

Personal Governance: How to successfully achieve it

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Confidence in leadership is at an all-time low. Tales of incompetence or negligence dominate the headlines of businesses. Many reports paint a bleak picture of executives who crumble under the sheer weight of knowledge and job pressure under mental and physical wellbeing, private lives, and values. How do senior executives make a transition for the better? Strong and effective corporate governance can only be accomplished if those in charge of companies can show good personal governance, claims Fredy Hausammann (2018), Managing Partner, Amrop Switzerland, and Amrop Executive Board member.

In an 8-part Amrop series, based on his book: 'Personal Governance als unverzichtbarer Teil der Corporate Governance und Unternehmensführung' (Haupt Berne, 2007), Hausammann sets out the 7 building blocks of Personal Governance. These are concrete, practical and enriching ways for leaders to bring out the best in their teams, their organizations, and society as a whole. This article sets the context for Personal Governance and introduces its 7 Principles as the basis for effective Corporate Governance and leadership.

Research shows that it all starts with ourselves. By establishing a meaningful Personal Mission and set of values. By engaging in healthy self-reflection and continuous self-development. By better managing stress, balancing our work and private lives and interests - and ultimately our reputation.

Benefits for Managers

The 7 Personal Governance principles provide important keys to help managers shape their roles. When the pursuit of the best possible interplay between work and private life is increasingly a priority, the 'orientation structure' established by Personal Governance will promote the handling of position conflicts between those two worlds.

And an Organizational Roadmap

Organizations need to develop the conditions that are most likely to promote good personal and corporate governance and build mutual accountability with staff. Coaching Personal Governance is a powerful way of promoting thought, learning, and personal growth.

New Concept, Deep Roots

Is personal governance new? Well, given its special features and its close relationship with top management and corporate governance, we can say yes carefully. Corporate and managerial social responsibility, organizational ethics, and work-life balance have all been debated at length in recent

years.

Still, Personal Governance has deep roots. It has a lot in common with Plato's 'self-care.' For Plato, self-care was a pre-condition for moderation in exercising power over others. The theme has also been taken up by Michel Foucault and Peter Senge.

Why Managers Matter

As demonstrated by the 2008 financial crisis, senior management conduct is of core social, socio-political, and economic significance. The way they relate to their work, contract, and enterprise is important. This is tracked and judged honestly and is inextricably linked to Corporate Governance. Not surprisingly, their influence has been repeatedly discussed in the context of top management salaries. The role of companies and management has also been dragged into the epicenter of world events. Are supervisory and executive bodies sufficiently aware of their impact on society?

Welcome to personal governance

In summary, corporate governance has central, social importance. Many, if not most, people have been directly affected by the successes and failures of large private and state-owned businesses on an emotional, financial, or even existential level.

Personal governance, meanwhile, is a conscious, strategic, and operative/situational form of self-steering and permanent personal development. It is a beacon for how we lead our lives and organize our private CV.

It is a psychological contract with ourselves. This contract implies expectations regarding our actions and commitments. An important corollary – playing a key role in personal governance – is the psychological contract between company and employee. This regulates mutual expectations in a way that goes beyond the formal framework of the employment contract.

Personal governance is aligned with a personal mission, one that takes equal account of private and professional goals and is based upon these. Our mission also covers social and or political engagement.

Personal Governance – Beacon, Contract, Mission

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1. Personal Governance is a beacon for how we lead our lives and organize our private CV.
2. It is a psychological contract with ourselves, implying expectations regarding our actions and commitments.
3. Personal Governance is aligned with a Personal Mission, one that takes equal account of private and professional goals and is based upon these, as well as our social and or political engagement.

The 7 Principles of Personal Governance – Code of Best Practice

Each principle is equally important in managing our private and professional domains. These distinctive characteristics concern value orientation, attitudes, and behavior.

1. Life Plan and Goals: A Personal Mission within easy reach, serving as a common thread and ‘Leitmotiv’ (theme)
2. Ethical Behaviour: High awareness of their value system and ethically-responsible action principles
3. Self-Reflection: High capacity for self-reflection, self-assessment, and self-regulation:
 - They opt for functions in which their strengths and preferences can most ideally be expressed, avoiding (or clarifying) role conflicts (clashes between private or professional roles)
 - They are aware of the most productive use of time, allocating their energy accordingly
 - They regularly reflect upon and check their behavior. For example, via coaching, peer coaching, and feedback
4. Dealing With Stress: Knowledge and recognition of personal stressors (destructive causes of distress [negative stress]) and awareness of the right (work)load for themselves and others:
 - Coping strategies (ways to overcome problems and diminish load) are close at hand and are situationally deployed, checked, adapted and, when necessary, effectively substituted
 - They can reach out for help in difficult situations – via coaching, professional/personal consulting, etc
5. Personal Development: developing (self, others) via “éducation permanente”
6. Personal Interests and Passions: Strong fields of interest and passion outside the scope of his/her professional responsibilities:
 - They can experience ‘flow’ experiences (Mihály Csíkszentmihályi, 2016) – a state of complete immersion in an activity
 - They visibly and skilfully stake a claim on their personal space and time
 - They make space for political and/or social engagement
7. Reputation: Alertness to his/her reputation and that of his/her company.

Working With the Principles – Adopting and Adapting

How can we anchor the 7 Principles of Personal Governance in our daily practice and behavior? As one will discover, the 7 Principles are neither definitive nor conclusive. One should constantly adapt them to our fresh experiences and discoveries, taking account of one’s personal needs and one’s current, individual ‘reality’.

Which takes us to another critical level. It can seem as if complying with the seven values renders our superheroes. We will not only strike a great balance between all aspects of our professional and personal lives, but we will also contribute actively to the common good! However, this perfect (and probably rather restless) person would find almost no time for the all-important passive regeneration, which is handled in principles 5 and 6.

In conclusion, eventually, not all of the requirements within each definition need to be met at the same time. This is unlikely, in any situation. It's a matter of finding a balance throughout our lives, taking into account individual values to a minimum, without generating a mass of demands and causing overload.

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