

# Driving renewal, hosted by Satu Rekonen

## Episode 5: Underdog to Challenger – guest Juha Äkräs, Hintsa Performance & Aalto-yliopisto

**Satu:** In this episode, my guest is Juha Äkräs. Juha is a co-founder and board member of Hintsa Performance and runs his own leadership consulting company, supporting organizations in developing the collective leadership capability of individuals, teams, and organizations—enhancing high performance and well-being at all levels.

He also serves as an Executive in Residence at Aalto University's Department of Industrial Engineering and Management, within the Organization Design and Leadership unit. In addition to this role, Juha is finalizing his doctoral studies, deepening his understanding in the field of leadership. As part of this work, he has developed an integrated leadership model and believes that leadership is always both systemic and contextual.

Before his current roles, Juha had a 20-year career at Nokia, culminating in his position as Head of HR. He was a member of Nokia's executive board and served on the board of Nokia Siemens Networks. At Nokia, Juha also held various roles in strategy, finance, and sales, as well as an operational leadership position in Core Networks.

This episode addresses questions such as: How do different perspectives on leadership complement each other? What personal challenges does a leader face in layoff situations? Why are layoffs difficult not only for those who leave but also for those who stay? How does an organization's success or failure impact its identity and the mindset of the leadership team? And why should superficial organizational changes that do not affect actual work be avoided?

**Satu:** Welcome to the Driving Renewal podcast, Juha..

**Juha:** Thank you.

**Satu:** You've held multiple leadership roles in different organizations, and this spring, you're also defending your dissertation at Aalto University's Department of Industrial Engineering and Management. I'd be interested to hear what has drawn you to leadership—both in practice and as a research topic?

**Juha:** Somehow, I kind of drifted into leadership. When I started my studies at the Department of Industrial Engineering and Management, there was already an expectation that leadership would be part of my career. It interested me even then—my other focus area was leadership-oriented work psychology.

Leadership has fascinated me ever since. As a teenager in my orienteering club, I was the youth representative on the board, so leadership has always been present in some way. Academically, my interest in leadership grew as I gained practical experience. When I was leading Core Networks, I had a team of 4,000 people and was responsible for a business with a turnover of 1.5 billion euros.

At that scale, I started to see the dynamics of leadership more clearly. How do you effectively lead an organization of that size together with your colleagues when there are ten different layers in the hierarchy? At the same time, I noticed a troubling trend: employee well-being and engagement, which were being closely monitored globally, were declining.

It made me feel like there was something about leadership that we didn't fully understand. Leadership trends come and go—situational leadership, results-based leadership, transformational leadership, self-directed leadership. There's always a single dominant leadership theory that everyone gets excited about.

We have thousands of professors who need to contribute to leadership literature and thousands of consultants who each need to have their own intellectual property around leadership. It creates a confusing mix. I remember when I was starting my dissertation, Kristiina Mäkelä, the provost at Aalto, advised me not to research leadership because it was too chaotic to make sense of.

That only motivated me more. I thought, if this is such a challenge, then I want to take it on. I also noticed that Aalto didn't have a strong core group of leadership researchers, which further fueled my determination. I wanted to examine what the theories actually say and whether it was possible to create a more systematic understanding or a shared taxonomy of leadership.

Well, I'm the kind of person who, when faced with a challenge, takes it on. And back then, I felt the same—this inspired and interested me, and I thought, if I could contribute something to this, I wanted to do it

I also noticed that Aalto didn't have a strong core group of leadership researchers, which further fueled my determination. I wanted to examine what the theories actually say and whether it was possible to create a more systematic understanding or a shared taxonomy of leadership.

**Satu:** In your dissertation, you discuss an integrated leadership model. Could you explain a bit what that means in practice?

**Juha:** Yeah, what I've done in my research is that the integration comes from bringing together different leadership paradigms. If I think about it, it all started with scientific leadership research. By the way, leadership writings are actually very old—the earliest ones date back to ancient Egypt, where a grand vizier wrote in hieroglyphs about how to govern a state and manage administration.

Then we have the philosophers—Greek philosophers wrote about it, Roman emperors wrote about it, and even Shakespeare wrote about it. But scientific leadership research is actually quite recent. It initially focused more on personality traits, following the idea that leaders are born, not made.

It initially started by studying personality—the trait perspective. The idea was that leadership is something you are born into.

That was the perspective at the time. But then, people started to realize—wait a minute, maybe leadership isn't just about personality traits, or about being a man, loud, or tall, or whatever other characteristics defined a leader back then. Instead, leadership is actually about behavior.

So, the idea was that leadership can be learned, and that you can develop as a leader. This led to the distinction between managing tasks versus managing people—both of which are important. Then came the division between autocratic and democratic leadership. Researchers started searching for a generic leadership model—one that would define what good, universal leadership looks like. But then, they realized that leadership might not be so universal after all, and that context actually plays a role.

As a result, the same researchers began developing models that would take situational factors into account. However, this led to massive decision trees—if you are in this kind of situation, you should act this way, which would then lead to another specific action, and eventually, after following all these steps, you would behave accordingly. But in reality, a leader cannot function like that in practice.

It soon became evident that this approach was too complex. However, the idea of contextual leadership remained. Many widely used leadership models today, such as *Situational Leadership*, originate from this thinking and are still applied. Now, contextual leadership has re-emerged, emphasizing the importance of context.

Then came the realization that our environment is not static. This uncertainty and constant change led to the rise of *transformational leadership*—a new focus on leading change. How do we manage change effectively? Researchers distinguished between *transactional* and *transformational* change, as well as organizational leadership. Around this time, the role of intrinsic motivation started gaining attention. Previously, motivation was primarily seen as external—people needed to be rewarded or paid for their efforts.

But then the idea emerged that people could be motivated by their work itself, by learning, and by achieving something meaningful. How do we inspire people? How do we help them find internal motivation? However, leadership thinking at that time was still based on a hierarchical structure—a *triadic* model, where there is always a leader, a subordinate, and a task.

