

Cyrus Achouri

# Modern Systemic Leadership

A Holistic Approach for Managers,  
Coaches and HR Professionals



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# Preface

System Theory has meanwhile established itself within many scientific disciplines and has shown productive results. However, a systematic-scientific adaptation for the management theory, especially for personnel management, has not taken place up to now – at least, I do not know of any. I therefore would like to make a contribution to encourage the discussion on how we can take advantage of some systemic axioms in the field of personnel management.

In order to understand what contribution Systemic Leadership in management can offer, we will begin by presenting general principles of personnel management and development. After an introduction to essential management tools like feedback, coaching, performance management and human resources controlling (Chapters 2 and 3), fundamental management methods will follow, including ethical aspects (Chapters 4 and 5). In Chapter 6, we will deal with international personnel management aspects in a globalized world as well as some essential paradigms of intercultural leadership. In Chapter 7, we present different systemic models as part of disciplines like biology, evolution theory, physics, cognitive sciences, philosophy, pedagogics, sociology and management. Finally, in Chapter 8, I attempt to bring in all these ideas in one theory of Systemic Leadership.

The contents of this book resulted from the lectures held in the summer term 2008 and the winter term 2008/2009 at the University of Nuertingen. I am grateful for the numerous suggestions by my students whom I want to thank cordially. Also do I want to thank Dr. Gerhard Seifert, Business Director at Publicis for making this book happen and a very big Thank You to Renate Achouri for the translation.

This book is intended equally for Students to accompany the lectures in Business Administration with focus on Personnel Management, and for interested Executives and Personnel Managers who, in their enterprises, want to put into practice an extended catalogue of management tools.

My wish to all of you is that reading may bring you fun and benefit.

*Nuertingen, January 2010*  
*Cyrus Achouri*

# Contents

<b>Chapter 1</b>	<b>Introduction</b>	<b>11</b>
<b>Chapter 2</b>	<b>Performance Management Systems</b>	<b>15</b>
2.1	Feedback	16
2.1.1	The meaning of “feedback”	16
2.1.2	Communication Analysis	17
2.2	Staff Dialogue	26
2.3	Upward Feedback	29
2.3.1	Moderated Workshop	33
2.4	360° Feedback	39
2.5	Human Resources Controlling	40
2.5.1	Balanced Score Card	41
2.5.2	Performance Indicators for Human Resources Management	43
<b>Chapter 3</b>	<b>Coaching as Instrument of Executive Development</b>	<b>47</b>
3.1	Quality Criteria and Process Stages	49
3.2	Consulting Approaches	56
<b>Chapter 4</b>	<b>Leadership and Ethics</b>	<b>63</b>
4.1	Individual Values	63
4.1.1	Religion, Ethics and Moral Standards	64
4.2	Company Values	66
4.3	Society Values: Demography, Part-Time Work and Empowerment	67
<b>Chapter 5</b>	<b>Theories of Leadership</b>	<b>69</b>
5.1	Employee Motivation	71
5.2	Idea of Man	72
5.2.1	Taylor	73

5.2.2	Maslow	74
5.2.3	McGregor	76
5.2.4	Schein	78
5.3	Leadership styles	79
5.3.1	Weber	80
5.3.2	House	81
5.3.3	Lewin	82
5.3.4	Tannenbaum & Schmidt	83
5.3.5	Gagné & Fleischmann	85
5.3.6	Blake & Mouton	86
5.3.7	Hersey & Blanchard	90
5.4	Management Techniques	92
5.4.1	Management by Delegation	93
5.4.2	Management by Exception	93
5.4.3	Management by Objectives	94

## **Chapter 6 Intercultural Leadership – HR Management in a Globalized World Economy** 97

6.1	Organizational Cultures	99
6.2	Culture Strategies, Decision Finding and Internationalization	101
6.3	Cultural Dimensions and Expressions	107
6.3.1	Hofstede (*1928)	108
6.3.2	Robert Levine (*1945)	115
6.3.3	Edward Hall (*1914)	117
6.3.4	Fons Trompenaars (*1952)	118
6.4	Culture-specific Career Models	120
6.5	The GLOBE Study	122
6.5.1	Nine Cultural Dimensions	122
6.5.2	Leadership Dimensions	126

## **Chapter 7 Disciplines of System Theory** 131

7.1	System Theory as Interdisciplinary Approach	131
7.1.1	System Theory and Biology	134
7.1.2	System Theory and Physics	146
7.1.3	System Theory and Cognitive Science	164
7.1.4	System Theory and Philosophy	172
7.1.5	System Theory, Pedagogy and Counselling	179
7.1.6	System Theory and Sociology	183
7.1.7	System Theory and Management	184
7.2	Summary	188

