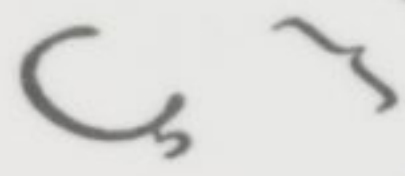# (Agile) leadership during the crises

Pfalzklinikum CEO Paul Bomke about combining agility and hierarchy in crisis management

Pfalzklinikum

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Introduction

It is not a matter of agility or hierarchy but a matter of combining both

Abstract

During a crisis leadership patterns change: Pfalzklinikum – on the right path to become an agile organisation – once again had to rearrange its organisational culture during the pandemic crisis. The goal was to combine agility and hierarchy. The goal was achieved – and astonishing experiences were made which will continue to have an impact on the future, on the time after COVID-19.

(Agile) leadership during the crisis

In January 2020, we were satisfied and proud at Pfalzklinikum. With the principles of individual responsibility, flat hierarchies and a high degree of leeway for the employees and executives we had laid the foundations for our pilot project in integrative mental health services (according to § 64 b of Book V of the German Social Security Code (SGB V)). We had also laid the groundwork for the so-called provider budget in integration support and assistance. Furthermore, for forensic treatment we could launch a concept for the future.

Hierarchy in these contexts was understood as the expression of "facilitating options" and not as a bottleneck for innovations. We had internalized many things written about the subject of agility and "New Work" (see for example Töreki 2019; Förster, Wendler 2012), or we thought we had understood it. We believed we could free ourselves from the narrowness of a hierarchy. For a provider of a complex array of psycho-social services looking back upon more than 160 years of history this has been no mean feat. Superordinate and subordinate relationships, the handling of information, power and resources, highly elaborated approval processes and the question "What says the management?" were as much part of the daily life in our organisation as the reserved parking lots for the higher levels of the hierarchy, best directly in front of one's own office, or the famous saying: "Do not go to your Prince unless he summons you …".

We had overcome many things and we planned to overcome many things …. and then COVID-19 came.

The long-held desire for hierarchy returned along with the pandemic

And suddenly the old organisational culture we thought to have overcome long ago was back again. Debates about responsibilities and sentences like "I cannot decide on this" or "Someone up there may say what is right and what is wrong" (Fabian; Junghans; Kramer 2020: 2) or "How often do I have to disinfect my hands and where is this written down?" became more frequent.

Alternative concepts such as "Please decide yourself" or "Please look for solutions together with your colleagues" and "How is this handled in other organisations? Have you already asked around" seemed to fall on deaf ears. There was the wish for a strong voice, for detailed instructions and a clear orientation. All the ideas of agility seemed to have evaporated, the old hierarchy had risen from the dead. And the sweet-tasting poison of hierarchy ("I am the boss and I can decide everything") came back – at least it felt like that.

Clear instructions and leeway – both must be possible

At this stage we asked ourselves: What can we do to combine the wish for clearness and the wish for leadership with individual responsibility in a crisis?

Sometimes a look into the world of (organisational) theories helps to find answers. What is fascinating in this connection is the basic question of many organisational experts of why organisations

or hierarchies exist at all (e.g. Kieser/Ebers 2019)? Cannot everything be regulated by the market or the "community"? What makes the hierarchy and the (golden cage of) bureaucracy involved (Weber 1922) so tempting? Are hierarchies at all suitable to cope with crises? Wouldn't it be better to leave this to the players without putting them in hierarchical chains? Still ringing in our ears is Dorothee Töreki's sentence (2019): "Agility in a hierarchy is like swimming in a straitjacket!"

Common sense quickly finds a way out and postulates: Both must be possible: clear instructions on the one hand and leeway on the other hand. But how shall this work during the crisis?

As said before, a look into science helps. In the 1950's to 1970's scientists as Polanyi (1957) or Williamson (1973) clearly and comprehensively described the interaction in systems. These findings helped us a lot, even if our solutions were rather developed intuitively than driven by theory, and the clarity becomes apparent only in retrospect and many feedback loops.

In principle, of course, you find these forms of exchange in every organisation. The employment contract, for example, expresses an "exchange" of performance and salary, the transfer/redistribution of information or resources belongs to hierarchy and the mutual exchange of knowledge or of feedback and criticism in teams is a reciprocal exchange. Vogelsang (2020) calls this form of structuring relationships "social connectedness". By the way, especially in times of crises, teams can develop a high degree of social connectedness (Fabian; Junghans; Kramer 2020).

