

Leadership dialogue in managing socio-financial sustainability in local government

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Background

- While the social aims of sustainability affect all actors in society, municipalities play an important role in promoting sustainability.
 - Although sustainability has been studied extensively in many disciplines, there has been relatively little public administration research from a managerial perspective.
 - As sustainability is widely studied in accounting, with a specific focus on reporting, we focus on the less studied topic of *the dialogic use of sustainability information in management*.
 - Different sustainability dimensions can often conflict with each other. We focus on social and financial sustainability of local governments.
- Socio-financial sustainability can also be viewed as the traditional public management dilemma: How to use limited resources to create as much sustainable impacts as possible.
 - We view socio-financial sustainability as a performance goal for local governments and the management of socio-financial sustainability from a dialogic perspective.
- We use concept of **leadership dialogue** which embodies the collective knowledge formation process (cf., Laihonon et al., 2024) **where public managers together build a new understanding of socio-financial sustainability and define socio-financial sustainability as a management issue in local government.**

RQ1: What are the key elements of leadership dialogue?

RQ2: How different values of socio-financial sustainability are contemplated in leadership dialogue?



Research methods

DATA:

- The research is a part of the TieDi research project funded by the Finnish Work Environment Fund and the Universities of Tampere and Eastern Finland.
- The project involves the Finnish cities of Kangasala and Hämeenlinna where the interview data has been collected from the top management and senior office-holders (n=13). The data also includes survey responses of the primary education and early childhood education managers and experts involved in the project's workshops, as well as observational data and other materials from the workshops.

ANALYSIS:

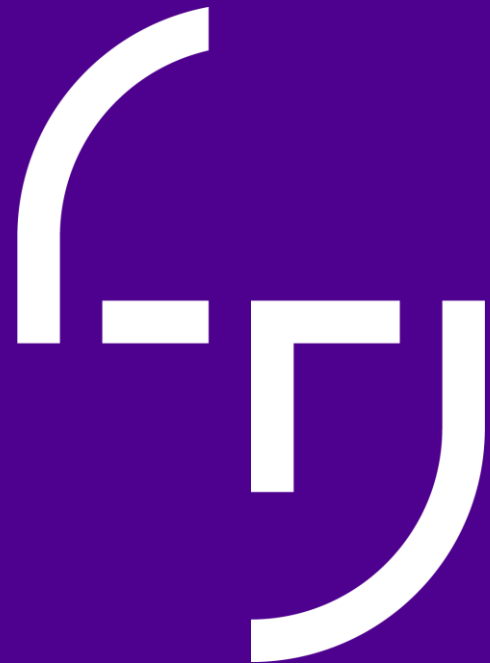
- We apply content analysis to identify the critical capacities and capabilities for performance dialogue.

Theoretical framework

- We follow Isaacs (1999) in considering that (leadership) dialogue is not just any form of talk but must be carefully orchestrated and facilitated so that it is truly productive and conducive to thrilling ideas (see also Bourgoin et al., 2018).
 - The basic practices of dialogue include listening, respecting, suspending, and voicing which are also present in leadership dialogue (Isaacs, 1999).
- We frame our study by combining prior literature on dialogic perspective on management
 - Prior literature on dialogue related to strategy, accounting, and performance management.
 - This literature can be considered relevant when trying to understand what kind of leadership dialogue is needed in public management and specifically in implementing sustainability strategies (cf. Zeemering, 2018).

To conclude...

- Earlier literature provides different interpretations of leadership dialogue from their own theoretical premises, but more general studies combining the approaches of strategic management, accounting and performance management are missing.
 - This is needed to solve wicked problems, such as socio-financial sustainability, necessitate balancing of strategic, accounting, and performance dialogues.
 - We aim to provide a more holistic understanding of the role dialogue in integrating financial and social sustainability to create a balanced approach to managing organizational performance.
- By fostering open communication and inclusive participation, organizations can ensure that their economic activities are socially responsible and that their social initiatives are economically viable.
 - This integration is considered a key to building resilient and sustainable organizations that can thrive in the long term. The empirical examination revealed the various forms and directions of leadership dialogue.



**Human
Potential
Unlimited.**

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