<b>Chapter 8</b>	<b>Systemic Leadership</b>	193
8.1	Six Theses	193
8.2	Consequences for Leadership	194
8.2.1	From Environment to System, from Manager to Employee	194
8.2.2	Company Objectives and Employee Objectives	196
8.2.3	Competition	196
8.2.4	Performance	198
8.2.5	Man as an Artist	201
	<b>Bibliography</b>	203



*"But anguish crept upon me,  
Whenas I pondered in my little cell:  
Ah me! how have I come into this evil road.  
Into the power of Craving have I strayed!  
Brief is the span of life yet left to me;  
Old age, disease, hang imminent to crush.  
Now ere this body perish and dissolve,  
Swift let me be; no time have I for sloth.  
And contemplating, as they really are,  
The Aggregates of Life that come and go,  
I rose and stood with mind emancipate!"*

*Psalms of the Early Buddhists*



# Introduction

***“If you want to build a ship, don’t drum up the men to gather wood, divide the work and give orders. Instead teach them to yearn for the vast and endless sea.”***

*Antoine de Saint-Exupéry*

Any company nowadays knows that performance and motivation of their employees are being influenced mostly by its quality of leadership (more than 70%<sup>1</sup>). Excellent leadership today by no means is only an ideal but a condition sine qua non of successful entrepreneurship. There are several reasons for that.

One of them is that because of a lack of qualified manpower there is not only a need to win over the best talents but also to retain them. This achievement is expected from the direct executive personnel. In many cases where companies take the record of resignation interviews, one can observe a direct correlation between bad leadership and unwelcome fluctuation of employees.

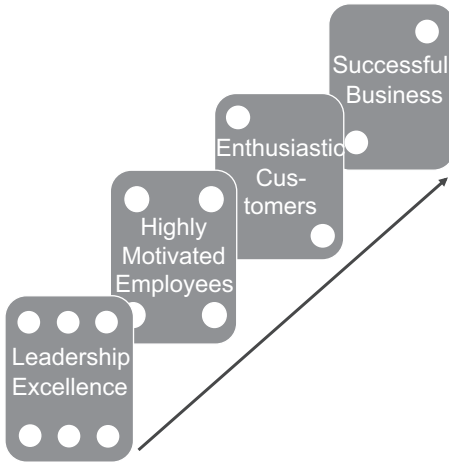
Also, changing demands by employees concerning the degree of independence in their work, the combination of career and profession in different working and time models, the so-called work-life balance, are important points especially for highly qualified employees and all the more so for the considerable female part among them. Any excuse by executives as to increased coordination cost for part-time workers or lacking efficiency is not accepted any more as a reason to refuse flexible working models. A great number of studies prove that part-time employees deal even more efficiently with their working hours. They are simply forced to do so.

While technical possibilities of rationalization can be perfected more and more asymptotically, we are rather at the beginning when it comes to the activation of the resource “employee motivation”. Employee

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<sup>1</sup> IES Report 355, From People to Profits, 1999

motivation, however, is essential for willingness to perform as well as for efficiency and it is therefore imperative to specifically use this first domino and to understand that excellent leadership is the central leverage for the success of an enterprise.



**Figure 1**  
“Leadership Domino”

In this book you will not find an introduction into the entire subject of Human Resources Management. However, we will present main subjects of particular importance for Human Resources Management and subsequently deduce “Systemic Leadership” as systemic approach to HR-Management. The method will not be historical, but systematic.

In Chapter 2 we will start by looking into performance management systems for performance evaluation. We present basic techniques like feedback and communication analysis, both of which should be basic knowledge of any executive. We will then talk about the staff dialogue and the upward feedback which are complementary to each other. Finally, relevant HR-performance indicators will be discussed allowing to define performance objectives and to measure their achievement, especially by using the balanced score card as controlling instrument.

Chapter 3 offers an introduction to executive coaching. Despite their relevance for management performance, no consistently formulated quality standards for the training and use of coaches are yet available. We will define quality criteria for the selection of coaches as well as criteria for successful controlling and evaluation. This Chapter will close

with an introduction of selected consulting approaches that are applied in executive coaching.

Chapter 4 attempts to answer the question which value system may be able to support executives when operating in delicate personnel situations, and Chapter 5 presents some theories of leadership. Following an introduction to employee motivation, images of man as basic paradigms are presented that have always been an underlying part of the style and understanding of leadership. We will then introduce selected management styles and finally present the so-called management techniques, i. e. the craft skills to put them into practice.

Chapter 6 deals with HR- management on a globalized level and presents strategies of internationalization as well as different models to describe intercultural aspects. This closes the introduction to principal leadership theorems.

Chapter 7 offers an excursion to different scientific disciplines which allow to present system theory in its principal statements. We examine the statements of evolutionary biology, physics, chaos research, cognitive sciences or philosophy, pedagogics and management theory in order to find out the common aspects.