Only later did the question arise: *Who is actually leading?* This led to the concept of *collective leadership*—the realization that leadership can be shared. It became clear that leadership responsibility does not have to belong solely to one individual. A leader may take the lead at one point, but another team member can take over for specific tasks.

Following this, ethical and moral considerations became a major topic, especially after corporate scandals and ethical failures. It became apparent that morality and ethics do have an impact, prompting deeper discussions about their role in leadership.

If we examine all these leadership paradigms, each contains valuable insights. The *trait perspective* highlights that personality matters—some meta-analyses suggest that approximately 20% of leadership effectiveness can be attributed to a leader's personal characteristics and skills.

Then, *behavioral leadership* emerged, emphasizing that leaders must manage both tasks and people effectively. In my model, this is represented as one of the dimensions: managing tasks and managing people.

Next, we come to *contextual leadership*. Context can be viewed as either a moderator or an antecedent. In my model, I approach it from the perspective that context is an antecedent—it shapes leadership behavior.

Then we have *transformational leadership*, which can be categorized into *cooperative* or *strategic* leadership. Change leadership is a form of long-term, strategic leadership, focusing primarily on managing tasks. Meanwhile, *people development* involves the long-term growth of individuals.

At the foundation of all of this, I have included *self-leadership*. That is, knowing yourself and being able to lead yourself. It is the starting point. I describe it as the foundation of leadership.

**Satu:** You have been researching leadership for several years now. Has it influenced your practical experience, considering that you have also worked in leadership roles and consulting?

**Juha:** Yes, in a way, it has brought a sense of balance. In leadership, you often find yourself in different situations—sometimes you are developing people, sometimes you are planning a project, and sometimes you are managing processes to get things done.

But what research has helped me realize is: *Is the whole system functioning as it should?* Leadership functions, after all, are needs that a team, or a group, has. For example, a team needs *people leadership* in the short term—meaning there must be a good atmosphere, psychological safety, and a strong sense of teamwork and positivity.

On top of that, *results management* is crucial—clear roles and goals, tracking progress, measuring outcomes, and continuously iterating on the process. Both are important. Then there is *change leadership*, which is essential because people need a sense of purpose—an understanding of *why* change is necessary and a vision to guide them in achieving results.

Additionally, people need to feel that they are developing. Leadership researcher John Maxwell talks about four levels of leadership outcomes.

The first level is belonging—having good relationships, feeling included, and building trust within the team.

The second level is achievement—startups often begin at this stage, where there is an exciting and energetic culture, a strong sense of togetherness, and visible team activities, like having pizza nights or social events. But this alone is not enough. Eventually, people need to *achieve* something together.

I've seen this in my own organizations as well—people are really excited and can stay motivated for a couple of years just by achieving the same things. But generally, good employees want progress. *I* need to develop, and *our work* needs to evolve as well. So, the third level is growth and renewal—this is when an organization needs to evolve. In strategy terms, this is about *maintaining competitiveness*.

Finally, the fourth level is becoming a respected leader. However, this is not something you can simply "earn" overnight. It happens over years, even decades, of consistently leading well. People talk about Matti Alahuhta, for instance, who has been named Europe's best leader. He is certainly a respected leader, but it didn't happen instantly. He built that reputation through systematic, consistent leadership across different organizations.

He has performed well in these different organizations, and now we can probably say that he is a *respected leader*—that he has reached that highest level.

**Satu:** It sounds like you view leadership quite holistically.

**Juha:** Yes, I suppose that's part of my personality—I tend to think conceptually and systematically.

Leadership is *highly* systemic. That's why, for example, we don't have strong empirical evidence showing that teaching individual leadership skills alone leads to better leadership outcomes. Leadership training often focuses on specific skills, but the reality is that a *single* skill is never enough.

Instead, leaders need a toolbox—a broad set of skills. When a situation arises, they must recognize whether they need a wrench or a saw, metaphorically speaking. Leadership situations are rarely solved with just one tool; you often need multiple tools at once.

Ultimately, leadership is about applying knowledge and experience relevantly to the given context. Context itself is a key factor—people interpret situations differently. For example, one team member might want daily check-ins and conversations, while another prefers complete autonomy and will only ask for help when necessary. These are two entirely different *leadership expectations*. A good leader knows how to read their team and adjust accordingly.

**Satu:** In this podcast, we focus specifically on organizational renewal, and I'm looking forward to discussing it from a leadership perspective.

How do you, Juha, see the role of leadership in renewal? What aspects do you think are most important?

**Juha:** In renewal, the most critical thing is understanding why we need to renew and recognizing *where* we currently stand. Sometimes, renewal is driven by opportunity, but fear can also be a driver—the fear that if we don't act, we will lose out.

There is always an emotional foundation to renewal—a realization that *we need to change*. That's why, in change leadership, one of the biggest challenges is that everyone wants change, but no one wants to change themselves. This is a common saying, but it holds some truth.

And that's why, in change management, the challenge is that if you're simply told to change, it doesn't work. Everyone wants change, but no one wants to change themselves. It's a bit of an extreme way to put it, but that's how we often talk about it.

That's why, in change, we always talk about the need for hope, a vision, a beacon, a guiding star. The foundation of change must be that you can justify to yourself and others why the change is necessary. You also need to concretely define the benefits of the change, and from there, start identifying what we need to do differently to achieve it.

**Satu:** You have experience in different types of organizations, handling change and renewal. At Nokia, you were also the Head of HR during major transitions. Could you tell us about your time at Nokia—what kind of phases did you go through, and what challenges did you face as a leader during large-scale transformations?

**Juha:** Yes, the first ten years of my career at Nokia were about continuous growth and positive change. The next ten years were about continuous challenges.

When a company is growing, leadership is relatively easy—there are plenty of opportunities, young employees get promotions quickly, and people are excited about the company's success.

But when things become difficult, that's when leadership is truly tested. Some say that leaders are needed most *when times are tough*.

The last ten years at Nokia were definitely tough. We had to lay off tens of thousands of people, shut down sites—it was what I call *leadership dark nights*. There were moments of deep doubt. I remember one particular night when I thought, *Do I really want to do this? Am I the right person for this?*

And in those moments, it's not always very pleasant.

