

# Systems change and democratic working life – Searching for democratic leadership

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The theme of the 21<sup>st</sup> ISLC conference is “The leadership dynamics of systems change”. As the call for papers argues, we face numerous challenges from environmental changes through increasing levels of complexity to inequality, discrimination, and polarization. The call for invites “proposals that explore how individuals, organizations, and communities can respond to such challenges with regenerative practices, collective organizing efforts, and creative business models that align with broader societal values and purposes (Kempster et al., 2019)”.

Here, we seek such solutions through the ideals of democracy. Although certainly not the only possible future, there is a significant possibility that the democratization of work life is one of the major system changes of the near future. There is preliminary evidence that the democratization of work life would be able to produce things that would help meet the future challenges (Diefenbach, 2020; Rothschild, 2016), e.g. ensuring the well-being of employees, supporting creativity and human empathy, and making decision making more agile.

Modern working life has formed within the framework of democratically governed societies. One essential question is how many significantly influential undemocratic institutions can this kind of system contain? Arguments (e.g. Landemore & Ferreras, 2016; Battilana et al., 2018) have been presented that working life is not such a different area from the rest of society, as those who deny the need for democratization have previously claimed.

We have recently joined in this discussion and argued (Salovaara et al., 2023) that working life is on the edge of a systemic change. The “old” system with its hierarchies and myths about heroic leaders fades and gives room for a “new”, more democratic working life that not only allows a worker representative to have one vote in a board meeting, but allows for employee participation in decision-making in everyday working life. We have come to this conclusion after studying Finnish self-managing organizations. According to Lee and Edmondson (2017), in self-managing organizations every employee has decision-making rights that cannot be overruled simply through positional power. We have observed how companies have been built and transformed into organizations where employee participation in everyday decision-making both benefits the employees and leads to the success of the company. We argue that self-managing organizations might signify the emerge of a system change from the “old” to the “new”,

particularly because we see more and more examples of these flatter types of organizations simultaneously in different parts of the world (e.g. Ackermann et al. 2021; Lee & Edmondson, 2017; Sun et al., 2017, van den Berg et al., 2022).

We argue that on a societal level work is a political good, the distribution of which affects the wellbeing and possibilities of citizens. Thus, work connects to the requirements of a democratic society: without economical possibilities it is difficult to achieve political possibilities (Acemoglu & Robinson, 2012). Democracy tries to free people from arbitrary control and unnecessary hierarchy and shift the power to majority of the people. What if we would take the ideas of democracy seriously also in work life?

Although the democratization of work life is not the only possible future, we argue it is one of the better ones we should aspire for. What would this kind of a development mean for leadership? Grint (2011) argues that leadership is not detached from the world but is always a reflection of the times. Obviously, (modern) democratic leadership would have similarities with the collective dimensions of leadership (Ospina et al., 2020). There is also some literature on democratic leadership. For example, Woods (2004) argues that democratic leadership is a normative concept, bringing to the fore the issues on inclusion, opposing the dominance of instrumental rationality, and promoting autonomy through democratic rationalities. However, we feel that there is a need for a more comprehensive discussion on the forms, possibilities and possible pitfalls<sup>1</sup> of leadership in a more democratic work life, especially concerning the challenges we face today.

In our presentation, we will explore democracy, democratic work life, and how leadership could rise to meet these developments. The theory of democracy is complicated and contested (Scruton, 2007), so we will discuss what we mean by democracy and explore its different dimensions. We will discuss the demands democracy places on leadership. We will compare the democratic ideals with proposed solutions in organizations regarding participation, inclusion and sharing leadership – e.g. SMOs and the collective dimensions of leadership.

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<sup>1</sup> Uhl-Bien (2021) found that business organizations were better able to respond to the challenges of COVID 19 than political leadership. There is no panacea for (democratic) leadership.

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## **Understanding failure of strategic episodes.**

Total of 748 words (excluding references)

In contemporary companies, organizing different types of change workshops seems to be a frequently used practice in introducing, motivating, and engaging people to change. Yet, despite the ubiquitous nature of strategic episodes as part of organizational routines, it seems unclear whether the change or commitment they are set up to achieve, ever materializes. This study explores the potential causes of failure and analyses strategic episodes building on systems thinking and collective leadership.

