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## **What is Lateral Leadership?**

Lateral leadership is a management approach without formal power among equal team members. Intrinsic motivation and personal traits are fundamental.

The lateral leadership style is becoming increasingly important to improve management efficiency in organizations. Lateral leadership describes the effective exertion of influence on employees of equal rank in order to achieve the business goals. Traditional formal methods and tools of hierarchical management are not available. Rather, the focus is on motivation through the acquisition of new skills, goal achievement, and power from knowledge and personality.

### **The meaning of lateral leadership**

Lateral leadership describes the control of employees without using conventional hierarchical power and decision-making structures. Instead, the horizontal dimension is crucial. Lateral leadership is practiced from 'the side', which is also shown by the formation of the term: the adjective 'lateral' is derived from the Latin word 'latus' (i.e. side). Leading persons at the side are employees of the same rank with specialist responsibility and defined business goals. They do not have the usual control options of a superior. Instructions, formal assessments, training and development plans, salary increases, special payments, etc. are therefore not part of lateral leadership. On the contrary, the art of lateral leadership consists in achieving the business goals without these established leadership tools. A major question of lateral leadership is how influence can be applied on the employees in order to attain the planned goals. Which aspects are relevant to lateral leadership and which working methods are effective? This article presents major ways, success factors, and examples of lateral leadership.

### **Success factors of lateral leadership**

In the literature, processes of understanding, trust, and power are the predominant core components of lateral leadership (e.g., Kühl, Schnelle, & Schnelle, 2004). These processes complement each other and are weighted differently depending on the situation. Understanding describes all forms of verbal communication across the entire value chain of a company. The attitudes and interests of the respective counterpart are important. To develop understanding, empathy is required at both ends of the communication, i.e. from the sender and the receiver of a message. Active listening is an effective way of doing this. Understanding communication is a prerequisite for building trust between those involved. It is a subjective and emotional process. Communication and trust processes are imperative, but not typical of lateral leadership. In conventional, hierarchical management structures, these are important as well. In

this respect, further aspects and methods have to be considered, primarily knowledge, personal traits, and intrinsic motivation.

The well-known saying 'knowledge is power' mentions a central aspect of lateral leadership. Professional leadership is achieved with specialist knowledge. The personal knowledge advantage matters. Only with in-depth expertise and the necessary foresight (the famous 'thinking outside the box') you can argue, convince, and set the direction. Anyone who has well-founded knowledge and transmits it convincingly leads professionally and wins respect, recognition, and the trust of other employees. Under this condition, the employees follow the lateral leader.

Informal power of lateral leaders arises from personal attributes, in contrast to the power and organizational competencies that hierarchical superiors can apply in their role. Important lateral leader characteristics are proactiveness and integrity. Proactive persons take responsibility, initiate actions, and demonstrate willpower to get things done. Integrity concerns honesty, credibility, and trustworthiness. These are earned through ethical behavior and are vital to convince people and gain influence. Further, effective lateral leaders show high stress tolerance and adequate self-confidence. They believe in their own skills to cope with difficult challenges and stay calm for rational decision making.

Lateral leadership is only possible through the recognition of these personal attributes by the team members. This phenomenon has become popular in modern social media with the roles of 'influencer' and 'follower'. Personality and charisma are relevant of both influencers on websites and lateral leaders in businesses. However, knowledge of influencers in social media is often of secondary importance.

### **Lateral leaders enhance intrinsic motivation**

Fostering intrinsic motivation is another essential approach to lateral leadership, but it has been largely overlooked in the past. Intrinsic motivation is not impacted by external sources (e.g. salary, other monetary incentives, position), but primarily ascends from personal interest in challenges and work content, as well as the active and structured involvement of the individual in the work group. Employees recognize the learning effects and experience the expansion of their own competencies, which further drive individual motivation. New competencies are gained by working on technical tasks and through methodical learning in a group. Motivation rises from a sense of achievement from problem solving and goal achievement. The prerequisite, however, is that the respective employee is deployed in accordance with his or her personal competence profile; the tasks assigned must not lead to excessive or insufficient demands.

*Management by objectives* is a proven and effective way of sparking intrinsic motivation. Responsibility for defined work results is transferred to employees. These can be presented in the form of project orders, work packages, or sprints. However, it is crucial that the goals are clearly described and realizable. The goals must be accepted by the responsible employee and the team. It is equally important not only to assign responsibilities, but also to delegate rights and powers. This creates freedom to act. The guided employees get the feeling that they can make a difference. Visible or noticeable successes increase motivation in the further course. It is important that the scope for action of laterally managed employees is retained. Lateral leaders must accompany the employees on the way to the goal, always signal willingness to help, and offer

professional support. Lateral leaders, however, are not allowed to execute micromanagement and may not behave like a civil servant that loves formalities. Instead of this, the lateral leader must give freedom to act to employees and concentrate on their results.

Maintaining a raised level of team motivation is a particular challenge if the goals have been set ambitiously and continuous high performance is required from the employees. The lateral leader has to organize the group in such a way that all employees feel equal. All employees act at the same level, despite different roles and tasks - the team spirit should be central. It is important to ensure a healthy working atmosphere in the team, which is characterized by mutual respect and an objective way of working. Ranking or positioning competition should be avoided. As soon as such conflicts can be recognized in the team, the lateral leader has to take countermeasures. Personal discussions with those involved help identify the causes of disputes at an early stage so that effective reaction can be initiated in good time, for example by reorganizing the working group. Changes to the work content among the team members provide variety and keep interest high.