The last ten years at Nokia were tough, especially when we had to lay off tens of thousands of people and shut down sites. I call these *leadership dark nights*. There are moments when you feel truly desperate. And even though there were

valid reasons for these decisions, having to let go of so many people made me question myself one night—*Do I really want to do this? Am I the right person for this?*

At first, my answer was *no*. I didn't want to do it. But after reflecting, I realized—someone *has* to do this. And since I had been at Nokia for so long, since I knew so many of the employees personally, I felt that I had the *heart* for it. If I approached it in a purely technical way, it wouldn't be enough.

At the very least, I felt a deep connection to the people involved. If I approached this purely as a technical task, it wouldn't be enough. I thought that given my background, maybe it was actually a good thing that I was the one doing it. In a way, it was my responsibility—it simply had to be done. But what truly matters is *how* you do it.

This was part of the *Bridge* program we implemented at Nokia, which was an incredible initiative. It provided extensive support to employees in various ways—whether they wanted to pursue further education, we supported that, or if they wanted to start a business, we supported that as well.

In total, *1,000 new companies* were founded, *400 of them in Finland*. A year later, Aalto University conducted a study to see how these businesses were doing, and most of them were still operational.

Of course, severance pay was also part of the program. One key lesson we learned was that we had provided *very generous* severance packages, thinking that was the responsible thing to do.

But I also realized that the most effective measures were the *active* ones—the ones that engaged people. Providing training, helping employees find new jobs, actively searching for opportunities for them.

We had some incredible stories, like in Denmark, where the leaders themselves found jobs for their entire teams in Copenhagen.

These *active* measures were crucial because money alone can be paralyzing. Some employees calculated that if they had been at Nokia for a long time, they would receive 15 months' severance pay—enough to last two years. So, they might think, *Well, I don't really need to do anything in the first year.*

And then they take a kind of sabbatical. But we know that taking a year-long break isn't necessarily beneficial for people. In fact, those who were immediately engaged in new opportunities typically found their way back into work much faster. That was one of the key lessons we learned.

But overall, one of the biggest reasons why the *Bridge* program was so successful was that our own leaders took responsibility for it—because they, too, were being laid off.

This wasn't just a *technical* process where we outsourced the unpleasant task to an external firm. Instead, *our own people* ran the *Bridge* teams across different sites. Our leaders personally searched for jobs for their teams, helped employees transition, and provided real support. That's where the *heart* of the program came from.

To me, that was one of the most important lessons—when tough situations arise, you have to handle them yourself. And when the leaders themselves were involved, it made all the difference in how employees perceived the situation.

These are not just individual lessons, but perhaps the most fundamental takeaway is that in the most difficult *situations*, good leadership is needed the most.

**Satu:** When it comes to something as difficult as layoffs, how did you, as a leader, prepare yourself mentally? Or is it even possible to prepare for such situations?

**Juha:** Well, I have to say that the hardest moment was the very first time I had to lay off one of my own team members. You build personal relationships with all of your team members—you work with them every day. And then suddenly, you find yourself in a situation where, for one reason or another, you have to let go of a close colleague. I remember it being very difficult for me.

I've always been very focused on the business side of leadership, but I also have a strong people perspective. I genuinely felt the emotional weight of the situation and the human connection involved. That was probably the hardest part.

But after you've had to do it once, the next time is a bit easier—you've learned something from the experience.

And when you're honest with people and have a real, human-to-human conversation, it usually goes better than expected. If your intentions are good, if you have the right mindset, and if your goal is to support and help the person through the transition—even though it's a difficult situation—that makes it easier to handle.

When we were talking about tens of thousands of people, the situation felt a bit more distant. The hardest part was still having to lay off my *own* team members.

But as the Head of HR, the people affected were much further away from me in the organizational hierarchy—the frontline managers were the ones bearing the heaviest burden.

One moment when I personally felt the pressure the most was when we shut down the Bochum site in Germany. It was a manufacturing plant, and it felt like the entire German society turned against us. The media coverage was quite terrible—we were accused of all kinds of things.

Then, a couple of colleagues and I had to go explain the decision to the employees. We had rented an ice hockey arena, and inside, 2,000 people were gathered at one end of it.

There was a stage, a big podium, and behind me, in a semicircle, stood all the labor union representatives and city officials. Meanwhile, in front of me, spread across 180 degrees, were all the employees.

And then I stepped forward to give my speech—to explain why we were doing this. The feeling of anger in the room was palpable. It was one of those moments where you physically feel the hostility around you—when you are standing there and realize that absolutely no one wants to hear what you have to say.

That was actually the only time in my career that I truly felt at risk. I've often had security personnel with me in places like Latin America, but in this situation, the risk analysis suggested that something could happen.

So, we made the decision to have security guards in place to ensure safety.

After I finished speaking and we had gone through the Q&A session, the employees started dispersing into the arena's hallways. At that point, I was escorted out the back, through the corridors.

But the exit was on the other side of the arena, so I had to walk through the crowd—right past all of the employees. The security guards were waiting for me outside, and then they drove me to the airport—probably in an armored car.

The whole situation felt somewhat surreal, almost absurd in a way. But these kinds of things happen sometimes—this is the reality of what it's like in practice.

In that moment, I fully realized my role as a company representative—I was there to deliver the message. But I also felt the impact in a very real way. For

the employees, this wasn't just a business decision; for them, it was a personal catastrophe for many, and for their community, it was devastating.

**Satu:** In situations where renewal or change is not necessarily positive, how do you maintain hope and motivation among those who remain in the organization?

**Juha:** That's an excellent point you bring up. In fact, when it comes to layoffs, I often say that those who leave actually move on to something new. If they can emotionally process the change quickly, they have a fresh start ahead of them. Many people who were laid off from Nokia have later told me, 'Juha, it was the best thing that ever happened to me. I had been stuck in place, and this forced me into a personal renewal.'

But for those who stayed, the experience was often traumatic. Suddenly, they were left wondering—'Why was I not chosen to leave? Why did my colleagues have to go while I stayed?'

