FRANK HAGENOW

LEADERSHIP WITHOUT

MIND GAMES

How to Win People with Ethics and Decency

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with Ethics and Decency**

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Content

Welcome on Board: Let's Lift Anchor

Why another book about leadership? Bookshop shelves are already full of those. Does this guy Hagenow have to put in his two cents, too? Hasn't everything been already said on this subject? One could answer with a quote from German comedian Karl Valentin (1882-1948): "Yes, everything has already been said… just not by everyone."

The topic of leadership is very complex and subject to constant change. As a psychologist, business coach, and communication trainer, I find the human and interpersonal aspects of this topic particularly important. After all, it's always people who must deal with each other in companies, often causing problems in the process. However, this book isn't a plea for generalized democracy or a coddling management style. We live in a free market economy in which everyone's success depends on how profitable a company is.

If you're an executive, manager, board member, or entrepreneur, you have a high level of responsibility; you should be aware of the mind games, i.e. psychological tricks played at the executive level, as well as the pitfalls, mechanisms, and phenomena occurring there. In parts 1 to 3 of this book I will provide you with comprehensive background knowledge and basic psychology principles for your everyday management life. But I would like to go one step further and, in addition, provide you with some effective

tools, tips, and checklists for practical application. In part four of this book you will find the "Manager's Toolbox," which will help you expand your skills for leadership on equal terms.

I am convinced that value-oriented leadership will give you and your company a strong competitive advantage. It will also make you less likely to be crushed between the millstones of the hierarchy. A management style that creates clarity, demonstrates competence and a sound judgment, treats employees with decency, and, above all, on equal terms, will help you achieve this. If you're looking for long-term success and want to build trust and establish stable relationships, you have come to the right place. Welcome on board!

After all, managers are often like captains on their voyage through the depths of leadership. With their business steamers and their crew they set course for a corporate goal and often have to struggle with stormy weather along the way. That is why many examples and metaphors are borrowed from a nautical context because so many delightful parallels to leadership topics can be drawn and illustrated here.

When writing this book, I essentially limited myself to using the masculine form. I did so because, on the one hand, men still occupy more management positions than women, unfortunately! But above all, to make it easier for you to read and to avoid linguistic distractions. Nevertheless, female executives, managers, or employees are always expressly meant. After all, this is a universal, gender-neutral issue.

In this book, you will learn about the different ways in which you can encounter psychological trickery, the meaning and effects of these tricks, and how you can use the right approach to avoid them.

I wish you fair winds and following seas in your journey to leading with decency and without mind games.

Yours
Frank Hagenow

PART I:

Whistling for the Wind–The Fascination of Mind Games and Psychological Tricks

To use the tips for dealing with mind games and leading without psychological tricks correctly, it's important – in addition to some general background information – to know the professional environment in which psychological tricks are used. So, let's focus on that in the following four chapters.

1. Cheating is Welcome–Lies and Fraud Everywhere

> **What This Is All About:**
>
> Where the fascination for psychological tricks comes from and what makes us so susceptible to manipulation in the first place. Why we sometimes let ourselves be seduced so easily and, against our better judgment, ignore all the warning signals. Which well-known examples, as well as less common ones, can help us identify our personal thinking patterns.

The Psychological Trick–How it all began

In the very beginning, according to the Bible, God created Adam and Eve—and the Devil invented the psychological trick. You know the story: Adam and Eve are the first human beings created by God, and they initially have an utterly easygoing existence in Paradise, the Garden of Eden. But then the Snake persuades Eve to eat the fruit of the Tree of the Knowledge of Good and Evil, despite God's prohibition.

"Apple, anyone?"
"Oh, no, I'd rather not. We could get in trouble for this."
"No one will notice."

"But if someone gets wind of this, we'll get kicked out of here for sure."
"Oh, nothing much can happen."
"Well, okay." (She bites.)
"Ha-ha, gotcha!" (He sneaks away.)

Christianity speaks of the Fall of Man, and many painters, among them Michelangelo, Rubens, Lucas Cranach the Elder, or Albrecht Durer, have captured this key scene of the human genesis in their works. As a consequence of the rebellion, the Bible describes how Adam and Eve become aware of their nakedness and are ashamed of it. They then make clothes from fig leaves and try to hide from God. God confronts them, and Adam puts the blame on Eve, and Eve on the serpent. In the Christian tradition, the serpent is often referred to as the Devil. Adam and Eve are expelled from the Garden of Eden, and from then on they have to take their existence into their own hands, and so must all generations after that.

The incident with the apple represents, at least for Western culture, something like the beginning of seduction and manipulation. It's the prototype of the psychological trick, if you will. Even back then, using tricks only provided a short-term prospect of success, and it ultimately left long-term negative consequences in its wake. Unfortunately, the desire for increased power through the fruit of the Tree of Knowledge of Good and Evil was discovered much faster than expected, and it led to a termination without notice for the first two managing directors of the Enterprise Humanity.

"Objection, Mr. Chairman, we've been set up."
"Weak plea. Ever heard of free will and personal responsibility?"
"Yeah, but…"
"No way, it's your fault. End of discussion. Objection overruled. So sorry."
The ultimate consequence—dismissal. The expulsion of man from paradise.

If we follow the story a bit further, we realize that that's when all the trouble really started. As if the expulsion wasn't bad enough, there was a whole series of other inconveniences for the rest of humanity. The nudity that had been considered natural until then suddenly caused a shame unknown previously, and from then on it had to be covered. Also, the boss delegated the responsibility for the food procurement and the procreation departments to the employees forever.

Yet everything could have been so simple. Just imagine what we would have been spared if Eve had simply made a different decision at this significant juncture in the history of human development. What if she had shown a little more loyalty and compliance to her CEO, or paused for a moment just before this emotionally driven rush to action, and perhaps asked for a day to think things over?

> *"Thank you very much for the interesting offer, Mr. Serpent. I think I'll sleep on it."* Perhaps she would have taken the opportunity to have an open conversation with her husband.
> *"Adam, you won't believe what this shady salesman suggested to me today. Do you think I should go for it?"*
> And after careful consideration, weighing all the pros and cons, she would have probably decided against stealing the apple.
> *"No, I think I'd rather not."*

What a great show of character would it have been to resist that temptation! And how might the history of mankind have developed then! Maybe we would still be living in paradise today and would be at peace with nature and our self-esteem. We wouldn't have to spend endless amounts of money on clothes, hairdressers, cellulite creams, or plastic surgery. How wonderful would it be not to have to worry about our livelihood! We would not be confronted with such burdensome questions as to what to wear today or which new car to choose when the leasing contract expires. Thank you very much, Mrs. Eve! We wouldn't have to worry about psychological tricks and I wouldn't be giving any lectures on this topic, wouldn't have written this

book, and you wouldn't have been able to buy it… Well, yes. I guess that would somehow present some disadvantages. Anyway, enough of the wishful thinking. As you know, things turned out quite differently.

> **The foundation of our existence is trust. That's why Mind Games hurt us so much.**

Since the slightly unsuccessful start of the human enterprise, our reality is now generally such that we're born into this world as infants. Just a moment ago we were inside Mom's warm belly—this uterus paradise with a pleasant temperature where we were completely taken care of. In our amniotic sac of happiness, we didn't need to worry about food supply or disposal and weren't bothered by shady apple seducers. Unfortunately, at some point it got too tight for us in there and we had to see the light of day, even though we were not yet fully developed. Basically, we got thrown out of paradise again, even though this time we hadn't even misbehaved in any way. Tenancy expired, move out required. Lights on! Let go! And… breathe! No sooner have we recovered from the strains of our move than we're suddenly born into a completely strange environment. In this new environment, we're confronted with the everyday hardships of our new existence and hopelessly overwhelmed. Previously unknown sensory impressions such as hunger, thirst, or digestive activities weigh on us—this must be quite a shock for such a tender child's soul. There's only one saving thing that helps to get by: trust. That is the very foundation of our existence even before we know what it is or how it is pronounced. In our vulnerability, we have no choice but to trust that we'll be taken care of and that our needs will be met, even if at the moment we can only express them through inarticulate sounds. Otherwise, we'll die.

Unlike other mammals, we're not yet able to stand on our own feet and be nearly autonomous shortly after birth. To be fully developed we would have to spend about one more year in the womb before we'd be big enough and

ready to walk upright. But not even the most self-sacrificing mother with the most flexible pelvis in the world has such capability. So, unfortunately, we must be born in the middle of our half-finished development process, because otherwise we would simply be too much of a heavyweight to arrive through the natural distribution channel. That's why this early birth must be followed by an extensive phase of brood care, and even after that, we're far from finished with our development. Instead, we must laboriously realize through socialization and schooling that we're not the center of the world, and that we cannot simply take the shovel away from someone else in the sandbox.

Furthermore, we have to learn, with great effort, that we cannot have everything we'd like, and certainly not always on the spot. Our next developmental task is to understand that our wishes don't always get fulfilled immediately, and that some goals can only be achieved after a long and laborious journey. The childish pleasure principle (I want everything, right now!) will be replaced by the reality principle if everything goes well for us. Sigmund Freud reported on this more than a hundred years ago. For this developmental phase, however, we need a good portion of confidence and the positive control conviction that we can achieve our goals with patience and determination. We have to realize that it may well make sense to postpone the short-term satisfaction of needs in favor of a later, even more attractive goal. It's very helpful and positively reinforcing for us if we have already had one or two successful experiences with this strategy. Even the occasional failure will not necessarily take us off course. No, quite the contrary. Sometimes we're even more encouraged by it because success is only experienced as such if it's connected to a corresponding effort. However, we shouldn't fail too often either because the positive reinforcing effect can otherwise turn into frustration and resignation. Or, as the former German Chancellor and Nobel Peace Prize winner Willy Brandt (1919-1992) put it: "Defeats strengthen us. But only if there aren't too many!"

Therefore, trust plays a central role in our development process. Not only as newborns, but also along our entire development path. We have to trust, and

want to trust, but at the same time are ambivalent about whether we can really do it. Even long after we have grown out of our childhood dependency, the question of whether our trust will be disappointed in the end remains. This continues to have an influence on us and on our self-esteem, even if it's not as threatening to our existence later on as it was at the beginning. Humans are social beings. We're interdependent and cannot survive on our own. That's why we need trust, confidence, and those around us.

So, it's probably in the nature of man to want to believe in an (even) better future, or sometimes even in miracles. But this makes us very susceptible to all kinds of psychological tricks.

Perpetrators and Victims: The Secret Attraction of Psychological Tricks

Our fascination with psychological tricks has different aspects. First, there's the part of the perpetrator—those who use mind games to increase their power, use other people for their own interests, or at worst, to keep them dependent and small. Having power over other people means being in a superior position, and that can really enhance one's self-esteem. The susceptibility to psychological tricks has been with us throughout human history. For as long as humanity has existed, there have always been representatives of a species of people who try to gain an advantage with trickery and malice. They do it by cheating others—often less clever members of their own species—using more or less subtle methods depending on their own intelligence and that of their victims.

History is full of frauds against humanity. There was, for example, the mysterious traveling healer who would sell his "miracle elixir" against all

kinds of diseases at medieval markets to the gullible villagers (an example of which is magnificently played by Borat actor, Sacha Baron Cohen, in the movie version of the musical "Sweeney Todd – The Demon Barber of Fleet Street" starring Johnny Depp and Helena Bonham Carter). This healer is the predecessor of the shady used car salesman, and of the dubious vacuum cleaner distributor.

The unknown, the promising and mysterious, the almost reachable, the forbidden—all of these things continue to exert their unbroken attraction on us to this day.

As human beings, this attraction makes us both extraordinary and vulnerable. It's this openness to new things that, in a positive sense, has made us such a unique and extraordinary species, driven by never-ending curiosity, a pioneering spirit, and confidence. We strive to discover, question, and develop ourselves and our environment. At the beginning of their journey, many great inventors and pioneers had to have the courage to question what had been considered impossible until then. Many of the achievements of the digital age probably wouldn't exist otherwise. Without doubts and visions, we would probably still believe the earth to be flat and the center of the universe. However, it plays into the hands of the tricksters that we also like to be seduced and believe what we want to believe.

In addition, it seems to be easier for us to believe something that is presented to us in a credible way by competent experts or those we consider as such. When a certain kind of authority comes into play, it seems to open the gateway to insanity. Only in retrospect do we find anything wrong with statements such as, "The Titanic is unsinkable, dear passengers. Don't worry about the few lifeboats and that little bit of iceberg."

At a press conference in East Berlin on June 15, 1961, Walter Ulbricht, Chairman of the State Council of the German Democratic Republic,

announced, "No one has any intention of building a wall." That was a blatant lie, because the construction of the Berlin Wall began only two months later. Or just think of the reports about Saddam Hussein's alleged poison gas installations and weapons of mass destruction in Iraq, with which the Gulf War was stirred up in 2003, and which nobody found afterwards.

However, we're not always just the poor victim taken in once again by the insidious intrusions of nasty manipulators. Often enough we're perpetrators ourselves, trying to manipulate and trick others to gain an advantage. Maybe we even do this without being aware of it. The line between loosely interpreting certain statements in our own favor and committing serious fraud hoping that nobody will notice and that we'll enjoy the forbidden fruit with impunity, can be very thin. Ultimately, it makes no difference whether we're talking about the well-meaning interpretation of your own tax statement or the strategy of your lawyer in court.

People in leadership positions, however, not only have to take into account the wishes of the individual, but also keep an eye on the big picture while trying to meet every kind of requirement. For example, it would make no sense for a CEO to grant all his employees the understandable wish for a generous salary increase, and thereby endanger the company's liquidity for medium-term investments because in the end, this could lead to having to get rid of everyone.

The Dream of Getting Lucky

Do you like to play the lottery? If you do, you're in good company. Among the many different games of luck, this one is particularly popular. In my home country, Germany, for example, there is a lottery every week in which 6 numbers are drawn out of 49, plus a bonus number. The average jackpot is 17 million euros. Sounds tempting, doesn't it? That's why about 20

million out of the 83 million people in Germany participate in this lottery every week. In other countries the interest is likely to be comparably high. However, the chances of winning the lottery for a significant amount are dismally slim. They're about 1:140 million (6 out of 49 with a bonus number). This means that there are about 140 million different combinations of these numbers and you would theoretically have to place 140 million different bets to be sure your numbers are drawn. In other words, you play your combination of bets against about 140 million other combinations of bets that have the same chance of getting drawn.

"Not impossible," you might say, "after all, it happens almost every week to some lucky person." That's true. However, this lucky someone only wins the money that others have previously bet and lost. Did you know that only about 50 percent of the lottery revenue is actually distributed back to the winners? The other half drains into the state treasury and the operating companies. There's another subtlety: you don't know how much you will actually win even if you win the main prize. This depends, first of all, on how many people have actually played and paid into the lucky pot. And then it also depends on whether there are other lucky people besides yourself who have entered the same numbers. If you're unlucky enough to have five others who hit the jackpot, the prize money will be divided among all of you. As you can see, the risk is entirely on your side.

This leads us to an important question: why do so many people fill out a lottery ticket every week? Especially since many of them, when asked, will tell you they don't seriously expect to win big anyway. So, it doesn't really seem to be about the real chance of winning, but about the belief in personal luck. In other words, with the lottery ticket we're buying a building permit for our castles in the sky. It gives us the opportunity to dream beyond the limits and restrictions of everyday life and our own reality with relatively little effort. We quickly end up relating chance, which is actually neutral, to ourselves, and perceiving it as good or bad luck depending on the outcome. Just ask people around you what they would do if they won the lottery, and observe their reaction. Even diehard realists and declared lottery opponents

who don't play at all will suddenly start to formulate wishful dreams and imagine what their life could look like if they had a lot of money.

In this context, it's interesting to look at real lottery winners. People who were actually blessed with a larger million-dollar prize were contacted again to find out what had become of them and their winnings. The result is as astonishing as it is sobering. Essentially, there were two different kinds of winners: the ones who lived with a certain, though not excessive, prosperity, while the others found themselves broke or even more in debt than before. Taking a closer look, it turned out that those in the first group had already been living a quite satisfactory life with their more modest means even before winning the lottery. With the other group it became apparent that they had already had considerable difficulties in dealing with money even before winning the lottery. Not even the unexpected money blessing had changed that. Instead, within a short time, they had spent the money on all kinds of spontaneous consumer's dreams such as travel, cars, clothes, luxury articles, and parties. The bottom line seems to be that even an unexpected profit only has long-term advantages if it can be handled responsibly and with foresight. And this brings us full circle back to the skills you need for long-term success as a manager.

The Power of Habit

Statistical probabilities can show the extent to which our subjective perception and assessment of reality can play a trick on us. We feel that the longer an event has not occurred, the less likely it is to happen. The more often we're confronted with an event, the faster it becomes normal for us. If, for example, you have been driving for 20 years and have never had a car accident, being accident-free will no longer be anything special to you. You will assume, almost as a matter of course, that you will reach your destination accident-free on your next journey. After all, things have been going well for a long time. You're a good and experienced driver, and

success somehow proves you right. Statistically speaking, however, the probability of an accident increases with every day that you don't have an accident, precisely because it has been going well for so long. At some point, however, an accident is statistically due. Nevertheless, the accident-free reality suggests a deceptive security to us, it gives us the impression that we can't be hurt. And yet, you probably wouldn't stop wearing your seatbelt while driving just because you haven't needed it so far.

In the reality of our lives, we're constantly confronted with events that, although they statistically speaking occur as rarely as winning the lottery, still fill us with great concern. These include such unpleasant events as being struck by lightning, or hit by a falling brick or a tree. Perhaps we also fear that we will be victims of a terrorist or a shark attack. A plane crash may also be at the top of the list of things we can do without. However, as you may know, the greatest danger of being injured during air travel is having a car accident on the way to the airport. Nevertheless, we estimate the perceived risk to be much higher than it would be appropriate given its statistical probability. This is certainly also due to the media coverage when such a rare event does occur. A plane crash is given excessive presence and importance on the news, while the many inconspicuous, safe flights that go according to plan are not worth a single report. If nothing happens, there is simply nothing to report.

> **Small, mean, and hardly noticeable psychological tricks are lurking everywhere.**

We can see psychological tricks and manipulations in our everyday life because we face them everywhere. Strictly speaking, every supermarket uses psychological tricks to make more sales. The aim is to keep you in the store as long as possible, lull you into a pleasant emotional state, and then provide you with a special shopping experience.

A lot is done to make you feel comfortable and ready to spend your money. The oversized shopping cart suggests to you: "There's almost nothing in here yet. Are you sure you already have everything?" Large packages are cheaper than smaller quantities and invite you to buy in bulk. Lively music creates positive emotions. In some stores even the floor tiles are selected so that their texture gives the impression of a wet floor. Why is that? They're quite simply hoping that you will be more careful when walking on a supposedly wet floor because you're worried about slipping. So you walk more slowly and that way stay in the supermarket longer. This equals more time available for shopping and spending money. You'll probably say: "I'm not going to fall for these dumb tricks. I have a grocery list, and I don't shop impulsively when I'm hungry." And that is why the next time you go grocery shopping you should check whether you have really bought only the things you wanted to. Maybe you have already taken one or two bargains that you didn't even know you could use at all. Or perhaps you have only bought a larger quantity than you originally intended because the much cheaper packaging or the reduced price of a special offer ("Take three, pay two") convinced you after all.

Many such swindles are now widespread and have become normalized in society. We have come to suspect, or indeed expect, nothing more than a scam behind many enquiries and offers. Just like with the much-loved, but often illegal advertising calls from marketing companies. The honey-sweet, purring voice and the enthusiastic excessiveness of the caller alone makes us go into inner alert mode as we wait for the big moment when she'll finally let the cat out of the bag and tell us what she really wants to sell us.

Or just think of the many promises politicians make before an election. Hardly any of us really believe that these pompous promises can or should actually be implemented to a T later on. And here in Germany everyone knows the ritual when the results become available on election night, and the top politicians of the parties involved gather in a television studio to interpret the probable election outcome after the first prognoses have been made. There are always only winners then. Even the candidate with the

highest losses can still find some feeble comparison in the back corner of his argument archive with which he can salvage something positive from the embarrassing defeat. And therein lies the trick – you only have to find an even worse result that you can then use as comparison: Voilà! This works in a similar way in other areas. For example, when the "charming studio for unconventional start-ups," pompously advertised on the real estate broker's listing turns out to be a lavatory with cooking facilities or a broom closet with a view of the courtyard.

"Everyone does that" is a popular argument for the numerous examples of unethical behavior in business, sports, and politics. Sometimes we also use it to justify our own actions to ourselves or others, because it seems less morally and ethically questionable for us to do something that others also practice.

Unfortunately, this means that the smaller and larger instances of fraud in our everyday life and against our value system end up gaining social acceptance by force of habit.

2. All hands on deck: Wishing for Quick Solutions and The Least Resistance

What This Is All About:

The contexts in which mind games are used in companies and what secret hopes we associate with them. Also, what you as a manager should consider when dealing with conflict.

The Needs Behind the (Hidden) Desire for Psychological Tricks

I often receive requests from people in companies who want support in difficult situations. This often involves inner conflicts that managers have, or find themselves in with other people. However, these inquiries are hardly ever about factual issues or the organization of distribution channels, but mostly about human and interpersonal issues. It's no wonder. I am a psychologist after all, and you only call the fire brigade when there's a fire, not when the copy machine is broken. In some cases people openly ask me about psychological tricks, but sometimes they'll beat around the bush a bit. "Considering your background knowledge and experience, could you perhaps give us some 'helpful tools' with which we can quickly get the problem back under control?" As if there was a secret psychological miracle cure you can just grab and use it to sweep away the current

conflicts. I can understand this wish very well. There is a problem that drives you to despair and you can't get a grip on it with the resources you have onboard, so you just want to make it disappear.

In the end, however, the result usually turns out to be something quite different from what the person asking for information originally imagined. The request for a communication training may then become one on conflict resolution where the entire department participates, or an individual coaching for the manager. What is needed to solve the problem only becomes clear in the process of taking a closer look together.

What might be the needs and secret hopes connected to the (hidden) desire for psychological tricks? And why look for this kind of mind games at all? The first answer to this question is relatively simple–because they often work. At least they do so once or for a short time, and in many situations where the goal is to obtain quick results, that's enough: closing the month in the black, presenting a successful annual financial statement, satisfying the board of directors immediately, calming down the exhausting employee for the time being. It could be winning the next election, getting the better job, etc. In other words, averting the threatening fiasco for the moment. So a lot can be achieved by using a psychological trick. We can always think about a long-term solution later. The main thing is putting the issue to bed. At least for now.

> **However, the basic motivation for using mind games can be very different.**

Some executives deliberately use their manipulative moves to gain an advantage. They want to assert the power of their position, take shortcuts, or avoid unpleasant obstacles. They're convinced that this is a reasonable and promising way forward. Any disadvantages their actions may entail are either consciously accepted, ignored, or not perceived at all. A clear

analysis of the follow-up costs as well as the potential collateral damage could help such managers to rethink their own actions. However, they tend to barely consider other alternatives, and do so only if the advantages outweigh the disadvantages in a credible cost-benefit analysis. And even then, one question arises: are people with different convictions and a different basic attitude with regards to a certain kind of behavior actually able to reconsider their actions? This would require for them to have additional patterns of behavior and tools at their disposal. Often these leaders claim that they could act differently, but do not want to. This is an elegant trick to avoid having to show that, given a real need, they wouldn't have any alternatives for their actions.

Different types of executives use different psychological tricks with different objectives.

Another type of manager may simply be acting out of a sense of overwhelming pressure. He may not feel comfortable with his manipulative interventions, but he can't see any real alternatives in the current situation. He just doesn't know any better. Therefore, in his desperation, he reaches into the psychological trick box. Those around him usually find his actions a bit half-hearted and clumsy because he lacks inner conviction, cold-bloodedness, and often also the necessary practice. He hopes nobody will notice his insecurity and the resulting attempts at manipulation. And if they do, he hopes they will at least show understanding for him and his precarious situation. Unfortunately, when it comes to employees, both of these situations only happen in the rarest of cases. Almost all employees will have known for quite some time the kind of game being played, and therefore hardly anyone will be very tolerant with their boss. If they play his game, it will also be due to a lack of real alternatives: "What are we supposed to do about it? He's the boss, he has the upper hand!" Or they will do so in a calculating manner. "We'll let him have his way but later we'll do it the way we want to."

In general, employees usually spot manipulation attempts very quickly. Even when the boss considers himself to be particularly sly, his employees will have long since smelled something fishy. This is simply because most employees are not that naïve. They have their own professional and life experience, and are equipped with a certain kind of basic intelligence, also known as "common sense" in professional circles. In many cases, they also have their own box of psychological tricks.

Some executives are fully aware of the fact that they're using psychological tricks. Some do it in a calculating way, others do so out of a sense of helplessness.

However, there are cases where managers use mind games without being aware of it. That's when an employee asks himself: "Does my boss actually know what he's causing?" Chaos is caused in good faith. In such cases "meaning well" is the exact opposite of "well done" because the end doesn't always justify the means. That is why we will continue to look at how you as a manager can recognize such subconscious mechanisms, phenomena, and pitfalls, as well as what you can do to overcome them.

The broad field of psychological tricks contains both fascination and curse in equal measures. On the one hand there's your desire for a quick solution that matches what you have in mind as fully as possible, and on the other, the possibility that it will smack of manipulation and hubris. But it's important for managers to protect themselves against manipulation from other sides too, and to be able to defend themselves against trickery in the shark tank called "business and competition." Otherwise there's a danger that the important principles of ethics and decency will be sacrificed on the altar of short-term success.

Conflicts as a Source of Change

Psychological tricks are often used in connection with conflict. It's therefore necessary to look at how executives manage conflict.

The journey to new shores usually begins with a conflict. It's the source of the emerging pressure to act. Conflict arises between team members who are stuck with each other or have stepped on each other's toes. Someone might step into somebody else's territory or get in trouble with the rest of the group because he or she has done or failed to do something that is causing emotions to run high. Some conflicts between managers and employees might be inherent to the system, or lie in the nature of things, simply because not all employees' needs can be immediately met in the name of equal treatment. Sometimes external help is needed because of a current conflict in the company or team, which the persons involved have not been able to get under control using their own resources or previous attempts to find a solution.

Classic conflicts usually revolve around a limited good that several parties desire. For example, when at the end of the money there is still an unreasonable amount of month left, or if your other half now wants to completely divert the holiday money you have laboriously saved-up and spend it on things you just can't agree with. However, the good doesn't always have to be a material one. There can also be a short supply of status or recognition in a company, for instance. In any case, conflicts are some of the unpleasant risks and side effects of our interpersonal life. They undermine the familiar harmony and threaten to poison a good working atmosphere. Conflicts cause fear because they sometimes spiral out of control, get out of hand, and are associated with aggression. We quickly get the feeling of being overwhelmed by such a conflict, losing our pose, or being helpless while others emerge as winners. So, it's not surprising that we'd like to get rid of conflicts. You may know the tendency to avoid unpleasant things from other areas of life. Dentist's visits, colonoscopies, divorce, or parent-teacher meetings; these are all events that do not enjoy

great popularity. Both the way we have been raised and our socialization, which in many cases lead us to strive for a harmonious coexistence, will surely get in the way here. In our society, and especially in our professional life, peace and politeness are valued highly. Paradoxically, we achieve exactly the opposite with our desire for harmony and our tendency to avoid conflict. We might avoid having an open conflict for the moment, but we might also risk losing our vitality, which originates from a diversity of viewpoints and perspectives.

In many areas of life, we lack a positive culture of dispute, which is about respectful dissent.

People are too seldom interested in having a genuine exchange of points of view where a desire to understand takes precedence over the desire to convince at any price. A deviating opinion is quickly accompanied by devaluation, denigration, insults, or even physical confrontations. If you look at the "discussions" taking place on social media networks, you don't even have to look to such hot potatoes as the refugee crisis, terrorism, or how some state leaders handled the Corona virus crisis to see a clear degradation in the way people exchange opinions.

Yet conflict isn't just an unpopular source of pressure to act. There's also a lot of energy inherent to it, which can be harnessed to create positive change, or, in other words, improvements, with the help of a skillful approach. Basically, today's misery is the starting shot in the race towards a better future. You probably know this from your own experience, too, when you have succeeded in finding a constructive solution to a conflict and, at the end of an arduous clarification process, realize that the successful outcome has been worth all the effort.

However, conflicts always involve the danger of a shared failure. The Austrian conflict researcher Friedrich Glasl has studied the structure and

development of conflicts intensively and describes different stages of conflict development. There's almost always a "point of no return" where constructive conflict resolution becomes unlikely, if not impossible. In fact, in many cases, at the end of the escalation spiral, the conflicting parties have a tendency to seek only to destroy the opponent, regardless of their own losses. Perhaps it's precisely this destructive energy what we all somehow perceive as an explosive hidden within our conflicts, and are afraid of. Therefore, it's preferable to turn to conflicts as early as possible in order to reach a win-win solution in time. And that brings us to an important issue, because conflicts are a matter for the boss.

Conflict Resolution–The Executive's Responsibility

Again and again employees take the conflicts they have with each other to their bosses. In your role as a manager, it's important to understand what type of conflict you're likely to be dealing with and what approach would be appropriate for a constructive conflict resolution. Sometimes employees will simply choose the more convenient way and contact the next higher authority to hand them over the responsibility of having to clarify the conflict. For this reason, many managers are rather reluctant to accept such requests, and express this skepticism more or less explicitly: "The employees should clarify this among themselves. I don't want to get involved in that at all. After all, they're adults and should be able to handle this themselves in a civilized and constructive manner. Anything else would be inappropriate."

This may be the right approach in many situations. On the other hand, there might be a conflict from which the employees cannot find their way out on their own. In that case, the boss's intervention is necessary. In such a conflict situation, it would be fatal to trust in the employees' competence to bring about a quick resolution by their own efforts. Yes, it would even be negligent not to assume one's own leadership responsibility. After all, the

employees have sufficiently demonstrated through their behavior that they're not capable of finding a solution themselves. What's needed is the courageous intervention of the manager, otherwise, even greater damage is to be expected.

> **Without the manager's personal commitment in case of a conflict, the situation could escalate more quickly.**

However, managers often shy away from getting personally involved in a conflict because they do not feel competent enough to do so. They believe that they do not have the necessary qualifications and experience required for effective conflict management. This is understandable, because they rightly fear that the uncertainty will make the situation even worse. In practice, the conflict is then often ignored or trivialized. Or action will be taken in a half-hearted way that doesn't really clarify anything. That is fatal because it creates a feeling of helplessness: "What we do is practically irrelevant. We have already tried everything, but we just can't get the problem under control."