These common aspects we will use as a basis in Chapter 8 in order to apply the systemic statements and results to personnel management and set up a draft of Systemic Leadership.



# Performance Management Systems

***“My main job was developing talent. I was a gardener providing water and other nourishment to our top 750 people. Of course, I had to pull out some weeds, too.”***

*Jack Welch (\*19.11.1935),  
former CEO of General Electric (1981-2001)*

Performance management means the process of performance measurement, performance steering and performance control of individual employees, teams and executives. The objective of this process is a continued improvement of individual performance ending up in an improved performance of the whole enterprise. Extending its attention from accountancy with its main interest on the past, performance management also focuses on non-financial performance indicators. This comprehensive planning and steering process is additionally brought into line with future challenges.

In order to meet this comprehensive objective, many companies use the balanced score card in order to measure financial results, process efficiency as well as employee and customer satisfaction. Below, we will present important performance management instruments, the staff dialogue and its complementary tool, the upward feedback.

The basis of all these instruments, however, is communication. Structured and successful communication is a management tool by itself already, and any applied methods of performance management depend on the quality of communication involved. When talking of communication used for reporting back information on behaviour and performance, the term “feedback” has gained acceptance following the scientific concept of back coupling.

Before looking into the methods themselves, we should therefore pay attention to the basics of successful communication. Especially feedback does play an important role here as it is a communication instrument that reports back information on behaviour and performance.

## 2.1 Feedback

### 2.1.1 The meaning of “feedback”

Although feedback has probably become the best-known management instrument at all and employees as well as executives do well know the rules of feedback by theory and training, when put into practice, however, there is either a lack of comprehension of the subject or there is not sufficient conviction to use this knowledge successfully. In any case, in the average business practice, an increase in positive communicational culture cannot be observed.

At the same time it is a fact that giving feedback and taking feedback are the most important tools in personnel management and development. Supposing we were forced to refrain from any Human Resources Management Tools at all, we still could not do without a productive and orderly communication. There is an enormous gap between the relevance which feedback should have and which it does actually enjoy in the perception of executives.

The best way to work on a productive feedback culture certainly is to combine the theoretical input with directly following practice. Only training creates the understanding for the existing (and often unconscious) communication patterns and only training will break up communication and behaviour patterns that have been existing for a long time. A purely cognitive and conscious approach will mostly not be sufficient. Only role playing in training will show how far the theoretical contents have really been understood and internalized. Therefore, at the beginning, self assessment and result after training may be a long way away from each other.

Feedback is an especially interesting tool. It is not only relevant resp. has not been particularly designed for executives or employees. It is, on the contrary, a communication pattern that can be applied to all fields of human communication. This is the reason why most feedback trainings request that the theory should be applied and trained as often as possible in the private field and in this way be made an individual and personal communication pattern.

Practice shows that it takes a certain time until one is able to formulate for instance the three-step feedback rules in such a way that they do not seem learned by heart or put on stage. Especially when dealing with peer colleagues in business or with people in the private field it can

turn out to be a considerable challenge to formulate feedback professionally without losing one's own authenticity and naturalness.

In Human Resources Management, the situation is different. Here, values like authenticity and naturalness are of course also desirable for an executive who expects to be accepted by the employees. However, what we have to bear in mind here additionally is an existing appraisal situation with all possible consequences. Therefore, in the communication between executive and employees, the objective has to be on the one hand clearness and precision of the statements, and on the other hand an inoffensive tone. If these aspects of communication are fulfilled by the executive, the employee will regard the conversation as professional even if the rules of feedback are not internalized entirely and are formulated perhaps clumsily or with difficulty.

Contrary to the unprofessional, chatty tone of an executive with ambiguous authenticity, the conscious compliance to formal feedback rules expresses also verbally that the appraisal process is respected and that the executive is explicitly trying to cope with the task of evaluation. Let us now talk about the contents of this communication.

### **2.1.2 Communication Analysis**

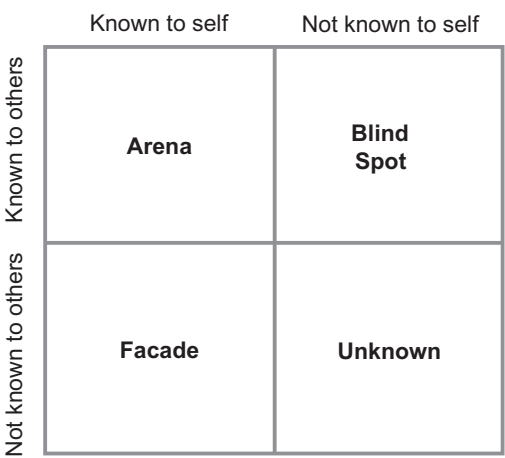
Feedback as an instrument as well as specifically recommended feedback rules are a result of the work of social psychologists and group dynamic experts like for instance Kurt Lewin. Feedback means reporting back to an individual information about his behaviour and how this behaviour is perceived, understood and experienced by others. Such feedback is permanently happening when we are in contact with others, consciously or unconsciously, spontaneously or upon request, verbally or by non-verbal communication, i. e. body language. In order to make these processes conscious, to train them and to improve self and counterpart perception, feedback has been used for a long time in group-dynamic training. The task is to verify one's self perception and to adjust it with the perceptions from others. Such an adjustment is being described for instance with the "Johari Window".

