

# LEADERSHIP AT FRAUNHOFER



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**Dear reader,**

The Fraunhofer brand stands for excellent work at the interface between research and application, and also for outstanding professional development opportunities for its employees. To be able to conduct research and development at such a high level, we need clear strategies but also the freedom and space for creativity – our managers at Fraunhofer are the key to ensuring we can have both.

The Fraunhofer Leadership Principles provides a basis for the work of our managers. In a process rooted in the organization, we have created a structure for translating Fraunhofer culture into managers' tasks and responsibilities and giving everyone

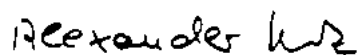
involved guidance in their day-to-day cooperation. To provide managers with optimum support in the implementation of the principles, we also developed a Competency Model, upon which all management and leadership development and qualification measures are based.

This brochure gives all Fraunhofer managers – and all applicants for management roles – a compact overview of their responsibilities and the support available to them. In addition, we are making the information available to all employees – after all, there are always two perspectives to leadership!

Yours sincerely,



Reimund Neugebauer  
President of the Fraunhofer-Gesellschaft



Alexander Kurz  
Executive Vice President Human Resources,  
Legal Affairs and IP Management

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## LEADERSHIP AT FRAUNHOFER – HOW TO LEAD, AND IN WHAT DIRECTION?

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Ideas are the raw materials of applied research, and market success is the finished product. In other words, research is carried out at Fraunhofer with a specific goal in mind. The scope of action for achieving this goal is shaped by managers for themselves and their teams, always having one eye on science and the other on commercial applications. In this way, they lay the foundation for research work and make a decisive contribution to the success of our organization.

Giving managers the best possible support in carrying out their duties is an important internal goal for the Fraunhofer-Gesellschaft.

The role of a manager and the expectations that go with that role is explained through leadership principles. However, the benefits of good management can only spread throughout the organization when everyone responsible pulls together – united by a shared understanding of leadership.

This also applies to Fraunhofer. The employee survey in 2011 and the Integrated HR Management project revealed the need to draw up and communicate a shared conception of leadership. Following broad-based dialog with managers, employees and the relevant boards, this resulted in the Fraunhofer Leadership Principles. The approach is tailored specifically to Fraunhofer's focus on applied research: It is based on the model of transactional and transformational leadership (see "In-Depth" section) and connects it with current insights and findings from innovation research. The concept of "ambidextrous leadership" creates a bridge to the requirements of innovation culture at Fraunhofer: opening leadership behavior fosters creativity; closing leadership behavior fosters the implementation of ideas. For the success of the Fraunhofer-Gesellschaft, both elements are equally important.



## IN-DEPTH

### Transactional and transformational leadership

Studies show that the success of managers depends substantially on their leadership style. A broad range of styles exist, from hands-off “laissez-faire” approaches to the micromanagement of all details. For some years, leadership research has come to the view that successful management is not a matter of steering a middle course, but of using the right leadership style for the particular situation and employees. Two main classes of leadership behavior can be identified here:

- “Transactional leadership” is instructional in nature and is the more basic of the two approaches. Employees receive detailed instructions and are rewarded when they diligently fulfill set tasks. This reward can take the form of praise, money, or career advancement. If the tasks are not completed satisfactorily, managers intervene to correct the faults and impose penalties if appropriate. It is management’s role here to issue clear goals and instructions, monitor progress and intervene if accomplishment of the goal is at risk. This leadership style is particularly suited to tasks that require a lot of care and attention to detail.

- By contrast, “transformational leadership” designates a leadership style that is suited to situations where an organization needs to create and develop ideas and processes. To this end, managers communicate values and the purpose of the work and seek to inspire. This involves fostering creativity and supporting the work of employees without issuing detailed instructions. The crucial thing is for managers to inspire employees to identify with the goals and work of the organization. This leadership style “transforms” the whole organization and its employees.

Generally speaking, only by using both these leadership styles together can managers achieve exceptionally high performance.

### Management in innovation cultures: ambidextrous leadership

The metaphor of “ambidextrous leadership” originated in a 2011 analysis by German academics Rosing, Frese and Bausch, who looked at the model of transactional and transformational leadership in connection with innovation cultures. Based on the principle of ambidextrous leadership, the authors elaborated a general spectrum of leadership behavior that is effective specifically in relation to the innovation process.

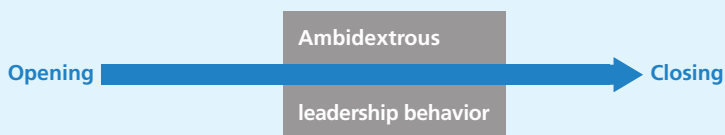
The two mechanisms required for this are as follows:

- “Opening behavior” for fostering creativity, e.g. giving employees space to develop their own ideas, granting autonomy, tolerating and having a positive attitude toward risks and mistakes
- “Closing behavior” for furthering the implementation of ideas, e.g. establishing routines, avoiding mistakes, observing rules, minimizing risks

For references, see page 19.