The colleagues who left had already taken a step toward something new—they could see hope on the horizon. But for those who remained, there was sometimes a sense of guilt or shame, 'My colleagues had to go, but I'm still here.'

That's why it's crucial to reignite emotional momentum within teams—to shift the focus forward, to say, 'Alright, let's move ahead. This is what we are working toward now.'

This is where ongoing conversations within teams become essential. Leaders need to know how to navigate these discussions, help their teams process the situation, and support individuals through the transition. That support is *critical*.

But the way people react is highly personal—some move on quickly, while others struggle with sadness or see the change in a very negative light.

This is where leadership, close colleagues, and even HR play a crucial role in helping both teams and individuals move forward.

**Satu:** Looking back, how do you see Nokia's culture evolving after all this? Did it start to take shape in a new way?

**Juha:** There were different phases, and in hindsight, perhaps the best analysis of this is in the book *Ringtone* by Doz. He had access to Nokia's leadership and

everything we had done, and he provides a thorough analysis of the key factors that led to the situation.

From all the research and analysis that has been done, you can already see that, in a way, the game was lost back in 2007-2008. It was clear that Apple had entered the market, and there was nothing that could have stopped that from happening. But when it comes to Android's dominance, Nokia still had real opportunities at that time.

By 2010, when a new strategy was introduced, it was already somewhat too late.

That said, what we did was a massive strategic and change management effort. The scale of what we worked on was incredible. We set goals for cultural transformation and leadership development, alongside our strategic objectives.

And when we measured the impact, interestingly, even though our financial performance was declining, employee satisfaction actually improved. Our leadership ratings improved, our cultural scores improved. Typically, these things correlate—financial success usually drives employee satisfaction and customer satisfaction. But in this case, the trends went in opposite directions.

We succeeded in shifting the atmosphere and improving leadership culture. For example, we tracked our leaders on a quarterly basis. Leaders who were ranked in the second quartile—if they didn't improve their leadership performance over time—they would eventually fall into the bottom quartile based on the evaluation process.

We managed to make significant progress. One key initiative was the development of leadership teams. In the Nokia Devices division alone, we had 160 top leadership teams, and each of them went through a structured process to strengthen collective leadership.

Each leadership team went through a structured process to develop collective leadership. They worked through key questions such as: What is your team's role? What does this transformation specifically mean for your team? How does our overall strategy translate into your team's work? What are the different roles within your team in executing this change?

In a way, it was a fundamental process that we went through with all the teams. We also addressed culture and leadership, making it very much a collective leadership exercise. It wasn't just about training individual leaders—we actually worked directly within the teams themselves.

Looking back, this is one of the key lessons I've taken with me. Even today, in my work with different organizations, I see the same pattern: if leadership training only focuses on individual leaders, teaching them new skills, we often assume that's enough.

Typically, we mix leaders from different parts of the organization to create cross-pollination of ideas, which is valuable. But the problem is that when these trained leaders return to their teams, the organization itself is not prepared for change.

The leader might return wanting to implement something new, but their colleagues, team members, and direct reports are not on the same page. They might not even understand what the leader is talking about, because the leader has adopted a different terminology and perspective that the rest of the team hasn't been exposed to.

But instead, when the entire leadership team is involved in the process—discussing the situation together and collectively deciding on the actions to take—the change starts happening immediately.

In transformation initiatives, it is far more effective from a leadership perspective to focus not just on training individual leaders, but on training entire teams together.

**Satu:** Exactly. And then, creating a shared understanding.

**Juha:** Exactly. It's about interaction, shared articulation, sensemaking, and a common goal. What is each of our roles? It's about seeking alignment, building cohesion, and also creating a kind of shared rallying cry—what is our team's, our group's, contribution to this vision?

And cascading is extremely important so that it doesn't just stay at the top levels. Especially in large organizations, just because the top three levels understand something well, it doesn't necessarily mean that employees at the tenth level understand it too. They need to be able to concretely interpret what it means for them—what actions they need to take differently.

The worst examples I've seen are organizations with thousands of employees that, for five consecutive years, have run some kind of organizational change exercise every year. The goal is to improve capabilities, and they have certain metrics in place.

And after five years, it becomes evident that, in practice, nothing has really changed at the operational level. However, organizational boxes have been

reshuffled five times, leaders have been replaced, reporting structures have been rethought, and leadership teams have been reorganized. But at the grassroots level, everything continues as before.

And you hear the cynics say, *'The caravan moves on, the dogs bark, but everything stays the same.'*

Then, the leaders come up with another new initiative for the following year, so people don't take it too seriously. This is the kind of cynical perspective you sometimes hear.

**Satu:** You mentioned earlier that ten years of your time at Nokia were about growth and, in a way, success, but then the direction changed. You were also part of Nokia's leadership team—how did these changes impact leadership team dynamics, atmosphere, and even identity?

**Juha:** Well, these kinds of changes have a huge impact. When you're successful—even then, of course, there are a lot of problems. I was in the Networks leadership team and held various other roles, and even when we were succeeding, there were always challenges. We had product issues, customers put pressure on us, and there were plenty of difficulties.

But the difference was that, during success, there was always a positive spin to everything.

But when success is no longer there, it's a different story... You've had this clear identity as a winner and a leader—or as a challenger.

In Networks, we always had more of a challenger identity, whereas in the Devices division, it evolved into a mindset of being number one in the world.

Networks had always operated with that challenger mentality because we were competing against Ericsson, and later Huawei entered the market. Before that, there were Motorola, Nortel, Lucent, and Alcatel—all of which eventually became part of Nokia.

But in Devices, the mindset shifted to we are the leader, we are the winner. And when things started to go downhill, the biggest issue—especially from an identity perspective—was that the leadership team suddenly found itself in a loser's identity.

You don't explicitly talk about it, but you start to feel it, we're losing this. It's what I call a loser's identity.

I used this as a kind of metaphor: we had been the leader and the winner, and now, suddenly, we had clearly become something else—this feeling of we're trying our best, but we're losing.

That's why it was critical to shift quickly into a challenger mentality. How do you mentally and in terms of identity transform the leadership team's energy so that they feel, yes, we'll prove ourselves, we are challengers again?