Remember: It's not essential for you to intervene in the conflict resolution yourself. You can delegate the matter to a competent colleague or employee as long as you, the boss, remain in charge and retain the main responsibility. The involvement of an experienced external conflict moderator can also help if, for example, you as a manager are overloaded or overburdened with other tasks.

However, if you yourself intervene, you should use every opportunity to get feedback on your behavior. Conflict offers you the opportunity to grow as a manager. Therefore, you should not only feel responsible for clarifying the conflict, but also follow its progress and results, keeping your ears to the ground and showing genuine interest. This will give you valuable information about your leadership style and about its concrete effects. After

all, the fact that a serious conflict has arisen is always the result of how people have been dealing with each other. As long as the conflict doesn't involve something unavoidable and expected like who gets the higher budget, the salary increase, or the bonus, or how time or personnel resources are to be distributed, etc., conflict situations often offer clues as to whether you should possibly change your leadership behavior and in which areas.

No Stress, Please!

Some time ago I received an inquiry from the managing director of a medium-sized service company: "Could you give some communication training to our regional and department managers? They need to learn how to communicate with each other." When I asked him what the current situation was like and what had prompted him to take action then, he said: "My managers don't talk to each other properly, so projects don't progress or even fail at a great cost. Right now, there is a new major project coming up that cannot be done with the team in this condition." When I asked him whether he would participate in such a communication training course himself, I received a typical and interesting answer: "No, I don't want to get involved in that. When the boss is present, certain things are not brought up. Besides, the point is for the managers to communicate better with each other. I don't want to get in the way." I was able to convince him to at least take part in a feedback round, and asked him if he was willing to get feedback from his managers. He gave a quick, almost knee-jerk answer, which was therefore suspicious: "Of course. We're all open to feedback here."

There was actually a very open exchange. However, it soon became clear that the real problem was not the managers' lack of communication skills. Rather, according to their experience, new projects had often been "ordered" from above in the past without involving them in the decisions.

Critical feedback about difficulties in implementation had fallen on deaf ears, so that only the most necessary information was passed on, and even that often only after they explicitly requested it.

Instead of communication training, I then proposed a clarification process workshop with the participation of the managing director, and informed him in advance that he would probably have to prepare himself for critical management feedback. After initial reservations, he was willing to do so. But I also assured him that I would support him if a big tirade of criticism crashed over him. After several trust-building preparatory telephone calls, our relationship was finally stable enough for him to take the risk. And that's what it turned out to be for him–a risk he dared to take.

When it became clear in the workshop that open opinions were really called for, the participants quickly put aside their initial skepticism and didn't mince words. A regional manager then said quite bluntly and with an unrestrained, aggressive undertone: "You officially invite us to offer open criticism, but if someone actually has the courage to contradict you and question your decisions, you don't really want to know, and then expose the colleague as incompetent in front of the others. Obviously, nobody wants to be exposed like that. So, you shouldn't be surprised if no one ever opens their mouth again."

My job then was to reformulate this attack into a constructive and appreciative feedback that clearly identified the points of criticism while taking out the sting of the accusing "you-message," so that the CEO could listen to the feedback despite the clear criticism. In most cases those who feel attacked react with resistance, try to justify themselves, or attack back. They have no free capacity left to listen and understand. Although the regional manager and the other participants would have had the feeling that they had really given their managing director a piece of their mind, that wouldn't have helped in the end. In this way, however, the managing director received important, constructive feedback on his management style, which he probably would not have received if there had only been

"communication training" without him, according to his original ideas. At the end of the event, he was glad he had accepted to participate despite the unpleasant situation. Above all, he appreciated the openness of the participants. And he explicitly asked his employees to tell him clearly in the future if they ever felt embarrassed by his statements or his behavior.

In my experience, people in a professional context must very rarely first learn how to talk to each other. Instead, it's either unclear personal viewpoints or certain external structures that prevent adequate communication. But if there's internal and external clarity, people are perfectly capable of using it to show up in a powerful way and engage in a constructive exchange. However, it's sometimes a long and tough process until their different positions are clearly sorted out.

3. When Appearance is Misleading: Psychological Tricks and Their Side Effects

What This Is All About:

Why logical doesn't necessarily mean psycho-logical. Why we often behave against our better knowledge and what it all has to do with pleasure. What the high price of manipulation is, plus a little excursion into the world of magic, from which I draw exciting parallels to the business world and to psychological tricks.

Not Logical, But Psycho-Logical: A Little Insight Into Our Personality Structures

An essential driving force of human action is the desire for positive emotions and a beneficial self-concept. We want to feel good and preferably be at ease with ourselves. We do not like negative feelings such as pain, doubt, rejection, failure, unresolved problems, and unfulfilled wishes. Therefore, we do a lot to reach or maintain positive emotional states. This can sometimes take bizarre forms. The tragedy "Faust" by the German poet Johann Wolfgang von Goethe (1749-1832) is about a pact with the devil. As a man with an enquiring mind, scientist and scholar Dr. Faust strives for personal development and is in search of deeper insights. In his quest, he repeatedly reaches the limits of his earthly existence and his own

insufficiencies. He can no longer stand this state of dissatisfaction and therefore searches for new solutions. Already at his first appearance he expresses his disappointment by saying (Goethe 1996, Faust I, 376-383):

"No dog would endure such a curst existence!
Wherefore, from Magic I seek assistance,
That many a secret perchance I reach
Through spirit-power and spirit-speech,
And thus the bitter task forego
Of saying the things I do not know,—
That I may detect the inmost force
Which binds the world, and guides its course"

The desire to put an end to this unsatisfactory state of affairs eventually leads him to make a pact with the devil by selling his soul to Mephistopheles; that's how great his suffering is.

Are you interested in a few examples of the absurdity of acting against one's better judgment? Let's take a look at nuclear energy, which has been used on a large scale for electricity production since the 1950s. Radioactive waste from a nuclear power plant still radiates very strongly even after decades. Depending on what is classified as non-hazardous, this radiation only stops after something between a few thousand and a hundred thousand years. In my perception, that is quite a long time. So, the safe final disposal of all nuclear waste produced up to this point continues to be of major importance. Under normal circumstances, one would expect the question of the final disposal to have been clarified before starting to think about building nuclear power stations. According to my research in June 2020, however, there isn't a single operating final repository for high level radioactive waste in the world yet, except for the 'Onkalo' repository on the island of Olkiluoto in Finland, which is expected to be operational by 2023.

This is difficult to reconcile with common sense. We're relying on a technology about which, at the time of its deployment, we cannot in any

way determine whether we'll be able to deal with its radioactivity in the future. It's hard to understand why we begin some things although we don't really have a clear idea of how the journey should continue. Sometimes we even get the impression that a childlike naiveté renders us confident in the belief that, in the end, everything will miraculously turn out well. But this is almost like jumping out of an airplane and only checking whether you're carrying your parachute once you're in free fall. And then if you'd really forgotten your parachute and were rapidly approaching the earth, still comforting yourself with the fact that everything had gone well so far – until just before the impact.

When thinking about such connections I always ask myself: Why is it that our knowledge (or perhaps our ignorance) about the long-term consequences of our actions doesn't determine our decisions?

Why don't we act differently when we should know better? None of this makes sense, does it? No, it's not logical, but obviously psycho-logical.

The Thing About Pleasure

You know this: We like to do the things that give us pleasure. We don't even need any special external impulse for that. Our own motivation is absolutely enough. Just think of something that you're passionate about. Perhaps a romantic relationship, a hobby, volunteer work; or in the best case, perhaps even your job. Ideally, there is no difference between work and pleasure because they coincide. If a task or project is really important to you, if it's very close to your heart and you identify with it to a high degree, you will put all your energy into it. Suddenly time becomes a secondary consideration and it's not only the result that counts, but even the journey there can already be pleasurable. Alas, as we know, life doesn't always give

us what we want, especially not our professional life with its many constraints and conventions. There are various occasions and situations in which our own pleasure isn't the main focus. That can take a heavy toll on our personal motivation.

As I already mentioned, Sigmund Freud (1856-1939) also dealt with this topic more than a hundred years ago. He talked about the pleasure principle and the reality principle. The pleasure principle is related to human biological and psychological needs or drives, which strive for immediate satisfaction. Freud coined the term "the Id" to describe the unconscious human psyche (Freud 1991). However, our desire for immediate need satisfaction often clashes with the boundaries of social conventions. Even if you come across a suitable sexual partner while grocery shopping and you're not at all averse to the immediate satisfaction of your needs in the form of a quickie behind the cheese counter, under normal circumstances you're more likely to show a certain restraint.

> **When using psychological tricks people often take advantage of the fact that we humans want our wishes and needs to be satisfied quickly and therefore lose sight of reality.**

The pleasure principle, therefore, stands in contrast to the reality principle because not every impulse can be satisfied immediately; especially not in our social interactions. Realizing that the needs that come up spontaneously cannot be satisfied immediately and at any time is the result of a lengthy learning process that begins in childhood, and doesn't seem to be complete even in many adults. What we need to understand is that it can sometimes make sense to put our desire to satisfy a need on the back burner. Sometimes, we cannot achieve the goals we desire in a direct way; doing so may even require some detours along several stages. Or, as Bertolt Brecht said in "Life of Galileo": "In the face of obstacles, the shortest line between two points may be the crooked one." (Brecht 1961)

Do you have a smoker in your circle of friends? Maybe you smoke or used to once. Then you surely know that smokers are well aware of the disadvantages of their habit. There is hardly a smoker who doesn't know exactly what he's doing to himself and his body. Word has gotten out that smokers die earlier and have a higher risk of developing heart and circulatory diseases or cancer. Everyone knows that. And yet many smokers persistently continue to smoke—despite this knowledge. How can that be? In view of these serious disadvantages and obvious dangers, any sensible person who doesn't completely ignore these realities should stop smoking immediately. Instead, people continue smoking unperturbed. They will occasionally argue that some well-known chain smokers have reached a ripe old age. Although it's obvious that such individual cases have no statistical significance at all, we could counter the argument by saying that if they had not smoked, they might have even never died.

Smoking is like many things that supposedly provide us with a short-term advantage or pleasure but tend to harm us in the long run. The benefit is noticeable immediately, the drawback seems far away. And there's often no proof at all that the worst-case scenario must actually occur in any particular individual case. We can perhaps obtain the pleasure without having to pay the high price in the end.

You can probably see that our actions are by no means always characterized by the sharpest logic and vision. We often even act against our better judgment just to fit our short-term wishful thinking and to satisfy our current of needs.

It's All Hocus-Pocus: What Executives Can Learn From Houdini, Copperfield, and the Like.

An excursion into the world of magicians

I have been fascinated by magic since childhood. Even today I sometimes use magic tricks in my speeches and seminars with great pleasure. I always choose my tricks to reference the business world by linking the topics to a magic trick. It all started, as it does for almost every child, with a magician's kit that I got as a birthday present. And because little Frank was so enthusiastic about magic, he got magician's kits for Christmas and for Easter, too. Maybe it was also because my family somehow ran out of fascination with my manageable four-trick repertoire after countless performances. In any case, I soon noticed that these kits for children only ever contained one or two really acceptable tricks–the rest was either easy to see through, manufactured carelessly, too boring, or much too complicated for untrained children's hands. So that's when I started to get interested in the tricks of real magicians and to invest a large part of my pocket money in professional magic tricks.

So, I'm taking you on a short excursion into the world of magicians because magic tricks offer a good parallel to the business world as they have a lot to do with the topic of leadership. Also, because the world of magicians is all about illusion and manipulation without anyone making a secret of it. On the other hand, even magic tricks have a clear goal and a predetermined path on which the spectator is to be taken. The performer has a clear advantage because he knows in advance what will happen. He has thought about his procedure carefully, and ideally practiced the trick many times before. He has the experience that the spectator lacks, as well as the knowledge and the appropriate tools. Nevertheless, an important principle for magicians is to never perform a trick twice. Why? Because the second time around everyone knows what the magician is trying to achieve and they then focus on the key moments. The element of surprise–which was the performer's advantage–is gone, and now the spectator's only ambition is to uncover the secret. This considerably increases the chances of seeing through the trick thus destroying the illusion. Obviously, no magician wants that. Sometimes the spectator who witnesses a trick has the feeling that he

can freely choose between different alternatives. In reality he's being manipulated towards a pre-determined result.

Some mind games are like a magic trick.

So, illusion and having as few people as possible figuring out the secret are key to a magic trick. Even if it's absolutely clear that there must be a trick, the big question remains: "How did he do it?" Unbelievable!" But when the secret is discovered, admiration for the artist immediately collapses giving way to disdain and disappointment. "Oh, it's that simple? Well, if that's the way you do it, there's nothing special anymore." Perhaps you remember Uri Geller who appeared before a large television audience in the mid-1970s and bent spoons and forks. Geller claimed to have done this through his supernatural powers and telekinetic abilities, which later turned out to be complete nonsense. The utensils had been manipulated beforehand. Geller was unmasked as an average magician and was even considered a charlatan by many for cheating his audience. Nowadays many magicians openly admit that everything they do is just an illusion, and explicitly ask the audience to figure out the trick.

But what can executives learn from professional tricksters like Houdini, Copperfield, etc.? Essentially two things – on the one hand, we can draw a positive parallel between their core competencies and main tasks and those of executives because, just like with a good magic trick, good leadership requires extensive preparation and should be combined with experience and clear goals. Helpful leadership sets clear guidelines and takes employees by the hand when necessary. And because the devil is often in the details, executives, just like magicians, are well advised to do their homework, prepare thoroughly, and leave as little as possible to chance.

Real professional life isn't usually about giving a performance with the purpose of entertaining–unless you're a magician. In professional life, an attempt to manipulate other people can quickly leave them feeling like they have been fooled. The advantage the performer supposedly has isn't appreciated. This has nothing to do with the fun of demonstrating a magic trick. An illusion is created for a short moment and, ideally, it may even reach its goal and achieve the desired effect at first. In the long run, however, this success cannot be reproduced with the same employee or the same audience. No matter how sophisticated the trick may be, it is and will continue to be an illusion. And in the real world, illusions are simply not suitable for establishing a lasting, trusting relationship. Deception is inevitably followed by disappointment, and it doesn't matter whether it's our relationship with our employee, boss, partner, or customer, it's only a matter of time before the victim wises up to the perpetrator.

The High Price of Manipulation

Because we were having such a good time talking about magic tricks, I just remembered another episode from my childhood to which we will now travel back briefly. It's the end of the 1960s. We have a simple black-and-white TV at home with three channels. It's almost as big as our refrigerator and, because of its prehistoric tube technology, it takes about three minutes of preheating after switching it on for the picture to flicker on the screen with a crackling sound. There is no remote control yet, and the device has only 5 buttons for the TV stations. But that doesn't matter, there are only three channels anyway. My parents buy a TV magazine in which little Frank likes to watch the colorful pictures of the upcoming movies. But little

Frank can't read neither the magazine nor the clock with its big and small hands yet. And that's why he doesn't really know what's behind the cryptic numbers that announce the 24-hours-time the TV shows start. 13:30, 16:45 or 20:00, "Twenty-Double O Clock", he'll say. Little Frank will discover relatively fast, however, that, remarkably often, the really interesting shows are broadcast at Twenty-Double O Clock. That is exciting. If only little Frank knew whether eight Twenty-Double O Clock is still a time when small children are allowed to watch television. And to which inexhaustible source of wisdom does one turn in one's tender childhood with such an agonizing lack of information? Well, to Mom, of course. Mom not only knows the clock very well, but under favorable conditions, she can also grant permission to watch TV. And what does little Frank hear when he asks if he can still watch the cowboy film at eight Twenty-Double O Clock? "That's far too late, little Frank, even Mommy and Daddy don't watch that anymore," Mom says. Ah, so Twenty-Double O Clock is obviously in the middle of the night; so very late, that not even adults are awake anymore.

For a long time I was convinced that Twenty-Double O Clock had to be a strange time galaxy where only reckless beings would still sit in front of the television. I comforted myself thinking that not even Mom and Dad were usually awake that late either. And then it happened. One night… something wakes little Frank up from his sleep and he shuffles into his parents' living room, still half asleep. And what does he find to his great surprise? A big TV party in full swing. Shimmering candles, Mom and Dad, chips, wine, laughter…and the Twenty-Double O Clock movie.

The parental fraud blew up and my disappointment was huge. On the one hand I felt disappointed about the many shows I had missed until then while my parents shamelessly enjoyed themselves undiscovered in front of the TV. But an even more serious matter was the loss of trust that went hand in hand with this discovery. I felt downright betrayed. And this by the people who were closest to me and whom I trusted the most. I would certainly have been able to accept the truth more easily if I'd been told clearly that there's a time for children to go to bed while adults watch films made for them, and

that at the time they're shown, other children are already asleep. That would have been clear, unambiguous, and above all, honest, because it would have fit the truth, or rather, reality.

> **We often have our first experiences with psychological tricks in childhood when we face manipulation.**

Well, I probably didn't suffer any lasting damage from this episode of white lies on the part of my parents, and I didn't become a TV junkie later because of my unhappy childhood either. And just to counteract any suspicions that might come up right now–no, this experience did not cause any childhood trauma and it was not the reason that I studied psychology. No, the relationship with my mother did not suffer because of it, and apart from this somewhat unfortunate start, I had a wonderful relationship with her until she passed away a few years ago. Nevertheless, the mere fact that I am writing this event from my childhood here shows what an indelible mark it left on my memory.

You will surely find similar stories among your memories. Strictly speaking, these are our first personal experiences with psychological tricks and mind games because our parents manipulate us from our earliest childhood. Sometimes they deliberately tell us things that aren't true just to keep us quiet or to assert our their interests.

Admittedly, we're now beyond the age where we could be kept in line with questionable horror stories or fibs. If we're honest, we'll admit that this only worked for a short time even when we were young because the moment the deception was blown, we were instantly driven out of gullibility paradise forever. Nevertheless, even today, in our adult world, we're repeatedly confronted with attempts at manipulation coming from those around us.

In most cases, the short-term success we supposedly gain through an attempt at manipulation doesn't outweigh the subsequent loss of trust that goes along with it. Often, once people are disappointed, we have lost them forever.

But the boomerang comes back, also in business, because the use of psychological tricks has its price. Employees who feel they're being ripped off, exploited, or manipulated by their boss are usually not enthusiastic about it nor filled with much gratitude. On the contrary. The German management and business consultant Reinhard K. Sprenger sums it up by saying: "People come to a company, but when they leave, they leave a boss." (Sprenger 2012, p. 122).

We're going to take a closer look at the damage and the side effects you might expect when using mind games, as there are a multitude of conceivable reactions, and their consequences aren't particularly attractive neither for managers nor for companies.

4. When the Wind Changes: What Managers Can Learn From the Corona Crisis

> **What This Is All About:**
>
> What new demands are placed on companies and managers today? Which goals should successful leadership achieve? Which competencies do executives need in stormy times?

Leadership in Changing Times

Unfortunately, in the free market economy and in our professional interactions we can't avoid certain basic conflicts. The initial situation leads to a dilemma that cannot be resolved once and for all, but only rebalanced over and over. The ultimate goal of any entrepreneurial effort is to provide benefits for customers and thereby achieve a profit. Even companies that are not primarily profit-oriented but pursue other, more idealistic goals–political parties, the Red Cross, Greenpeace, Amnesty International, UNICEF, or religious communities–generate costs through their activities and these must be covered. Whether they do it through donations, subsidies, or membership fees is irrelevant to the basic principle. What's important is to use resources sensibly and efficiently to win the consumer's favor over the competition. Simply put, companies want to achieve maximum return

on minimum investment. A company's real raison d'être is to provide a profit-oriented solution to a customer's problem.

However, your company can only generate a profit if it can reach and convince enough customers with your business idea. Unfortunately, on the large market of possibilities there are those unwelcome competitors committed to the same business idea or a similar one. Your competitors are in the same industry and they, too, want to get a piece of the pie for themselves and their employees. Even if you succeed in entering the market with a new business idea, a new product, or an innovative service, you will usually be able to profit from your position as idea pioneer for a maximum of six months. By then your competitors will have adopted, copied, or even improved your idea or product, and it's at that point, at the latest, that you will have to come up with a new idea to stay ahead of the game. That can be exhausting. You must be constantly looking for new ideas, questioning old and proven ones, and taking considerable risks. You never know beforehand whether the adventurous next step is really going in the right direction. There's no well-beaten path when you're trying to break new ground. With hardly any proven data to fall back on, you're moving around in a wide field of visions and prognoses.

We can see this clearly in the automobile industry. It usually takes five to six years to take a new vehicle model to production maturity. This means that the vehicles that come into the market today were created a long time ago in the secret laboratories of car manufacturers. However, there's still a long way to go before a model can roll off the assembly line and be sold. All components must first be built – which takes finding suppliers, developing production lines, and building production robots. Expensive crash tests must be carried out and large sums invested in marketing. When the car comes off the assembly line five or six years later, you as the manufacturer can only hope that your customers will actually buy it, and that you will make sufficient sales. Otherwise, it was all a waste of time.

This entails many risks and imponderables because at the beginning you cannot know whether your car's design will match the current prevailing taste, or whether the technology will have already developed in another direction like electric mobility or autonomous driving, for example. Furthermore, you do not know whether your competitors–who of course have not been idling around but working on developing new models just as you have–will launch a similar or even better model six months ahead of you. In that case you might lose customers just before your big product is released. Even if you manage to stay ahead of the market and are actually the first to make your move, there's the fear that other manufacturers in Asia will immediately copy your technology and will soon be offering a comparable vehicle at a much lower price. The imitators will even have an advantage over you because they may have lower personnel costs and only need to copy your technology. That eliminates the long-term development expenses, which your competitors will therefore not have to recover through the sales price.

The longer you need for the development and manufacturing of your products or services, the higher the risk that the many necessary assumptions and decisions will be mistaken.

That's why having an excellent reputation in the eyes of your customers is so tremendously valuable–they will buy almost everything you produce just because it comes from your company.

If you succeed in building such a positive image, you will have an immense competitive advantage that not even a company with a better or cheaper product can easily take away from you.

Leadership Must Achieve Goals

It's the nature of leadership to inevitably orient itself towards achieving corporate goals. That's why in this context the same questions come up continuously: Where should leadership lead? Which concrete goals should be achieved through leadership? How do you and your employees ultimately get there? And when is leadership actually necessary?

This reminds me of a newspaper cartoon I saw some time ago: Two sailors are standing at either side of a ship's wheel while the ship heads straight towards an iceberg. One sailor wants to steer the ship to the right while the other wants to go past the iceberg to the left. Each of them tries his hardest to turn the wheel against the pressure of the other, but obviously neither of them succeeds. And so, they both stand at the helm, their faces red because of the extreme exertion, without being able to change course. And while the ship continues to sail straight ahead and is threatened by a direct collision with the iceberg, the caption below the caricature reads: "When is leadership actually required?"

This example makes it clear why, even in flat hierarchies and despite however much appreciation leaders wish to show, someone must still wear the pants. Each of the two sailors has a good, functional solution to the iceberg problem and is also willing to implement it. Nevertheless, it's precisely the lack of ability to make a quick decision that would lead to a catastrophe here. That's why it's essential that in such conflict situations there be someone who can make a decision and ultimately enforce it. So even in flat hierarchies there's always a need for someone who has the last word in an emergency.

A leader in a hierarchically superior position is always indispensable for a company where generalized democracy would lead to disaster.

Companies must often make quick decisions. Sometimes it would simply take too long to repeatedly weigh all the arguments against each other and

still wind up with no decision everyone agrees with. Just think of the numerous meetings where endless debates are held without a decision being made. The saving gimmick amidst all that confusion is often to postpone the decision to a later date or, in a final act of desperation, to set up a task force that will then continue to work on the issue. In this way, the matter is off the table for the time being, which provides short-term relief, but in reality, nothing has been either clarified or decided.

During a voting process there are always those who have reservations and who, from their subjective point of view, have good arguments against a particular project or decision. Your task as a manager isn't to discuss until everyone is satisfied, but rather to know all the arguments, understand the pros and cons, and then make a decision. In many cases, it's better to make a decision that turns out to be wrong afterwards than not to make any decision at all. If a decision is wrong, you can at least later see what didn't work and correct it accordingly.

This is always more sensible than endless hesitation. Although some problems may just solve themselves through your inability to act, this also inevitably means that you have no real influence on the solution. Like a ship without sails or an engine, you're at the mercy of both the capricious weather and the waves. Your ship will go on a course of its own that you can no longer influence. Admittedly, it may not sink or run aground on a reef right away. Maybe it will even arrive somewhere at some point. But this would then be due to chance and no longer the result of your control.

In the hectic day-to-day management routine where current events and the short-term decisions of everyday business often have the priority, your long-term goals' vision might be altered. In those moments, it's especially important for you to keep an eye on those as you stand on your command bridge, and not lose sight of the overall perspective. In addition, you will have to make and enforce unpopular decisions time and again. This can mean, for example, having to part with unproductive lines of business or employees to maintain the competitiveness of the entire company in the

long term. You don't need to be a psychologist to foresee that such decisions will not necessarily make you popular with all your employees. Particularly those who are personally affected by your decisions and have to fear unpleasant changes or may even lose their jobs will likely have little understanding for them. You must even expect that the people affected will not always succeed in keeping your position and your person apart. If your decisions affect an employee personally, he or she may take them personally. This makes it all the more important to try to communicate your personal concern to your employees when making difficult or unpleasant decisions. Perhaps you will succeed in communicating that it's not easy for you and that you may even regret the consequences, while at the same time enforcing the rigor and uncompromising attitude required.

Did Everything Use to Be Easier?

If you have read a little bit of my bio, you might know that in my first life I used to work as a driving school entrepreneur and driving instructor. In this professional field I really enjoyed working with people, observing their learning progress, and experiencing the direct success of my work once they passed their driving test. However, the hierarchical gap between teacher and student began to bother me more and more. I found the imbalance in terms of experience, the instructor's position of power, and the inexperience and uncertainty on the side of the student all to be an obstacle. Even then, I was more interested in interpersonal interaction, communication in a professional context, and the exchange of experiences on equal terms, than I was in "just" teaching people how to drive. So, I continued to get involved in the field of road safety training and began to give seminars and classes alongside my job as a driving instructor. I also began to gather some experience giving seminars in car and motorcycle safety training.

And suddenly a door opened for me. I met people who had obtained their driving license the year I was born or even earlier and had already amassed several million kilometers of driving experience. That was an excellent opportunity to meet people on equal terms and to profit from their wealth of experience. It was all about moderating conversations, listening, summarizing, and accepting differing opinions. This was where living learning took place–we could learn together and in front of each other. It was a fantastic experience, and riding on its back, I quickly took the next step. How about qualifying myself even further and delving deep into this subject? Perhaps I could study again, but instead of starting from zero, I would rather build upon my previous experiences to create something new. So, the idea to study psychology was born. By studying this subject I wanted to get into this new territory and lay the foundation for my later work as a communication psychologist, executive coach, and keynote speaker.

It wasn't an easy decision. But I took the risk and, to this day, I have never regretted it. Instead, I have always felt that it was a great privilege to be able to once again study a completely new subject in depth without having to ask constantly what a theory or an experiment were good for in practice. In my later work as a psychologist, executive coach, and keynote speaker I have met many people who have had similar experiences and whose career paths have been anything but straightforward.

This isn't surprising, really, since change in professional contexts also affects other disciplines.

As far as management positions are concerned, it used to be enough to be in a company long enough. The person who had been with the company the longest had the highest level of competence due to his unbeatable wealth of experience and relevant insider knowledge. Everything that person needed to be able to qualify for a management position on a permanent basis was a good background understanding of the business. He could then count on

those achievements and be confident that, with enough persistence, the system would eventually propel him to the top.

In the meantime, however, business relationships and management tasks have become so complex that no single person can do everything equally well on his or her own.

What Leaders Can Learn From the Corona Crisis

When we were hit by the Corona virus worldwide, the previous world order was disrupted. And although such a virus doesn't respect national borders and all countries were affected, the governments and leaders of the world dealt with the situation in very different ways. There was everything–from strict lockdown and quarantine measures, as well as rigorous testing on the one hand, to complete ignorance of the crisis without any social distancing on the other.

In such crisis situations, it becomes very obvious that the demands made on managers have changed significantly. Even if there's always a quick call for the strong man with the speedy solutions to all problems, in such a globally interconnected world no individual has the competence to make the right decisions for everyone. Teamwork is more in demand than ever because complex problem scenarios call for the experts from different sub-disciplines to work together. The main task of responsible managers is, above all, to gather experienced experts and listen to what they have to say. It's in that moment in particular that collected, stable personalities who can easily subordinate their ego to the situation and the overall well-being of all concerned, are needed.

In times of crisis, incompetent leaders look for applause and for someone to blame. Responsible ones look for solutions.

But even on a smaller scale, managers faced major challenges during the Corona pandemic crisis. Leading from a distance meant giving up control and building trust, while at the same time maintaining close contact with employees working from home, motivating them, and standing by them when helplessness and confusion threatened to take over. For many managers, leading digitally using modern tools meant entering new territory. They struggled with the new technology and the tools for remote leadership just as a beginner would. They also gained an even deeper understanding of how leadership can empower and guide team members towards personal growth. Managers had to learn how to keep the team excited from a distance and provide a framework, even if they only met via video conference, as well as to invest empathy, time, and patience without losing focus on mutual performance accountability. In very different ways, the crisis led us all to question what we had been doing up to that point and to look for alternatives.

Many people and industries were affected by the new situation in myriad ways. There were employees in hospitals, nursing homes, police stations, or pharmaceutical companies who were up to their ears in work, orders, and excessive demands. In addition, many people were affected directly by the virus or had relatives who were. And massive losses in revenue, as well as bankruptcies, caused many to lose their jobs; as was the case in the aviation and tourism industries, for instance.

The only thing that really stays the same is change.

The speaking industry was turned upside down. All events requiring physical attendance were cancelled or postponed indefinitely. Those who had been able to live quite well from speaking until then were suddenly confronted with the question of bankruptcy because the running costs continued. The Speaker Community, which had fortunately always been very supportive of its members, had established a worldwide network even before the crisis and adapted very quickly. Many colleagues found their way to new digital formats such as online coaching or remote speaking within a very short time. I myself spent the time in lockdown in my adopted hometown Venice developing international online courses for executives, among other things, and revising this book. And I was glad that I had so much time to do it.