Both meetings and workshops can be considered strategic episodes (Hendry & Seidl, 2003), described as 'planned gatherings for a purpose' (Jarzabkowski & Seidl 2008: 1394) and as events that are 'temporally and spatially disconnected from daily organizational life' (Hodgkinson et al. 2006: 491). The importance of both meetings and workshops as strategic episodes resides in the fact that they provide participants a 'time-out' from their daily routines and ordinary responsibilities (Hodgkinson et al. 2006), during which they have an opportunity to reflect upon an organizational issue and propose a variation to it. In that sense, meetings and workshops can be considered as 'temporary islands of disorganization or disorder within the organization' (Seidl et al., 2006:9). The purpose of a strategic episode aimed at supporting strategic organizational change (MacIntosh et al., 2008) can consist either in designing a change initiative, or in supporting the implementation of change by informing and involving the participants in the change (Hodgkinson et al. 2006). Healey, Hodgkinson, Whittington and Johnson (2013) propose that the effects of strategy workshops can be looked at and analyzed in terms of organizational, interpersonal and cognitive outcomes. Although strategic episodes have, among other things, been studied as places where it should be possible for participants *to think how they think*, understanding the effectiveness of strategic episodes from the perspectives of collective leadership and systems thinking seems to be scarce.

During the past two decades, the individualistic leadership perspective has been challenged by more collective, shared, contextual, and relational leadership views (Gronn, 2002; Uhl-Bien, 2006; Crevani et.al, 2010) offering alternative avenues to understand leadership. According to these

concepts, leadership is constructed within organizational contexts and in relationships - as and through collective meaning making (Smircich & Morgan, 1982). Leadership from a collective meaning-making perspective focuses on how different actors within an organizational context build shared understanding and agreement on what and why something must be done and how the doings should be organized (Drath & Palus, 1994). The construction of shared meaning would benefit from systems thinking.

A system can be defined as a collection of various parts that interact with each other to function as a whole (Kauffman, 1980). With the help of systems thinking, individuals, groups and organizations can think about structures and ways of thinking that create or maintain problems – in other words: *to think how they think*. Analyzing the relationship between problems and corresponding interaction processes, rather than individuals, tasks or single activities, helps to identify the nature of the problem. (e.g., Midgley, 2003; Meadow, 2009; Gharajedaghi, 2011)

The empirical data is based on a five-year case study on a corporate brand driven change in a transnational B-to-B company and its internal implementation through a series of strategic workshops. The objective of the redefined corporate brand was to improve the company's customer-orientation (both internally and externally), and to change the employees' way of working to be more proactive and innovative. Furthermore, it was hoped that the company's engineer-driven culture could be replaced by that of organizational learning. I analyzed the brand training workshops both at the central and local level. All episodes consisted of general presentations about branding, introduction to the redefined brand, a talk about change management, and most importantly, interactive exercises where the participants got to discuss with each other about the corporate brand related change and its meaning in their mundane everyday life. Based on my preliminary analysis, contrary to the spirit of the redefined corporate brand statement, the brand training workshops seemed to represent a hierarchical leadership approach. The participation of senior executives was believed to convince the participants of the importance of corporate branding.

Instead of motivating employees to think about what the company was trying to achieve and how to collaborate with both internal and external stakeholders, the exercises focused on evaluating individual situations and making the participants aware of the 'right and wrong' ways to implement the brand. Hence, instead of encouraging employees to systems thinking, and organizational learning, the strategic episodes seemed to lead towards reductionist thinking and eventually a perception of corporate branding as culture management.

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**Exploring a new paradigm for place based public leadership in complex times: how do leaders acquire the connectedness needed for collaborative work to advance their places' mission?**

This paper explores the emerging field of place-based leadership in the context of an English devolved region. The primary function of a Combined Authority is to convene a group of local authorities to manage central government funds and build a collective approach to local prosperity and economic development (Jeffery, 2022; Roberts, 2020). The structure, strategy, and scope of these new type of organisations is limited in research as these unique institutions were formed in the last 15 years. Given the cross-boundary and cross-sector nature of place leadership, this paper explores the relational and connected interface of political, public sector, community, and business to explore the function and outcomes of leadership across a city region. Initial research by Ayres et al., (2018) and Fenwick & Johnston, (2020) suggest that there is a 'rhetoric–reality gap' and that devolution has yet to deliver, and directly elected Mayors may lack human agency in the face of complex bureaucratic systems of local government and elite Westminster governance.

This paper explores the leadership of and in these organisations in the form of place-based leadership and the collaborative approaches needed to create social change. Inspired by the work of Ospina & Foldy (2010) we explore how individual leaders across 7 organisations in the region, who are responsible for place-based leadership, respond to the ambitious collective vision for their region whilst tackling complex societal and economic challenges, in a post covid world across diverse communities (Uhl-Bien, 2021).

First stage data collection identified how place leadership is defined was collected through a leadership education programme with the lead organisation and a university executive education team (Armstrong-Gibbs & Knight 2023). This allowed access to over 200 senior and team leaders across the organisation and is now a well-established training programme in the authority. Stage two consisted of interviews with the CEO (Chief Executive Officer), senior leadership team and the directly elected Mayor focussing on the elements of place leadership, change and collaboration with local leaders, partnerships, and communities. Third stage data collection ran concurrently and interviewed leaders and elected members across the 6 local authorities. This explored the meaning and purpose of place leadership from their perspective as part of a region with a devolved government and power distribution.