### Ambidextrous leadership behavior



- Define topics
- Generate ideas
- Foster creativity
- Give space and freedom

- Define projects
- Implement ideas
- Goal-directed work
- Results orientation

The authors conclude that the flexible, adapted application of both leadership styles in innovation processes leads to success.

Fraunhofer managers must also meet these requirements. This calls for flexible leadership behavior that guides and steers employees in both directions – “opening” and “closing.”

### Hallmarks of the Fraunhofer management framework

- Creative freedom
- Science
- Individuality
- Reliable conditions



- Clear goals
- Business orientation
- Teamwork and collaboration
- Dynamism and change



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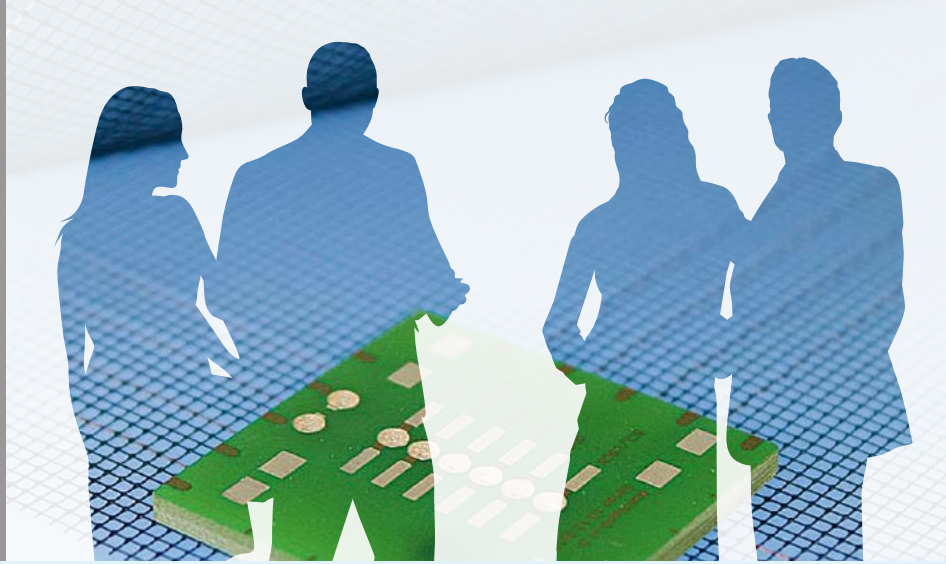
## **LEADERSHIP PRINCIPLES – A THREEFOLD RESPONSIBILITY**

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Fraunhofer's Leadership Principles describe the responsibilities of managers in the organization, including the expectations they must fulfill. Managers are standard-bearers for Fraunhofer leadership values in their institutes and must promote this organizational culture there. To this end, they must proactively discharge the following threefold responsibility:

- Bearing partial responsibility for the organization's success
- Assuming responsibility for leading and managing employees and shaping the work environment
- Being role models for employees

In everyday working life, managers strike balances between a whole range of opposing requirements "ambidextrously." On the one hand, they have to give their employees the creative freedom and space in which to develop innovations. On the other hand, they have to ensure that the ideas lead to implementable results. At the same time, managers must balance the need for excellent scientific results with the need for commercially oriented work. And last but not least, they must find the right mix of individuality, teamwork and cooperation – while always negotiating the sometimes conflicting priorities between clear and reliable boundary conditions and the requisite dynamism and change.



## Fraunhofer Leadership Principles

### ➔ With regard to organization

- Managers are responsible for helping shape and implement their institute's strategy and portfolio. In doing so, managers are aware that they are also helping to steer the development of the Fraunhofer-Gesellschaft as a whole. Both in-house and in public, managers are ambassadors for their institutes and the Fraunhofer-Gesellschaft. They are mindful of the interests of the relevant stakeholders and internal bodies.
- Managers are continuously pushing the boundaries of their specialist areas and, using their decision-making power, are responsible for sustainable
  - economic success and
  - scientific and functional excellence.

### ➔ With regard to employees

- Managers challenge and support their employees by:
  - Setting and adhering to clearly defined expectations
  - Offering the freedom for creativity and generating new ideas
  - Explaining decisions in an understandable way
  - Establishing a framework in which employees can further develop their personal, specialist and methodical skillsets
- Managers create an environment that is characterized by:
  - Unprejudiced and respectful cooperation
  - An appreciation of individuality and diversity and recognition of performance and commitment
  - Dynamism and motivation
  - Mindfulness of issues that affect health

### ➔ With regard to being a manager

- Managers are role models. They are aware of the responsibilities of their position and adhere to an ethical code.
- Managers are in charge of further developing their own personal, specialist and methodical skillsets.



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# LEADERSHIP COMPETENCE – A QUESTION OF KNOW-HOW

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Leadership competence at Fraunhofer derives from the Leadership Principles and describes the combination of knowledge, skills, qualifications and experience that managers need to fulfill their responsibilities. Leadership, management and self-competence are required.