Even though many companies received government support and loans, each individual company had to carefully consider whether things would return to pre-Corona conditions in the medium term. The German airline Lufthansa, for example, completely closed one of its subsidiaries (Germanwings) at the beginning of the crisis and decided very early on to decommission all 14 large capacity aircraft (type A-380) and to not operate them again until after the crisis, for financial reasons.

These constantly changing situations place completely new and different demands on managers and business leaders. The higher up you are in the hierarchy of a company, the less detailed technical competence is required for your success. Instead, you need a particularly high level of social competence to interact with your colleagues and employees. More than ever, skills such as an ability to listen determine whether you can keep an eye on the big picture. Given the current complexity and constant change, making the right decisions is only possible in close contact with other people. However, these skills are not usually taught in regular academic training. Instead, it's tacitly assumed that you have somehow already acquired them or at least will do so quickly. Therefore, job advertisements for managers often read like the character description of a superhero. They're looking for a team player who has charisma; someone assertive,

but diplomatic; confident in crisis situations but fair to his employees; customer-oriented, but efficient; innovative, but still conscious of tradition. Sometimes you get the impression that you're dealing with a titan who has every kind of superpower and is also prepared to put them selflessly and altruistically at the service of the common good. This, however, has often little to do with our occasional normal human shortcomings and everyday reality, which leads to the conflict between ideal and reality that more and more managers are facing today. On the one hand, you must fit an unreasonably inflated ideal image and meet the resulting exaggerated expectations. On the other hand, every individual faces the reality of his personal weaknesses and insecurities. This often means that a lot of energy must be invested to maintain the appearance of being a poised leader, at least externally.

So nowadays finding a healthy balance under changing conditions has become an essential task for managers.

PART II:

The Dark Side of the Force – Psychological Tricks in Today's Executive Offices

Psychological tricks belong to the dark side of the Force. That's why executives and managers are responsible for the extent to which these play a role and are used in their companies. It's crucial to understand how the mechanisms of psychological tricks work. The following chapters will help you to do this.

5. Getting Off the Dock: Leading by Intuition

What This is All About:

How your intuition and emotions can influence your leadership style. Why respect decreases when fear rises, and when control is really helpful.

The Great Freakoutelli

When you think of psychological tricks in executive positions, the first thing you might think of is the image of a mean tyrant who uses deception to manipulate his employees. A person driven by his fantasies of omnipotence, rubbing his hands, and pulling the strings of his puppets, with the sneering laugh of a sinister despot. An exploiter who will stop at nothing and finds that any means to achieve personal or corporate profit is legitimate. This is hopefully only a prejudiced exaggeration of an endangered species of management dinosaur.

However, even today there are managers who rule in some places like little monarchs and believe they must lord it over their underlings with an iron fist. Choleric outbursts of rage and inappropriate language are the order of the day. Employees have to tiptoe through the minefield of their boss's emotions every day. Nobody knows where the bomb will go off and who will be affected next time. But one thing is clear: the next outbreak is sure

to come! And when it does, it's time to take cover as quickly as possible to avoid being hit. "Watch out, the old man is going to freak out again!" That's why I call this kind of boss "The Great Freakoutelli." He runs his company or team like a feudal lord, and in difficult situations he flies off the handle. He lets his emotions run wild and criticizes his subordinates with comments that hit below the belt. "Am I surrounded by idiots only? Surely that can't be so difficult! Who does your thinking for you? Even our doorman can do that better. Bread can at least go moldy, what can you do? What are we paying you for again?"

He also likes to link his employees' mistakes to their supposedly inadequate character traits. Although this is unjustified and unfair, the person being attacked is so dismayed that he or she no longer questions this inadmissible connection. And in his indignation, the Great Freakoutelli wouldn't tolerate any objections anyway.

So, what is the benefit of this behavior? Employees will comply without contradicting because they live in constant fear of a volcanic eruption. Always on their guard, they try not to cause any trouble and do everything they can to avoid attracting their boss' wrath. The boss often misinterprets this as respect and reverence, and mistakenly sees it as an acknowledgement of his own authority. At the same time, his emotional outbursts hide his own leadership weakness.

In the ground fog of emotions, our own inability to control ourselves may be reinterpreted as an authoritarian leadership style. We might go from being unrestrained tantrum throwers to becoming assertive emperors.

If in addition the Great Freakoutelli's team or company is very successful, this will in turn justify his management style in the public eye. The success will seemingly prove him right. One could, however, also argue that the success isn't due to his actions, but despite his weak leadership. Imagine

how successful the team would be without him. The Great Freakoutelli lives with the illusion that he has everything under control–except perhaps himself. The power to give others a hard time gives him a feeling of superiority. It's a well-known psychological pattern: trying to lift oneself up by putting others down.

So, the trick is to keep the employee in a state of uncertainty and fear. The idea is to make him follow the rules and do his job without protesting. From a humane point of view, this leadership behavior is questionable at the very least, but what does it look like from a business perspective? Regardless of whether Freakoutelli's outbursts are spontaneous or calculated, the consequences are similar in both cases: the employee treated in this way usually has little understanding for this humiliation. His self-esteem is damaged. And the interpersonal relationship which is already out of balance due to the hierarchical order that gives the boss extra weight, becomes even more askew. Those who have fallen victim to such humiliation become suspicious, withdraw, run for cover, or plan revenge. And people are very creative when it comes to restoring the inner or outer balance of their damaged self-esteem.

> **Psychological tricks are used to enhance a person's own status by denigrating employees. But the "little guy's" revenge can be terrible.**

The employee may let the boss belittle him for the moment without responding, but he will get back at him in some other place later. He won't do it using the same weapons in an open exchange of blows, because he doesn't hold an equal position of power for that. Instead, he will do it through big and small acts of sabotage–the little guy's revenge. For example, the employee might talk badly about his boss behind his back venting his anger and contempt within his intimate circle of colleagues. Depending on his own potential for crime, he might then cheat on his next

travel expense report, or he will make off with one or two company "souvenirs" from time to time.

Large-scale embezzlement isn't uncommon either. For the employee, this doesn't even feel like theft. He rather perceives it as justified compensation for the harassment he has experienced. So he's not stealing from his boss, just making sure that a sort of compensatory justice is made. Or maybe he will withhold important information, or let a major project crash and burn along with a lot of money without taking the necessary measures in time to avoid it. A note from his personal doctor might also be a good way to increase the number of vacation days, which the employee may consider to be too low anyway.

Where fear increases, respect goes down

Regardless of the subversive attempts at reparation, a climate of fear prevails in companies or departments where executives like The Great Freakoutelli reign. Employees who then live in fear and terror only adapt to the external, burdensome power structure as long as they see no way out, and a high degree of control is exercised.

People will not allow someone to try to change them against their will. This is the case in all totalitarian systems. Spending your working life being constantly on high alert costs a lot of energy, which is then only available to a limited extent for the completion of actual tasks. The consequences are inner disengagement, high rates of absenteeism, and a constant fluctuation in the number of committed employees. In such a climate, only those employees who feel economically dependent on their job, see no alternative, and can somehow come to terms with the humiliating management style will remain in the long run. Sooner or later, everyone else will leave. All those who remain will at best do work-to-rule, or less. After all, the only employees left at the bottom of the long-term

employment ladder are those who know that their poor performance leaves them no prospect of employment elsewhere. That's not what a high-performance team that can be relied on even in difficult times looks like. These managers will end up ultimately surrounded by underperformers only or by people who are there just for the paycheck.

Where fear increases, respect goes down. If your employees are afraid of you, your reputation will suffer not only in the eyes of your employees. That might not even be so dramatic since you probably wouldn't notice it anyway. It happens behind your back, when you're not present. But you can actually notice it, for instance, when you enter a room and conversations stop abruptly; or when your employees, who had just been relaxed, seem to freeze, turn to their work at once, and behave in a totally different way. Parallel worlds thrive particularly well in such a work atmosphere. On the one hand, there is the official façade maintained for the boss, to convey that he has everything under control and that everything dances to his tune. On the other hand, there is the reality lived when the boss isn't around. That's when pretty much everyone does what they want. While "King Lear" seems to be playing on the main stage, there's "As You Like It" playing behind the scenes. As the boss you're in for a rude awakening at some point, because your employees, out of fear, have been pretending for a long time to avoid waking you from your deep sleep and avoid stress for themselves. The awakening, however, will not be preceded by a gentle kiss, as in the fairy tales, but rather by a thunderstorm, when in a crisis, for instance, the façade can no longer be maintained, and the house of cards comes crashing down.

Especially in difficult situations, managers need enough poise to keep a cool head. When everyone is running around aimlessly, you need someone who can keep an eye on the big picture, someone immune to the general rush and hysteria, who looks for solutions together with his team and makes clear decisions. There will always be plenty of time later to find people to blame. Or do you think the captain of a sinking ship would first be running around like a berserker raving about his incompetent crew, the rickety boat, or the stupid iceberg?

If you as, a manager, must panic, it's better to do it in private and preferably *before* everyone else gets nervous.

Poised leaders become anxious at an early stage because they notice unfavorable developments the moment they become apparent, as well as when negative factors threaten to converge.

If you, as the boss, have a seismographic sense for the first signs of a looming earthquake, then congratulations! Use this intuitive early warning system and act in time. But if the buildings around you are already shaking and collapsing, you no longer need to point out the danger or react. Your interventions are then superfluous, because by then even the last dunce will have realized that something is wrong anyway.

On the other hand, when you ask managers what they ascribe their success to, you often hear them argue that they had the right instinct, an unerring intuition, or the right hunch. Some call it experience, gut feeling, intuition, or even divine inspiration. Often these are precisely the qualities that make the charismatic corporate leader appear in a transfigured light. There is nothing fundamentally wrong with this as long as feeling or intuition merely provides the initial impetus for making decisions. Things can become difficult when your gut takes the lead.

Intuition Alone Isn't Everything

Anyone with some practice in their job and in life has certainly trusted their gut feeling sometime to make certain decisions. The experience has probably been good too. But what if the factual arguments must take a back seat to the gut feeling or are even completely ignored? A decision might still get implemented despite the many arguments against it just because

you had a gut feeling. I can remember how in my time as a manager I sometimes found myself using my own intuition as a guide for my decisions. Perhaps you know this from personal experience. I must admit that, especially when making decisions regarding personnel, I wasn't always able to free myself from my personal feelings, so I may have occasionally made unfair or subpar decisions. I observed this mechanism working in me, especially when selecting applicants for a certain position in the company. There might be 150 applications for a job advertisement, but only five to ten candidates can be invited in for an interview. And after that you're left with only a few minutes to review the individual application documents for the first time. You skim over the cover letter and the other application documents, you scan the résumé and photo, and bang, decision made. At first glance, many applications are disqualified by classic mistakes such as the incorrect spelling of the addressee, or by committing the faux pas of overlooking the contact person from the previous cover letter and copying and pasting it on the next one. Why are such small and actually forgivable mistakes the knock-out criterion? These things can happen to anyone at any time, and they probably say nothing about the person and their abilities. That's true. But in this situation, they can become a selection criterion after all, because in this phase of the decision-making process there isn't much time available, and the decision-maker often has no other choice but to draw conclusions about overall personality based on minimal clues. Not very fair, but that's how it works. This is the classic mechanism of prejudice creation.

As a psychologist, I'm very familiar with how prejudice is created, and yet, I myself am not at all free of prejudice. How can that be? Can't I, as the intelligent creature I like to think I am, free myself from these influences? Can't I use my free will and my best judgment to decide according to the principles of non-discrimination and the careful consideration of facts? Unfortunately not. Social psychology has studied these mechanisms extensively. It deals with the question of the effects that the actual or even imagined presence of other people has on the individual's experience and behavior.

In many of our everyday situations we have no choice but to form a temporary judgement, a pre-judgement or prejudice, so to speak, because very often we must decide what a situation means for us on the basis of first impressions.

However, there is always the danger of being too quick to judge people according to our own values and experience categories, so that we end up giving them labels that are very hard to get rid of. It's not easy to rectify an assessment once we have made it, although I don't necessarily find that so problematic. The important thing is to keep reminding ourselves of this mechanism. If we're aware that we all move within our prejudices and projections, we'll also have the opportunity to reflect and critically question our own thought patterns. Doing this will give us a good chance not to fall into the trap of thinking that our assessment of things necessarily corresponds to reality.

When Control is Helpful

In most companies and organizations, daily work processes are well structured and clearly defined. Hardly any company can do without a so-called quality management (QM). Whole legions of QM representatives move around and through the companies carrying extensive file folders and flow charts. Internal and external auditors check, document, report, detect deviations, request corrective measures, monitor their implementation and check the results. A perpetual cycle of quality optimization, which has become independent in many places, occupies entire branches of the company and continues to rotate like a perpetual motion machine. What differs here from a perpetual motion machine is that energy must be supplied again and again in the form of money and work. I could report for a long time about the tendency of such QM-systems to bloat up quickly and become ends in themselves. I could tell you about the QM auditor I met at a

German company while he sat with a ruler over a pile of shredded papers. He had just picked them up from the shredder and was about to check whether the size of the individual pieces of paper really complied with the guidelines for the destruction of documents in accordance with data protection law. He took my astonished look as an opportunity to let me in on the secrets of data destruction. The German DIN standard 66399 regulates very precisely that on security level 3 (of which there are five in total) particles are allowed to have a maximum width of 4 mm and a maximum length of 60 mm, or what's the same, a surface of 240 mm^2. With a strip cut, on the other hand, a maximum strip width of 2 mm is permitted. I can well remember how glad I was at the time that he did not discuss the details of the four other security levels with me.

I am sure you know enough examples from your own company where you couldn't help having the impression that there was too much bureaucratic overregulation. But then we might quickly lose sight of our real subject. Nevertheless, exercising control is also one of the core tasks of managers. However, the convergence of control and power can lead to your no longer receiving important information and feedback from your crew on the control bridge simply because nobody dares to contradict you—even if it would be useful or even necessary. Investigations of airplane disasters have revealed that some crashes could have been avoided if the co-pilot had been able to correct the captain's obvious mistake and had dared to do so. But sometimes we just don't dare to be wrong. Therefore, even in higher management positions, a mistake should not entail losing face or any other kind of backlash.

If you like, you can ask yourself the fundamental question of how mistakes are dealt with in your company. Do you consider mistakes to be something normal or are they the undesirable exception that leads to an extensive round of blame and negative consequences? If the latter is more likely to be the case for you, you're putting a high level of pressure on everyone involved and providing an ideal breeding ground for psychological tricks. This pressure, however, doesn't automatically lead to the desired result of

keeping people from making mistakes or fewer mistakes happening. Instead, a climate of mistake paranoia develops in which employees and managers do everything they can to protect themselves against the unpleasant consequences of mistakes. But mistakes are deeply human and therefore inevitable. And how do you avoid the inevitable? By trying to avoid everything that could lead to making a mistake or a wrong decision.

However, this also inhibits any form of initiative, creativity, or civic courage, because everyone is avoiding taking risks and playing it safe. In addition, great efforts are made to avoid getting stuck with the consequences when mistakes are made.

Surely you know the flood of daily e-mails that include a "cc" line. By the way, the "cc" stands for "carbon copy" and you may still be familiar with it from the grey days of the analogue age, when letters were written on typewriters and the copy machine was by far not as common as it is today. Back then there was a sheet of the the so-called carbon paper between the sheets of paper. This ensured that the letter hammered onto the sheet produced an imprint on the carbon copy underneath. Today's bad habit of sending your own messages almost reflexively to other addressees is an indication of the need to protect yourself through information and documentation ("I informed you and you didn't say anything against it"). I wouldn't want to know how many managers are spammed with these cc-mails every day and spend a large part of their working and living time reading redundant texts. This is also an expression of mutual distrust. The employee fears disadvantages if he doesn't protect himself on all sides. In such a work atmosphere, people walk through the corridors with raised shoulders and live in constant worry that lightning might strike out of the blue.

The open and constructive handling of mistakes helps prevent and overcome psychological tricks.

It's certainly not easy to keep the balance between a helpful quality control to improve work processes and a suspicious control mania, which basically equals a no confidence vote for an employee. If you want to avoid mistakes, you must allow for them to be made. This may sound paradoxical at first, but in the long run it leads to an open and constructive approach. In a corporate culture in which mistakes are even welcome in a certain sense, they no longer serve to reproach the person responsible for them for their alleged incompetence, or to find a scapegoat who can then conveniently be blamed. Instead, mistakes or wrong decisions are used to learn how they were made and how to avoid further or worse mistakes of the same kind in the future. This helps to save costs and resources and to build a climate of mutual trust. And in turn, you deprive psychological tricks of their breeding ground.

6. Disguising, Cheating, and Covering-Up

What This Is All About:

What the "rank badge Flick"—a psychological trick— is trying to hide. The dark side behind the gleaming façade of the leadership elites. What Tom Sawyer has to do with a helpful change of course.

The Rank Badge Flick

Uniforms are worn in many professions, for example in the army, the police, the fire brigade, on ships, or in aircraft. On the one hand, uniforms are used to document membership in a particular group to the outside world; on the other hand, rank badges are worn on uniforms to express something about the hierarchical position of the person wearing them. This renders visible how important or powerful a person is. The badge is, so to speak, the external documentation of an internal hierarchy. We could say that they're symbols of power, or to put it bluntly: the more metal you see shining on a uniform, the higher up in the hierarchy the person wearing it is. From these professions, I draw the name for a psychological trick widely used by executives. I call it the "rank badge flick."

When people run out of good arguments or are lacking personal authority, they sometimes turn to their undeniable and therefore indisputable power position and use their higher rank as the killing argument to settle a dispute.

They then flick their rank at you, as it were, and end the discussion without further ado by saying, "We're done here!" In the end, they remain winners because their superior position clearly regulates the balance of power so that it's no longer questioned. In a wider sense, the rank badge flick also includes all other interventions in which disciplinary authority is used as a means of power to enforce one's own interests. This can be, for example, the vague threat of not receiving a pay rise or promotion. Usually, people only use vague statements, for example: "If I cannot count on you in this situation, you should not be surprised if this has an impact when the next bonuses are given."

This creates a nebulous threatening picture intended to put people under pressure on the one hand, while on the other hand leaving them in the dark about the consequences of their actions. Finally, no clear if-then plan is presented. Instead, people are left to imagine whatever horror scenario best suits them. In addition, the person often formulates his statements using would's and could's, thus keeping an escape route open for himself. Needless to say, there's no written documentation or testimony in front of witnesses. After all, this isn't a classic agreement on objectives linked to a corresponding consequence when the specified goal is reached. This is simply a matter of building up pressure without having to be held responsible for it.

It's possible that after using the rank badge flick the manager will actually feel like a winner at first and will not consider what his behavior might do to the employee in the long term. Such a short-term success is often a Pyrrhic victory, because it has a very high cost and many disadvantages in the long run. The term goes back to King Pyrrhus I, who in 279 BC, after a successful but costly battle against the Romans in southern Italy, is reported to have said to one of his confidants: "Another victory like this and we're

lost!" His heavy losses meant that although he won several battles, he ultimately lost the war.

Now you may ask: "Can't I just use the authority of the position I have been given and laboriously acquired to decide based on my own best judgment?" Yes, of course you can. Sometimes it's even necessary to make a clear decision and enforce it. But only when your intervention as a manager is truly needed. This can be especially true in so-called "stalemate situations," when employees cannot agree on a common approach, and implementation isn't possible due to endless discussions. If time is pressing, it takes someone to put their foot down and make the decision. Remember the example with the two sailors and the iceberg.

This decision-maker is usually you in your manager role. Nevertheless, you should only make careful use of this last opportunity to assert yourself, because you will silence employees, and the equal footing you intended for your relationship will be askew. Therefore, it's important to ensure transparency when you lay down the law and make your decision. You should explain how the decision was made and why the counterarguments were not convincing. In doing so, you will be showing appreciation for those team members whose ideas were not taken into account.

But how can you react if someone plays the rank badge flick on you; when you're the recipient of this trick? I recommend you take the following two steps: "addressing sensation or presumption" and "asking for concretization." This could look like this:

- "I just realized that your statement puts me under pressure, and I have the impression that if I don't react as you wish, right now, you will repay me later with a bonus reduction, for example. Could you please tell me exactly what your statement meant?"
- "My impression is that critical opposing voices are annoying to you and therefore undesirable here. Is that so, or maybe I'm wrong and you're genuinely interested in my concerns?"

You may even achieve two things: First, you give authentic feedback and openly address the situation. On the other hand, you give the other person the opportunity to present a concrete point of view and at the same time ask him to show his true colors. You will experience that just when you go on the offensive here in a fearless and perhaps even a little drastic way, the other person will suddenly backpedal: "That's not what I meant at all". If you want to go one step further, don't let up, but ask what the person meant instead. At his point at the latest, the person will have to take a clear stand or withdraw his statement. This will give you clarity for the situation and will also earn you the respect of those around you.

Managers need to know where things are headed, otherwise they cannot lead their employees there. But what if in your leadership role you yourself do not really know where you're supposed to go? What if you have doubts and are unsure of yourself? Managers in general have learned to convey poise to the outside world even in their own moments of uncertainty. This seems to be an unspoken demand on people in leadership positions. Everyone quite naturally assumes that even in a crisis managers can always see the big picture and know exactly what to do. This is an odd misconception because not even managers have a panacea for every crisis, as many heads of state demonstrated during the Corona virus pandemic. Neither do managers have a crystal ball to look into the future. In many cases, they depend on assumptions and prognoses, which in the end, are always just bets on the future. They look to factors or experiences from the past to make a statement about the future. As a result, even managers only ever move within the framework of probabilities and can only weigh up statistical risks if necessary.

Bosses, Bonuses and Burn-outs

In the glistening light of executive positions, expensive cars, and high salary or bonus payments, outsiders first notice the conveniences of the management elites. But since this is between you and me, we can also talk about the dark side for once. During my time as a psychological consultant, I have often encountered people who got into trouble for driving under the influence of drugs or alcohol. Some of them were managers in high positions for whom alcohol, drugs, or medication had become a constant companion. The issues of burn-out and addiction are often on the flipside of the success coin. At the same time, however, they're also taboo topics not often talked about because they're hardly compatible with positive competencies such as strength, charisma, assertiveness, motivation, energy, and success. However, we tend to forget that especially people with a lot of responsibility in high profile management positions are often confronted with massive pressure. They're under a lot of pressure to succeed because of the unrealistically high expectations placed on them. And if an inner critical voice is added to the mix, the strain on the manager increases many times over.

This naturally raises the question of how they deal with this external and internal pressure, and what kind of activity could serve to offset it. In one of my coaching sessions, under a pledge of secrecy, a chairman of the board told me how he drank a bottle of wine almost every evening in order to relax from the stresses of the day and get a good night's sleep. He was rewarding himself for his efforts with some good wine. On some evenings, he said, he would have two bottles. Since he had a chauffeur, driving was no problem for him. However, he hadn't noticed at all how the amount of his drinking had increased over the years, and how his evening relaxation and reward ritual had become a real alcohol problem. The longer we worked together and the more trust he developed in our relationship, the more often we talked about alcohol during his coaching sessions. Looking closer it became clear that there were already some negative effects. Many close colleagues had obviously noticed the alcohol on his breath in the

morning. The more attentive observers among them hadn't failed to notice his morning tremor either, that slight trembling of the hands, as well as his progressive drop in performance. It became increasingly clear that a serious change of course was necessary. At first, he tried to limit his alcohol consumption and found that he was only able to do so for a short time. After short phases of abstinence he would secretly go back to drinking excessively. In the end, he decided to go to a rehab clinic and start an alcohol detox and subsequent rehab therapy program. Today, he lives as a sober alcoholic and openly addresses the subject in his professional environment. Among his colleagues on the board and among his employees, everyone knows about his past. Ironically, the open approach to his illness has earned him great respect and understanding from his community.

> **Anyone in a high-profile leadership position who tries to get so-called relief by escaping into an addiction becomes more susceptible to mind games.**

It's always problematic when our experiences become divided into two different worlds that drift further and further apart.

It's dangerous whenever our professional context, with all its challenges and burdens, clashes with our private life and our leisure time. That's usually the case for most people, unless you have turned your hobby into your profession, and there's no difference between work and leisure in terms of space, time, or the emotional aspects of both. If that's your case, congratulations! You have achieved what most people only dream of. However, our professional world is still very far from this ideal in many areas. And even if you have a job that you enjoy most of the time, there are always moments or activities in every field of work that do not necessarily

evoke enthusiastic outbursts of delight. If you enjoy cooking, tidying up the kitchen afterwards may annoy you. And although you love your children and your heart warms up when you're around them, parent-teacher conferences and the impending doom of eventually being elected as a parents' representative may still not be your cup of tea. So many professional activities have their downside in the things you don't like to do or find extremely difficult. There might also be certain colleagues or bosses who you find it difficult to work with.

All this is fairly normal and tolerable. But what happens when the dark side of the job gets out of hand? What if the negative experiences and activities in your professional context accumulate? And what happens if the positive moments are delayed longer and longer and then, when they do happen, they don't last long? That's when an unhealthy dynamic can develop. Your job can no longer compensate for its negative sides, so you shift to compensating during your leisure time. You begin to long for your work day to end so that you can finally feel joy again and occupy yourself with the beautiful things in life. All this as compensation for the inconveniences suffered and endured at work. In one of my coaching sessions, a regional manager once told me that he runs "Management à la Robinson Crusoe." When I asked him what that meant, he replied somewhat bitterly, "I keep waiting for Friday!"

Distraction from yourself doesn't help and can lead to disaster.

With this attitude we're in danger of getting into a downward spiral. We can no longer see the positive things of everyday life as a relaxing counterpart to a challenging but nevertheless satisfying job. Instead, they become the islands of longing to which we escape to be able to withstand the difficulties of work the next day. We must inevitably seek in our free time the reward for the task of enduring and pulling ourselves together daily. Extravagant hobbies supposedly compensate for the unpleasantness during

our working hours. And the more stressful the professional situation we experience is, the greater the compensation must be in our private life. We must have extraordinary holidays, for example, to fill our inner emptiness. Unfortunately, this doesn't work.

In one of my training sessions for executives, there was once a self-employed dentist who described very vividly the extreme pressure he was under due to his profession and the financial burden of having his own practice. At the same time, he dreamed of big, fast cars, and he eventually bought himself a Porsche as a reward for his hard work. "If I'm going to put up with all the stress here, I want to have some fun to compensate for it!" It didn't take long, however, before the sense of fun this car gave him was gone and he needed a second Porsche. We were all spellbound listening to his story, and there was pin drop silence after he said finally: "I already had two brand new sports cars in the garage, and I dreamed of a third Porsche. That's when I pulled the rip cord. I went into stationary treatment for several weeks with a severe burn-out. Today I still drive a convertible Porsche, but it's 15 years old. I now work part-time as an employed dentist, and I am glad to be rid of the burden of being self-employed."

If you notice such tendencies in yourself, you should be careful not to put yourself on a slow but steady path towards a burnout or a solid identity crisis, too. Otherwise you might become the victim of a psychological trick where even the most promising attractions can't compensate in the end because they're basically just distractions from the real trouble. This is a bit like cheating on your spouse or looking for a parallel relationship in order to cope with the tension in your partnership. This doesn't work in the long run. In this context, needing ever bigger rewards that don't ultimately fulfill you is a clear warning sign. You keep on eating more and more but can't get satisfied. That's when it might be appropriate to think about radically changing your situation.

Plotting A New Course: A Change of Perspective

You may know "The Adventures of Tom Sawyer," by American writer Mark Twain (1835-1910), whose real name was Samuel L. Clemens. In this book, published in 1876, there's an episode right at the beginning where Tom Sawyer is punished by his aunt Polly for getting in a brawl. He must whitewash the huge garden fence on a Saturday, when all the other boys are off. This is an exhausting and humiliating job for Tom, and his friends mock him, as expected. But Tom very seriously explains to every boy who comes by and makes fun of him how difficult the work is and how he doesn't see it as a punishment at all, but as a reward. It's quite a complicated task that not everyone can fulfill. The boys become curious about it and now they want to paint the fence, too. So, they offer Tom all kinds of things they take out of their pockets as payment. After some initial hesitation, Tom is "persuaded" to hand over the paintbrush. In the end the fence is painted over several times by numerous boys, while Tom has made himself comfortable on the grass. He has also become the proud owner of many treasures, which the boys have willingly given away for the privilege of painting the fence. From the events of this day Tom Sawyer learns an important insight: "He had discovered a great law of human action, without knowing it – namely, that in order to make a man or a boy covet a thing, it is only necessary to make the thing difficult to attain."

Through reinterpretation, a situation is given a different meaning by trying to see the situation in a different context or "frame."

This story is an excellent example of a technique that is originally rooted in systematic family therapy and goes back to Virginia Satir (1916-1988), one of the most important American family therapists. We're talking about "reframing," which means "reinterpretation" and is inspired by the term for picture frames. It's like a picture frame that restricts our view and directs it

to a certain section of the overall picture. If we succeed in getting rid of these mental blinders and give the whole thing a different frame, a "re-framing" takes place. New views and interpretations of reality can emerge. Scenes between people can also be seen from a different perspective, which allows the involved people to deal with it in a different way. When Tom Sawyer reinterprets the task of whitewashing the fence from a humiliating punishment to a prestigious award, two things happen:

- On the one hand, he enhances the value of the activity for himself and perhaps even increases his own motivation.
- On the other hand, he also influences the views and behavior of the other boys–and thus changes the whole situation.

In the role of a leader, reframing can be both a blessing and a curse. On the one hand, it can help you see some of your employees' behaviors in a different light and react differently to them. This always works especially well if you succeed in seeing the positive intention behind a behavior that you consider negative. For example, the annoying know-it-all in your team can be reinterpreted as a helpful information provider who supports error prevention. The small-minded pedant might turn into a welcome perfectionist, and the talkative chatterbox can also be understood as a cheerful, fun-loving person with a heart of gold.

By this I do not mean that you should sugarcoat critical situations or certain questionable behavior on the part of your employees. But if you manage to change your perspective in such situations and give your evaluation a new framework, this change in your inner attitude can lead to a change in the external behavior. Maybe you won't get annoyed so quickly and can approach the other person with more composure, or perhaps even with a measure of goodwill. I will come back to this topic later. If you find it difficult at first to reinterpret a situation in a positive way, take an example from some dog owners who have mastered the discipline of reframing to perfection. For example, when their furious beast comes running towards you with bared teeth, and this Cerberus directly targets your carotid artery,

those dog owners know perfectly well how to reinterpret the situation by cheerfully shouting to you: "Don't worry, he just wants to play!"