In his famous triangle Polanyi (1957) distinguishes between:

**Market-based exchange
(Market)**

**Redistribution
(Hierarchy)**

**Reciprocity
(Community)**

Ill. 1: Polanyi's forms of integration (figure by the author) (see also Larmour 1996)

The key point is to identify which exchange relationships, to adhere to the model, prevail or dominate an organisational culture. There are organisations in which the three sides of the triangle are of the same size, so that the three characteristics are in a sound balance. Usually, the two principles "redistribution" and "market-based exchange" seem to be more distinct in organisations or go hand in hand since hierarchy governs the internal "market relationships" in an organisation; due to the (re)distribution power of resources it sets the framework conditions for the distribution. The idea of reciprocal, balanced relationships described in agile concepts is pushed into the background. This phenomenon, by the way, also becomes visible in the external relationships to the stakeholders. Users in the psychosocial care system can tell you a thing or two about missing reciprocal relationships and missing eye level (see also WISO Diskurs 2019). This is also reflected in the crisis of our postmodern society and adds to the complexity of the acting of an organisations' protagonists (Vogelsang 2020).

Additionally, organisations have subcultures in which the three characteristics (market/hierarchy/reciprocity) may be given different priorities. Such subcultures are abundant in expert organisations like our organisation. This, in turn, represents a special challenge during the crisis. More on this later.

When the above-mentioned triangle is interpreted and applied to agile organisations, the distribution of information and resources is to be transferred to the operating teams. The purpose of hierarchy is to facilitate reciprocity (Förster; Wendler 2012). In short, if hierarchy cannot dissolve itself, it must ensure that the exchange takes place at eye level and that human interaction is promoted. The hierarch renders himself superfluous but stays on the field!

Message from the outside: This is the hour of the executive

Let's get back to the COVID-19 crisis. As described, the concept of an agile basic structure aiming at reciprocity did not seem to work because the threat did not come from our world, it came from the outside; and the answers to be given did not belong to the repertory of the teams and the management (Fabian; Junghans; Kramer 2020).

By the way, the crisis management outside the organisation was also organised in a tightly hierarchical way and the Robert Koch Institute as the supreme hygiene authority became the all-dominant information and power factor, the hub for redistributing knowledge and information. Other government agencies reacted similarly. A new bureaucracy, the COVID-19 bureaucracy (Bomke 2020), had an impact on the organisation, issued extensive standards, kept the management busy on all levels due to a strong need for documentation, supervision and information and sometimes contradicted itself because different rules were issued in different sectors. Consequently, ambiguity increased. Good times for agility – under normal conditions.

What was sought after, however, was THE crisis manager, the captain who keeps the vessel on course, who does not abandon it and withdraw into working from home. A clear message was needed in the crisis and the sentence "This is the moment of the executive power" also affected the organisation.

Division of labour between the management and the task force

We did not and do not rely on a central distribution of knowledge and resource, but it is reciprocity and the division of work we rely on during the crisis. For three months,

the so-called hygiene taskforce under the dual leadership of the nursing director and the medical director replaced the classical management bodies such as the upper management board and regional conferences. Internally, it assumed the tasks of the "captain". The access was limited deliberately, and all executives were obliged to pass on the pieces of information, to translate them and talk about them with their employees. Sending an email is silver, making a phone call is golden and direct personal communication – at an appropriate distance, of course, - is platinum.

Between the management and the task force a further form of work division developed. The task force had full internal decision-making authority whereas contact to the outside was the task of the Chief Executive. The financial management with its great commitment safeguarded the financial resources. During this period, the task force was a hybrid, agile team. It was hybrid because hierarchy still existed though it did not come into the picture and because the (distribution) power was replaced by knowledge and newly acquired (hygiene) competence for the duration of the crisis. In a spirit of mutual trust, decisions were prepared and made.

Digitalisation of leadership communication

Then the idea of digital leadership came up. Video conferences should establish the contact with the employees. Those should organise themselves. During this process we realized how much we had neglected the topic "digitalisation of leadership communication". However, successes came in. In many departments, not only in the so-called "administration", the employees gained sovereignty due to the new communication possibilities. They produced successes and could show them to their own teams and other users.

It also became evident that digital leadership means a new form of support and "empowerment" for the employees and the clients, that the rules for it, however, have to be clearly defined. Usually such negotiation processes take a long time and it is necessary to compromise, to convince or neutralise deniers. During the crisis, the hierarch had a positive impact. A temporary instruction was issued obliging all executives to conclude a digital leadership agreement with the employees. Priorities were shifted in favour of digital investments, other investments were postponed by order. At this stage, the hierarchy attached great importance to a comprehensive and early participation of the employee representatives and to co-management – on the one hand this is typical of a co-determined institution, on the other hand, it was part of a participation culture newly acquired already prior to the crisis in the context of the organisation's upcoming innovation projects.