#### *Johari Window*

The Johari Window is a window of conscious as well as unconscious personality and behaviour characteristics between an individual and others, resp. another group. It was developed 1955 by the American So-



cial Psychologists Joseph Luft and Harry Ingham<sup>1</sup> and “Johari” is a combination of both their first names. By means of the Johari Window we can illustrate the so-called blind spot in the self perception of an individual.



**Figure 2** Johari Window

The “Arena” as the Public Person includes everything that an individual reveals about himself, i. e. everything that is conscious to himself and others. It is the part that is being made visible to the outside. This part, in comparison to the other parts, is mostly rather small. However, essential for the quality of relationships are the non-public parts.

“Facade” is everything that is known by the individual but that he does not make accessible to others or that he actively hides from them, also known as “Secret”.

By “Blind Spot”, we understand information which is not known by the individual himself but which, however, others do know.

Finally, the “Unknown” is defined by information that is not known by the individual nor others. Sigmund Freud called it the unconscious.

<sup>1</sup> Luft, J. & Ingham, H. 1955

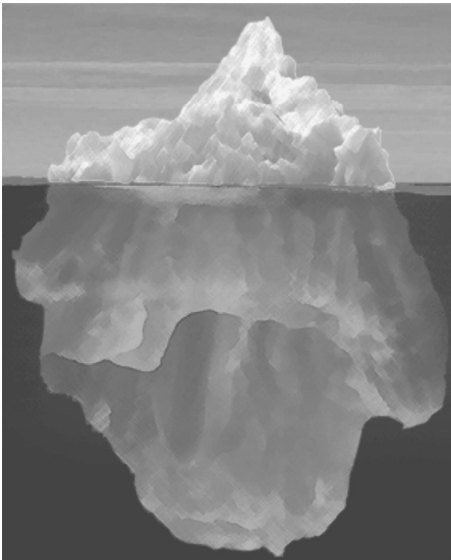
One essential learning objective in group dynamic training is to expand and make more transparent the common room for manoeuvre. When applying this to the Johari Window, the left upper field becomes bigger and bigger, while the other three fields become smaller and smaller.

By informing the individual in question directly about blind spots, he will gain knowledge about himself and will be able to perceive more consciously his private and public room for manoeuvre and so take better advantage of it. The question “What” is being efficiently supported by the question “How” contained in the feedback rules.

Another well-known illustration of conscious and unconscious parts in the communication is the “Iceberg Model”, which goes back to the Psychoanalyst Sigmund Freud.

### *Iceberg Model*

According thereto, only a relatively small part of the communication takes place on the surface of the ocean – the visible iceberg. The much bigger part of non-verbal, emotional and unconscious communication lies within the ocean, hidden from direct perception.

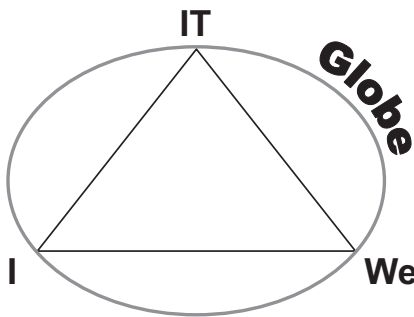


**Figure 3** Iceberg Model

This fact was also taken into account by Ruth Cohn (\*1912)<sup>1</sup>, Psychoanalyst and Founder of the Concept of Theme Centered Interaction (TCI), when formulating: “Disturbances have Priority”.

According to her, it is essential, especially when working with groups, to make existing (emotional) disturbances that become felt in communication a subject of discussion, to bring them on the upper side of the iceberg and in that way to make possible an objective and conscious clarification. If we are not ready to allow priority to these disturbances, they will anyway take hold of the situation, with or without our consent.

The result will probably be that the group process and an objective clarification of tasks and problems is thrown back. TCI enumerates four essential factors in the group process, the individual concern (I), the needs of the group (We), the task (It) and the environment (Globe).



**Figure 4** TCI Triangle

Also, the famous mime artist and Professor emeritus of the Vienna Conservatory, Samy Molcho (\*1916 in Tel Aviv)<sup>2</sup>, showed in his analysis of our body language impressively that there is a huge part of non-verbal and unconscious elements in our communication.

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<sup>1</sup> Cohn, 1975

<sup>2</sup> Molcho, 2001