In your everyday management life, you will almost inevitably be confronted with the dark side of this technique, because what you can use for yourself quite consciously and in a positive sense can also work in the opposite direction and with negative effects. You will then face the reinterpretations done by those around you, and this is always the case when people assume that your actions are rooted in an unfair intention. Reframing takes place here too, as someone sees your behavior in his or her respective context. Your employees or colleagues look at you from their own perspective and may arrive at completely different interpretations. For example, if you're having a good day and just want to be nice to those around you, this can still be perceived differently: "He's only being friendly because he wants something from me."

Or imagine that after careful consideration you have decided with a heavy heart and a clear conscience that your company needs to save. In fact, your intentions are actually quite honorable, as what you have in mind is the welfare of all involved and the long-term survival of your company even in difficult times. Nevertheless, you will hardly be able to prevent some members of your staff from suspecting a sinister intention behind it. "The truth is that these questionable cost-cutting measures are only meant to secure the high bonus payments for the executive level!" That's when transparency and communication can help to either prevent these negative perceptions from arising in the first place, or at least limit them to a manageable level. Furthermore, in a company where there's a solid basis of trust you have a better chance of having your employees do a positive reframing. In any case, however, you can assume that there is no objective

truth in an interpersonal context, but that our interactions are always influenced by different perceptions and interpretations. On the other hand, this keeps opening up new opportunities and creating a sort of shared freedom.

It's well worth the effort to invest in a management culture based on the principle that everyone's equally worthy and should be treated with decency and respect.

7. When the Ship is Sinking: Dilemmas and Paradoxes

> **What This Is All About:**
>
> How to avoid getting caught in a vortex of hopelessness. Discovering the pitfalls of hierarchy and avoiding them. What you should know about the chemistry between you and your employees.

In the Vortex of Hopelessness

You can find him anywhere. On the banks of the Thames in London or on the Ponte dell'Accademia while crossing the Grand Canal in Venice. You can find him on Alexanderplatz in Berlin in front of the television tower, or on Fifth Avenue in New York. You'll find him time and again wherever tourists gather—the shell game player. He's usually equipped with three nut shells or matchboxes and a small ball or a pea. His aim is to encourage passers-by to play and bet. The rules of the game are simple: the ball is positioned under one of the three shells, and after he quickly moves or swaps the shells, he asks a player to place a larger amount of money on the shell under which he suspects the ball to be. If the player guesses correctly, his stake is doubled; if he's wrong, he loses it.

This sounds quite simple at first. The only catch is that this isn't a game of chance or skill. Groups of professional cheats are at work here. The other players, who make high profits as decoys, are also part of the game and try to encourage passers-by to play along. In reality, the person betting has no chance at all because there's usually no ball under the shells when they're being moved around. This is because the shell player has secretly taken the ball out beforehand, and only places it skillfully underneath the shells again when someone has already placed their bet. No matter what the person bets on, he loses every time, because, inexplicably, the ball is always where he didn't expect it to be. The shell game is a typical example of a hopeless can't-win situation. The only chance not to lose is not to play the game at all.

In my talks about leading without mind games, I sometimes demonstrate a modified form of this trick on stage using three oversized playing cards. There are two black kings and a red queen. I show the cards, turn them over, and swap their positions in front of everyone. Then I ask the audience to guess where the red queen is. In the middle, right or left. And as you probably already suspect, the spectators' guess is always wrong. The red queen is always exactly where nobody would have expected her to be. It's like a spell. Of course, there's a little trick here, too, that I wouldn't want to go into. But it becomes clear to everyone very quickly that this is a hopeless situation.

Perhaps you have experienced such dead-end situations yourself. For example, if you're on the road late at night and hunger suddenly overcomes you. At such a late hour your options of premium restaurants are very limited. Your only choice is to pick which of the various fast-food restaurants you would want to get an upset stomach from. We can already find such hopeless situations in Greek mythology, with the two sea monsters Scylla and Charybdis, for example, which lived in the Strait of Messina where each occupied one side of the strait. The poor sailors had the brilliant choice of either being eaten by the six-headed Scylla or being pulled into the depths by Charybdis. These were probably not particularly

tempting prospects even then. Scylla or Charybdis, plague or cholera, McDonald's or Burger King. What you decide doesn't really matter, the outcome will always be unsatisfactory. Almost like in the Middle Ages, where the "Holy Inquisition" tried to expose alleged witches with their abstruse and horrifying methods. They tried to prove that some women were in league with the devil using all kinds of dubious means. It is said that a particularly reliable method at the time was to throw the questionable woman into deep water with a weight on her body. If she sank and drowned, her innocence was proven and a place in heaven was guaranteed. If she survived, that was proof that something was off and that devilish forces were at work, so she would be burned at the stake for being a witch. Another classic can't-win situation.

Fortunately, decision-making, like that taking place during recruitment procedures, has now lost some of its tough character. And yet there are still some can't-win situations in the professional context today.

This is especially true when you, as a manager, must make a decision and the options are very limited. You can often only choose between the lesser of two evils and must carefully consider which is likely to have the fewer disadvantages. The existence of a perfect alternative, like the choice between the main prize and the blank slips in a raffle, is very unlikely. If, for example, you advertise a job and several people apply for it, you won't end up with a superstar at the end of the selection process. The reality is that you'll end up shortlisting a handful of people with different strengths and weaknesses, and you'll have to weigh up the pros and cons.

We could spend a long time lamenting about the difficult conditions you must deal with every day, poor boss that you are! But let's hold back the pity a little because this is an essential part of your leadership task after all: assuming your responsibility, making difficult decisions, and always trying

to foresee the possible consequences of your actions. That is the normal day-to-day management routine.

> **Those who deliberately expose themselves to hopeless dilemmas situations will be susceptible to mind games.**

But even though you're the captain, a crisis can sometimes slam you into an almost hopeless situation. This could happen when irregularities occur or when even criminal acts are committed in your company. And then you, as the person in charge, very quickly find yourself in a dilemma. Either you knew about the illicit practices and therefore must have tolerated them. If that's the case, you have acted unethically or even illegally and forfeited your right to stand as a moral leader of integrity. You're no longer acceptable to the company and will have to leave your post. Or you didn't know about any of it and now want to wash your hands of the responsibility. But, unfortunately, that is evidence of your weak leadership, too, because you obviously don't know what's going on in your own company, which means that you don't have your business under control. It doesn't matter whether you really didn't know about it, or whether you're only pretending to be innocent. In the end you carry the full responsibility. Your boat is in danger of sinking because such dilemma situations always prove to be the perfect moment for those who want to oppose and undermine the boss. Now all those who consider you a thorn in their side and have had their eyes on your post for a long time are beginning to smell an opportunity. This is a unique chance to take you down and throw accusations at you from a safe spot. That is why both in the business world and in politics there's hardly ever a scandal without very vocal and well publicized demands for the resignation or replacement of the person responsible. And they often have a high chance of success.

The Unstoppable Rise Towards Incompetence

In principle, people in hierarchies will continue to rise as long as they do their job well thereby giving the impression that they would also be a suitable candidate for the next higher level. If this assumption is confirmed in reality, everything is fine and the employee may be shortlisted again for the next promotion. But what if the person selected turns out to be the wrong choice in retrospect? What if he reveals himself to be a loser in a pinstripe suit, and doesn't fulfill the expectations placed on him after all? In that case, he has reached the end of his career ladder and is usually not promoted any further. However, someone like that will only be demoted to his previous level in the rarest of cases. Instead, he will remain in that position for which he's actually unfit and where he's overwhelmed by the demands. Sometimes he'll stay there until the grace of retirement sets both him and the company free. The Canadian-American teacher and professor Laurence J. Peter (1919-1990) was already studying the behavior of people in hierarchical structures back in the 1970s. Although at that time many companies still had considerably more hierarchical levels and were not subject to as much change as they are today, the "Peter Principle" is certainly applicable to current and flatter corporate structures (Peter, Hill 1969). Peter assumed that people in hierarchies will continue to move up according to their competence. Competent employees may well rise to the position of group leader if they're suitably qualified. The most suitable group leader may then perhaps rise to a vacant department manager position and, if he does his job well there too, he will at some point be promoted to regional manager. This was not uncommon at that time, since many employees spent their entire professional life in a company and were able to take individual career steps leading there, although people didn't always make it from rags to riches that way.

What does this mean for the business world today? If you follow the Peter Principle, only two types of employees exist:

- Those who are competent at doing their job and are merely passing through their current position while still climbing their personal career ladder.
- The others, who have already risen to the level where they can only be incompetent, where they then stay and tend to hinder the processes and further development of a company.

I invite you to take part in a little exercise in this context: In your head, go through the employees in your immediate circle. Can you guess which of them have already passed their zenith, and which ones still have the potential for higher positions? You see?

Within this mechanism there's a psychological trick you might be confronted with yourself one day if people are unhappy with your work. You might get offered a new position to get you out of a job you're no longer performing in a satisfactory way. So they might try to keep you on the sidelines, or they will make you an offer for a higher position where you feel overwhelmed and not sufficiently qualified. In the second case, special caution is required. It's important to first acquire the necessary competence by "training on the job." Otherwise, you too will have reached your personal incompetence level–at least in this company. You will have reached the nirvana of your own inability, and it will be only a matter of time before those around you notice it, too.

In hierarchical company structures, there is another problem for you as a dynamic, competent and aspiring manager: the higher you climb the Olympus of leadership, the thinner the air up there becomes. This is especially true if you have not yet reached your target position and are still on the way to the next higher career step. The higher your position, the more responsibility you have in most cases, and the more people are subordinate to you and affected by your decisions. This inevitably leads to your receiving less and less genuine, unfiltered feedback. Many people in your immediate circle have the task doing groundwork for you or for management, or supporting you in some way. What happens time and time

again is that your close colleagues or co-workers behave according to the principles of preemptive or anticipatory obedience. They anticipate or they believe they know what will be your expectations. Depending on how you're wired as a manager, your employees will behave in the way they think you would like them to as a boss. Much of what they say or do in front of you must first pass their own mental censor. People don't want to make themselves unpopular with you, nor do they want to endanger their own position and job–and they behave accordingly.

> **The Peter Principle and the mechanisms of promotion to incompetence levels prepare the ground for psychological tricks.**

Although enterprises are working communities created artificially, they're still subject to mechanisms similar to those of other social systems. They have a tendency to preserve themselves.

Employees whose livelihood depends on their job will naturally not saw off the branch they're sitting on. So, you should expect openness and opposition only within certain limits. People wouldn't want to spoil their relationship with you, and they wonder about the far-reaching consequences their own balkiness might have. All of this is both likely and possible. After all, the colleague to whom you were just boasting about the short holiday you took while on sick leave might end up being your boss tomorrow. It wouldn't be the first time that a promising career is cut off short abruptly due to far too open postings or photos on social media.

And yet, when you're in an executive position you also need the open and critical voices to make the right decisions. That's why it's important to pay attention to the nuances coming from those around you, be interested, and ask questions. If you're willing and able to really listen, you will gain

valuable information even within the haze of your own inner circle. Otherwise you might wake up from your la-la-land sometime and find yourself in free fall because nobody pointed out to you that, with your current strategy, you were heading towards an abyss.

When There's No Good Chemistry

It can be particularly interesting when sympathies or antipathies come into play in your professional environment. Have you ever wondered why you find some people unpleasant from the start, even when you cannot know anything about them yet, because you have only gotten a first impression?

In your search for personal pitfalls, there are two potentially slippery psychological phenomena: transference and projection.

These are two phenomena to which we're all more or less subject to, and which you, as a leader, must deal with particularly often. We project those personality traits we dislike in ourselves onto someone else where we perceive them as incredibly big and reject them – that's projection. Sounds complicated somehow. Perhaps you would like an example? Suppose you're a bit pedantic, but you don't really like this characteristic in yourself. What can happen is that other pedantic people get on your nerves and you enjoy getting upset about it: "My God, what a petty nitpicker!" That way you can comfortably pin the character trait you dislike in yourself on to the other person, and even badmouth them to your heart's content. It's simply easier for us to find someone else with these traits disagreeable and stupid, than to see ourselves that way. The motto is: "What I can't like about myself, I like to pin on other people."

The phenomenon of transference is about experiences and emotions from the "there and then," that we transfer into the "here and now." Would you like another example? If your first great love was a tall brunette with dark eyes and she disappointed you deeply by running away with your best friend, it's possible that the young brunette intern with the dark eyes reminds you of your girlfriend at that time–and that's why you can't stand her. There are rumors of similar cases with ladies!

Now of course you can say that none of this concerns you at all, because you're quite aware of your personal mechanisms and for this reason alone you won't stumble so easily over the pitfalls of transference and projection. This may even be true for yourself. However, in your role as a leader, you'll hardly be able to avoid having other people experience that with you. When it comes to your employees, you should also be aware that you, as the boss, are always an excellent projection surface for others.

Your authority and your high-profile position make you perfect for people to draw parallels between you and other authority figures in their past.

This could be a person's father, a former teacher, a sports coach, a military superior, a university professor, or any other boss. Especially if your employee has had bad experiences with one of these candidates (which is likely), you will sometimes become the recipient of what should have been addressed to another leader, and will suddenly find yourself paying for something that has nothing to do with you. Through a statement, a certain gesture, or a certain behavior, you may have triggered something in your employee that he knows from his past and now catches him by surprise again. That's all it takes for someone to pigeonhole you: "Bosses are all the same!" You can't really do anything about it, especially since this process almost always takes place unconsciously within the other person. If he were aware of it, he wouldn't fall into the trap of projection. However, it's helpful for you to know that this doesn't necessarily have anything to do

with you personally. You're only the trigger and not the source of these emotions. This can help you to deal with such situations calmly and confidently without succumbing to deep self-doubt.

How can you tell whether you have been the victim of such a projection or whether your behavior has actually been off track? In my coaching sessions, I use an exercise that you can also try for yourself. This is a good way to determine whether a transfer phenomenon is occurring. Let's assume that an employee reports to you in a confidential annual meeting that, in certain situations, he feels "condescended to" and "unfairly criticized" by you. As you ask further questions it becomes clear that he also considers you to be "arrogant and narrow-minded" at times. He says that, although he's basically quite happy working with you, from time to time there are situations where you, in your role as the boss, inappropriately show that you're above him. These situations are very difficult for him and he has even considered resigning.

> **You may want to check if you have been the victim of transference or projection.**

You're surely capable of self-criticism, and so, when an incident like this or a similar situation occurs, please pause for a moment and ask yourself: "Well? Does that ring any bells? Can I relate to this criticism in any way?" Perhaps you can respond with almost unconcerned composure. "No. I'm not getting anything." And if you even feel a bit perplexed and can add: "And I have no idea where this person is getting this from. It has nothing to do with me." Yes, that's usually an indication that you have become the victim of a transference or projection. So the employee's reaction probably has much more to do with his own history than with your leadership style. This is an important insight for managers to be able to deal appropriately with this severe criticism, first internally and later externally as well.

If you find yourself reacting to certain people with particular sympathy or antipathy, it would be good to look for parallels to people or situations in your own history. You can ask yourself: "Was there someone in my life that this person reminds me of?" Or "Do I know the feeling that this person is currently evoking in me from somewhere?" "In what contexts have I felt this way before?"

If you deal with these questions in a focused and honest way, some first hints might start to come to mind. Doing this is very important for your current situation because it will help you to leave those feelings where they belong originally instead of connecting them to someone in the "here and now" who has nothing to do with them. This way you'll be able to recognize that a person may trigger a certain reaction in you, but he's not responsible for your emotions. That person's inattention may have just triggered the explosive mixture from the past that you happen to be carrying around with you.

Understanding the mechanisms of transference and projection will help you to remain poised when dealing with your employees, even in conflict situations.

8. More Difficult Than It Appears: The Trap of Easy Problem Solving

> **What This Is All About:**
>
> Deceptive quick solutions, first and second order problems, and different problem categories. Why a lot of money doesn't always help a lot. Why a salary can also work like a psychological trick around employees.

Quick Solutions Are Treacherous

As long as everything is running satisfactorily in your company or team and the ship is on course, the crew can manage without their captain. However, as soon as the "iceberg" mentioned in chapter four appears and your team can't find its own solution to the problem, it will ask for clarification from the next higher level. That's when the boss's phone rings or the e-mail labeled "priority high" lands in his in-box. After all, one of the main tasks of managers is to take responsibility for troubleshooting. In addition, management positions are not paid relatively highly out of pure charity. In your role as a manager, however, you're not constantly on call, as you would be in the fire department, for instance, passing the time drinking coffee and doing crossword puzzles or playing pool between emergency calls. Instead, you have other activities and appointments on your daily schedule. When you get an emergency call from your employees, this

usually means a disruption in your work schedule. If the problem includes personal conflicts among employees or if it involves customers, the disruption can turn into a serious and unpredictable time-consuming issue. So, your wanting to get rid of the unpleasant interruption as quickly as possible is understandable–you just want to be able to go back to your actual tasks. You're probably familiar with the need to look for a quick and reliable solution to a problem and then head straight for it.

And this is exactly where the next potential pitfall lies: while managers are interested in fast, cost-effective, and constructive problem solving, the truth is that there are no simple solutions for complex problems. And when there are, there's also a long and winding road leading to them. The more complex the problem is and the more conflicting parties and divergent interests are involved, the more complex the search for solutions becomes. Everyone knows this cliché. Therefore, resist your own impulse to reach for a quick point-and-shoot solution, even if all eyes are now expectantly focused on you. Employees will be wanting quick clarification, too, so everyone can quickly go back to work feeling unencumbered. Unfortunately, things aren't that easy, even if everyone involved would want them to be.

If you're aiming for a professional approach, the first thing to do is to clearly identify the conflict or problem. This alone is often a tough business because it entails working out the different points of view and perspectives. This takes time and effort. Nevertheless, this phase is first and foremost about listening carefully, understanding, and tolerating the current lack of solutions. Collectively not having any ideas to hold onto is a great challenge for all concerned and a situation that isn't always tolerated. The temptation to cling onto the first feasible solution is too great. In most cases, however, only a closer look will reveal how complex the matter really is. This is understandable. After all, if the problem were simple, your employees would have probably been able to deal with it without your help long ago. In this respect, the mere fact that they're bothering you with it is an indication of the complexity of the problem.

However, taking a closer look always carries the danger of steering into a storm. Unexpected, deep, relationship and work-related complications may suddenly arise, and eventually turn the general mood into one of helplessness or resignation. Some people may end up wishing no one had taken a closer look. That's the captain's opportunity to shine, the moment where you can prove your leadership qualities and earn the respect and recognition of your crew. It will be essential that you keep everyone rowing together, and that you're confident in both your own competence and that of your crew.

Only when the actual problem has really been clearly worked out and all those involved feel sufficiently heard and, above all, understood, can you work together to find a solution. And although it seems paradoxical, you're then usually able to find constructive solutions and to agree on the next steps rather quickly. You can see that the successful processing and clarification of the problem is nearing completion when those involved approach the implementation of the solutions you have agreed upon with a strong and almost euphoric sense of commitment. However, if you want to make sure that the promising agreements and solutions you have worked out really are solid, you will have to take on the role of spoilsport once again.

Even if everyone around you is already sighing with relief, you should still question the results you expect.

A helpful intervention, which I myself often use in conflict moderation is asking the question: "Do you really think it will work this way?" Only

when you have been given convincing arguments for the steps and procedures you have just agreed upon, can you assume that the problem will be solved successfully, and can then go back to your day-to-day business… until the next alarm bell rings.

Different Kinds of Problems

In his book "Change," Austrian-American communication psychologist Paul Watzlawick (1921-2007) wrote about different types of problems and the strategies to solve them. He distinguishes between first-order problems and second-order problems. The first-order problems are relatively simple problems for which only simple solving strategies are needed. An example of one such simple problem-solving strategy is "more of the same". This means that once you have chosen a problem-solving strategy, you only have to face the problem persistently and often enough to find a solution. Let's assume that you're saving for a new car because you don't want to sign a leasing contract or take out a loan. In that case, you might begin setting aside a certain amount of money for your car every month. Perhaps you will put the money in a savings account or, to make it crisis-proof, you put it under your mattress. With this problem-solving strategy, it doesn't matter how expensive your car ultimately is and how much you put aside each month. With this strategy, you're sure to reach your goal in any case. It's only a question of time and how much stamina you have. Even if you only do it in very small steps, you will be getting a little closer to your goal every month. Provided you haven't just decided on a new Lamborghini Aventador S and a monthly savings rate of 50 dollars, in which case you would have to save for about 567 years to reach the purchase price of about 340,000 US dollars. However, the advantage here would be that at this sprightly age you could apply for a position as a juror on Judgement Day. But joking aside, I think the principle is clear–"more of the same" will eventually lead to the goal with this kind of problem because with this strategy the time factor can be neglected.

But what if you don't succeed with this strategy? What if there's simply no solution to the problem in sight, regardless of the time factor? You might even have the impression that everything is only getting worse. In that case, you might probably be dealing with a second-order problem. Here everything's different because these problems often arise from interpersonal dynamics. As it is said to have happened in Austria once.

The year is 1335 and the then Duchess Margarete Maultasch intends to conquer Hochosterwitz Castle. However, since the castle is situated on a rocky peak and cannot be taken by storm, Margarete decides to lay siege to it. She won't let anybody in or out of the castle and will wait with her troops for its inhabitants to run out of food and surrender. As time goes by the situation for the besieged in the castle becomes more and more precarious. They food diminishes until only an ox and two bags of grain are left. It's only a matter of time before the castle's inhabitants are forced to give up. But for Margarete, too, the situation is becoming increasingly unbearable. The siege has lasted much longer than she expected and there are no signs of surrender. Apparently, the people up there in the castle have much more food than she thought. The morale of Margarete's troops begins to decline, and she has other tasks on her to-do list as well. A hopeless deadlock ensues.

In his desperation, the Lord of Hochosterwitz Castle decides to act by doing something that everyone considers pure madness: he orders the last ox to be slaughtered and have its belly stuffed with the two remaining sacks of grain. He then orders the whole thing to be hurled over the castle wall right at the besiegers' feet. Can you imagine what this did to Margarete and her troops? She got the impression that the people in the castle must still have plenty of food supplies. Why would they waste their resources on such a humiliating gesture were that not the case? So, although it appears impossible to tell how long the siege will continue, one thing seems obvious: the people in the castle won't have to give up that quickly. Margarete sees no point in continuing the siege and withdraws her troops. We can conclude that the problem was solved in a most unorthodox way.

Despite extensive efforts, to this day no contemporary witnesses who could confirm the truth of this episode have been found. Nevertheless, the example makes it clear that, in the case of dynamically complex problems, "more of the same" cannot lead to a solution because a second-order problem exists. Problems of second order are characterized by the fact that they cannot be solved so easily using the strategies of first order problems. Not only does "more of the same" not lead out of the crisis, it also contributes considerably to worsening the situation. Strictly speaking, it's precisely this attempt at a solution that is the real problem: if the conflict parties didn't react to each other in their typical manner, the problem would often not exist at all. Paul Watzlawick wrote about this many years ago: "Any attempt to bring about a solution under these circumstances by means of a first-order change is not only doomed to failure, but either contributes decisively to exacerbating the problem or is the problem itself." (Watzlawick 1974). If you're interested in how to deal with such problems in the event of conflict, head over to chapter 16.

In our consumer society and the free market system, financial incentives are an important driving force for many people. That's often the case when choosing a profession, and money is involved later too, while exercising that profession. Reward systems, bonuses, gratuities, and incentives are designed to create further attractions, in addition to salary, so that people choose a company and work for it with a high level of motivation. To a certain extent, this leads to a situation where money is used as a resource to control people.

The deliberate use of financial resources can also be considered a psychological trick if it's intended to manipulate the employee into going in the direction that management wishes.

If the employee is then won over and turns out to be profitable for the company, the latter will often try to keep him in the organization and make

him loyal to it by means of monetary incentives ("more of the same"). This is where money becomes a management tool and a means of pressure. However, you can only use it to exert pressure as long as you're in a superior position of power. You can usually exercise your power using two levers: on the one hand, the job you provide for your employee, and on the other hand, the salary you pay him for his working hours, which secures his livelihood and his family's. In addition to these two factors, you can offer all sorts of benefits or career opportunities, which are essentially the same two factors. But what if these lose power? This is always the case if other jobs are potentially available to your employee. In that case, he's no longer financially dependent on you and you have lost your power–and possibly also your employee.

> **Anyone who uses a psychological trick, to manipulate employees for example, must expect the empire to strike back.**

Money Makes the World Go Round

People will rarely be reluctant to earning more money, especially since our personal needs seem to increase with a rising income. However, this shouldn't lead to salary becoming the main criterion in favor of a job or against it. In the long term, the money we earn isn't a decisive factor for success. If salary and the comforts associated with it are given excessive importance in your company, you should consider whether it might be more effective to rely on other strategies to reach the company's goals in the long term. If you have nothing else to offer apart from the financial incentive, your employees will only stay with you until a competitor offers them more money.

In my talks and coaching sessions, I repeatedly deal with managers for whom money no longer plays a particularly important role. These men and women are in the middle of their working lives and have achieved many of their career goals. Many of them have reached considerable prosperity in the course of their careers, have secured their financial future and have practically no worries in terms of money. Some of them then ask themselves how they want to spend the second half or even the last third of their working lives. And then it's time for them to examine their personal values and goals:

- "What else do I want to achieve, both professionally and personally?"
- "Which things are really important to me now that I have fulfilled many of my previous ideas, career steps, and salary expectations?"

Some people will turn to their personal "bucket list" and think about what they would like to do before they kick the bucket. Subjects such as social relationships and the emotional realm are often right at the top of the agenda. Money becomes less important. The Corona crisis also shook many people who had been well protected until then, presenting them with special challenges. However, it was particularly noticeable during that time of crisis that despite the limitations, people keep concentrating on the essential values. During that time you, too, probably focused on what was really important to you and what you could well do without. In his classic "To Have or To Be?" (1976), the social psychologist and philosopher Erich Fromm (1900-1980) contrasted the aspects of material possessions with essential human existential questions. In his view, maximum consumption should be replaced by a reasonable consumption that also serves the well-being of the people. Furthermore, the production of goods and services should serve the fulfilment of actual human needs and not the requirements of the economy.

Everyone questions their life situation and analyzes the issue of what is truly meaningful at some point, and this is especially true of people with leadership responsibilities.

People then ask themselves whether the next significant salary increase or the promised bonus payment will actually result in a meaningful improvement of their quality of life. This isn't surprising since they have now achieved many of the goals they had originally striven for and can now review them from today's point of view. At that point it's also possible to assess whether they have actually attained the satisfaction they expected from reaching those goals, which is often not the case because, in retrospect, they realize they had attached too much importance to accumulating consumer goods, status symbols, and prestige in the short term.

Nevertheless, the money factor plays a decisive role here as well. "First comes the feeding, then comes morality," Brecht makes his Mack the Knife sing in the Threepenny Opera. This is particularly true with regard to the business world. We can state that fair, preferably above-average pay is a very important factor for qualified employees to find their way to you and, in principle, to stay with you. This way you can create the basis for a long-term relationship with your employees because you can then assume that they will not be headhunted just because the competition offers them more money. But since personnel costs are the highest cost factor in most companies, they constantly flirt with the idea of saving in that area. And if, on top of everything, your company happens to be in the lower wage range of the service sector, the pressure caused by operational costs may be quite considerable. In my coaching sessions, I often hear statements like, "We cannot afford to pay higher wages because in our industry competition dictates low prices. Margins are very low anyway, so we cannot pay above the standard rate." That may be the case. However, if you can only offer average wages you will only get average personnel, and you will only be able to offer average services. As a consequence, you can only charge

average prices, and with an average turnover, you can obviously not pay higher wages, thereby closing the cycle of average mediocrity.

However, companies such as the German family-owned Koetter Services, which is now in its third generation of providing security and building services, show that healthy business is also possible in highly competitive industries with low wage levels. With almost 19,000 employees and an annual turnover of 545 million euros (2016) Koetter Services is the number two in the security industry and is one of the top 100 German family-owned companies with the highest number of employees. The company also focuses on cost savings, but not when it comes to its employees, who are primarily permanent employees and receive the standard wage or even higher. Investments are made in technologies that reduce costs, such as software that helps save money on route and deployment planning. Thanks to low employee turnover and low levels of absenteeism due to illness, no additional personnel costs are incurred. Moreover, the company doesn't focus on short-term profit, but thinks long-term, in decades.

Financial incentives are only suitable for motivating people to a certain extent. Paradoxically, money loses its attraction with increasing quantity. So, if you want to build a successful team over a longer period of time, you must increase long-term employee loyalty. However, this only works if you succeed in creating additional incentives apart from attractive earnings. At some point, the issue of money can go from being a first-order problem to being a second-order problem. Again, "more of the same" only leads to an improvement in the situation up to a certain point. However, if the problem you're dealing with is one of a different order (burn-out, dissatisfaction with personal relationships within the company, excessive demands, etc.), more money will not automatically lead you out of the downward spiral. At some point, not even a high salary can offset the discomfort felt in connection with the job. That's when the solution must be sought, found, and implemented on a different level.

When it comes to personnel management, a motivation mix of tangible and intangible factors usually leads to the desired result.

Ultimately, it's with values such as ethics and decency that you can win people over for your cause and lead them to a trusting, long-term relationship as employees.

PART III:

Leading Without Mind Games

We should never use psychological tricks and mind games to gain an advantage because, after all, "everyone does the same." Such aspects as showing the correct behavior in relationships, as well as having decency and a code of ethics, and cultivating trust on equal terms are the better instruments to convince other people and to lead a company towards success.

9. With the Wind at Your Back: Into the Future with Ethics and Decency

What This Is All about:

Why emotions and personal relationships ultimately determine your success. How ethics and decency give you a tough competitive advantage. Why ethics-oriented leadership is better, and why managers should avoid psychological tricks.

It's The Personal Relationship That Counts

From time to time I receive coaching requests from secretaries or assistants who make the initial contact with me for their boss. This isn't unusual at all and may be related to the fact that bosses like to delegate such research tasks to their assistants. On the other hand, it also shows what we have always known anyway: that important decisions are already made in the antechambers of the executive suite. The purpose of such an inquiry is often to find out about the person you might be dealing with later from a safe distance. So some time ago I wasn't surprised when the phone rang and a very friendly lady introduced herself as the assistant of a company's board member. Her boss was interested in a coaching session with me because I had been recommended to him by a colleague. She had already looked at my website and seen that in my free time I enjoy going to the opera and

skiing. And, that's right, she thought that the chemistry between me and her boss could be quite good, because we were somehow similar.