## Which competencies do Fraunhofer managers need?

### **Shared responsibility for the company's success: management competence**

- Strategic know-how based on professional expertise, commercial expertise, a steady focus on goals and results, innovation capability, planning, organizing and controlling skills

### **Dealing with and leading employees: leadership competence**

- Ability to make decisions and get them implemented, communication skills, ability to effectively handle conflict and accept feedback, HR management expertise (including employee development and change, diversity and health management), fostering creativity and giving employees the appropriate space and freedom, securing results

### **Role model function: self-competence**

- Ability to reflect on one's self and own performance; self-management; further development of personal, specialist and methodical skillsets; focus on humanistic values





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## LEADERSHIP GUIDELINES – A PRACTICAL INSTRUMENT

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The Fraunhofer-Gesellschaft has a decentralized structure and benefits from the diversity and particular strengths of its institutes. As such, it is unsurprising that leadership takes on very different guises in individual cases. The institute-specific leadership culture always develops on site and based on the everyday management tasks in the institutes.

To this end, it is helpful to have practical guidelines that flesh out the ideals of the Leadership Principles and the Competency Model and translate them into practice. The Fraunhofer Executive Board has therefore recommended that each institute and headquarters should draw up institute-specific leadership guidelines based on the Fraunhofer Leadership Principles.



*“At Fraunhofer FKIE, we want to establish a participative leadership culture with shared responsibility. Our goal is to improve cooperation, with positive effects for employee satisfaction and workplace morale. Thanks to our focus on this very important issue of leadership, we can already see positive effects among the workforce.”*

*(Prof. Dr. Peter Martini, Director of the Fraunhofer Institute for Communication, Information Processing and Ergonomics FKIE)*



*“Thanks to the collectively supported leadership guidelines, accompanied by suitable management instruments, we should be able to better pursue our strategic goals in a dynamic environment.”*

*(Prof. Dr. Oliver Ambacher, Director of the Fraunhofer Institute for Applied Solid State Physics IAF)*







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## **LEADERSHIP SUPPORT – TRAINING AND DEVELOPMENT**

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The Leadership Principles, Competency Model and Leadership Guidelines form the framework for leadership at Fraunhofer; the managers fill out this framework and bring the principles to life through their everyday behavior in the workplace. Fraunhofer's management and leadership development portfolio helps managers build up and develop the requisite competences by means of demand-oriented qualification and development programs tailored to specific groups. For the management qualification programs, the Fraunhofer Academy, with its established brand, serves as a platform that increases the visibility of the measures.



A modular qualification program gives managers at all hierarchy levels the opportunity to develop the relevant expertise in practice-based courses. The program is centered on three competence areas: management, leadership and self-competence. In two- to three-day modules, managers work on concrete challenges taken from everyday working life, such as developing and implementing strategies or motivating successful teams. In the process, the participants benefit from professional guidance, expand their methodological repertoire, reflect on their leadership behavior, give each other collegial advice, and develop their personalities in exercises designed to strengthen their leadership.

The basic qualification course is aimed at employees taking on a management role for the first time. In two three-day modules, participants of this course can acquire the tools needed for their role and expand their knowledge through practice-based models. Individual coaching and mentoring facilitate the transfer of everyday know-how, experience and behavioral norms, creating a sound basis for lasting management success.



## Qualification program for Fraunhofer managers



In addition to this modular qualification program, Fraunhofer's management development measures also include other programs and supplementary initiatives designed to foster new managerial talent or meet the specific needs of various management target groups. For example, institute directors can avail themselves of measures such as individual business consulting and coaching. And managers who have recently joined Fraunhofer have the opportunity to learn about and discuss Fraunhofer-specific aspects of management in a special seminar.

Early action on identifying, retaining and grooming strong candidates to replace incumbents in key institute management positions is critical to the success of the Fraunhofer-Gesellschaft. To this end, the "Vintage Class" executive development program was created for experienced scientific managers with the potential to take on executive roles in a Fraunhofer Institute. The program stretches over a period of five years and comprises individual and group-based development measures.

Both the modular qualification program and the supplementary programs and initiatives are continuously being refined. They are designed for the concrete implementation of the new Leadership Principles on site and seek to provide the best possible support to all Fraunhofer managers, and in particular institute directors, in the discharge of their responsibilities.

All measures are demand-based and are offered and carried out as often as demand for them exists.



## **MANAGERS AT FRAUNHOFER – ACTIVELY SHAPING THE ORGANIZATION.**

Further information:

[www.fraunhofer.de/fuehrung](http://www.fraunhofer.de/fuehrung)

List of references for page 6:

On the model for transactional/transformational leadership, cf. Bass, B.M. / Avolio, B.J. (1994). *The Full Range of Leadership Model*. Thousand Oaks, CA: Sage Publications.

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Explaining the heterogeneity of the leadership-innovation relationship: ambidextrous leadership. *Leadership Quarterly* 22, 956–974.

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## **EDITORIAL NOTES**

Fraunhofer-Gesellschaft  
Communications

### **Editorial team**

Martin Attallah  
Antje Kückemanns  
Dr. Martin Thum  
Susanne Woltering

### **Editorial address**

Fraunhofer-Gesellschaft  
Communications  
Dr. Martin Thum  
Hansastraße 27c  
80686 München, Germany  
Phone +49 89 1205-1367  
martin.thum@zv.fraunhofer.de

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Marie-Luise Keller-Winterstein

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