To motivate performance-oriented employees, the lateral leaders have a very simple and yet highly effective means: praise. Simple, pronounced praise has a considerable influence on the willingness to perform and cooperate in everyday work. Expressing appreciation can really inspire employees, while ignorance of good employee performance can lead to frustration or internal resignation.

In order to fully utilize the capabilities of employees, a high level of task orientation and empathy is required at the same time. The lateral leader is thus in a two-dimensional field of tension. She or he must drive individual and joint efforts to achieve the goal and take appropriate account of interpersonal relationships. Leading with goals and rising motivation of team members are key.

### **Situational leadership – Adaptive use of methods**

Lateral leadership methods must be adapted to the situation. Employees show different levels of motivation and skills. The management style must be adapted to these individual parameters. This approach is referred to as situational leadership.

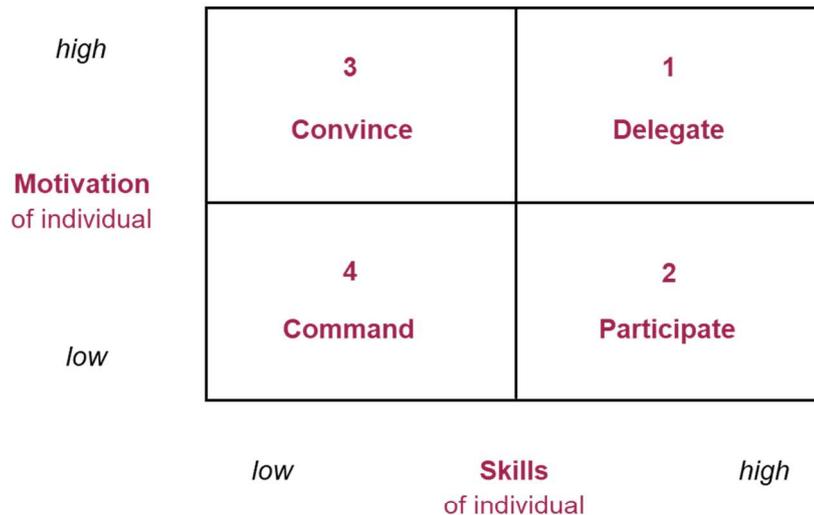
Ideally, the employees are highly motivated and very well trained, the lateral manager can then delegate complete work packages and provide scope for action (situation 1). If the employees are still unmotivated for the allocated tasks, although they have the necessary skills, the lateral leader must involve the employees more closely in the decision-making processes and the work organization (situation 2).

If employees show skill deficits for the expected work results, the degree of motivation is decisive. If motivation is high (situation 3), the lateral leader should actively listen to the opinions of the employees and provide useful feedback on their personal performance. If, in addition to a low skill level, the motivation of an employee is also insufficient (situation 4), the only option left is to instruct her or him in detail. Thus, lateral leadership is not possible.

The art of situational leadership consists in recognizing the relevant situation so that the appropriate leadership method is applied. Possibilities of influence exist primarily in the employee motivation by the lateral leader. Individual skills, on the other hand,

cannot be developed in the short term; they require strategic personal development planning that is beyond the influence of lateral leadership. The formal manager and human resources are in demand. They must qualify the employees so that they are able to perform the tasks and to achieve the according goals.

### Situational Leadership



<b>Situation</b>	<b>Lateral leadership method</b>
1. Delegate	Delegation of responsibilities results in high performance
2. Participate	Involvement in planning, execution, and decision-making increases motivation
3. Convince	Active listening and feedbacks are required
4. Command	Lateral leadership is not possible

Source: Dr. C. Gellweiler

### Examples of lateral leadership

Finally, some examples of the use of lateral leadership are shown. For various tasks, working groups can be temporarily set up across departmental or company boundaries:

- Task forces set up by company management to solve an organizational or technical problem that has escalated.
- Self-organized teams for continuous quality improvement.
- Network-based modes of creative collaboration for process or product innovations.

In agile software development, roles are assigned to team members with clear tasks and responsibilities, but these are not structured hierarchically. Team members regard themselves as equal peers at the same level. In 'scrum', motivation is generated by joint definition and achievement of goals within a fixed timeframe, the so-called 'sprint'. Lateral leadership is carried out by several roles: The product owner takes responsibility regarding product features, whereas the scrum master provides guidance for management methods.

Lateral leadership is also imperative in traditional projects within matrix organizations. The project manager is above the project staff in the project structure, but he or she lacks formal management power. The employees are assigned to the project from line functions and remain subordinate to their line managers. The technical guidance is the responsibility of the project manager and includes goal setting, monitoring, and motivation.

### **Summary**

- Lateral leadership is carried out horizontally by employees of the same rank in the organization; instruments of formal leadership are not available.
- Equality in the team and the team spirit are fundamental to lateral leadership.
- In lateral leadership, informal power is gained from knowledge and personal attributes.
- Intrinsic motivation is essential and arises through the acquisition of skills, success through the achievement of goals, and their recognition through praise.
- Management by objectives is an effective way of controlling and motivating employees.
- Situational leadership means that lateral leadership methods must be adapted to an employee's individual skills and motivation.