That was both illuminating and disillusioning for me. When designing my website, I had spent a lot of time and energy on presenting my professional qualifications as comprehensively as possible. I had tried to show off with various training courses, awards, and quality seals, as well as flaunting my impressive references. But what had been the decisive selection criterion in the end? My hobbies. I'm aware that other criteria also played a role in the selection process, and that without my professional qualifications, experience, and expertise I probably wouldn't have made it onto the shortlist at all. But the final decision was obviously made based on personal aspects. My work with the boss ended up being very constructive and full of trust. To this day I appreciate him very much and still have the privilege of supporting him as a coach on important decisions from time to time. But who knows if his assistant would have contacted me at all had I bred rabbits and collected beermats in my spare time. This example showed me once more to what extent our decisions are influenced by our feelings and assumptions.

The brain collects all the facts and figures, but we make the final decision based on our gut feeling.

When looking for a coach for her boss, the assistant probably thought that it would be an advantage if the two of them will work well together. According to Paul Watzlawick, who I already mentioned, we should distinguish between the content level and the relationship level. The content level includes all the factors that indicate the existence of a professional qualification. This is where we check whether we can assume that the person has the necessary competence for the task at hand. However, a fundamental problem comes up whenever amateurs consult an expert. As a non-specialist, you can hardly judge somebody's professional competence.

For a qualified assessment, you would need to have professional expertise yourself. But you don't, or you wouldn't be a layman. This can also be the case when you as a non-professional want to use the services of an expert and must choose among several. Who will you give the job to? Obviously, to the person who seems most suitable. But how can you make this judgement if you lack the expertise and experience? You will presumably rely on those criteria you can actually judge, and these have to do with the relationship aspect: "Is he nice? Is he trustworthy? Does he seem competent? Does he seem to know what he's talking about?"

Reaching certain conclusions based on these interactions is also known as the halo effect. This refers to a phenomenon known from social psychology that describes how based on one characteristic we know about a person, we assume they have other unknown characteristics. It's as if the halo-like glow of a positive trait rubbed off on other characteristics. This cognitive distortion was already mentioned in the early 1920s by American psychologist E. L. Thorndike. Today it's still used to describe the behavior of managers who, based on one employee's characteristic, will draw conclusions about his or her other characteristics (Rosenzweig, 2007). We encounter this effect in everyday life when, for example, outstanding artists or famous sportsmen are interviewed in front of the camera and they stammer some nonsense or come up with completely incomprehensible and crude views on social or political events. We're sometimes astonished about how the good-looking Latin lover isn't also a model of intelligence and eloquence, or why the ever-popular football goalkeeper doesn't seem to understand the simplest of contexts outside his penalty area. We forget that the one thing has nothing to do with the other. A great singer can sing particularly well, that doesn't make him or her a gifted brain surgeon. These people are often so extraordinarily successful in their field precisely because, in the past, they have dedicated themselves exclusively to their discipline and nothing else.

> **We make most of our decisions based on personal interactions. We should take this into account when dealing with psychological tricks.**

Why Cheap Isn't Always Better

Dealing with rhetorical and psychological tricks is a popular topic – you see it often on the media and on bookstore shelves. In their books on these topics, however, authors often write about the manipulative aspects and try to react by teaching how to use wit to skillfully rebut or counter an argument. The aim is to defeat the "aggressor" with their own weapons or even better ones in order to emerge as the winner from a situation. The problem is that this only creates another win-lose scenario where the aim is to get the upper hand.

Have you ever had to listen to your fellow travelers talking on the train, at the airport or at the train station lounge after work? Then you know that such conversations revolve around the daily struggle apparently raging everywhere in the business jungle. It's all about not letting the boss take advantage of you or indirectly telling your colleague, once again, what you think, or setting boundaries and not letting anyone browbeat you. The incompetence and the mistakes of colleague X can be subjects expounded in all their unfortunate detail and with a great deal of excitement, and sometimes the person's real name is mentioned quite bluntly, even several times, until everyone has understood it. The incompetence or dastardly character traits of bosses are discussed openly, extensively, and enthusiastically as well, as if there could be absolutely no one in the premises who might possibly know the person in question. People are thoughtless as they get carried away in their blissful rant and totally disregard the notion of data protection. Recently, on a flight to Vienna, I had the opportunity to get to know the entire department and the board of a

well-known DAX company within a very short time. In the row behind me, two department managers were having an intensive and powerful exchange of views on confidential internal affairs. Immediately after landing I quickly sold my shares in this company. In situations like these I always wonder whether people would talk the same way if the persons in question were present. Probably not. A little decency and restraint would certainly help to avoid the worst. In short:

Decency is what we do when no one's watching.

But does that work in the profit-oriented business world, too? Of course. Nobody's giving away any presents, either the consumer or the companies. You probably want to use your money as efficiently as possible, too, and strive to get as much bang for your buck as possible. You want to get a lot but spend very little. That's why all kinds of special offers work so tremendously well: summer sales, winter sales, VAT free, 0% financing for 120 months, buy 3–pay 2, clearance sales, everything must go, flea markets, Ebay: "Three, two, one–mine!", bargains, discounts, and whatever else is available.

Companies, too, must think and act in a profit-oriented way. However, many of the current socio-political and corporate developments are increasingly leading to intensive discussions about moral values such as ethics and decency. In the refugee crisis, in addition to business and economic interests, the question of humanity is always at stake. The mantra of "profit at any price," which has set the course for so long, has been increasingly called into question, and not just since the scandal involving manipulated exhaust gas software. Not everything that is conceivable or feasible is also ethically justifiable. This applies not only to the manufacturing of weapons or the field of prenatal medicine. It's by no means just a matter of moral finger wagging and selfless do-gooding. These

issues always have to do with the immense costs that unethical actions entail in the medium or long term as well, which brings us back to the question of tangible disadvantages in terms of the competition. When the Corona virus pandemic caused shutdowns worldwide, one question kept coming up: Would the economic consequences–an increase in national debt, bankrupt companies, unemployment–and the resulting psychological strain be worse than the primary health effects of the pandemic?

Let's take a brief look at the scandal surrounding the German automobile group Volkswagen, uncovered in 2015. Volkswagen had used illegal defeat devices in the engine management system of its diesel vehicles to bypass the strict US emissions standards. The resulting damage was immeasurable for the automotive group. In Europe and the USA alone, around 39 billion dollars were accumulated in the period between 2009 and 2015 just for fines and compensation. This is a 39 with a whole lot of zeros attached to it (39,000,000,000). Because of recalls, improvements, and buyback programs, the costs could even rise to over 100 billion dollars. But even a company like Volkswagen doesn't have that much money just lying around somewhere for unforeseen incidental expenses. Instead, they must think about where it's all going to come from. And because such a sum cannot be covered by reserves or current profits, 30,000 jobs are then quickly cut to finance it. If we now think further and assume that each job is attached to a household of two or three additional people, then we're talking about the population of a medium-sized town whose livelihood is now threatened by the irresponsibility of some individuals. For the automobile group, this scandal also means a massive loss in terms of consumer confidence and its marketing image. The resulting loss of sales is hardly foreseeable and difficult to quantify. The Volkswagen Group is just one example, as other car manufacturers have also admitted to manipulating emission data.

Many consumers are no longer indifferent to the conditions under which their products are manufactured. Factors such as the deforestation of the rain forest, inhumane factory farming, environmental pollution, questionable working conditions at Amazon or in the textile industry in

Bangladesh, all influence purchasing decisions. So, it's not always cool to pay the lowest price. If you were a skydiver, would you buy the cheapest parachute you could get?

Also, when it comes to our nutrition, it's worth thinking about price and quality. Before you're tempted by a special offer on your next purchase at the meat counter, go to a pet shop and look at how much 100 grams of pet food costs. Then you will be able to estimate the quality of certain offers from the butcher's much better.

> **Ethics, decency, and morality help us to defend ourselves against mind games and gain an advantage over the competition.**

Fortunately, in many areas the traction of the "cheap is cool mentality" has drastically decreased. There certainly is a market for cosmetics free of animal testing or for GMO-free food from organic farming. This also applies to luxury products: high-end fashion brands that have their products manufactured in third world countries under inhumane conditions and then market them in industrialized countries making an immense profit are considered indecent. Likewise, garments made from real animal fur no longer enjoy unlimited popularity in the fashion world. For such reasons, companies are constantly getting caught in the crosshairs of ethics. That's why companies that can be linked to the dark side of how their products are manufactured do a lot to keep their customers focused on the sunny side of their business. For example, in 2014 the Swedish furniture manufacturer IKEA invested 7 million euros in projects against child labor in India. Tobacco companies like Philipp Morris are involved in projects promoting good health. The alcohol industry, which has always been accused of promoting addiction-related diseases, sponsors sports and supports research projects. Depending on how you want to look at it, these companies are either showing a high level of responsibility or trying to distract from the dark side of their business profit wolf by disguising it in the sheep's

clothing of ethics. In either case, these are crucial preventive measures against external attacks that could leave a considerable dent in their image. For many companies, being discredited publicly may lead to incalculable and catastrophic consequences. That is why they're bent on trying to avoid getting caught in the twilight of unethical accusations. It doesn't matter whether the accusations are unfounded and could be refuted. In such cases the same principle applies: if credibility and trust can be publicly called into question on the relationship level, the actual facts and events will often only play a subordinate role.

A Leadership Philosophy Based on Decency: Avoiding Manipulation

When Greenpeace activists occupied the abandoned Shell oil rig Brent Spar in the North Sea in April 1995, nothing seemed to suggest that this would become one of the most famous and successful Greenpeace campaigns ever. The oil giant Shell, though blindsided at first, did not react at all initially, and the campaign would have fizzled out without much fuss. The company simply wanted to sink the disused oil storage rig into the sea and was not going to be distracted by a few tree-hugging fanatics. But when Shell began to use force to drive the squatters away in front of running cameras, an unbelievable spiral of indignation and rebellion was set in motion. At sea, Shell's tugboats towed the rig, while on land, the Brent Spar issue kept producing increasingly shocking headlines. Greenpeace simultaneously launched a defense on rubber boats at sea, while heating up the mood against the oil company with the slogan "The sea is not a dumpster!" But then Shell itself caused a drastic escalation: their tugboats began firing with water cannons at Greenpeace dinghies and helicopters, and Shell managers embarrassed themselves and their company with comments that mainly compromised themselves. "Save the North Sea. Stop Shell." That was Greenpeace's call in the end. Outraged citizens used their power as consumers to cause the biggest gas station boycott in post-war history. And

when the first Shell gas station burned down in Germany, the protests that had begun peacefully finally threated to escalate.

In the end, Shell abandoned the strategy a few hours before the planned sinking, and had the Brent Spar scrapped on land. According to current purchasing power, this cost the oil company around 36 million euros, which was probably only a fraction of the damage caused to their image. It took Shell a long time to win back the trust of its customers. And yet, sinking the oil platform wouldn't have had only a negative effect on the environment. There were some arguments in favor of sinking, such as the creation of a new underwater habitat for various marine life thanks to an artificial reef. There is also scientific evidence of places in the sea where oil naturally escapes from the earth's interior and where a magnificent and balanced underwater world develops. However, at some point, the angry population with their emotional reaction no longer wanted to hear anything about facts and background information.

Therefore, it makes perfect sense to focus on a corporate leadership based on ethics and decency, and to refrain from using manipulation.

In the short term, you may have to give up some of the alleged advantages. In the longer term, however, a value-oriented approach will give you a definite advantage over the competition. Getting rid of mind games creates the basis for the kind of communication on equal terms that's characterized by trust and appreciation. This, in turn, appeals to those people who also see a high value in that and are prepared to commit themselves passionately to such a company.

Does that mean that in a company everyone should just be lovey-dovey to each other? Absolutely not! I'm not talking about the mushy manager in a knitted sweater and health sandals, who approaches his employees with a hug. By the way, I am a big fan of clear communication and see conflicts as

necessary elements for a lively and constructive cooperation. Rather, I'm talking about having tangible advantages over your competitors and being in a successful position for the long-term. Ethics and decency provide a promising basis to achieve that. Companies and managers who focus primarily on short-term success will find it increasingly difficult to hold their ground in the current and future working world. And in the cases where that might still be possible, it will take a significant expenditure of resources (money, personnel, marketing), which, in the medium or long term, may put you at a considerable disadvantage in terms of the competition.

You can expect higher employee satisfaction, less fluctuation, and reduced absenteeism. In addition, you will be actively contributing to preventing employee internal disengagement and burnout. But that's not all. You'll also be doing yourself a favor because the risk of being ground between the millstones of the hierarchy is also significantly reduced. In addition, manipulation-free interaction on equal terms simply feels better for everyone involved because it meets our basic need for genuine interpersonal contact.

> **A management philosophy that's based on decency and ethics and avoids manipulation can create a competitive edge through stable relationships with employees and, as a consequence, also with customers.**

In view of all this one question inevitably comes up: Why haven't all companies long since committed themselves to letting their business management be characterized by decency and appreciation? Have the signs of the times not been recognized? Or is it because of the fierce struggle for survival in the business world, where the end justifies any indecent means? An explanation for this can certainly be found in the different ways in which short-term and long-term corporate goals are seen. And there's one

thing we must not forget–in our current fast-moving times, many entrepreneurs and companies only have very narrow business objectives. The Internet is especially good at providing a lot of room for developing fast and short-term business ideas. Sometimes it's just a matter of surfing on a brief but giant wave for a while to earn a quick profit, only to plunge back just as quickly and look for the next wave. There are also companies that live hand to mouth and are up to their neck in water. For those, it really isn't productive to think about long-term corporate goals when it's not even clear where the salaries are coming from at the end of the month.

And then, of course, some companies are still making profits with their short-term strategy, at least for the time being. Where profit levels are still acceptable, the strain isn't strong enough yet to consider making changes. Surely you know enough examples out of your own experience or from companies around you where short-sighted and unprofitable things are done, or projects that are a waste of money. Employees who work at the company just to collect a salary. Teams so quarrelsome that a large part of their working time is spent on arguments and mutual sabotage. In such cases, there is simply no way to measure how things could be otherwise because if you don't introduce any actual changes, the presumed successes remain only a theoretical figure. It's therefore important to remember that it's always people who do business with each other and determine the success of a company. Products only reflect what people have thought about beforehand and want to communicate to the customer. And in the end, all corporate activities are always about providing benefits to people.

10. Now Hiring: How to Win People Over Instead of Manipulating Them

What This is All About:

Why building trust is an art that you can use to create a magnetic attraction for competent employees, especially as you walk the line between what's legal and what's ethical. Why the quality of our interpersonal relationships and the meaningfulness of work are so important.

On a Par with the Captain: The Fine Art of Building Trust

It would perhaps be tempting if people could be manipulated as easily as we would want them to; if we could wrap them around our finger using the right tricks. Would that bring back paradise for people in leadership positions? I'm afraid not. It doesn't work that way. Fortunately, most of us aren't so simple-minded or naive to let ourselves get ripped off. On the contrary, we have an excellent sixth sense about attempts to manipulate us. We're constantly on the lookout, so to speak, and become suspicious of anything malicious. It's often enough for us to perceive the slightest attempt at manipulation and we immediately start to resist it. Or as the German poet J. W. Goethe (1749-1832) puts it in a nutshell in his play about Italian poet Torquato Tasso: "Sensing the intention, you become upset."

So, if you want to build a sustainable team and surround yourself with people of integrity, you need something we have already talked about. You remember, right? I'm talking about trust. Trust is the only basis on which you can build stable, long-term relationships. This applies to employees and customers alike. "Sounds simple, Doc …," I hear you say, "… but what's the best way to build trust in my team?" Wait a minute, here's the bad news: you can't do it at all. Unfortunately, trust cannot be actively created in the way that you can, for example, construct a new company building or put together your golf club collection.

Trust develops of its own accord; the person in question will show their trust in you once you have earned it, and they alone decide whether to trust you and when.

Therefore, it's basically a paradox when you say to someone: "You have to trust me!" or "Trust me!" This isn't something that can be easily claimed or prescribed. Trust only develops when we're convinced that we can and want to trust. To put it more precisely, we should actually say, "I would like to win your trust and therefore ask you to give me a chance, a trust advance, so to speak." Then it's up to the other person to decide whether to take the risk. You can do nothing but strive to earn the trust of your fellow human beings by creating confidence-building conditions.

And how is that supposed to work? The answer is simple and difficult at the same time. Basically, all you must do is eliminate anything that could prevent the formation of trust. So first, refrain from all kinds of manipulation and resist the temptation to try to achieve short-term success through schemes and ploys. You don't need this (anymore) because you're now pursuing a long-term goal. You're investing in the future. You want to have trustworthy, self-confident employees and colleagues around you, who may sometimes be a little unconventional and uncomfortable, but are also loyal and reliable. People who will not stay with you out of fear or just

because of the salary. People who, beyond the monetary incentive, expect something more from their work. Such people cannot be fooled with phony tricks. They have a distinctive sense of justice and a strong need for truthfulness.

This is no easy task because trust must be earned through work. We can only acquire it slowly but it takes little to lose it. This is mainly because our childlike, unrestricted primal sense of trust has already experienced many bitter disappointments on its way to adulthood. Our optimistic credulity has been dampened from time to time. That has made us suspicious. Experience has taught us that we must not believe everything that is credibly presented to us. Regardless of whether American presidents want to make us believe in the existence of poison gas storage facilities in Iraq, or assure us that they have been reluctant to sexually engage female interns in the Oral-Off…, excuse me, in the Oval-Office. Or, when someone like President Nixon says he had no idea about Watergate, or the people near Chernobyl are assured that the radiation is under control. Sometimes people present us with a Trojan horse and sometimes with "alternative facts." They're always honorable men (much like Brutus). There you have it. I'd better stop now because you have probably already come up with at least one or two examples of your own.

> **In a climate of mutual trust, using mind games becomes far more difficult.**

We experience how our trust is abused over and over, and how someone tries to take us for a ride. How can we not lose faith in humanity when even statesmen pull the carpet of trust from under our feet with their blunders? These are people who have only come to office through the trust of their voters. So, it's actually surprising that we trust anyone at all. But trust is apparently just like the grass in a football stadium. Although it's being constantly mowed, it always grows back again. You just have to take good

care of it and not stamp on it for too long. Apparently, we have an almost unlimited potential for trust and, despite many setbacks, we're always ready to take on new interpersonal risks. Otherwise we would probably be left with nothing but despair, resentment, and resignation. And who wants to live in such hopelessness permanently?

What can you do concretely to gain the trust of your fellow human beings? As the captain of your company or team, you should above all ensure that you communicate with your employees on equal terms. This has a lot to do with your personal attitude, your mindset. Your tools for building trusting relationships are the respect and appreciation you show for your fellow human beings and their personalities. This entails understanding others as people who act coherently from a subjective standpoint and showing them empathy and acceptance. People always have their own good reasons for the way they think, feel, and act, even if you yourself cannot yet understand the background of their actions, have a different opinion, or would think, feel, and act differently. Acceptance doesn't automatically mean unconditional agreement, but only that you can understand and comprehend something. That is why you're welcome to clearly separate the terms "understood" and "agreed" in your interactions and your communication with others.

This doesn't mean you must give up your role as a leader and approve everything without criticism, or be satisfied with an inadequate performance. But it does point out an important distinction. It's possible to treat your employees in a humane and appreciative manner and at the same time be consistent in what you believe. Standing on the firm ground of personal appreciation you can express your criticism in a completely straightforward and unvarnished way. And during respectful interactions on equal terms, you'll usually find a willingness to listen because all the unfruitful debates and justifications, which often only serve to maintain our own self-esteem when we feel attacked as a person, have long been left behind. Nor do you need to keep having these tiresome yes-but discussions because the relationship is so stable that no one must fight constantly for

personal recognition. And you don't have to wrestle for your employees to accept your leadership position either. This way, you can confidently address critical issues without a loss in efficiency, and create constructive solutions.

However, building up a truly successful team is a fine art. You won't succeed in doing it by simply wishing for it sincerely. In addition to a little talent and luck, you will need hard work and persistence. Successful teams are not built overnight. They rarely come into being by a happy coincidence, but usually through a long development process requiring cooperation.

You will never win over your employees just by holding a higher position, but only through your personal authority and the reliability you convey in dealing with people on equal terms.

Through the Depths of the Hierarchy: Walking the Line Between Legality and Ethics

In your leadership position, you're legally protected. You're an elected or appointed manager in charge of exercising discipline and equipped with the appropriate means to assert power. Most of the time, the organizational chart of a company already shows who has something to say to whom. But just having this basic equipment and the license to lead isn't enough. Instead, you must infuse your personal authority into the position and the role that you have been assigned. You're under constant observation and challenged to prove yourself worthy of the responsibility you have been given. Ultimately, you can only lead a team or a company successfully if the people under your supervision are willing to follow you and are prepared to implement your instructions. This in turn depends to a large

extent on whether you succeed in maintaining the trust placed in you in the long term. This is a real balancing act because with your trust and credibility as the paradigms to follow, your leadership position is always on the line. In addition, people in high management positions such as board member, executive, or managing director, don't usually have the benefit of protection against unwarranted dismissal, but can be demoted, voted out of office, or persuaded to resign relatively quickly. Here's why:

You should think about securing your credibility. This is where ethics come in. Even if you behave correctly in formal terms, you might still stumble over the loss of trust from others.

Not everything that's legitimate in legal terms, or happens perhaps for good reason is also reasonably acceptable and morally right. Many managers have failed to walk this line.

The affair with intern Monica Lewinsky didn't cost former US President Bill Clinton the presidency by a hair's breadth. The impeachment proceedings initiated against him only failed because the required two-thirds majority in the senate was missing. The discussion that ensued was no longer so much about his escapade–which on closer inspection, did smack of a morally reprehensible betrayal of his wife and the exploitation of his position of power–it was more about falsely stating under oath that he had not had a sexual relationship with his intern. Suddenly everything revolved around his integrity as president and how he handled the affair. In the end, this led to a paradoxical situation: the President can cheat and seduce his subordinate intern. That's a private matter, so let's just forget about it. But should the situation come to light later, he shouldn't pretend that nothing happened because, seen from an ethical point of view, someone who lies under oath is probably not suitable for a post requiring such trustworthiness as the presidency. Do you see how the actual misstep is

washed away and pushed into the background by the rising wave of ethics, morality, and indignation?

This mechanism can almost always be seen in operation whenever high-ranking leaders misbehave. Of course, this also has to do with their high-profile position and the moral standards expected from them. If the bouncer in front of a clearly dubious establishment in some city's red-light district promises you paradise for a little money, you will probably not assume him to adhere to a particularly high moral code of reliability. Just because of your surroundings you will probably be expecting to be smooth-talked into some scam. But the higher we expect the moral standards of decency and integrity of certain institutions or positions to be, the closer we look. And the higher our expectation that those concerned will behave in a decent and trustworthy manner is, the more disappointed we feel when that expectation isn't met.

Catholic priests being accused and sentenced for sexual abuse against their students in boarding schools doesn't fit our image of selfless, chaste church shepherds at all. Many believers then rightly ask themselves whether their church tax money (as collected in Germany) and donations would be better invested elsewhere. Embezzlement of donations for people in need, corruption in political office, bribery in court–we find that unacceptable, and as our indignation and righteous anger rise, we feel the need to vent. These things carry a lot of weight within our ethical and moral value system. Feelings of insecurity and helplessness are also often added to the mix. Who can we trust when even those supposed to be the moral pillars of our society can no longer be relied upon?

But sometimes people must vacate their posts even because of minor blunders. Managers can sometimes dig themselves into a predicament until there's no way out. Many then take their hat, go to prison, or jump out of the window. Sometimes even in that precise order. Looking back on small and big missteps, we can conclude that many people in leadership positions stumble over their mistakes from time to time, but the downfall is actually

caused by the way they handle these mistakes, especially when they lack the necessary sensitivity in dealing with how they appear in public. That's because the public's perception focuses on higher values, like the question of reliability, on principle. Once trust has been lost, the actual causes and consequences only play a secondary role. That's why it's important to remain sensitive to potentially explosive events even in the hectic pace of everyday management life, because whether you like it or not, many people will see you as a role model because of your influential position, and they will place high moral demands on you. If you lack the necessary diplomacy and sensitivity, you might trip over the stumbling block of ethics despite all your professional competence and legitimate justification.

> **Who can one trust at all when even the group that represents the epitome of decency behaves in a morally reprehensible, corrupt, or even criminal way?**

Apart from the major disasters, managers are often caught between two stools in the day-to-day management business. On the one hand, they're their employees' bosses and responsible for achieving goals. On the other hand, they rarely dispose of full power and freedom to decide on the fate of the company at their own discretion. Rather, they themselves are employees bound by instructions, and they in turn have a boss, a board of directors, stakeholders, or simply customers above them. This is true even in flat hierarchies. The group leader has the head of department above him, the regional manager reports to the director who, in turn, reports to the board of directors. Even in smaller companies managed by a managing director, the latter is appointed and, to varying degrees, controlled by the shareholders. For managers this almost always means being the meat in the sandwich. So, it's not enough to simply look down the ladder and take care of your employees, it's also necessary to implement guidelines from above.

On the other hand, employees often express concerns that they expect the manager to communicate to the top. This essentially entails two risks:

- First: The manager hides behind instructions from above to avoid taking responsibility on behalf of those below him.
- Second: The manager avoids taking responsibility for the instructions from above by uncritically forwarding them downwards without checking them for feasibility. Instructions may even be passed on without criticism even when it's clear from the outset that certain requirements might not be able to be implemented at all.

In any case there's only one loser: you, the boss.

Decency is Sexy and Creates a Magnetic Pull

Accepting unrealistic instructions without critical consideration and then passing them on downwards with an indifferent shrug has nothing to do with leadership but with irresponsibility. You should only pass on to your employees those directives that you can personally stand behind, or you'll have to discuss with your superiors why you cannot give their instructions to your team indiscriminately. Maybe you'll have to discuss what conditions must be fulfilled before there can be a realistic chance for implementation. You may need a higher budget or more time, a more qualified staff, more extensive external support, etc. The important thing is to not simply accept the specifications without comment and then believe that you can somehow achieve the impossible.

Of course, I am aware that in some companies the "instructions from above" are often the sacred cows of management. They're not to be questioned, they're irrevocable, and it would be a heretical blasphemy to rebel against them.

This is especially true if they have often experienced that the set targets are unrealistic and their concerns are not heard, so they end up settling for far lower results and no consequences. Your team members then tend to not take kindly to ideas and specifications, and their energy when approaching implementation isn't particularly creative. Nevertheless, there are differences. Companies where employees combine critical consideration of feasibility with openness to new challenges as a matter of principle will have an advantage over their competitors in the future.

You can of course object to this saying that many companies are still far from this ideal vision and that even in these companies employees are not running away in droves. Admittedly, nobody simply changes their job just because they're unhappy with some things in their company. However, in most cases, an actual change of job is preceded by a longer decision-making process. Anyone who leaves a company has usually already let go of the place internally long before that. They were just waiting for a favorable breeze to set the sails and go with the next high tide. The decision to set off for new shores comes at the end of this development. As the boss you usually don't even notice this because the employee must first sort things out with himself and with those around him. However, as soon as it's clear that your employee is no longer looking for improvement in your company but for a change, that's when the phase where he or she begins to look for concrete possibilities to leave starts. So resigning is always preceded by a stage where the employee has inwardly already handed in his notice. Although he's still physically present, he's basically finished with you and your company. In addition:

Whenever qualified employees or managers leave the company, a cost-intensive replacement process is set in motion.

In most cases, the person leaving is first released from further professional obligations to keep him from triggering a conflagration of negative emotions among the other employees, or from possibly procuring internal company information. You don't need to be an organizational psychologist to imagine how little productivity the company will then receive for the full salary it continues to pay this employee.

In practical terms this phase of internal change is also accompanied by various sickness-related absences and occasional legal proceedings. Depending on the labor laws in your country, this is an unpleasant and cost-intensive affair, since not only does productivity decline massively, but actual personnel costs increase immensely as well. In addition, you must look for an adequate replacement during the separation phase. Recruiting a new employee is also associated with considerable costs. You have to place job advertisements or hire a headhunter, and then begin the selection process, conduct interviews, and finally decide on a candidate to fill the vacant position. The higher the job's demands are, the more extensive, lengthy, and accordingly expensive will it be to find and train a new employee. And by the end you will only have replaced–for a lot of money–what was there all along. Of course, you hope you have made a better choice with the new employee. You want someone who is worth the effort and the investment and who, ideally, will perform even better than his predecessor without getting sidetracked by internal disengagement. But you just don't know yet. Perhaps the promising successor will only make things worse, the replacement will turn out to be a bad choice, and the whole tedious process will have to start all over again.

It's the quality of interpersonal relationships and the meaningfulness of work that motivates employees to commit themselves to your company in the long term.

We can often observe how when managers leave a company they trigger a sort of "job erosion" within a short period of time. Once they have arrived at their next company and have established themselves there, competent employees from the old one will join them–the executive secretary, the assistant, the project manager; sometimes even the chauffeur. Needless to say, they only pick those employees they know to be competent and with whom they have worked well in the past. The winning team moves away, while the incompetent, difficult, and unsuccessful employees are left behind in the old company. Despite all the legal clauses and precautions regarding competition, it's not uncommon for former employees to take lucrative customers, valuable know-how, or promising business ideas with them and turn them into money in the new company. In such cases, the old company may have covered the development costs of all these without benefiting from the successes they yield. Your company may also incur high costs related to employees who are dissatisfied or about to disengage internally. So why not invest a part of these costs in the development of a stable team and the consolidation of personal relationships on equal terms?

This will admittedly cost money, and not just a little. But you will end up spending less in the long run, and you and your team will be more productive than a company that limits itself to getting rid of unhappy, unproductive employees at a great expense, and then looking for questionable replacements. Again, you need a long-term view and the conviction that, in the end, it's not the financial rewards or sanctions that make people loyal to a company, but rather the quality of the interpersonal relationships and the meaningfulness of the work that keeps them there for a long time. Even if you only need one dishwasher trained quickly, and you immediately get twenty applicants for the job, it will always cost you considerably more to fill the position, train the new employee in the specifics of your work processes, and supervise him during the initial phase. It makes much more financial sense to invest in measures to keep the experienced employee in your company, even in the case of simple jobs and an oversupply of applicants.