That energy is essential to drive change. At Nokia, it was clear, the leadership team was under immense pressure.

And at times like that, your energy levels can be low. We also worked very systematically to ensure that the leadership team's collective mental identity, energy, and overall mindset were in a place where we could say, Wait a minute, now we are challengers again, and we can do this.

**Satu:** Juha, we've talked before about how Aki Hintska also played a role in coaching the leadership team at Nokia. Could you elaborate a bit on how that collaboration started?

**Juha:** Actually, it all began when we started noticing that our energy levels were dropping, and there was this mentality of "We're trying our best, but who knows how this will turn out?"

So, I started thinking about who could be the right person for the leadership team to spar with and help build that sense of identity—the kind of winning identity that would restore our energy. I went through all the possible options globally. Of course, certain consultants and other familiar names came to mind, but then I had this *dark horse* idea.

At the time, I didn't know Aki Hintska personally, but I had read a lot about him. It occurred to me that we had a fairly sporty leadership team, and that Aki, coming from the world of Formula 1 as a doctor, might resonate with us. So, I thought—why not invite him to come and talk with us about this?

And then I met Aki, and together—along with some other members of the leadership team—we decided to bring him on board. Aki agreed to become our coach.

With Aki, we went through these issues in depth, and he also coached us individually. It was really valuable because, first of all, we were able to regain our own balance and rebuild our energy. We focused on the fundamentals—how to take care of our personal energy—but also collectively, we engaged in

sense-making and reflection. We explored our identity as a team: *Are we here to win, or what exactly are we here to do?*

And that really helped. Through that collaboration, my relationship with Aki started to develop—we realized that we had quite similar missions. Aki, as a doctor, had a strong individual perspective, focusing on physical, mental, and social well-being at the personal level. Meanwhile, I had been deeply thinking about organizational well-being, particularly the psychological mechanisms behind it.

I was exploring questions like: *What is culture really? What makes a good culture, good leadership, and effective ways of working?* So, while Aki focused on individual well-being, I was looking at the broader system—organizational well-being through culture, leadership, and work practices.

Eventually, we came to the conclusion that we should combine these perspectives and founded Hintsa Performance together. I used to say that this is a multiplication equation—it's not enough for individuals to be thriving if the organization isn't, and vice versa. Even if you have a great organizational culture and strong leadership, if individuals are struggling, that's not enough either. But when both are in good shape, the effects multiply and reinforce each other.

**Satu:** Hintsa Performance is indeed a very different kind of organization compared to Nokia, and with Aki, you really set out to build a startup.

I'm curious—what have you learned from leading organizations of such different sizes and types? What are the key considerations when managing such diverse kinds of organizations?

**Juha:** Yeah, that's a great point—it really is very different. Over the past ten years, I've worked with companies of various sizes, and one thing I've noticed is that organizational dynamics change significantly depending on the number of employees.

There also seems to be a psychological aspect to this. When an organization has fewer than 60–100 people, the dynamics are quite different, Hintsa operated within that scale. But once you grow beyond 100 and up to 600 or even 1000 people, the dynamics shift again. At that point, you already need a range of different leadership practices and shared ways of working to ensure alignment and coordination across the organization.

Once an organization grows beyond 600–1000 people, the dynamics shift yet again. Based on my experience, one key risk at this stage is that you may start to lose a strong, positive culture as formal leadership and HR processes begin to take over. When these structures become too rigid or overemphasized, they can unintentionally suppress some of the freedom, autonomy, and flexibility that made the company successful in the first place. The ability for individuals to make independent decisions and use their own judgment can sometimes fade, leading to a more bureaucratic or hierarchical culture.

At that stage, the culture can become quite hierarchical, with a strong focus on control and coordination—which aligns with traditional management approaches. This shift can sometimes stifle the agility and autonomy that were present in the company’s earlier phases.

When we started Hintsia, we were just a small team. I stepped in as CEO, and we were essentially building the company from scratch. In that early phase, things are quite straightforward—you have a clear mission, a well-defined product or service, and your main focus is finding customers.

But when you start scaling, the focus often remains heavily on the product—which is typical for many startups.

We already have plenty of great technology startups and others. But after the initial product focus, the next big challenge emerges: going to market—figuring out how to reach customers and gain traction. This introduces a different dynamic, requiring a different set of people and capabilities.

At this stage, the company has to evolve from being purely a product-driven organization into a marketing and sales-driven company as well.

Then, if things take off, scaling becomes the next big challenge. Suddenly, operations management and internal structures become critically important. And how do you ensure that you don’t turn from a great product company just into a marketing company?

And then from that, the risk is that you just become this kind of quite machine-like operations company, but how to keep the good dimensions of all these. And you kind of just develop further as an organization, so it is also a kind of mindset question and dynamics. And somehow, my own experience now is that it is that 600–1000 people.

And then there's the risk of becoming just a highly mechanized, operations-driven company. So the question is how to keep the good dimensions from all aspects?

To develop in this as an organization is also a mindset and dynamic question. Based on my experience, this becomes particularly critical when a company reaches the 600–1000 employee mark—that's where these shifts in identity and focus tend to become most pronounced.

That's often the point where these large companies with tens of thousands of employees—they don't want to be like a startup, but they often wish they could operate more like a 600–1000-person organization.

In that size range, there tends to be more self-direction, empowerment, and a high level of enthusiasm and motivation among employees. There's often a lot of inspiration and a sense of hope, without being burdened by excessive red tape, rigid processes, and bureaucracy.

And then, on the other hand, companies with a few hundred employees or those growing into the 600–1000 range need to introduce a bit more structure and systems to enable scalability. They need to find ways to keep operations under control and avoid too many surprises.

And that's something we've been thinking about with colleagues, what does a maturity model look like? What new practices need to be introduced as an organization grows, and how do you implement them in a smart way?

We haven't yet found the Holy Grail, but there's something fascinating about this challenge—discovering a model that combines the best of both worlds: the agility, strong culture, and motivation of a smaller, more dynamic organization, and the scale and strengths of a large, global company.