This is an emerging narrative enquiry (Ospina & Dodge, 2005) and is a work in progress which continues to identify and strengthen relationships across the region. This approach has opened more opportunities and ability across organisations to participate in further research.

First findings suggest that leaders have a powerful sense of place and an emotional attachment which is embedded in relationships. It has exposed several diverse and creative approaches to leadership that may or may not contribute to the development of strong, sustainable, and inclusive places that lead to enhanced communities – communities that have a strong economic base and identity that enrich the wellbeing of its citizens. Themes highlight that place leadership is complex, distributive, but unequal; encouraging an approach that focuses not on leadership characteristics but rather on leadership processes that consider underlying relational and contextual foundations that support co-production and therefore widen impact and opportunity that can be created for places.

The contribution of this paper directly supports the emerging Place policy development agenda through a systems approach exploring existing and developing relationships and fostering networks. It also offers the longer-term potential for a typology or framework of place leadership that supports collaboration and the development of common interests and values across ‘places’ rather than individual leader characteristics or traits.

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### **The role of relational vulnerability in the unfolding of collective leadership**

Hospitals can be seen to emerge through the highly complicated and ambiguous practices performed by bundles of interdependent professionals embedded in hierarchical structures. The complexity of the social system is further accentuated in psychiatry where the patient issues are difficult and often with no clear solutions, and where work rests on multidisciplinary collaboration across professional boundaries (Uhl-Bien, 2021). The study at hand examines the unfolding of collective leadership in such a context, whose adaptive challenges were exacerbated by COVID-19 (ibid.). We understand collective leadership as a continuous process of producing direction and of creating spaces for collaborative action (Crevani, 2018; Sklaveniti, 2020) through an ongoing reconfiguration of relationships (Crevani, 2018). Such a relational lens directs attention to the processes and conditions that enable collective organizing and change by connecting across differences (Ospina & Foldy, 2010). To do so, the participants however need to be vulnerable in their being in-relation-to-others (Cunliffe, 2008, p. 131). In this study, we thus focus our attention on the role of vulnerability in enhancing the process of collective leadership.

Drawing on feminist scholarship, we understand vulnerability as a relational concept that “appears in the context of specific social and historical relations that call to be analyzed concretely” (Butler et al., 2016, p. 4). Following Butler, Zeynep and Sabsay (2016) we see relational vulnerability as the condition for resistance and as a resource for action rather than the victimhood, subordination and passivity of certain individuals or groups (Butler et al., 2016; Virokannas et al., 2020). To identify the important moments of vulnerability in collective leadership, we draw on Hemmings’ (2012) discussion on affective dissonance. For

Hemmings, affective dissonance is the foundation of our connection with others – and of our desire for transformation since transformation centers on the very moment of affect. Affective dissonance is present in moments of disappointment, frustration and anger, rising from the difference between one's experiences and the world, and they may give rise to action but also withdrawal from action. Thus, such experiences may either support or hamper the producing of direction and the creation of spaces for collaborative action.

The empirical study examines how a troubled team of multidisciplinary professionals in a complex hospital setting seeks to produce direction with the help of a leadership coach. The study was conducted with a team of 9 members in children's psychiatry in a Nordic university hospital. Leaning on an affective ethnographic approach (Gherardi, 2019) with elements of participatory action research (Marshall, 2011), it viewed the participants as co-inquirers and highlighted multiplicity (Ospina & Sorensen, 2006). Starting off and ending with group interviews, the 12-month fieldwork involved five coaching sessions run by the first author, and 8 days of participant observation. Our analysis draws on recordings, transcripts, field notes, and the participants' written reflections and drawings. To engage with emerging relational vulnerabilities and affectively dense moments we lean on autoethnographic writing that "creates experience, putting meanings in motion" (Bochner in Ellis et al., 2011, 157), and forms of writing differently (Gilmore et al., 2019; Pullen et al., 2020) that allow to convey affective intensities and felt meaning (e.g. Katila, 2019; Valtonen & Pullen, 2020).

The study contributes to the discussion on collective leadership by showing how relational vulnerability and affective dissonance work in the collective leadership process. Our study suggests that the multidisciplinary team is unable to seek direction before its members find a way to become relationally vulnerable and use that vulnerability as a resource. It is through relational vulnerability that spaces for collaborative action are created. We further add to the discussion by highlighting the role of affective dissonance (Hemmings, 2012) in this process. The study indicated that when affective dissonance leads to reflexive politization, organizational members can find grounds for solidarity based on a desire for transformation. In this process, coaching can function on as a site of becoming where

relational vulnerabilities can emerge. While earlier studies emphasize the role of negative affect for transformation (ibid.), our study highlights the importance of positive affects like joy and excitement. They empower and energize the actors and enhance their ability to produce direction.

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