Companies with this superior vision are highly regarded by customers and employees alike. They have a magnetic effect on competent employees and enable long-term, trusting relationships. This results in less fluctuation and a higher level of identification with the company.

11. Clearing the Decks: Your Basic Personal Equipment

> **What This Is All About:**
>
> Why you can forget about the different leadership styles, and why leadership without values has literally no value. Which personal basic attitudes and competences are helpful for coherent leadership, and why, when it comes to leadership, it's so important to know your own nature and character.

Leadership Without Values Has No Value

"Let man be noble, generous and good, for that alone distinguishes him from all the living beings we know!" Even Goethe said that once. This obviously applies to managers as well; perhaps especially so, since they bear a high degree of responsibility for the employees who report to them and the company they manage. High demands and expectations go together with this high level of responsibility. I have already spoken about the semi-godlike character traits that managers should possess. To find your way through this jungle of demands, you need basic values that determine your course and serve as your guide. Preferably, of course, positive values such as ethics, morals, trust, and decency. Without these values, leadership has no value. But values aren't that simple. This is mainly because positive qualities in particular, cannot exist on their own, that is, in isolation.

Here's one example: To be a successful business manager, you must always keep an eye on costs. If manufacturing is too expensive, your product will not be competitive on the market. It's also important to deal responsibly with both the income and the capital of your company. To meet this requirement you need a competence or positive character trait such as thriftiness. Now imagine that thriftiness is your only character trait at this point. You would save costs and avoid expenses wherever possible. This would turn the characteristic of thriftiness, which is actually positive, into a negative flaw like stinginess. This wouldn't really help your company, however, because you would only choose the cheapest workers, the cheapest means of production or the cheapest distribution channels. Perhaps you would forgo important and necessary investments and wouldn't spend money on marketing measures or customer acquisition. In that case, you can close shop right away. So, thriftiness only helps you if it's accompanied by another positive quality, such as generosity or a willingness to invest. But here, too, we should remember that these positive values on their own would also lead to business ruin in the long term because you would be spending money without regard for your resources. In the end, generosity would again degenerate into extravagance. Truly responsible action can therefore only be achieved by maintaining a balance between thriftiness and generosity, and between cost awareness and a willingness to invest.

This is also the case with other values in everyday management. What would stability be without the ability to change? Or an innovative spirit without a sense of tradition? Where would you be as a manager if, in addition to all your assertiveness, you didn't also possess a high degree of empathy when necessary? As is well known, exercising leadership means setting expectations, but also providing support, depending on what is needed at a particular moment. In your role as a manager, you will be expected to demonstrate a high degree of openness and transparency. At the same time, however, there are situations in which one must be able to rely on your strict confidentiality and discretion. If you want to be competitive, you must make strategic decisions and, if necessary, withhold them until the ideal moment arrives. So, it's not just a matter of choosing certain values

and then holding on to them unwaveringly and under all circumstances, but of being aware of the ambivalence and duality of these positions.

Leadership is often exercised within this area of tension, and it's your job to always try to find the inevitable compromises between these alternatives.

In addition, you would do well to ensure that contradictions are handled in a pragmatic way in your entire company or team because leadership is always accompanied by contradictions. That's why it's so important to keep both sides in mind in your leadership role and make sure that the balance is right. In many situations this will depend on your basic attitude towards your company, but especially towards your employees.

The American psychotherapist Carl Rogers (1902-1987) dealt intensively with the helpful basic attitudes that enable people to grow in personal relationships. Taking Sigmund Freud's psychoanalytic approach as a starting point, Rogers then asked himself whether it's really necessary to lie on the psychoanalyst's couch for many, many sessions before arriving at workable solutions to personal problems. In his therapeutic work he no longer refers to the people he accompanies as patients, unlike Freud, but as clients. This change in terminology says a lot about his inner attitude and his view of humanity. He no longer sees himself as a higher-ranking expert who uses his knowledge like a doctor to treat the patient with all his deficits and problems. Rather, he sees himself as a consultant to his client with whom he meets on equal terms. Rogers also studied which basic attitudes people experience as being particularly helpful in interpersonal contact, namely "acceptance," "genuineness," and "empathy" (Rogers 1965). If you succeed in approaching your employees with these basic attitudes, you will have created good conditions for productive cooperation. Rogers also assumes that as humans, we possess all the necessary resources for our personal growth and problem-solving development. All we need are

favorable conditions in which we can develop well. The process, however, can still be complex and tedious at times.

In Shakespeare's tragedy about the Danish prince Hamlet, the title character doubts whether or not he should take revenge on his uncle for the murder of his father. It takes him six long monologues at the theater until he finally decides to act and eventually kill his uncle. Depending on the production, this whole process takes three to four hours, and in the end everyone on stage is dead. So sometimes at the end of the play you might find yourself in your theatre chair, exhausted, wondering whether the whole thing could have been done faster—and with fewer corpses.

> **Successful leaders are usually able to deal constructively with their inner conflicts.**

Leadership isn't a straightforward process that always follows the same rules and principles. This means that we need leadership personalities who can react with a high degree of flexibility to the different requirements of day-to-day management. Just as there are different external influences, the internal traits and positions of managers are by no means always clearly separated from one another. Both doubt and ambivalence are classic examples of an inner conflict. Should I or should I not? "To be, or not to be, that is the question." Different voices come up within us depending on the decisions that we must make, and influence the outcome. It would be nice if we always knew with complete inner clarity exactly how we must react or how we want to act. However, this doesn't reflect our life's reality, either in our private or in our professional life. Instead, where there should be unity, inner plurality rules. Sometimes, very different voices come up within us depending on the different themes we're dealing with, and they often even argue with each other. The German psychologist and communication scientist Friedemann Schulz von Thun described this using the model of the "Inner Team." Like in a team playing on a football field, for example, there

are different positions to fill in our inner team: there's the striker, the defense, the goalkeeper, and various outside positions. Each player brings different skills to the game, and it's only by managing to work well together that the team can succeed.

Solving Difficult Situations with the Appropriate Inner Attitude

But what if the inner plurality also puts us in a difficult situation externally? Recently I was invited to the annual general meeting of a large driving instructors' association in Germany. Such meetings are, as is usual elsewhere too, co-financed by sponsors who, in return, can offer their products or services on rented exhibition space. Automobile manufacturers in particular see driving instructors as an attractive target group through which they can reach the ultimate goal of building a positive image for their vehicles among novice drivers. Volkswagen AG was the main sponsor that day, and the sales manager was allowed to briefly "greet" the members present at the event. Strictly speaking, that was an advertising slot VW had paid a lot of money for, and it afforded the company a unique opportunity to present itself to the highly esteemed target group minus the competition. It was a real and rare chance to make an effective and lasting impression through advertising.

The VW's sales manager certainly did not have an easy task that day, as the automobile company was still in the headlines due to the scandal surrounding the manipulation of exhaust emission levels. His turn to speak arrived nonetheless, and he stepped up to the lectern in front of everyone. Behind him we could see VW's PowerPoint slides. And then this happened: he began his speech by saying that he was very ashamed about the diesel scandal and the shady dealings done by the VW group (he had to say this twice), and that he was extremely disappointed in his management. He himself, however, had not been aware of any of this. Although he was so

ashamed, he still believed that VW makes very good cars. Then he proceeded to click his way through a standard slide presentation produced by the marketing department using overblown advertising slogans. He rattled off these catchwords without any further explanation, and stumbled somewhat awkwardly through the contrived text. He was probably reading it for the first time that day because he couldn't get the word "avant-garde" out without mistakes even on his third attempt. And then he said this: he could have introduced a new VW model, but unfortunately it was not suitable for driving schools. He didn't have better photos of the new models because management hadn't made them available to him yet, but there were much better pictures in some newspapers. He also mentioned that the reach of the new electric models was being glossed over in the brochures, but he should probably rein in his honesty. He added that there were delivery problems with the special equipment for driving school vehicles, probably due to management's faulty planning. Phew!

By then many listeners had turned to their mobile phones or left the hall. The remaining 300 pairs of eyes watched as the sales manager sank along with his presentation taking his company down with him. Everyone breathed a sigh of relief when the fiasco was finally over.

> **Leadership personalities convince through inner clarity, not by distancing themselves from their own cause.**

That was undoubtedly an embarrassing disaster, but what went wrong exactly? The sales manager committed two cardinal errors at once. On the one hand, he brought his own dismay to the fore, and on the other hand he did not prepare his presentation sufficiently well. The main message the audience got that day, even though it wasn't expressed this way exactly was this: "I reluctantly stand here today just because I have no other choice. That's why I didn't make too much of an effort. But I have to get it over with somehow." This gives the audience the double impression that he

doesn't really care about them or the subject, and that he's primarily using the performance for his own rehabilitation. This faux pas could also have happened to the sales manager of a different car manufacturer. After all, other automobile companies had also been publicly criticized because of manipulated exhaust emission levels.

So how do you deal with a situation like this where you're allowed to introduce yourself to an entire customer target group on such an occasion, or as in this case, you probably have to? What could he have done differently? How should he have dealt with his own company's damaged image, his inner conflict, his resistance, and his shame? Or is such a situation doomed to failure from the outset? Would it have been better just to call in in sick? Not necessarily.

However, such an explosive internal situation requires careful clarification and preparation, especially when your public appearance is so extremely important.

You must first become aware of your own mood and emotional state (aversion, shame, disappointment, but also pride and a conviction about the quality of the product). Beyond that, however, it's equally important to be aware of the external context: What demands and expectations does this appearance carry? These external requirements are definitely complex, and the VW Group is certainly interested in presenting itself optimally to the target group, winning customers, and increasing sales. The sales manager feels the pressure to make sure that the effect on the customers will be proportionate to the high advertising expenses. It would be best if he could close some deals at the event or at least make some valuable contacts. In any case, the audience in the hall is hardly ever interested in how the speaker is doing and what personal problems are bothering him. They're primarily concerned with their own interests.

His message could have gone something like this instead: "You can imagine that after all the negative reports over the last few days, it's not easy for me to stand here today and speak to you. But I am here nevertheless and remain loyal to the VW brand because I am convinced about the quality of our vehicles. For me that doesn't change even if some high-ranking employees have greatly damaged our reputation and people's trust in the VW brand through criminal manipulation. But I also know that many of you can take a similarly nuanced view. That is why I am very pleased that you continue to remain loyal to our high-quality vehicles and have brought a special 'thank you offer' for you today." And that's when he would have had to pull a real whopper of a deal out of the box to knock everyone off their seats. In this way, he would have been authentic on the one hand, and he would have addressed the truth of the situation on the other, while also doing justice to his role as advertising medium and head of sales. Obviously, he should have done his homework beforehand by adequately preparing himself to make his presentation in a clear and confident manner. That is how he could have dealt with this difficult situation with poise and authenticity and even created a chance for further sales.

How Do You Lead in a Proper Way? Double-Focus Coherence

The literature on leadership is full of descriptions of different leadership styles. There is an authoritarian and a cooperative leadership style, or the one that relies on a laisser-faire attitude. There is the "carrot and stick" approach, or the (hopefully) proverbial kick in the pants. In my coaching sessions, I have worked with managers who absolutely wanted to be "the friend" of their employees, as well as with bosses who were so disparaging about their subordinates that it still sends shivers down my spine.

Ask ten different managers and you will get twenty different recommendations for the ideal leadership style.

When it comes to the question of how to lead properly, this might be more confusing than it is helpful. Perhaps you have agreed with some parts of the list mentioned above and shaken your head about others, depending on your individual leadership values and your personality. Each of us certainly has a more or less clear idea of which style is the best for ourselves and our employees.

This might give us the impression that we can decide on a certain style of leadership to use in guiding our employees, almost as if we were choosing a sport or a musical instrument we would like to learn. From a psychological point of view, however, the issue of our leadership style isn't so simple, and it's certainly not something we can arbitrarily choose or exchange. You can basically only lead in a way that suits your own nature. If you're more of an authoritarian person, you will probably be reluctant to lead your employees by focusing on cooperation. In the same way, you will find it difficult to put your foot down around your team if you're the type who wants to be best buddies with everyone. Although I clearly favor cooperative leadership with decency and respect on equal terms, I am nevertheless aware that people can only lead in a way that fits their own personality, character, and external circumstances. This means that each individual leadership behavior involves certain advantages on the one hand, and certain risks and side effects on the other. You simply need to know about these so that you can get the most out of your personal leadership style. That's why I don't recommend a specific leadership style, but one that is personally coherent.

Lead in a way that fits both your nature and your external circumstances.

But what does the term coherent actually mean? Schulz von Thun (2014) originally illuminated the concept of coherence with regard to coherent communication and adapted it again for the area of personnel management. He talks about a coherence that focuses on two different aspects. One aspect is leading in a way that fits your personality and nature. Personally coherent leadership means not yielding to or doing anything that contradicts you in the deepest part of your soul. However, this doesn't include the unpleasant tasks that leadership entails and that still fall on you as the leader.

The other aspect of coherence refers to acting in accordance with the respective situation and its external context. After all, professional life isn't a therapy session where you can let yourself go unrestrained. Furthermore, since you have been put together with those around you by chance and probably not voluntarily, you're not really allowed to expose your moods or most personal character traits unchecked. By the way, I would not recommend doing that in your private relationships either unless, of course, you're absolutely determined to having a break up or getting kicked out. The context in which you find yourself as a manager always determines the direction for your personal behavior. In some contexts, the process might even be governed by strict protocol rules–a state reception at presidential ceremonies, a papal audience, weddings, baptisms, or funerals. In the end it all serves to ensure the safety of all those involved because the unexpected and incalculable can be reduced to a manageable level. In the broadest sense, the external framework includes all conventions considered acceptable within a particular culture. These conventions are those explicit or implicit agreements that regulate and simplify coexistence.

And therein lies the big challenge:

We must find a balance between our internal sensitivities and personal needs on the one hand, and the demands of the external framework and what's expected from our leadership role on the other.

In your daily work you will often encounter bosses, colleagues, or employees in whom you will recognize a tendency to lie heavily towards either end of the spectrum.

Some of them tend to be very authentic and do not mince words. However, they sometimes lack sensitivity and tact, and they often communicate and behave in a completely wrong way. They're predestined and officially appointed to put their foot in it. When these people go on the slippery slope of trying to give an impromptu speech, everyone around them holds their breath hoping that this time the cup of embarrassment will pass them by.

On the other hand, you will find people who, while very much in tune with the external situation and their role, always come across as a little sterile or artificial. In this case, because the person remains hidden behind the façade of the context, it's hard to recognize their human side while they perform their professional role. It would be good for these people and those around them if they allowed their humanity to shine through more often, even if it seems over the top from time to time. The main thing is to let their personality show, even with its rough edges. It's particularly good for managers to let down the appearance of perfection and infallibility every now and then because it's precisely these small personal weaknesses that make them approachable and likeable.

12. A Guide on Board: Using Helpful Internal and External Input

What This Is All About:

What you should definitely know about coaching and professional development training. Why every insight is important for continued development. How the things that make you uncomfortable can be particularly helpful around difficult decisions. Under what circumstances can communicating with people who have reservations about certain plans be beneficial.

When Coaching Really Makes Sense

Although the term "coaching" has become firmly established in the business world, the meaning of this dazzling word, or how to carry it out sensibly, remains unclear for the most part. One reason may be that the term is associated with very different modes of application, for example in individual, team, or project coaching. Also, the term "coach" or "coaching" isn't protected, so every self-appointed expert can call himself a coach, and pretty much offer coaching for all kinds of things. This makes it difficult to get a concrete idea and have a generally valid definition. In the broadest sense, however, coaching can probably be assumed to be a consulting process.

In the context of flat hierarchies and a changed understanding of leadership, more and more managers are performing the role of coaches to their employees. However, this only works if you, in your role of manager, can free yourself from your own goals and are allowed to do so. Otherwise it will be difficult to establish contact with the other person in a value-free and open-minded manner since, as a manager, you're always the boss, the one who has to make the decision in the end, or at least be accountable for it. You're the one who sets the goals and the framework, and evaluates the results. This means that you're merging two roles and the employee being coached cannot ignore that. In this context, one might question whether it's possible to work together on equal terms regardless of the hierarchical differences. Maybe your employee is willing to play the game because he thinks that he's expected to, or he fears disadvantages if he doesn't, or he simply doesn't dare to say no. This context warrants the question of whether to use an internal or an external coach. This isn't an easy question and there are no one-size-fits-all answers because there are many arguments both in favor and against both options.

We distinguish between external and internal coaching.

Internal coaching means that the coach comes from within the company. The advantage is that the person knows the company and how the land lies. He's familiar with its historical background, the structures formed over time, as well as with the unofficial channels, the company gossip, and the skeletons in the closet. His big advantage over an external coach is also his biggest drawback, however. He's part of the company and therefore subject to its influences, sometimes even unknowingly. He's exposed to the fixed rules and unwritten laws and is sometimes even involved in the conflicts he's supposed to help solve. This makes him not only part of the system, but perhaps even part of the problem. Although German nobleman Baron Munchausen is said to have pulled himself and his horse out of a swamp by

his own hair, this is often rather difficult to pull off in internal coaching. With complex problems, it's always questionable whether it's even possible to find a solution from within the system. Later, we'll look at different types of problems and their configurations where that's precisely the difficulty. So before choosing internal coaching you should always clarify whether the result you want might be achieved more cost-effectively by using an external coach. Admittedly, the daily rates will probably be significantly higher than the direct internal costs, but an external coach might reach a sustainable result faster because of his lack of internal involvement.

In contrast to internal coaching, the external coach comes into the company from outside, but this doesn't necessarily mean that he has no idea about the company at all. Perhaps it's someone who has often worked for the company as a freelance trainer or consultant. The coaching might also take place externally, i.e. outside the company, at the coach's premises, or at another neutral location like a seminar hotel, for example. A definite advantage of the external coach is undoubtedly the fact that he's not within the system and isn't subject to its internal processes and dynamics. He doesn't have a hidden interest in keeping his job either, and is therefore not affected by these influences. Of course, as a freelancer or an employee at a management consultancy, he's also interested in getting clients and assignments. However, he's usually not focused on one client only, but works for several companies. The company he coaches for isn't the only one that secures his income and therefore his livelihood. This circumstance helps him to adopt a real outsider's view and to critically question internal connections or processes. He doesn't need to mince his words; he's not part of the system and therefore not part of the problem. There is less danger of operational blindness with him, at least as long as he himself has not yet become entangled in the company's structures and drawn into the system. Unfortunately, this can happen, especially during longer coaching assignments as the coach becomes more and more familiar with the company and its internal processes. So longer or more frequent coaching processes involve the danger that even an external coach may lose his valuable outsider's neutrality.

In summary, coaching–internal or external–is always useful if, after thoroughly considering all aspects, it takes place within a clearly defined setting, it's focused on a specific target, and if the coach has suitable consulting methods at his disposal and the participants really want to engage in an open-ended process.

Not All Good Things Come From Outside

When I talk about the pitfalls and phenomena of interpersonal interactions, analyze conflicts, and present problem-solving strategies in my lectures and training sessions, participants occasionally ask me whether I still have any problems with other people in my life since I'm such an expert in psychology and communication. I then sometimes talk about my failed marriage or the various relationships that I have steered into disaster. I talk about the numerous conflicts that I haven't been able to get under control at all–despite my best efforts. I may describe situations where my whole alleged poise has gone down the drain with a bang. For example, I report on my Waterloo seminar–a two-day seminar where I failed spectacularly and ended up with only two of the participants. And these last two brave souls probably stayed in the seminar out of pity for me. After a problem analysis session, the organizer later confirmed that the participants' unrealistic expectations were probably to blame and that I shouldn't worry. But that company never hired me again.

Then many of my listeners look at me wide-eyed and understand that all my professional knowledge and experience is of little use because when I'm involved in a difficult situation, I'm subject to the same mechanisms everyone else is. I am hurt or feel attacked, resort to inappropriate arguing, or withdraw and sulk. I do not want to be reasonable then, or put myself in the other person's shoes–forget it! Fortunately, I don't experience these situations too often in a professional context, otherwise I'd have to wonder

whether I wouldn't be better off as a farmer breeding animals than trying to do coaching, training or speaking.

> **External input used for educational development purposes contributes to corporate growth – but only if it's targeted with precision.**

External input is indispensable for companies and the people working in them to develop in a positive way. Without it, everyone would end up simmering in their own juice until the fire fizzles out. External support and further training make a lot of sense, especially if those involved really consider them helpful, and if improvements in the day-to-day running of the company can then be identified. However, you must bear in mind that there's a clear tendency to evaluate continued development training positively. You'll find this phenomenon among all those who are directly involved in such activities—decision-makers and buyers, seminar participants, and of course, the seminar trainer. This is mainly because there's a trend towards benevolent criticism, which is very welcome by the official side, i.e. the companies, as well. But that means that we find ourselves exposed to psychological mechanisms we can hardly defend ourselves against since they work at a primarily unconscious level. This is especially true when it comes to our tendency to evaluate the things we have been occupied with for a while in a positive way when considering them in retrospect. We do this in order to justify to ourselves the energy we have invested. Finding them useless would mean that we have spent a part of our valuable life's time completely in vain. The fact that we're always trying to maintain or restore our positive self-image also plays a role in this.

Moreover, in the broad field of continued professional training you're fighting a hyperinflation in educational offers. Some of the measures prescribed and implemented are nothing but thin veils over real problems, and in reality serve to implement other goals like meeting certain quality

management requirements. Occasionally, the simple reason will be the annual quota of continued training that must be fulfilled by law. This is an area where lecturers tend to give their ready-made presentations without adapting them to the needs and circumstances of the respective company. Employees, on the other hand, participate in such seminars mainly because they must ("Better this training than no sleep at all!"). In these events, the participants mostly pass the time using their mobile phones, reading the newspaper, talking, or dozing off.

This obviously has nothing to do with educational training and personal development but is rather a way to actively burn through capital, both in terms of costs and human resources.

This amounts to annihilating people's working and living time without getting a corresponding output because we're investing in nothing but the fulfillment of formalities.

The worst thing about it, however, is that everyone knows it, everyone hates it, and yet everyone still participates in it. So, when you arrive at a new department or take on a new management position as a manager, it can be very valuable to question how useful the current training initiatives really are. Against the backdrop of the increasing use of video conferencing and webinars, training sessions must be even more exciting and offer practical benefits. After all, attending online events requires yet more discipline from the participants, as it is almost impossible to control what each one is really doing, especially when they mute themselves or switch off their video transmission.

When we look at the problems of companies and ask ourselves during the error analysis phase how it could have come to this, the question of why nobody noticed much earlier that the path was leading to disaster always comes up. Why didn't the alarm bells ring earlier? How come is the

avalanche now bursting in on everyone with such unbridled force and sweeping them into the abyss with it? But it turns out that the critical voices of the skeptics were certainly there very early on. It's just that nobody wanted to hear them or take them seriously. Those who issue warnings or express their reservations don't find it easy to make themselves heard, particularly in the midst of the euphoria of planning for a promising future. And it becomes even more difficult for them to break through the positive mood experienced during an upswing phase to express their concerns and initiate real changes. Different decisions should have been made and the path taken should have been abandoned much earlier. But it's not that easy to distinguish justified criticism from narrow-minded objections and destructive defeatism right from the start without the experience of failure.

Welcoming the Uncomfortable

What would democracy be without real opposition? What would a board of directors be without a functioning advisory board? What would a constitutional state be without the separation of powers between the legislative, the executive, and the judicial branches, and the press as a fourth branch? We have seen twice in our German history, in a relatively short period of time, what happens when these powers are brought into line. The first time was when Hitler and the Nazis brought their ideological madness over mankind (1933-1945). And the second time when, after the end of the Second World War, the division of Germany gave rise to the German Democratic Republic (1949-1990) and a dictatorial regime emerged at the instigation of the Soviet occupying power. And at the end of the day these systems only pleased very few.

Admittedly, it's exhausting and time-consuming to deal with different opinions and points of view. Nevertheless, hindsight has shown us time and time again that really big problems arise when individuals are convinced

that their judgment about a certain thing is better than that of a group of people, and then feel the need to implement their vision.

The same is true of opposition in companies. There, too, you can assume that most of the people involved have a positive intention, because even the skeptics have no interest in driving the company where they're employed off a cliff and ultimately deprive themselves of their own livelihood. Who would like to saw off their own branch, or have to continue working on scorched soil later? That's why uncomfortable views in particular should be welcome. In the best of cases they "only" delay the decision-making process and cost money. However, using killing arguments to stall the skeptics or ignoring them, might lead to a negative result, the project's total failure, or in the worst case, even the company's bankruptcy.

That's why you as a manager should pay special attention when everyone in your company agrees that everything's fine and no more critical voices are heard. This state of affairs usually exists only superficially. Perhaps a hint for you to consider is a quote from Shakespeare's Hamlet: "Something is rotten in the state of Denmark."

Leading with vision also entails taking into account the possible negative repercussions that a current decision might have. This is precisely why you need the visionary skeptics in your team. But you need constructive and benevolent skeptics, and not those who will sound the alarm just out of a fear of change due to a lack of reflection. For the most part, the critical analyst's façade conceals nothing more than small-minded competitive thinking and a concern for his own beloved comforts.

Leaders with strategic vision take the thoughts of constructive objectors into account when making their decisions, but not the statements of destructive skeptics.

As a manager, you will then find yourself caught between reasonable challenges ("This has to work somehow!) and unrealistic and excessive demands (This can't be done that way!). Of course, this also applies to the communication between you and your bosses. You have the obligation to communicate clearly, even to those above you, if you find a target to be too difficult, too optimistic, or simply unattainable. As a rule, this is a constant balancing act sometimes accompanied by uncertainty. So, when you find yourself at a loss, a good temporary solution can be to first study the new targets and then discuss with the experts in your own team (and not only with the full-time skeptics) how they see those targets in terms of their feasibility. And should the objectives remain the same, what resources would then be required to implement them within what realistic time frame? If you have a competent team that is also confident enough to openly express its opinion, you will receive valuable arguments and guidance that you can in turn use to approach your bosses.

So, strengthen your employees' contradicting tendencies. Make it easy for those around you to voice criticism. There should be no sacred cows or a sense of infallibility around you. Establishing anonymous whistleblower systems, for example, or the position of an ombudsperson can help. It shouldn't take too much courage to say no. Otherwise you run the risk that people will keep information from you out of concern that they'll lose face or suffer reprisals. The advantage is that your employees won't invest their energy in psychological tricks or anything like that but will use their contradicting tendencies to advance the development of the company.

Those who constructively use the contradicting tendencies of their employees prevent psychological tricks.

Although this book is a clear plea for long-term solutions and perspectives, there are always situations where achieving short-term goals is the priority. In crisis situations in particular, as we had with the Corona virus, the goal is

all about ensuring the survival of the company or at least preventing greater damage. But there are many situations where you have the choice to either opt for a short-term victory at (almost) any price and out of convenience, or rather resist the temptation, take the more arduous route, and invest towards the longer-term goal. I would like to encourage you to pause for a moment– at least before making such decisions–and weigh up the pros and cons. If you don't do it, others will probably do it even less. The temptation to rush towards a quick success is simply too strong.

It takes a high degree of aplomb and leadership competence to avoid falling back on the supposedly easy path of using mind games, at least occasionally.

You must also consider which of your employees and managers will be open to following this path and engaging in communication on equal terms. After all, this also requires your employees to have a lot of open-mindedness, courage, and the willingness to assume responsibility. Some team members might leave your team sooner or later, or feel they must, because they don't like the new direction you're going. However, you should not judge too hastily here. A change of course that entails new tasks and work processes, as well as a different, open kind of cooperation is a longer process that not everyone involved will find equally easy. You should give these employees the time to deal with the changes and then get back on your intended course.

The decision to lead on equal terms is easy at first, but by doing that as an entrepreneur or manager you're giving up a lot of control and a supposedly effective instrument of power. This also became very clear during the Corona crisis, when many managers faced the challenge of how to lead and motivate their teams working online from home. You need the willingness to invest in change without having anything else in your toolbox. Perhaps you're now saying to yourself, "I would like to focus even more on value-

oriented leadership with a long-term view, but at some crucial moments I lack the tools to initiate or maintain a change of course." In that case, the next and last part of the book will give you some tools to help you do that. I have compiled a small selection of interventions, checklists, and guidelines for different situations. Some open questions and brief exercises will help you to sort yourself out, bring clarity to your own situation, and get a hand's breadth of water under your keel again.

PART IV:

The Manager's Toolbox for Your Command Bridge

In the next chapters, you'll find tools, interventions, checklists, guidelines, exercises, and practical examples of leadership without mind games and psychological tricks. The idea is to put into practice the insights and the psychological principles described so far.

13. A Compass For Ethics and Decency–How to Chart the Right Course

What This Is All About:

Why leading with respect and decency is crucial. What helpful guiding questions and interventions are available to make decisions in key situations. How to recognize what the important difference between "personal" and "private" is. What you should definitely consider when coaching your employees.

Under the Flag of Decency and Respect

If you want to sail under the flag of decency and respect, you need a crew willing to serve under your command; a crew that knows the destination, is fully supportive, and willing to follow your course. You need people on board who will stand by your side even in rough weather and stormy seas, and will do their job without mutiny. In short, you need a crew you can rely on, one that will row with you in the same direction toward your shared business goals. On the other hand, your crew needs a captain who represents those goals and lives by them in his daily interactions. And just as the fish rots from the head down, you, as the leader, must lay the foundation through your attitude and your actions so that you and your team can harmonize under the flag of decency and respect. The key to these two

traits lies in the esteem you show for others. This has first and foremost to do with your personal attitude.

YOU are the most important role model for your employees. Those who lead with honor, respect, and decency ensure a thriving cooperation.

Let us once again take a brief look at Shakespeare. Hamlet asks the Lord Chamberlain Polonius to treat the actors who have just arrived at the royal court well. Polonius assures him that he wants to treat them "according to their desert." To this Hamlet replies to him in horror: "God's bodkin, man, much better! Use every man after his desert, and who shall 'scape whipping? Treat them after your own honor and dignity."

What is the situation in your company in this regard? Here are a few key questions:

- Do you also treat your employees according to your own "honor and dignity"? How do you think about your employees deep down inside? Do they work for you or with you? Are they just your "co-workers" or do you see yourself together with them as part of a team?
- Where do your employees stand in comparison to you? Not in relation to your position within the company structure, but in terms of how you feel. Do they stand below you, and if so, how far away from you are they?
- Do your employees stand next to you side by side? If they do: are all team members standing at the same distance from you or are individual employees closer to you?
- Or is it perhaps the other way around: do you feel that some employees are standing above you? If so, which ones and why? How far above you are they? Do you feel that all your employees are above you or only some of them? If there are differences, what makes the difference?