**Satu:** Let's shift the discussion to well-being in organizations. You're involved in the Exponential Work research project with Associate Professor Niina Nurmi from the Department of Industrial Engineering and Management. In this project, you've been examining workplace well-being and organizational performance.

I'd love to hear about the key insights and learnings that have emerged from your research. Are there any particular findings that leaders could take away and apply in their own organizations?

**Juha:** The starting point for Exponential Work was really about understanding the future of work. We wanted to explore what drives exponential performance and widespread flourishing within organizations.

We took a broad measurement approach, integrating factors related to individual well-being, organizational efficiency, leadership metrics, cultural indicators, and employee orientations. In total, we used over 50 validated metrics, which made it a massive data collection effort—especially considering that each validated metric typically consists of at least three questions.

It was quite a big undertaking, but our thinking was that if we really wanted to pinpoint the most critical metrics and concepts, we needed to ask related to all of them. The goal was to identify the essential metrics by testing a broad range of them.

Also, one key challenge was figuring out how to get people to engage with and respond to such an extensive survey.

So, what we did was build Python scripts that generated personalized reports for each respondent based on their answers. This way, participants immediately received insights into their own situation, which created a clear incentive to respond.

Typically, when universities or research teams collect data, there's no direct benefit to participants until the study is completed. But in our case, people got something useful right away.

In addition, we created an organizational report, which was particularly valuable given the large number of different metrics we used. This report provided organizations with a comprehensive overview on how their employees were doing in terms of well-being, how they compared to other organizations, how is our leadership, culture, and ways of working, the impact of hybrid and remote work also.

Niina specifically researches virtual and hybrid work, and we included several metrics related to this area. The results provided organizations with a clear and comprehensive picture of their situation, allowing them to see where their opportunities for improvement lay and where their strengths were. This helped organizations realize, for example, that certain areas had potential for development, while others were already working well.

We had some really great workshops with these organizations, and it became clear that they came from very different backgrounds. Our study included public sector organizations as well as companies from various industries. One of the

key observations was how much these differences shaped the results. For example, when looking at a healthcare organization, the sense of meaningfulness in work was exceptionally strong. Employees in that sector experience a profound sense of purpose, which clearly stood out as a strength.

When looking at a more traditional industrial company, the picture was quite different. One key finding was that when considering culture first, a strong "master climate"—which we define as a development-oriented culture where people are motivated to grow and improve—was positively correlated with almost all desirable outcomes.

When it comes to leadership, certain aspects always correlate positively. We identified leadership functions, which are the fundamental actions that leaders should always focus on. The data clearly showed that relationship management, results management, change leadership, and people development are all consistently positive factors. These leadership functions correlate with all positive organizational outcomes, including performance and key mediators that influence success.

I also distinguish between leadership styles and leadership functions, which is an area that often causes confusion. We tend to talk about everything in terms of leadership styles, but for me, a style is something you choose depending on the situation—it's not something that is inherently required. For example, whether you should take a more empowering approach or a more directive approach.

Are you more democratic or authoritarian? Are you an empowering leader? These, to me, are questions of leadership style.

I've categorized leadership styles into empowering leadership and a more directive leadership approach—but without the extreme authoritarian mindset of "*I am always right, and I make all the decisions.*"

Or is it more about recognizing when more guidance is needed? For example, if a team member is new to their role, lacks the necessary skills, or is struggling with motivation, then a more directive approach is necessary to provide structure and support.

Both leadership styles—empowering and directive—are positive. Our data shows that empowering leadership is always preferable when it can be applied effectively, but directive leadership also has a positive impact when the situation calls for it.

However, the negative leadership styles we identified were passive leadership and authoritarian leadership.

Passive leadership refers to a hands-off approach, where the leader is largely absent from guiding or supporting the team, leaving team members to navigate challenges on their own without sufficient direction.

Authoritarian leadership, on the other hand, is an extreme form of directive leadership, where the leader operates with a “I know best, I control everything” mentality. This style is rigid, highly controlling, and leaves little room for employee autonomy or input.

And then there’s abusive leadership, which involves bullying was negative. What was particularly interesting, though, was that passive leadership and abusive leadership had equally negative effects.

One might assume that abusive leadership would be significantly worse, but in reality, passive leadership was perceived just as negatively.

And this creates an interesting dynamic in the Nordic countries. While our data doesn’t give a fully definitive answer, it indicates that when we ask employees about their leader’s style, and then separately ask leaders how they perceive their own leadership, a discrepancy emerges. A leader might think, “*I am an empowering leader.*” However, the way their leadership is actually experienced by their team can sometimes tell a different story.

But the employees might respond, “*No, you are actually passive.*” This suggests that in the Nordic leadership culture, where leadership is often collective and empowering, there is a risk that what is intended as empowering leadership can actually feel like neglect to employees.

This highlights an important point: if you want to be an empowering leader, you still need to practice servant leadership—you have to be present, supportive, and engaged. Being empowering doesn’t mean stepping back completely; it means ensuring that everyone understands their goals, roles, and has the support they need to succeed.

You ensure that they have the skills and tools to achieve their goals, and you help them develop. That is active leadership. Then we looked at the mediators, the needs of the people. It was quite clear that... There are essentially two paths here.

So, if we think about managing tasks and results, both results management and change management play a crucial role. When there is a clear direction, you

gain a solid understanding of what needs to be done, allowing you to effectively lead task management. For this to work well, roles and goals must be clearly defined. If these were well established, they served as key mediators, leading to positive organizational outcomes and improved performance.

Then there's another path: when you foster a positive atmosphere, lead people effectively, and build strong relationships, it drives a different kind of motivation—one rooted in need satisfaction, as described by Deci and Ryan. This includes the experience of autonomy, the sense of competence, and relatedness, the feeling of doing things together. When these needs are fulfilled, they lead to positive well-being outcomes and a more engaged workforce.

In leadership, there are essentially two key pathways, and both need to happen simultaneously. However, very few studies examine both at the same time. This is why we often see research headlines emphasizing just one aspect—for example, that to ensure people are engaged and not burned out, you need to focus on things like psychological safety, which is indeed essential for well-being.