Important presence of the executives

It was and still is vitally important that in an expert organisation with presence culture the presence of the executives and the administration must be lived and encouraged. This constitutes also a reciprocal promise that all parts of the organisation belong together. It was certainly thanks to the cancellation of many external appointments, but also due to a conscious decision, that the top executives and the management were visible, perceptible, and approachable. Here, the picture of the captain not abandoning his vessel had a lasting symbolic effect.

There is no homogeneous culture in the organisation

The idea of a homogeneous culture, slipping in more or less implicitly in case of such descriptions, is incorrect in this form. There is a great number of subcultures or of socio-occupational peculiarities affecting the organisation. Service departments, for example, are rather trained on marked-based performance relationships, they developed their own structures in the past and deliberately dissociated themselves from the hierarchy of the expert organization. This was reinforced by the spin-off into an own subsidiary 10 years ago.

Suddenly all these rules were no longer valid. The catering driver became a "super-spreader" and had to be included in the daily hygiene routines of the departments as well as the stand-in in the cleaning department. Craftspeople working in the departments had to deal with (new) hygiene subjects. Everything was new and different.

And once more, new thoughts and a new leadership were required. Orders in the Intranet written for the ward or the administration were not read and implemented as fast as necessary. Postings were outdated the following day. Therefore the responsible persons decided to choose a dual strategy: Presence of the management (see above) and fostering of "reciprocity" by a team of organisational developers keeping "emotional contact" to the service staff and reporting on non-arrival or ambiguous interpretation of information. In retrospect, this was the first step towards the self-organisation of the teams under the terms of the pandemic in the service area.

Due to the high degree of decentralisation of the organisation with more than 15 sites, a great number of out-patient teams in different "infection zones", a culture of self-organisation and an own self-conception developed in the middle of the crisis with the hygiene task force in charge. Frequently the sentence "Let' settle this in the task force!" was said, and the meetings of the task force were no longer characterized by top-down decisions but by reciprocal consultations. As said before, the hierarchy kept to the sidelines.

The hierarchy kept to the sidelines, the course, however, was clear

This was successful because the course of the vessel was well coordinated, particularly during the crisis. A small group comprising the management and top executives defined the comprehensive strategy of the organisation according to the motto "safety first" and implemented it even against opposition and incomprehension. Here it was as wished for by many people. The navigating bridge dictated the course.

Importance of social media in the crisis communication

During the crisis, a special form of communication acquired new importance. Social media (e.g. Facebook, Instagram, LinkedIn), if professionally managed, are very suitable for mutual, reciprocal exchange relationships. They set a counterpoint to performance-related, hierarchical forms of supervision - if you let yourself in for it (see also Vogelsang 2020). Every day, messages and stories, later videos were produced, key information was disseminated, and interesting and important comment histories emerged not only in the Intranet, but at the beginning especially via Facebook.

An example completes the picture. In mid-August, Pfalzklinikum was declared a hero of the crisis by the F.A.Z. Institute (the Institute belongs to a famous German newspaper). This was a surprise for all of us. It was about a cooperation with Westpfalz-Klinikum in Kaiserslautern. The information was posted, and an employee commented the message as follows: "I believe we, as the entire organisation, can be proud of ourselves. We can cope with crises and we all contributed

to it on a high level". And promptly a colleague shortly replied: "True!" and then a further "Like" from another employee followed. Even if this is not representative, it paints a picture that raises hope!

Our conclusion

Even "venerable" organisations such as Pfalzklinikum can combine agility and hierarchy in a crisis, can unite elements of modern work with traditional leadership patterns and, thus, survive effectively. This, certainly, gives courage for the important and vital innovations in the context of psychosocial care – after or with COVID-19!

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Pfalzklinikum AdöR – Service provider for mental health

Pfalzklinikum offers various possibilities for people with mental health and neurological issues – in-patient, out-patient, assertive community treatment, residential and day-clinic services as well as community-based mental health services at 15 sites. The scope ranges from psychiatry, psychosomatics, and psychotherapy (for adults, youth and adolescents, and the elderly) to addictive diseases, to sleep medicine, neurology and forensic psychiatry.

Furthermore, a widely spread community-based mental health service network is available in many communities in the Palatinate. Additionally, out-patient clinics, out-patient care and occupational rehabilitation, programs in day clinics or day centers as well as day-structuring measures are offered.

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