Once you have found initial answers to these questions, take the next step and ask yourself:

- What behavior of mine supports this configuration?
- What am I satisfied with and what would I like to change?
- What would have to happen to bring about the desired changes?

In many cases, these configurations, actual or perceived, are the expression of your personal attitudes and views because everything starts at this point. This can be illustrated particularly well when it comes to the topic of respect. How do you feel about respect? Do you expect respect from your employees? Probably yes. But what kind of respect do you expect exactly? Would you like people to pay homage to you as the boss in your superior position and to treat you with reverence? (I'm exaggerating a little). Or do you want to be considered a human being, regardless of the authority that your position confers on you? Many bosses expect or wish that their employees will respect and honor them because of their personal authority or perhaps because of their charisma. But they'll behave like autocrats, especially in conflict situations, and then act surprised when they receive no respect and genuine recognition from those around them.

Another clue regarding respect can be found in your language. What you say and how you say it reflects your basic attitudes and opinions since with every message you give you're always conveying something about yourself to the outside world. Whether you like it or not, you know how it is–you cannot not communicate. Take a closer look at the way you speak and ask yourself:

- How do I talk to my employees?
- Are my employees allowed to speak to me in the same tone? If not, why not? In what way would it bother me?
- Would our relationship be reversible in terms of language? If so, what does that mean?

This doesn't refer to the formal and business-related aspects between you and the members of your team, which are obviously not reversible. As a manager or boss, you obviously have a more powerful position from the outset. You act based on that position and do things that your employees cannot do like giving instructions, issuing warnings or dismissals, setting goals, monitoring, verifying, and evaluating. Nevertheless, in hierarchical contexts the question of reversibility always comes up–whether you would allow your employees to use with you the same tone you strike with them.

Where reversibility is possible and actually practiced, chances are that you're already sailing under the flag of decency and respect when dealing with your team.

The Ethics Compass: How to Make the Right Decisions in Difficult Situations

There are often situations where you must weigh up a short-term advantage against possible negative long-term consequences. Sometimes we use our intuition to gauge the consequences and calculate probabilities to find out how likely is it that the negative event or even the worst-case scenario will occur.

In such situations, the problem isn't usually a lack of knowledge, but perplexity or a lack of determination. You don't know what to do because you're stuck in an inner stalemate. Although the various options lying on the table are actually crystal clear, you're simply not able to decide (yet). You keep putting off the decision without getting any closer to a solution.

And then there's at least one voice in your inner team that's not comfortable with the idea. This "inner objector" simply won't stop, so you keep

hesitating between desire and doubt. Sometimes you may have reservations because of legal or moral reasons. My Ethics Compass can help you to bring clarity to such situations.

As you know, a compass serves as orientation and to determine the right course. A compass has four points (N, E, S and W). Each of these stands for an area for you to consider.

N – Stands for your Network:
 • What would your board, your boss, your coach, or your partner say?
 • Could all your friends know about your decision?
 • How would they react?

E – Like Ethics Committee:
 • Suppose an ethics committee were asked to review your decision.
 • How would it judge the case?

S – Means Second Time:
 • Could you also communicate and justify the decision openly a second time to those affected?
 • Or is the whole thing expected to work only once?

W – Stands for Worldwide Web:
 • What would it be like if the decision were broadcast via social media?
 • What if your actions were to make the headlines on the first page of a major daily newspaper tomorrow?

These four directions can help you get one step closer to the right decision in difficult situations. After all, there's a lot to be gained from ruling out the less promising options. In difficult situations it can be especially helpful to pause for a moment and focus on fundamental values such as ethics and decency. On this basis, it's often possible to find other solutions with inner clarity and discernment.

Please Do Not Mix Up: Private vs Personal

In our business world and especially at the management level, numbers, data and facts dominate. Problems are dealt with at the factual level where deals are made and business relationships are established. Prices, statistics, balance sheets, appreciation, development potential, and all sorts of other key data are at the forefront. Those who master the art of business mathematics and fact juggling have an advantage over all those who aren't as well acquainted with this field. However, this disguises the fact that it's always people and not companies who do business with each other, negotiate conditions or prices, resolve conflicts, and enter relationships. People cannot be reduced to statistical figures, mathematical parameters, or a purely factual professional context. Instead, they will show up with all their inadequacy, emotions, desires, and human kindness. Managers, too, don't only control departments, corporations, or markets, but exert a personal influence on the people who work there. Therefore, the factual level cannot be separated from the relationship level–everything revolves around the personal.

Criticism of our work can hardly be separated from ourselves. After all, it's us, as persons, who provide the occasion for critical feedback. If you have written a whole series of applications, have received nothing but rejections, and haven't even been invited for an interview, you'll begin to doubt yourself and your personal skills. Admittedly, we know on an intellectual level that the rejections and refusals aren't meant personally because they haven't gotten to know us as whole persons. And yet this knowledge doesn't really help us–we're personally affected. Even long-term unemployment shakes will our self-confidence at some point. Therefore, don't give in to the mistaken belief that you can keep the "personal" out of your work, either with your employees or with yourself. That would be almost like asking you to hand in your personal feelings at the porter's lodge when you enter your company and get them back without a word after you're done with work.

> **By dealing appropriately with private and personal matters your authenticity profile grows and you build trust.**

However, there's a subtle difference between "personal" and "private," which often leads to mix-ups in business life. The personal includes every emotion and inner reaction directly related to work, like frustration, disappointment, joy, existential fears, but also anger and hostility. And there's an undeniable connection between them and work. A boss who snaps at her employee and when she starts crying replies, "Now, now, please stay objective. If you feel so hurt by my criticism, then that's your own private matter," is clearly mixing up the private and the personal.

Private matters include, for example, a person's political or sexual orientation, diseases, or relationship problems outside of the professional context, their hobbies, or the organizations they donate money to. All this is indeed very private and nobody's business within the company. It would also be often considered offensive if someone asked you about your medical history or the balance on your bank account, or if someone wanted to know which party you voted for.

However, there's a fine line that's not always easy to identify and walk. If an employee separates from his or her spouse in a dispute, especially after many years of marriage, this is of course a private matter that has nothing to do with your work or you as the boss. And yet this event has a great influence on the employee, and therefore, on his ability to work. And an employee whose father has recently passed away and is now grappling with his grief may not always be able to hold back his tears at work. He takes this "private matter" into the company. So, there are definitely private things that influence professional life and therefore belong in the personal sphere.

For managers, this is a delicate balancing act between not wanting to ignore certain things or not being able to do so on the one hand, and being uncertain about how to deal with them on the other. The result is usually a half-hearted gesture accompanied by a pseudo-private reservation: "Should I go into that, perhaps even ask questions, or would I be trespassing into an employee's personal territory and would I be jeopardizing my position as the boss?" If you feel uncertain in such a tricky situation, it can help to address both the situation and your own insecurities. For example, you could say:

> *"I've noticed that the situation is making me a little insecure and I wouldn't want to make any mistakes. On the one hand, I wouldn't want to offend you because this is a private matter after all. On the other hand, I've noticed that you've been crying and that you're not feeling well. So, obviously, I would like to do something because as your boss, I also have a duty to care. In addition, I must and want to find out whether you're fit for work at all or whether I might even have to send you home."*

And then you should issue an invitation that places the responsibility for dealing with the situation on the employee and still provides you with important information for further action:

> *"Can you tell me what would be helpful for you now and how would you handle the situation if you were in my position?"*

You can hardly do anything wrong with such an intervention because the employee is giving you hints through open or hidden statements, or through non-verbal signals about how preoccupied he is about this matter during working hours as well. Moreover, the common context in which you both find yourselves isn't a private but a professional one.

Even if dealing with private and personal matters is often a tightrope walk for you as a manager, it also presents you with a great opportunity:

By addressing your own concern, you become visible and tangible to those around you on in terms of relationships. By being approachable your authenticity profile grows and you build trust.

All aboard? How to Become a Coach to Your Employees

I already mentioned the various advantages and disadvantages of internal coaching in chapter 12. Let's assume you have now decided on internal coaching and, as the boss, you want to coach an employee or colleague. What is the most sensible way to proceed now?

Don't start without a destination and a set course: the course for a successful coaching process is already set when the basic conditions are clarified. So, if a coaching goes wrong or comes to nothing, it's almost always because too little attention was paid to this framework at the beginning. The what and how was hardly discussed at the start, and action was taken too quickly. What often happens is that this kind of carelessness blows up in your face during the process or at the end. The coaching delivers no results or completely irrelevant ones, or it drags on endlessly. The initial euphoria gives way to disappointing helplessness, and suddenly the feeling that all joint efforts have been for nothing begins to spread. To avoid such flops, it's best to start by clarifying certain things for yourself, all of which are included in the following seven steps:

- **Step 1:** Do you really feel competent to enter a coaching process? Where do you get this competence and confidence from (coaching training, experience with consulting processes, positive feedback from those

around you)? Do you have extensive experience in supporting employees?

- **Step 2:** Do you currently have sufficient capacity to dedicate yourself to coaching alongside your other activities? Consider that coaching sessions require preparation and follow-up.

- **Step 3:** Hardly any coaching works out as planned at the beginning. Often it is only during the process itself that a need for more time and more clarification arises. In light of this: May other topics or concerns which may only arise during the process be discussed? As a coach you should definitely make room for the unforeseen. So, can you also be available for unscheduled appointments and can your employee reach you? Do you have sufficient interventions and tools at hand in case the process should come to a standstill?

- **Step 4:** Are you really open for your employee's concerns and can you free yourself from your own goals or guidelines? If not, does the company have any conditions for the coaching process, or any explicit, implicit, or hidden goals that you and your employee should aim for? If that's the case, can you personally agree with the goals and ensure the necessary transparency and role clarity?

- **Step 5:** Is it possible to enter the process with each other in a truly trusting and open-minded manner despite hierarchical differences? Does your coachee feel the same way?

- **Step 6:** Could an external coach be more helpful, cost less, have a more alleviating effect, and be more unbiased, competent, and available? If an external coach is out of the question, a compromise might be to use an internal coach from within the company but have him come from a different department, division, or branch.

- **Step 7:** A rule of thumb for your decision: when in doubt, it's better to avoid doing the coaching yourself, or at least make sure to get supervision from an external coach.

Only start coaching your employee after you have successfully clarified your personal and external conditions.

The actual coaching process should begin with an agreement that you will draw up together with the coachee. In this agreement it's important to formulate the exact framework, the assignment, and the goal as precisely as possible. It makes sense to analyze the employee's concerns first. What does your coachee want to achieve, process, and clarify? You should only start working on the matter when the concern can be clearly stated, preferably in writing. Make sure that the goal is described as concretely as possible and that its achievement is measurable. Anyone who enters the process too quickly will end up suffering a shipwreck or drifting around aimlessly. Without a clear course, you're are exposed to the randomness of the weather, the waves, and the currents. You might arrive somewhere at some point…

…But achieving "any old goal" has nothing to do with steering towards a result you plan for.

Therefore, it can be helpful to define intermediate goals and steps, and to pause now and then during the coaching to reflect on this joint process. Otherwise, you could end up like Christopher Columbus, who originally wanted to travel from Europe to East Asia via a western sea route in 1492, but ended up somewhere completely different–namely, America.

14. Wind In Your Sails: Communication as a Core Competence

What This is All About:

Useful tools for professional conversation management. How to apply competent listening to establish a real connection in the ebb and flow of interpersonal communication. What a triple jump has to do with psychological tricks.

Professional Conversation Management: What Distinguishes the Professional from the Amateur?

Strictly speaking, exercising a profession, i.e. an occupation, means that you have acquired comprehensive training, have gotten a professional position, and are receiving adequate payment for this activity. When we speak of a professional, we assume that he is, above all, a specialist in his field; in contrast to the layman, dilettante, or amateur. We expect him to have a sound theoretical education and extensive background knowledge. In addition, we expect a professional to have extensive experience, preferably many years. When the smart young fellow in the white coat tells you in the hospital shortly before your complicated brain surgery that he has already read a lot about this procedure, has often watched how it's done, and is now very happy to be able to perform it himself for the first time, that probably

doesn't really convince you of his professionalism. In this case, you would prefer someone with a little more experience.

However, the much-vaunted experience alone is by no means enough for you to be perceived as a professional by those around you. Rather, it takes having both the ability and the skill to apply the knowledge. It's of little use if you have been able to accumulate an immense wealth of theoretical and practical experience, but you're not able to turn this knowledge into targeted and successful actions in a critical moment. The key criterion is therefore the ability to both retrieve and repeatedly apply your professional expertise. Professional opera tenors, for example, don't hit the High C (c") only under the most favorable conditions–on the serious occasion of a premiere evening, wearing their full costume and make-up, in a full theater with a warmed-up orchestra. They can also "retrieve" this sound several times in the morning in a rehearsal room with flickering neon lights and a crackling radiator, in spite of the jet lag and an approaching cold. That's professionalism.

What does this mean in terms of professional conversation management? And what is it exactly that distinguishes the professional from the amateur when having a conversation? A professional in leading conversations must first of all have a comprehensive knowledge of interpersonal communication. He should be familiar with various models and theories and be able to apply them in a goal-oriented manner. The professional will steer towards a specific goal with well thought-out interventions.

> **The professional knows what he's doing; the amateur tends to leave the result to chance.**

This isn't to say that amateurs cannot have great conversations. However, chance often plays a big role. The chemistry between the participants must be right, several favorable circumstances must coincide by chance. The

place and time must be favorable and disturbing outside influences must not distract. Then it's possible for laymen, too, to experience an interpersonal magic moment during a conversation. But that's nothing special under such circumstances. Professionalism, on the other hand, has nothing to do with magic moments. Professionalism means delivering satisfactory results even under unfavorable conditions. Obviously, this doesn't rule out the possibility of professionals experiencing great moments in their work from time to time as well. It helps professionals, too, if they like the person they're talking to and if the subject matter is a rather pleasant one. However, this isn't a basic requirement for them to have a successful conversation.

Paul Watzlawick (1990) had already distinguished between content level and relationship level. But let us now delve a little deeper into the subject of interpersonal communication. Friedemann Schulz von Thun (2014) provides a helpful advanced model for it. With his "Communication Square," he developed an accessible visual model to illustrate the complexity of the sent messages. You might already be familiar with it. It consists of a square where each side represents a different aspect of communicated messages. Schulz von Thun expands Watzlawick's two levels and names the four aspects of a message as follows:

- **Factual Information:** This refers to all contents that contain factual information. Numbers, data, facts. It includes just the content of the message and what the sender of the message wants to inform about in a purely factual way.

- **Appeal:** The purpose of the appeal communicated through the message is to make the recipient do something. It contains an explicit or implicit request to take action. Including this appeal aspect is particularly useful because communication always takes place for a specific purpose. We always want to achieve something with what we do or say, or get someone else to do something. Otherwise, we might as well do without communication. Although, strictly speaking, we cannot not communicate. Even if you're just sitting on a park bench looking

silently into the treetops, you're probably communicating this appeal to the outside world: "Leave me alone!" For managers, it's precisely this appeal aspect of communication that's very important. After all, leadership also means giving instructions and encouraging people to act.

- **Relationship:** Here the sender communicates how he sees the receiver, how he relates to him, and what he thinks of him. So-called "you-messages" are always statements that concern the relationship aspect.

- **Self-revelation:** In addition, transmitted messages contain what Schulz von Thun refers to as "self-revelation" (formerly "self-discovery"). Because there is always something about ourselves in everything we say. With every message, the sender is also informing about something personal regarding him or herself; he's revealing something personal whether intentionally or unintentionally. He informs us about how he sees the world, how he is (presumably) feeling right now, or what his point of view is in relation to the message or its addressee.

This model sharpens your view and your intuition for the different aspects that we always send along whether explicitly or implicitly even through simple messages. Sometimes the main message is actually conveyed through what would seem an allegedly offhand statement. The difficulty then lies in listening, because what we say isn't always what we mean. Therein lies a high potential for mistakes, which can lead to misunderstandings in conversation.

You can only react appropriately once you have actually grasped what your conversation partner really means through the process of listening.

Experience is also priceless for professionals. But what if, as a beginner, you don't have a wealth of experience yet? When it comes to conducting a conversation, only one thing helps: practice, practice, practice. Watch professionals talking and listening, acquire sound knowledge, and get

started. You have to start somewhere. And there's another thing that characterizes professionals—they're constantly educating themselves and reflecting on their own actions based on external feedback. Perhaps the following little exercise will be the starting signal for you.

▶ Exercise

Think about the conversations you have had in the past. Take a moment and consider whether there was a conversation that was very special–one that did you good, that was helpful and encouraging. A conversation after which you were better than before you had it. And if you remember such a conversation, try to find out what it was that your partner actually did or perhaps simply didn't do in order to achieve this effect.

Another practical tip: Usually it's the tendency to answer a certain way–like trivializing, giving advice, asking questions, or making value judgements–that hinder a truly person-centered conversation.

Thought, Said, Meant: In the Swell of Interpersonal Communication

As we have seen, even listening is fraught with difficulties and prone to error, which can make working together difficult. But the real problem begins with speaking, i.e. when you, in the role of the sender, must get your message out in order to reach your listeners. We encounter two problems here–on the one hand, the communication process of the sender and, on the other hand, the listening process of the recipient.

Let us first look at the sender's process. If you want to send a message to one or more receivers, the sending process starts in your head. In some area of your brain a thought is formed from various nerve impulses and synaptic

connections. It begins to take an increasingly defined shape in your head and it gains more and more speed on your neural data highways. At a speed of up to 140 meters per second, this nerve impulse reaches critical mass in your brain particle accelerator at some point, breaks through, and has to get out somehow. Now you must find a suitable way to bring out this thought's content. The most obvious way is to use language. You could also write a classic letter and send it by post, but that takes longer. In the end, it doesn't matter what form of communication you choose; you must always give your inner thought an outer form and literally put it into words.

The whole communication odyssey begins with this process. An initial encryption process takes place in which you naturally assume that the other person has exactly the right decryption key at his disposal to be able to understand exactly what you originally meant. Here's our first pitfall. Or do you always say exactly what you really mean? Let's hope not. If you're smart, you won't always say everything that comes into your mind and that you might actually want to say. If you did that, you wouldn't have any friends by now and would have lost your job long before that. No, we're not nearly as clear in our communication as we think. And that's a good thing because it shows that we have empathic tact.

Avoid the communication odyssey.

Imagine you're a participant on your way to an important presentation. You got up a little late to begin with, then there was a unexpected traffic jam, and then you couldn't find a parking spot. Now you're twenty minutes late. The speaker has already started when you open the door to the seminar room and rush in. While you apologize with a nod and sneak towards a free seat in the back, the speaker interrupts his lecture. He looks at you, is silent for a moment, and then says with an ironic and smug undertone: "Well, we were just waiting for *you*!" (general laughter). What did just happen? If one were to look at the speaker's words on their own and translate them

literally, his statement could roughly mean: "Welcome! We're glad you still managed to attend our event. We were already expecting you and are pleased that you have now arrived. Please take a seat and join us." That's how you could interpret what he said, if you were to interpret the statement to the letter. But would that actually reflect what he meant? Not likely. If we were to put the speaker's actual message into words, it would probably sound more like this: "Oh, you actually dare to be late for my highly academic lecture. That is quite disrespectful of you. And because I find your belated arrival and the associated disturbance an impertinence, I'm taking the opportunity to embarrass you here in front of everyone."

In this case what's being said doesn't match what the person means. On the contrary, one statement ("Welcome") expresses the very opposite of the other ("It's impertinent of you to show up late!"). This happens quite often, especially in everyday professional life, when irony comes into play. It's somebody's hidden attempt to convey the actual message without coming out with a clear, usually critical point of view that would expose him to being attacked. In case of doubt, the person sending the message can always fall back on the humorous content of the statement ("It was only meant as a joke").

This mechanism was clearly visible when US President Donald Trump came up with a remarkably promising idea related to the Corona virus crisis. During one of the press conferences at the White House in April 2020, he said that the virus might be counteracted by a particularly strong kind of ultraviolet light. But even worse was his suggestion about injecting disinfectants into the human body. Among the many lapses and mistakes that Trump had previously made around reporters in dealing with the crisis so far, that took the biscuit. Many people were shocked and speechless. Naturally, he was then torn apart by the press and the next day they confronted him with his ridiculous statements. His reaction? Trump said he was not being serious but "was asking a question sarcastically to reporters." *("No. Of course not…It was said sarcastically. It was put in the form of a*

question to a group of extraordinary hostile people. Namely, the fake news media.")

This was a particularly outrageous statement given that on the video recording of the previous day it was very obvious that he had not addressed his proposal to any reporters at all. Moreover, he had directly spoken to Dr. Deborah Birx, the White House Corona virus response coordinator, who listened to him with a frozen expression, took a deep breath, and then stared at the floor.

Such double messages often play a role in psychological tricks. They're used in the context of conflicts, where someone might want to express their disapproval but at the same time shies away from dealing with the conflict. This usually happens when someone is basically unwilling to acknowledge his or her own part in the conflict or take responsibility for his or her point of view. Often there's also a lack of willingness to participate in an actual resolution. After all, complaining is much easier than working constructively on changes that can always affect one's own position or person.

As the recipient of such a double-bind message, what are your options for reacting to it? First of all, it helps to register the ambiguity and contradiction of the statements in the first place. This often goes hand in hand with a fuzzy feeling that something doesn't quite fit together. It's as if you inwardly stumbled over the words you just heard: "Huh? What did he just say? What does he mean by that? What is he trying to tell me? Was that actually aimed at me? Should I or must I react to it now?"

The important thing is to first establish clarity about the message you just heard. This step is important because self-clarification comes before external clarification. Only when you're able to clearly grasp the two contradictory messages for yourself, does the next step follow: address the sender of the message and confront him with his statement's contradiction. By doing that you will make clear what the contradiction is triggering in

you. Say something like: "I have just heard your statement and notice that hearing different kinds of content confuses me. I don't know which of your two messages to respond to."

And now comes the crucial third step. Without it you will stay stuck in the quandary of contradiction. It's the supreme skill in communication and at the same time the most difficult step on the way to clarification. But it's absolutely necessary because without this last and most important step in the triple jump of double-bind messages you will not solve the dilemma. Learn all about it in my next book.

> **See through the double-bind message of mind games.**

No, don't worry. I'm just kidding. Here it comes, the third step: ask the sender to assume the consequences of his statements. After all, if someone creates a contradiction that causes confusion, they should be responsible for resolving it. So, ask the employee for clarification as to which of the messages should now apply. Ask him to commit himself to one of the two statements by saying, for example: "Can you please say very clearly what you meant with your statements–A or B?" This accomplishes three important things:

- On the one hand, you uncover the contradiction and thus escape the tangle of the dilemma.
- On the other hand, you hold the sender responsible. He must decide which of his two contradictory messages should now apply, and take responsibility for it.
- In addition, you send a clear signal–especially as a manager–that you see through these subtle mind games and are not at the person's disposal for such attempts at manipulation.

But beware: the originator of such a message has a huge desire to remain under the fuzzy cover of ambiguity, especially since this is usually one among various deeply engraved communication patterns. So, expect initial resistance and prepare yourself for having to insist several times. However, it's worth it to keep at it consistently and persistently until your conversation partner decides on a clear statement. Only then will you know which part of the message to react to. That way you won't be stuck with the hot potato of a double-bind message.

The triple jump for double messages is
1. Provide Clarity
2. Confront
3. Demand a Consequence

The Underestimated Competence: Being Able to Listen

If you want to practice professional conversation management, you should start by listening. Although the ability to listen is a competence often taken for granted, that is by no means the case. The German writer Michael Ende (1929-1995) describes in his novel "Momo" what listening is all about and why it can also be of great benefit in your context. Momo is a little girl of mysterious origins who lives in an amphitheatre, can neither read nor count, and doesn't know how old she is. But she has a very special ability: she can listen. Right at the beginning of the novel this is described very accurately: "Momo could listen in such a way that stupid people suddenly had very clever thoughts. Not because she said or asked something that made others think of such things, no, she just sat there and listened with complete attention and complete sympathy. She looked at the other person with her big, dark eyes, and the person suddenly felt thoughts appear in him that he had never imagined having inside." (Ende 1973, p. 15). If you ever happen

to be in the German city of Hanover, you can see a charming sculpture at Michael-Ende-Platz (Michael Ende Square), depicting little Momo with a big ear on her lap.

So, what do you need to become a good listener? First and foremost, the right attitude.

> **Once you have internalized the right attitude, you can forget every conversation technique.**

With the right mindset there's (almost) nothing you can do wrong anymore. Sounds good, doesn't it? However, the thing with the attitude definitely has a catch. You can't simply use it as a technique if you don't really have it. The person will notice that immediately and it will all be a waste of time and effort if it's just a technique façade you put on but it doesn't come from the bottom of your heart. It's essentially your basic personal attitudes that make a positive interpersonal contact possible. First of all, you need to feel appreciation and acceptance towards the other person. This is easier said than put into practice. After all, as a manager you often come into action when something has gone wrong or when someone has done exactly what they shouldn't. In short: you're starting from a bad place because due to your leadership role and function alone, you *cannot* agree with much of what you're being told.

In addition, the problem report always reaches you at the wrong time because you're busy with other things and this pulls you out of your current workflow. That's not exactly a source of joy. And now you're even supposed to be appreciative and accepting? How is that supposed to work? You would probably be happy enough if you could at least solve the problem or contain the extent of the damage. However, showing appreciation doesn't mean that you agree with everything or even feel great about it. Rather, it means that you strive to have an appreciative attitude

towards the person you're dealing with. Seeing your communication partner as someone who acts coherently from a subjective standpoint can help here. Even if you yourself see things quite differently, you can still assume that the other person has a (subjectively) good reason for his actions or viewpoint. The idea is to understand him from his point of view. Ideally, you can then keep the factual and the relationship levels apart and approach the person with a positive inner attitude. For example:

> *"Although I don't agree with what happened or how it did, nor do I share the way you see things, putting myself in your shoes, I can understand why, from your point of view, you acted the way you did or perhaps even had to."*

Appreciation also means being focused on the person you're talking to in an external context. This includes punctuality and concentration. No getting distracted by external disturbances such as telephone calls or other employees who just want something from you quickly. No inner distraction either, like when your thoughts are actually somewhere else during the conversation and you're not really in touch with the person you're talking to. Just as you notice when your conversation partner isn't really giving you his full attention during his discussion with you, your employee will notice when you're not really paying attention.

> **People with a high level of competence in conversation are trusted more.**

As part of my doctorate I developed a communication training to help dentists deal with anxious and difficult patients. During a three-day seminar we practiced the aspects of professional conversation management. The point was essentially to implement Carl Rogers' helpful basic attitudes (acceptance, empathy, and genuineness) through active listening when interacting with the patients. A few weeks later I interviewed some of the

dentists' individual patients and had them evaluate different aspects and competences like the dentist's qualifications and their level of trust in him. The result surprised me. After the training, the patients gave their dentists significantly better scores for trust and qualifications than before (Hagenow 2012, 2013). This means that people with improved conversation skills are rated higher by their conversation partners also with regard to their professional qualifications and competence. Although the training didn't change the dentistry qualifications at all, the patients nevertheless perceived the participants as being better dentists.

Another positive aspect was that the dentists hadn't spent significantly more time talking to their patients despite their participation in the seminar. Thus, the improved assessment can indeed be explained by an increased competence in conversation management, and not by an extension of the duration of the conversation. Similar to the "halo effect" described earlier, a high level of competence in conversation management also influences the positive assessment of a person's other professional qualities.

▶ **Exercise**

In a conversation you can always test whether you have really understood your conversation partner. Try to summarize what you have just heard in your own words and report it back to the other person. Then pay attention to his reaction. You can easily find out whether your conversation partner really feels understood. If so, he will immediately respond to your summary with a "Yes, exactly!" If, on the other hand, he hesitates before giving you feedback or answers with a rather half-hearted "Mhm, yes …", then you can assume that you haven't grasped the core of his statement yet.

So, if you want to be perceived as a competent manager by those around you, work on your professional conversation management skills, and above all, on listening actively and with interest.

15. Getting Through Stormy Seas: How to Stay Confident – Even When Things Get Rough

What This is All About:

Useful tips and tricks to deal with conflicts and difficult conversations. Why at times someone might want to make you an unwilling keeper of secrets and how you should react. The advantages that the meta-level offers you.

About Poise When Dealing with Conflicts

Having poise in conflict situations, who wouldn't want that? But isn't that just a pipe dream, and even a contradiction in itself? After all, the reason why conflict situations are so difficult to handle is precisely because those particular circumstances catch us on the wrong foot. It's in those "Oh, no!" moments when the carpet gets pulled from under our feet that we're catapulted into a vacuum of communicative helplessness in a fraction of a second. That's why we don't have any–you know, poise. If we felt poised in such precarious situations, we probably wouldn't experience them as being difficult at all. But we're trapped, perplexed, hurt, angry, disappointed, ambivalent, insecure, and at the same time, under pressure to want to react with as much poise as possible, or even having to do so. Just having a little

time to think things through would often be a big help. But in those situations it isn't much help when all the brilliant answers we would have loved to give only occur to us half an hour later.

The role of a leader is always associated with the expectation that in critical situations he will keep things in perspective, have a cool head and a constructive solution at the ready. But leaders, of course, are not machines that can always act according to a target-oriented if-then pattern when faced with conflicts. And yet, this doesn't change the external expectations at all and the drawbacks you'll have in case of failure.

In case of conflict, you need the right toolbox so that you can react confidently even in unpredictable moments.

In many situations, separating the facts from the relationship dynamics will help us get back on our feet. We often receive messages that throw us off our stride because we don't agree with the tone or the way the statement is expressed. This makes it difficult to deal with the content of the message or to react to it appropriately. While we're still sorting out the data on the factual side, the "relationship ear" keeps coming up with objections: "Why is he talking to me like that?", "What is she disrespecting me for?" or "What an inappropriate tone!" Again, it's helpful to proceed in three steps:

Step 1: Perceive and classify the attack

- What do I perceive?
- What emotions does the spoken message evoke in me?
- What is affecting me right now, and why?
- What am I upset about?

Step 2: Point back to the relationship dynamic, set your boundaries, clearly show and edge.