But if the goal is to achieve concrete results—numbers, measurable performance, and outcomes—then the more relevant path involves clarity of roles and goals, tracking progress, ensuring clear metrics, and being able to learn from the process and adjust accordingly. The reality is that both pathways are necessary—a thriving organization needs both strong well-being and structured execution to succeed.

When we zoom in on the individual level, one interesting finding was what predicts positive outcomes. One strong factor was learning orientation, which turned out to be beneficial. It makes intuitive sense, if someone has a development-oriented mindset, they are naturally inclined to improve and grow, which often leads to positive results.

However, we also discovered a correlation in our data that highlights a potential downside: a higher risk of burnout among individuals with a strong learning orientation. This likely happens because learning-oriented individuals tend to see inefficiencies and opportunities for improvement, which can lead to constant reflection, problem-solving, and striving for change. While this drive to improve is valuable, it can also become mentally exhausting if not managed properly.

This creates additional cognitive and emotional load, increasing the risk of burnout. You can actually see it in practice—those who are the most engaged and highly motivated are often the ones at the greatest risk of overloading themselves. This aligns with research from occupational health institutes, which

highlight that while experiencing flow at work is beneficial, it can also lead to excessive strain if not balanced properly.

**Satu:** In a way, even positive emotions and enthusiasm can be exhausting.

**Juha:** Yes, and it's essential to manage this balance, both as an individual and with the support of colleagues, leaders, and the organization.

As organizational researchers, we often refer to the Job Demands-Resources model, which focuses on balancing work demands and available resources to prevent burnout and sustain performance. At Hintsa, we frame it slightly differently, looking at it through the lens of life demands and requirements, emphasizing a more holistic approach that integrates both work and personal well-being.

Because in the end, demands and resources apply to our entire life, not just work. Our personal life also brings both supporting resources and various demands that can impact our well-being. There are times when personal life becomes particularly demanding, creating additional strain that affects how we function at work.

This isn't something that emerged directly from our study, but it's clear that when leaders understand and acknowledge these factors, it makes a huge difference. Instead of reacting with frustration—"Why has Juha's performance suddenly declined?"—a leader who is aware of an employee's situation can take a more supportive approach. It shifts the conversation from judgment to "How can I support you?"

**Satu:** In her episode, Charlotte from WithSecure highlighted a similar point, how crucial it is to understand what's behind perceived resistance to change in an organization. What might appear as change resistance on the surface could actually stem from exhaustion or stress unrelated to work.

**Juha:** Yes, it's really important. Interestingly, we actually measured factors like sleep and physical activity in our study. We assessed movement in a very comprehensive way, looking at different types and amounts of physical activity.

One particularly interesting finding from our data—again, this is just our dataset, not a broad scientific consensus—was that those who went to **the** gym very frequently didn't report as high well-being levels as those who exercised a bit less.

And those who engaged in walking and endurance training tended to report better well-being compared to those who spent a lot of time at the gym.

One anomaly we found in our data was related to sleep. Surprisingly, people slept better during the week than on weekends, and they slept the worst during vacations. This was unexpected. We measured sleep by asking participants to self-report various aspects, including how many hours they sleep, how many hours they think they should sleep, how easily they fall asleep, whether they wake up during the night, and how rested they feel in the morning.

Another key insight—since our dataset focused on knowledge workers—was that mental recovery was more important than physical recovery. This suggests that for knowledge-intensive work, managing cognitive load and stress levels plays a bigger role in well-being than just focusing on physical recovery.

So, mental recovery means being able to detach from work, relax, and feel a sense of control over one's life. Interestingly, learning something new also turned out to be mentally restorative.

**Satu:** Absolutely. In today's always-online environment, being able to create distance from work and digital spaces is crucial for recovery.

Juha, you've spoken quite a bit about the importance of workplace well-being within organizations. How do you see its role or connection when it comes to change readiness and organizational renewal efforts?

**Juha:** Workplace well-being has been declining, especially on the mental health side, as we can see from the data. At the same time, we know that well-being can be a major driver of productivity when properly supported. However, there are certain pitfalls in how workplace well-being is understood and addressed.

One of these pitfalls is that well-being is often framed too much as an individual responsibility, closely linked to self-help thinking. There's a common belief that "it's all up to me", meaning that individuals are solely responsible for managing their own well-being.

When we look at self-help literature on workplace well-being, it often focuses on individual actions—like getting enough sleep, exercising, managing your tasks, and improving relationships at work. But it's important to recognize that well-being is also a communal experience. How your colleagues are doing can have an impact on your own well-being. Therefore, workplace well-being should be understood as a collective experience, not just an individual one.

When I talk about workplace well-being, I'm referring to the two distinct paths we discussed. As I mentioned earlier, well-being and fulfilling individual needs

act as a mediator for organizations. The path to fulfilling personal needs and maintaining well-being is not the same as the path to task performance—to successfully completing individual and organizational goals.

But there is a positive correlation: when your needs are met and you experience a positive state, it naturally boosts motivation. When you feel aligned with your ambitions and in a good mental space it influences your ability to achieve results.

You can't talk about well-being without also considering performance, and vice versa. This is one of the paradoxes of today's leadership, I talk a lot about how leadership today is filled with paradoxes.

One of the key paradoxes is that you have to manage both well-being and performance—not just at the individual level, but also at the team and organizational level. This is why leadership is so complex today. If you're a middle manager, for instance, you're not just leading your team, but you're also leading yourself. On top of that, you might also be responsible for a broader organizational role—such as a functional or business responsibility. And don't forget, you're also under the influence of higher-level leaders, who are placing expectations on you from above, as well as lateral influences from your peers or colleagues.

In this role, a leader must be able to prioritize wisely and manage their time effectively, because as we know, leaders never have enough time. A leader could easily spend ten hours a day reading emails, or sit in meetings for another ten hours, or even spend time traveling. It's easy to end up focusing on non-essential tasks and let the whole workday or workyear slip away.

