain kind of order. Organizational order is usually expressed in organization charts and regulations. They specify positions and lay down the rules of the game an organization should follow. However, within any living organization, other types of order develop simultaneously and might come into conflict with each other. In addition to power and decision-making rights, other factors of order may include concepts such as age, seniority, education, performance or other factors. It all comes down to knowing which order is the prevailing one. Who will end up prevailing? The young new boss who, although he does not know the company, is the boss simply because he's a college graduate? Or senior employees who know the company inside out?

Organizations must be aware of their internal order if they want to avoid being subject to the free play of forces that will make the organization impossible to manage.

### **Balance**

Every living system strives for a state of comfortable balance. In a figurative sense, we could say that organizations also search for their "center".

Balance refers to a steady state involving many different aspects: giving and taking, performance and acknowledgment, different individual interests contrary to the collective interest, the predominance of specific tendencies.

One example: organizations attaching too much importance to their employees' interests might threaten the balance just as much as those that focus on the owners' interests alone. Organizations that rely solely on quarterly figures to measure their success will get thrown off balance.

Balance refers both to internal processes and to relationships with the environment, including clients, competitors, society and nature.

Creating and maintaining balance requires an organization to work on conflicts and to facilitate the reconciliation of interests.

### **Communication**

Organizations are a special kind of social systems. Their core "consists" of communication. In order to make this elusive and abstract thought more tangible, just

think that organizations continue to exist even if the people who work there are replaced. One example for this is the church, which is an organization that has existed for 2,000 years now even though popes and cardinals have come and gone.

What remains of an organization is communication. Man-made communication is what drives an organization.

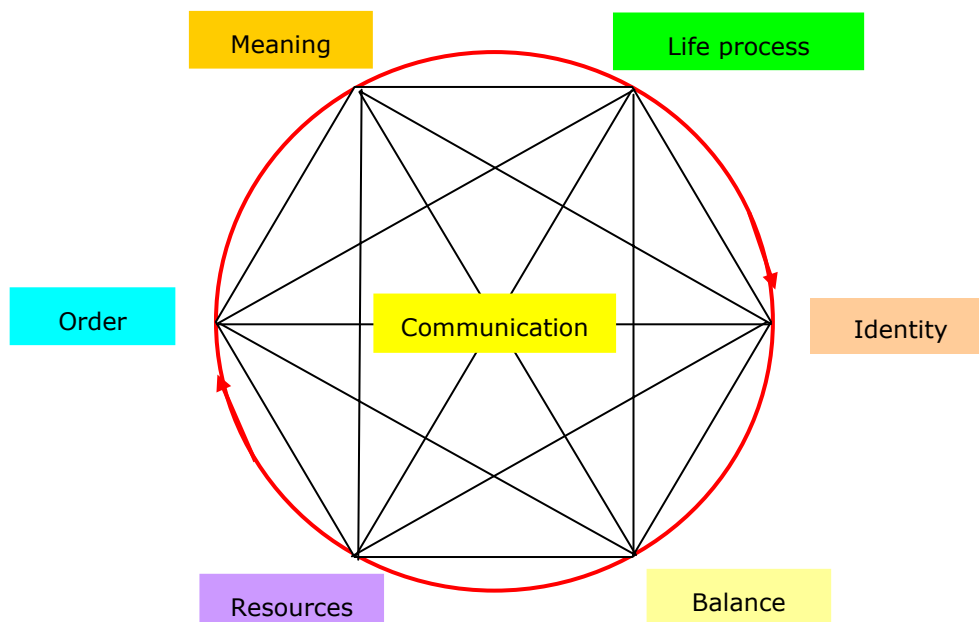
This makes communication a very unique factor within organizations: communication is what an organization revolves around; it's the element of life an organization feeds on. Thanks to communication, all the other factors mentioned above are connected to each other and are dealt with on a continuous basis. We maintain that communication within organizations must deal with these factors and will, by doing so, become the seventh factor of life. Shaping and organizing communication processes is the essential element of leadership.

All these factors are interconnected. Identity presupposes meaning, balance requires order, development needs identity etc. It is only the interaction of all these factors, achieved by continuous communication, that will ensure life and success.

Our organization model can be depicted as follows:

### TRAIN CONSULTING Organization Model

#### 7 Factors for Energy and Success in Organizations



It is an essential leadership task within organizations to observe these seven areas of interest, work on them and ensure that no area is neglected. This applies to leading an organization as a whole as well as to leading part of an organization such as a department. The main issues always remain the same.

From our experience as consultants, we know that most organizations focus on very few aspects and issues - especially on economical development. However, organizations are

much more intricate than that and there are many other factors of life than money alone. While economic development is crucial, it is just one indicator of a company's success. Many problems within organizations arise because success is assessed by looking at economic data alone. That is a very short-sighted approach and will eventually be the beginning of the end. Success is measured by an organization's enduring innovative spirit, its constant development and its willingness to meet its purpose. The factors of life we have defined are, at the same time, also success factors that organizations need to keep an eye on and work on continuously.