- "I'm not sure if you really meant to be as disrespectful (insulting, impertinent) as I'm perceiving you to be. Could you please say what you meant again?"
- "I'm still deciding whether to let you get away with that rude tone."
- "What makes you think you can talk to me like that?"

Step 3: When it comes to the actual facts, be open and ready to negotiate.

- "We can talk about the issues, but not in that tone (that way)."
- " I can agree with you on the substance. Your attitude, on the other hand, I perceive as inappropriate and insulting."

For managers, the challenge lies in feeling their own emotions–these can be an important indicator and guide for their own decisions and reactions–but without venting their anger and possibly losing their temper. It's even better if you're able to address these emotions while remaining on the meta-level. This means addressing your own annoyance, confusion, or surprise without being emotionally overwhelmed by them. In this way, you remain in control. In a crisis and for good reason, you're expected not to panic but to take the right measures. This is your job after all, and the crisis is the acid test of your leadership skills. How do you expect to lead other people if you cannot lead yourself? If you only manage to keep your ship on course when the sea is calm and the visibility is good, your authority as a manager will suffer.

When you're involved in a conflict it's important to keep your emotions under control, especially if someone is playing a

Conflicts are seldom about the fact that they can be caused by carelessness or mistakes. Everyone understands that. Things go wrong! What's more important is how we deal with a conflict situation. We often operate under the mistaken assumption that we have missed the opportunity, and our "now or never" attitude leads us to believe that we must always have the right tool and the right answer at our fingertips or we'll otherwise miss the train and there will be no turning back. In reality, however, that's almost never the case. There's almost always a second chance and an opportunity to correct your course, even if you didn't have the right words in a critical situation, reacted anything but confidently and stood there like a dummy, or maybe made the wrong decision. You have the right to change your mind. Just because someone says A, he doesn't necessarily have to say B. You can have a follow-up discussion to get a relationship back on track outside the dynamics of the situation. Contracts can also be revoked, corrected, or terminated. There is (almost) always a choice.

Preparing For Difficult Conversations

If you're responsible for personnel, your role as a manager entails the obligation to make unpleasant decisions, face critical situations, and have difficult conversations. Discussions to express criticism, rejections, warnings, conversations about a suspicion of alcohol consumption or about termination–none of these are moments with a high fun factor.

Let me say it right away: difficult conversations remain difficult and unpleasant even when you have a high level of conversational competence and are well prepared. No amount of good will is going to turn a conversation to fire someone into relaxed chitchat. Issuing a warning is no pleasure even when you're fully secure legally and have the backing of

your superiors; and a conversation to give someone criticism will not become your favorite occupation even as your experience increases. Nevertheless, you can do a lot to master these situations with the appropriate poise. This won't work from the get go, and certainly not if you just sit down five minutes before the meeting to write down a few notes. However, from my experience as a communication trainer I know that even if it's a challenge, it's certainly possible to manage conflicts constructively while at the same time establishing a esteem-focused conflict-resolution culture in your company or team. It's absolutely worth the effort, even though there's no automatic guarantee of success.

The basis for this is good preparation, for which you need time and quiet. In conflicts where you're involved in some way, it's especially important to be able to observe the matter from a distance and gain inner clarity.

Clarity comes first, cooperation second.

When preparing for difficult conversations, Schulz von Thun's communication square, introduced earlier, can help you take into account the factual information, the relationship aspect, the appeal, and the self-revelation aspect.

Factual Information – this includes clarifying the external cause

- What is the actual content of this matter?
- Which factual issues should be discussed?
- What information do you want to communicate?
- Who really needs to talk? Is it you, your employee, both of you, or perhaps someone else entirely?

Another question to consider is who is actually your conflict party. It turns out that the person you end up settling a conflict with isn't always the one making your life difficult. Perhaps there's someone else who hasn't fulfilled his responsibilities or has delegated them inappropriately. This aspect is about clarifying the facts you want to share with your conversation partner. Especially in conversations where you give criticism, it's particularly important to clarify complaints based on facts, concrete examples, and observations.

Appeal:

- What do you want to get your dialogue partner to do?
- What behavior should he show or refrain from doing in the future?
- Which goals should be achieved?

Relationship:

- How do you see your dialogue partner? What do you think of him?
- What do you find annoying about him? Which of these do you really want to address during the conversation?
- What would you prefer to withhold initially for authentic strategic reasons?

Self-Revelation:

- How do you personally feel about the situation? What do you think about it?
- What do consider important to tell your conversation partner?
- Which of your emotions do you want to address (not expressing them without a filter)?

With these questions you'll be able to gain a more nuanced clarity and distinguish between different aspects. They will also help you to look at the subject and discuss it as comprehensively as possible. Constructive preparation also includes informing the employee about the upcoming discussion. Not only should you allocate sufficient preparation time in advance, but also give the person at least a rough outline of what you want to talk about. By doing that, you'll be yielding the advantage that the element of surprise allegedly gives you, but that way your employee will have the opportunity to prepare himself for the meeting both mentally and in terms of the content. You will even strengthen your own position by showing transparency and fairness to the outside world and then approaching the employee on equal terms. After all, the idea isn't achieving a short-term victory by setting an ambush. You don't need to do that, especially since you should be aiming for a long-term resolution of the conflict. In this way, you will be creating the necessary conditions for a constructive atmosphere of discussion and preventing the creation of additional pitfalls or stumbling blocks.

> **Transparency, appreciation, and fairness create a constructive atmosphere during difficult discussions.**

Now you can concentrate on the execution. Don't use either watered-down or complicated words to begin the conversation. Introduce the topic straight away. Your employee is already expecting the discussion to be about important things and he's just waiting for you to finally get to the point. Stick to your discussion strategy and give yourself and your conversation partner enough room to listen and to understand.

After the conversation, it's best to plan some time for processing the discussion. This should always include a reflection on your preparation and how the conversation went:

- How did the conversation go?
- Did it work out as planned or did it take a surprising turn? If so, at what point and why?
- Which aspects may have been neglected or even completely forgotten?
- Was there anything that you hadn't considered during your preparation?
- What do you want to pay more attention to in similar situations in the future?
- What further steps need to be planned or taken (documentation, deadlines, reminders, follow-up meetings)?

Becoming An Unwilling Keeper of Secrets

Naturally, you strive to maintain a good, trusting relationship with your employees and are available to help them with their worries and needs. But then an employee decides to confide in you, which puts you in a difficult situation. This often happens when an employee has a conflict with other colleagues but doesn't want to get it out in the open. So, the employee informs you about something confidential regarding his colleague's alleged misconduct and complains about it. This is the stuff intrigues are spun from. He's made you his confidant without asking your permission to do so, and he's managed to muzzle you at the same time. And then he'll add something like, "You didn't hear it from me." The double-bind message strikes again because on the one hand you have been informed about an apparent irregularity behind the back of the person concerned, but on the other hand, you haven't. Your employee is blowing hot and cold about his message, and you have suddenly become the keeper of a secret against your will.

> **A classic psychological trick: you're made an accomplice without being asked, and get muzzled at the same time.**

People always use this trick when they're not willing to take responsibility for resolving the conflict. They will then turn to you " with something confidential" to ease their burden on the one hand, and to make an ally on the other. They do this in connection with a vague hope that now that they have passed on the problem and therefore made it public to a certain degree, it will now somehow solve itself. But that's not really the case. The employee thinks he has an advantage because he can stay under cover and work on solving the problem from behind the scenes without having to take a clear stand. With this strategic move, he tries to make himself unassailable.

In practice, you will usually encounter this maneuver in one of two ways:

- Either someone will confide in you from the very beginning: "I have something to tell you but it must stay between us."
- Or they will present you with this request only at the very end, after you have been told all the details: "But please don't tell anyone else. This is all strictly confidential."

Accordingly, I recommend two different ways to respond to such a request appropriately. If you're asked to be discreet before the details are revealed, you should intervene immediately and keep your options open by saying this:

- "Hold on. I can promise you neither secrecy nor confidentiality in advance because I am not your priest or your therapist. Whenever I'm dealing with you I'm in my role as your boss. Apart from that, I don't know exactly what you want to tell me yet, and the information you want to give me might have consequences for how I need to proceed afterwards. Please think carefully about what you want to tell me and whether you want to do it. I will then consider to what extent I can guarantee you confidentiality and secrecy."

It's important not to let any employee turn you into a secret keeper against your will and stamp a seal of confidentiality on you so that you're no longer

able to act. How would you then deal with your employee's confidential conversation about criminal activities in your company, for example? In that case, you must have the possibility to take immediate action. That's why in this first scenario there should only be two options for the employee: He must either speak out, names and all, or keep his mouth shut. Otherwise you'll be caught in the dilemma of a double-bind message because afterwards you can't pretend you didn't hear the information.

How about the second scenario? You're in a somewhat more difficult situation, for example, if your employee tells you about a concrete conflict he's having with another colleague, and you're are only asked to keep silent about it at the very end. In this case, you can guarantee confidentiality to a limited extent by reacting as follows:

> *"It would have been better to inform me of your wish for confidentiality at the beginning of our conversation. This time the matter will remain between us and I'll keep it confidential for now. At the same time, as your boss, I'm also responsible and accountable for the conflict you have just informed me about. By doing that, you have made it my business too and that's a good thing. I therefore suggest that you first clarify the matter between you and your colleague at your own discretion. We'll agree on a reasonable period of time to do it and then we'll meet again and you'll report to me on the state of affairs. After that I'll decide together with you whether I, as the boss, should get involved in the matter and how."*

By doing this you will keep your employee from maneuvering you into a trust-based inability to act, and you will create the space you need to do it according to your role. You should also refrain from sharing secrets or confidential matters with your employees to avoid putting them in a moral dilemma.

Climbing Up The Masthead: The Blessing of the Meta Level

We have already talked a lot about how managers are required to keep things in perspective. This is what metacommunication is all about. Just as the term meta refers to a higher level in its broadest sense, metacommunication refers to communication occurring above the actual communication level, or to put it another way:

Metacommunication refers to communicating about how people communicate with each other.

Annual reviews or feedback meetings have the same function. It makes sense to pause every now and then in the middle of our usual everyday business and take some time out for reflection. Many managers retreat together or on their own at regular intervals. They withdraw from their daily business, take a creative time-out far away from disturbing everyday influences, and devote themselves to contemplation as well as to determining a course. They look at the path they have traveled so far, identify their current position, and determine the course they will follow. They often develop or verify their visions for the future as well.

- Are we still on the path we originally set out on?
- Are we still focused on the same common goal, or has the wind changed in the meantime?
- Are there new, more important goals?
- Do we need a new course? A new product? A change in our services?
- Do we want to continue sailing together in the same way we have been doing it so far? Is everyone headed in the same direction?

These are all important questions for which there is little time in the confusion of the daily work routine. Nevertheless, it's important to plot

your course to avoid sailing in the wrong direction for too long and only notice it when the vessel has run aground.

Especially in conflict situations it can be useful to use the Meta Level together with your conflict partner. This will require that both parties be willing and able to free themselves from their mutual entanglement and work together to find a way out. However, it isn't always clear whether the person you're talking to is also willing to go on this level. Nonetheless, as a manager, you can do your bit to ensure that the chances are good.

And this is how you take the conversation to the meta level:

1. Address your own momentary impression and ask what the other person's feelings or impressions are: "I have the impression that we're getting bogged down here. How do you feel about the situation here and now?" Or: "I feel we're getting distracted by less important aspects. What is your impression?"

2. Try to understand. These are some helpful questions: "What exactly is your concern?" "What is particularly important to you?" "How is our conversation going for you?" "Where are we at the moment?" Understanding something doesn't mean agreeing with it. However, a potential pitfall in this phase of the conversation is suddenly falling back into self-justification thus going back to the original discussion level.

3. Offer constructive prompts: "What can we do to get out of this entanglement?" "What common goals do we have?" or "Are there points on which we agree?" If necessary, you can also agree to disagree by simply recording the different points of view without discussing them. This can be a good basis for returning to a constructive discussion at a later date, when the dust has settled a bit.

Addressing the double-bind message as mentioned above is another kind of metacommunication.

So, the priority is to rise together from the lowlands of conflict, recover a view of the big picture, and offer prompts for constructive problem-solving.

This ability is especially important for you as a leader, because it helps you to share the general vision with your employees while at the same time giving them the opportunity to understand the company's long-term goals and incorporate them into their daily work.

16. "Please Ram the Iceberg!" Why Sometimes the Opposite is True.

What This Is All About:

Why paradoxical interventions are important. How you can defuse some volatile psychodynamics using creative solutions. Why this will also help you in dealing with your customers. How to act in a constructive way even in times of crisis.

When the Solution Becomes the Problem

Our interpersonal relationships are influenced by so many factors that it's impossible to foresee every eventuality and prepare for it. The way you communicate also depends to a large extent on who you're dealing with. Although you're always the same person, you react very differently to different people. In addition, depending on your own mood, you may react to the same situation or to the same person in different ways, at times calmly or at times irritably.

If, on top of everything, several unfortunate factors come together in a professional context, an unfavorable dynamic can develop between the parties involved and unexpectedly lead to a tangible escalation. Back in chapter eight I mentioned the different categories of problems–first- and

second-order problems. I would like to give you an example from one of my coaching sessions:

The shareholder of a medium-sized company in the telecommunications industry, let's call him Dr. Hoffman, tells me about a conflict with his managing director, Mr. Wagner (the name has been changed). Although the company has to pursue a strict austerity plan, and therefore has a general spending freeze in place, he has the feeling that Mr. Wagner sometimes gives his employees lavish benefits nonetheless. For example, Dr. Hoffman has noticed several expensive restaurant bills that included employees who are only remotely connected to the customers being entertained. Dr. Hoffmann suspects that Mr. Wagner has occasionally treated his employees to a meal at the company's expense. He therefore decides that all invoices from Mr. Wagner's department must go through his desk. Occasionally he will ask Mr. Wagner to explain exactly what certain expenses were for. Dr. Hoffman himself would prefer to do without such petty controls, but in view of Mr. Wagner's behavior he sees no other option. He has the impression that Mr. Wagner's explanations are a tangle of flimsy excuses and that he's looking for ways to get around Dr. Hoffman's measures behind his back. This makes him feel all the more justified in his lack of trust, as well as challenged to investigate Mr. Wagner even more often and more thoroughly. And the more often he checks, the more often he finds something: an expensive hotel stay here, an unusual upgrade to a business class flight there. Dr. Hoffmann begins to get the impression that his checking on Mr. Wagner is making the latter find new and more sophisticated ways to get himself and his employees some advantage. This is the reason why Dr. Hoffmann is now beginning to mistrust Mr. Wagner in other business areas as well, and is constantly considering whether it would be better not to involve him in certain projects and plans. Perhaps, Dr. Hoffmann suspects, Mr. Wagner is already on the verge of leaving and is only collecting some important internal information he can take with him when he leaves for the competition. In such a climate of mistrust and because of concerns about a case of undue benefits, Dr. Hoffmann now sees no basis for a constructive cooperation and is considering whether it would

be better to part with Mr. Wagner after all. He's very disappointed about the turn his relationship with Mr. Wagner has taken and is at a loss as to how to proceed.

So much for Dr. Hoffmann's description, who considers Mr. Wagner's behavior responsible for putting him in this position. If we look at the interaction between Dr. Hoffmann and Mr. Wagner, we come across an interpersonal phenomenon: the vicious circle. Dr. Hoffmann stumbles over small discrepancies in the accounts and feels challenged in his role as boss to pursue the matter. So, he takes a closer look at Mr. Wagner's work, and demands more accountability from him for the processes in question. With this behavior, he in turn triggers certain emotions in Mr. Wagner. The latter considers Dr. Hoffmann's actions to be a clear vote of no confidence and feels patronized, bullied, and offended by them. He then behaves accordingly by trying to generate more personal freedom. So, he finds other areas where he can implement his unrestricted decision-making authority and his personal management style. If he cannot give his employees a salary increase, they should at least occasionally receive other forms of benefits within the scope of his possibilities. He's a manager after all, and he wants to be able to dutifully dispose of his resources at his own discretion. He feels that Dr. Hoffmann's small-minded control mania is very disempowering and finds that his authority and decision-making power are severely restricted. This is a very stressful situation for Mr. Wagner and he's thought about resigning.

> **The vicious circle can have a disastrous effect as an amplifier of interpersonal problems.**

Such interpersonal vicious circles are a typical example of second-order problems. Here the problem-solving approach is the actual problem. If the two parties involved dealt with themselves and with the situation differently, there wouldn't even be a problem of this nature. A "more of the

same" approach, as I already mentioned, doesn't lead to clarifying but to worsening the matter. The two people concerned see themselves as the victim of the other person's actions, and feel they're merely reacting to them. However, through their own behavior, they're both also perpetrators who keep the vicious circle going. It's the personal emotions of those involved that keep the whole vicious circle going and give it new momentum again and again.

How to Identify and Overcome Vicious Circles

How do you realize when you're caught in such a vicious circle, and what can you do about it? First of all, you can recognize vicious circles by these hints:

- You have the feeling that despite all your efforts you're not getting any closer to solving the problem.
- "More of the same" doesn't lead to any improvement.
- Things are only getting worse.
- You're at your wit's end.

These are all signs that there's a vicious circle raging around you with its unpleasant dynamics. The good news is that this realization is already the first step leading out of the conflict. Now it's important to realize that:

1. You won't get anywhere with the strategy you have been using till now, so you must find something new.
2. You're part of the problem and your attempts at solving it probably contribute about fifty percent to the conflict escalating further and further.

This isn't an easy realization, especially since you're acting according to your own feelings and with the best of intentions, and feel compelled by the

behavior of the other person to react accordingly. Nevertheless, you're not only the victim of the actions of other people. Unfortunately, you're are also a perpetrator who keeps renewing the unfortunate cycle. Therefore, you should proceed as follows:

- Assume that the other person's intentions are positive. As a rule, people are just as interested in a positive solution as you are.
- Go on a search for your participation as perpetrator.
- Don't continue as before. Try to get out of the circle by avoiding "more of the same."
- Try to see if you can make progress using metacommunication.
- Be on the lookout for creative solutions. (Remember the lord of Hochosterwitz Castle in chapter 8.)

Sometimes it helps to start thinking in a different direction. What would have to happen to push the problem to the extreme, to make the conflict escalate massively, or to really drive the project off a cliff? You will quickly notice the unhelpful behavior patterns; you can then stop those and come up with new problem-solving strategies.

At this point it would be helpful to stop seeing the other person as an opponent in a conflict where one person acts and the other reacts. Try to perceive the whole issue as an internally interconnected system where the participants are entangled in their own psychological dynamics. It's the chemistry between factual issues and emotions that creates an explosive mixture. You can recognize this by the fact that you're constantly getting caught in "your" vicious circles with a certain kind of people.

Would you like the whole thing to have a little more psychology to it? In that case, you're welcome to deal with your own emotions in such a vicious circle. Ask yourself which emotions you can clearly perceive in yourself:

- What is it that drives you mad and forces you to act?
- Do you have an energetic inner missionary or a rebel, a fighter for the good cause, who jumps up and just has to get going?

- Where do you know these feelings from?
- Could the other person be simply setting in motion something that you carry inside you from your past?

That can help you to see the other person as just a trigger and not as the source of your feelings. In this way, you can figure out those feelings and make room for alternative ways to act.

Obviously, none of this guarantees that you will immediately find a solution to the conflict or the problem that will satisfy all parties involved. But by proceeding in this way you will increase the probability of this happening. The mere fact that you're no longer reacting the way you used to will help to alter the litany-like cycle. It will also make you aware of this kind of dynamics and provide new possibilities for you to notice these personal pitfalls before you stumble over them.

Destructive vicious circles can render problem solving increasingly impossible as situations escalate, but by doing these things you can keep them from emerging in the first place.

Let's get back to Dr. Hoffmann and Mr. Wagner. The solution that Dr. Hoffman came up with at the end of our joint coaching consisted in providing Mr. Wagner with a budget for "miscellaneous", which he could dispose of at his own discretion without having to account for it. In addition, Dr. Hoffmann appointed him as head of a newly-founded working group in charge of searching for creative solutions to motivate and occasionally reward employees despite the tight financial situation. In this way, the escalating control issue was defused and, at the same time, Mr. Wagner was recognized for his creativity with regard to employee motivation. That's how well things can work out!

Running Aground: Why It's Good to Keep (Customer) Complaints Coming In!

Similar to the vicious circles we have just discussed, your customers' dissatisfaction has a high potential for spiraling into negativity. You certainly attach great importance to satisfying your customers with your products or services. Nevertheless, customer complaints cannot always be prevented, no matter how careful and attentive employees are. You just can't please everyone, and, unfortunately, mistakes happen even in well-organized companies with the most competent employees.

Complaints are unpleasant incidents that hold up business operations and cause additional costs. After all, the product has already been sold, the revenue booked, and the process completed. And now you're supposed to retrieve everything from your files, think back to the details of the transaction, or expose yourself to unpleasant criticism, which may even be unjustified? And yet, there's a psychological pitfall looming here: you now run the risk of judging complaints from the perspective of the person receiving them and not from the perspective of the person concerned. This is one of the main reasons why we sometimes fail at dealing constructively with critical feedback and why its positive potential is then wasted.

On closer consideration, however, there is no unjustified criticism. At least not if you look at it from the customer's point of view. The whole matter suddenly becomes really important because the customer obviously considers it necessary to contact you again. He doesn't go the easy route and simply lets go of the matter. He takes the trouble to get in touch with you again. Sometimes he even formulates his thoughts as well as his request in wordy and laborious writing. So, he goes to a lot of trouble because the matter is very important to him and because he feels that he's right.

Conflict management is indeed bothersome, and so is complaint management. But the latter is enormously important for the success of a company and should therefore only be dealt with by really competent employees with the right attitude.

Three aspects are particularly relevant here:

- Employees should be trained in how to lead discussions, and they should be able to handle conflicts and complaints with confidence.
- They should have a high degree of customer empathy and be able to view the cause of the complaint from the customer's point of view.
- The employee should be sufficiently competent and authorized to be able to offer the unhappy customer something as additional compensation.

For you as a manager, it's also important to consider the timing aspect because none of your employees can act empathically and with a sense of purpose all day long. If you demand this from your employees, they'll have to put on an "empathy façade" where they appear friendly but in reality feel annoyed. There's already a whole army of such call center employees and you have certainly experienced this yourself. On the phone you will notice very clearly whether your conversation partner is giving you his full attention and empathically trying to solve your problem, or just trying to keep the emergency service running by trying to calm people down with trite answers and then getting rid of them as quickly as possible. If on closer inspection you can't identify anyone on your team to whom you can really entrust this responsibility, especially when it comes to your most important customers, do it yourself. The danger of causing lasting damage by dealing carelessly with a customer is too great.

You have a clear advantage if you're familiar with potential reasons for complaint and have defined in advance the appropriate scenarios for handling them in a positive way. So, you should know exactly what your company's stumbling blocks are:

- What are the weak points of your products or services?
- Where do you have problems with sales?
- Which sales and communication channels are susceptible to glitches?
- Which employees or departments are always a target of customer criticism?

As the company boss, if you receive complaints or negative feedback from customers, you should be generous even when you think you don't really need to. Do it even if you have the feeling that some of your customers are only trying to get concessions. But be aware that the complaint is likely to cost you money, perhaps even more than you had actually earned. It's also unlikely that you'll be able to get the matter off the table with a few appeasing remarks and half-hearted attempts to make amends. It's more likely that the unpleasant consequences will end up costing you even more money. You shouldn't take this risk because unhappy customers will stir up a negative mood against you. In contrast, customers who have directly experienced your confidence and generosity in dealing with complaints will gladly and enthusiastically tell others about it.

Customers who complain are a stroke of luck for your company.

The most important steps in dealing with complaints are:

1. Show understanding
2. Admit your mistakes
3. Apologize (without irony or arrogance)
4. Offer generous and uncomplicated solutions
5. Study complaints internally in order to avoid similar cases in the future

If you're serious about it, it's really quite simple. An unhappy customer who complains is actually providing you with a valuable service. He's

giving you an opportunity to improve a crucial area of your products and your image. It's not unusual for the most loyal and long-lasting business relationships to arise from complaints handled in a constructive way. And those are priceless, as we all know.

When the Storm Strikes: How to Deal with Worst-Case Scenarios

Despite all caution and care, in the age of the Internet and social media, negative statements about your company can spread at lightning speed and on an unprecedented scale. The examples of the Shell oil platform Brent Spar or the VW diesel scandal have made it clear that a misguided crisis intervention can significantly exacerbate the original problem and result in incalculable damage to your company's image. A few dark clouds in the distance can quickly turn into a raging storm. So, it definitely makes sense to invest in avoiding worst-case scenarios early on. A gradual approach is wise in such cases too. However, you should be aware that the greater the pressure you're under and the faster the events develop, the smaller your elbow room will become. This means that your ability to act in a competent way will depend on what you do prior to escalation. So, proceed by following these five steps:

Step 1: Anticipate failure

Think through to the end of critical situations and bottlenecks:
- What happens in situation X if the original plan fails or the desired event doesn't occur?
- What would we have to do to make the situation worse?
- Which procedure, behavior, or statements would really drive the cart off a cliff?

Step 2: Define the worst case

- What should not happen under any circumstances?
- What would the absolute worst-case scenario in our company look like?
- What would that cost us?
- What do we want to avoid in any case and at all costs?
- What would we be prepared to invest in order to achieve this?

Do not think in terms of principle–"This is a matter of principle! Where would we be if we…"–but in individual cases–"What would lead to a solution in this one specific case here and now?"

Step 3: Develop Emergency Plans (Define If-Then Scenarios)

Everyone should know who is responsible in an emergency. Above all, the "emergency" should be defined so that even the most inexperienced employee doesn't hesitate to act in an emergency. The crucial point is for everyone involved to know exactly what they must do in the event of an incident.

Step 4: Equipping Employees with Competences and the Authority to Act

Time is a valuable resource you usually don't have enough of in crisis situations. You must react quickly, but at the same time you can't do it in haste or without thinking. Give the employees concerned sufficient room to maneuver and the necessary authority to act. Avoid time being wasted due

to uncertainties: "Should I or shouldn't I?" That might cause an unwanted paralysis. Employees having to check with their bosses several times to see whether they're allowed to do what they deem reasonable? That might take too long in an emergency. Why shouldn't they act immediately? Are your employees not competent to do so, or are you worried that they will cause more damage? In that case, they're either not the right people for the task, or they need additional and clearer instructions on how to act. The best thing is to give them a range of approved possible courses of action straight away, or let them know who to turn to in an emergency. In this case, however, you must ensure that in a crisis the decision-maker can be reached quickly and reliably.

Step 5: Consider Social Media

Bad news spread like an avalanche on the Internet. Once the rumor mill gets going, uncommented and uninhibited, there are hardly any effective measures left to take. The only thing that helps then is to stick to a well thought-out strategy and wait for the storm to calm down. It's also important not to provide any additional kindling or pour any more oil into the raging fire.

> **Far-reaching and well thought-out worst-case scenarios increase the ability to act in times of crisis.**

Establish alternative channels and avoid online discussions. Make statements and try to redirect incoming comments or inquiries towards a personal contact (set up a hotline, ensure personal support, offer the prospect of an assessment and, if necessary, compensation, name contact persons, show understanding). If possible, you should hold back on sweeping admissions of guilt for the time being. On the other hand, there

shouldn't be any unnecessary delays in conceding to things that can no longer be avoided anyway.

- How should we react in case of a social media storm?
- Which channels should we react on?
- How should we deal with the press?
- Who will coordinate the necessary steps if worse comes to worse?
- What structures and resources must be created to ensure this?

Ideally, there should be a pre-appointed coordinator responsible for external communication. In such situations, and especially if it isn't clear who's in charge, employees, in their helplessness, often tend to make differing or contradictory statements. This makes the situation even worse in terms of external communication and weakens your position because it gives critics new fuel. Suddenly, you will not only have to defend yourself against the original accusation, but also explain the contradictory statements coming from your company. This can quickly give the impression that in your office nobody knows what's going on.

Also, be careful with hasty denials. You can assume that all unpleasant facts will get out at some point anyway. Resist the temptation to hide, cover up, or downplay anything else at this point. If you admit mistakes only after they have been inevitably revealed, you will continue to dismantle your own credibility at top speed. You can't save much at this point anyway, but you can make things worse. The goal, here too, should be to get through the crisis with decency.

You should have tweets and statements ready to go for this purpose. Work on those together with a team and the management, preferably during normal times. Unwanted blunders might occur, especially when employees are left to their own devices in a crisis situation and, under pressure, act with the best of intentions but out of desperation and helplessness. They mean well, but it often takes luck for their efforts to go in the right direction. There is a great danger that, due to a lack of forethought,

managing the crisis will be left to chance and to individual employees who are not really suited to the task. In the worst case, this could cause the entire company enormous damage. With a solid preparation you'll increase your chances that the storm will pass by without causing too much damage.

And finally: Have a Safe Journey on Your New Course

Mind games are like lottery millions: everybody wants them, but very few people really benefit from them. In the end, however, most players lose.

Leadership without values has no value, as you now know. In a time when the consumer goods and services from different companies are becoming more and more similar, and skilled professionals are in short supply, the competition for attractive customers and employees is won on the field of emotions and personal relationships. Trust is a critical factor here and represents a significant competitive advantage. So it's worth investing in this future-relevant resource.

I welcome your comments and feedback on this book, and would be happy to support you personally in putting it into practice through lectures, coaching, or seminars. Please feel free to contact me at www.frank-hagenow.com. There you'll find further information on Leading without Mind Games in the form of blog posts and videos.

Now that we have looked at the dark side of the Force with its psychological mechanisms and phenomena, and you have bravely held out this far, I would like to thank you and encourage you:

Close the psychological trick boxes in your company and approach each other on equal terms, with openness, empathy, and inner clarity. It's worth it!

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He used to work as a driving school entrepreneur in Western and Eastern Germany, and gave safety training to countless car and motorcycle drivers during that time.

Dr. Hagenow holds the "Psychologist EuroPsy" certification by the EFPA (European Federation of Psychologists' Associations).

He was awarded a 'Certified Speaking Professional' (CSP™) designation by the US National Speakers Association (NSA). The CSP is an internationally and globally recognized quality designation for full-time speakers given to only about 10% of over 5,000 speakers worldwide to date.

His work frequently takes him to international destinations such as China, Iceland, Singapore, Namibia, France, Switzerland, Austria, Spain, Turkey, The Netherlands, Ireland, and the US.

When not on tour he divides his time between Hamburg, Germany and Venice, Italy.

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