**Satu:** So, self-leadership is absolutely crucial.

**Juha:** Yes, it is very important.

**Satu:** I was thinking, when we talk about mental recovery, it's especially important in the context of change and renewal within organizations. These processes often come with a lot of uncertainty and ambiguity about what the future holds, which can be cognitively exhausting, especially for some individuals more than others. The key here is that when people have strong mental recovery, they're likely to be more resilient and able to cope with change.

**Juha:** Absolutely, it's clear that our cognition operates in such a way that when we're under high stress, we tend to revert to basic survival functions. We focus on what's immediately pressing, as our energy becomes limited. Renewal and change, on the other hand, often fall into that important but not urgent category. You may remember the Eisenhower matrix, where urgent tasks always seem to override important tasks.

The challenge is finding time for those non-urgent but important tasks—which are often related to innovation, development, and organizational renewal. If your day is filled with reactive tasks—the proverbial firefighting—there's simply no capacity left to engage in thoughtful reflection, renewal, or long-term thinking.

This is where we see the value of reflection and focus, which are key on both individual and team-organization levels. The ability to reflect, focus, and prioritize becomes even more essential in today's reactive world, where you're constantly being bombarded with information and demands.

**Satu:** Sounds like, even for a busy leader, it's crucial to carve out time in the calendar for thinking and reflection.

**Juha:** Well, yes indeed. An insight from Hertta, my colleague—thinking about your thinking is essential.

**Satu:** Exactly. Before we wrap up, I'd love to hear some advice from you for individuals in leadership positions within organizations today. If you were to reflect on the key three lessons or insights you've gained throughout your career in organizational renewal and leadership, what would you want to share with them?

**Juha:** I think the starting point, as we discussed earlier, is that there must be a reason—the why is always the first question to ask, not the what or the who. What is our vision, and why is it important for me and for my team? Finding that clarity is crucial, because once you spark motivation in people, everything becomes much easier.

If you try to force a change without that, you'll encounter a lot of resistance. So, having that discussion about the underlying reasons and purpose is essential. I feel that, when we talk about Swedish leadership, for example, they tend to be better at shared sensemaking and open dialogue, which is such an important part of driving change.

The second key point is that, according to some data, two-thirds of change initiatives fail, with some reports showing failure rates between 50-70%. How do you concretize change? In every change process, there are always beliefs and cultural elements that need to evolve, not just the tangible tasks. It's about shifting the way we think, and that shift should be made very concrete.

Then you also have practices—what about our processes, our tools, and how we work? These need to be clear and actionable.

Finally, there's the role of leaders. Do they model the change they are talking about? If leaders say one thing but do another, it's immediately clear to everyone that the change isn't authentic. So, leading by example is vital for creating true change. It's about how that cascade happens across the organization.

My third observation is that we are often too impatient. Change, especially when cultural elements are involved, takes time. If you look at McKinsey or BCG data, they've been involved in many transformation projects, and they say that in larger organizations, it can take up to four years to achieve real change.

Four years. How many change initiatives are expected to make an impact in one or two years? But if it's going to take four years, then we need to invest in that process for the long term. There's often a rush in the beginning to sell the project, and millions are invested into the change effort. But by the second year, there's no further budget allocation. We need to think differently—if it's a cultural change, it will take time, and that investment needs to be sustained.

If it's a process change, it's easier to implement, but it still takes time, and that time must be invested. We also know that metrics are crucial—without concrete, measurable indicators, you can't track progress or success. In strategic change, there are three perspectives that need to align:

The strategic perspective is about what the change is and what activities need to change to make it happen.

The financial perspective is how the change will be reflected in numbers. These two perspectives need to be in sync. The metrics should not just be numbers in an Excel sheet but should have real evidence showing how the activities will drive the desired outcomes.

The organizational capability perspective looks at whether we have the right people for the change, whether they have the skills to make it happen, and whether we're investing in the right tools—like the right HR or IT solutions.

All three perspectives need to be in sync, and often in organizations, these elements are quite siloed. There's the finance team working on Excel sheets, the strategy team working on action matrices and OKRs, and sometimes they come together in the best-case scenario, especially when these perspectives align in the OKRs. Meanwhile, HR is thinking about how many resources and what competencies are needed.

We often end up being optimistic. For example, I've learned that when it comes to product development projects, I need to double the expected resources and the time it will take. If the business case still holds, it becomes a strong case. However, marginal cases are typically quite optimistic, believing things will happen much quicker than they actually will. My experience is that most business cases, whether for startups or other initiatives, are rare examples where things happen faster and with fewer resources.

In most cases, things take more time and require more resources and money than initially expected. If you want success, you need to be patient, as change often takes longer than anticipated. Leaders, however, tend to be impatient. They need to manage expectations—both downward with their teams and upward with higher management.

Expectation management is critical, and it applies even to the leadership team. You can achieve the same result, but the experience could either be one of disappointment or an incredible success. It's about balancing ambition—setting high goals, but not so high that it leads to a sense of failure if the targets aren't met.

It's about the leader's own insight and understanding of how to tune the atmosphere so that the team feels they are constantly exceeding expectations and moving forward. It's about creating experiences of success where people feel that they're on the right track.

The danger is, even if things are going well, the team can still feel like they're falling behind or not meeting their targets. This can create a sense of frustration or lack of progress, even though objectively the organization is performing well.

Exactly, the change process is largely about emotion management. While there is a lot of concrete planning and task cascading, a big part of it is about how you manage positive emotions, hope, and belief. It's about creating those moments of success, where people feel like their work is meaningful, that what they are doing together really matters, and that they are making progress and winning together.

As a leader, it's crucial to create those positive emotional experiences within the organization. But it can't just be about words—there need to be real, tangible achievements that validate the process. If all you have is talk without concrete outcomes, the positivity won't last. You might boost morale temporarily, but to keep it sustained over the long term, you have to deliver on the promises and create a genuine sense of accomplishment that people can feel and connect with. This ability to maintain positive momentum is a key leadership skill.

**Satu:** Thank you. It's been incredibly interesting to listen to your extensive experience in leadership and organizational renewal, and to understand the complexity and multi-layered nature of leadership. It's clear that leading change isn't always easy, but it can be extremely rewarding when you're able to drive change together with people. Thank you, Juha.

**Juha:** Thank you.