

Leading in Tough Times

By Dr. Stephen L. Cohen

The old saying of “when the going gets tough the tough get going” could never be more appropriate for leaders during these extremely harrowing economic times. Now, more than ever before, organizations need to take stock of the value and importance strong leadership brings to the table and how leaders can:

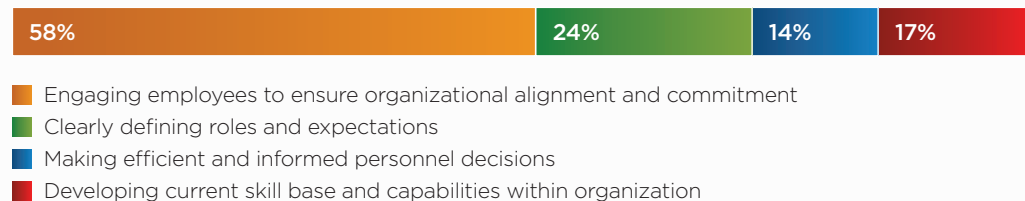
- effectively navigate turbulent times,
- withstand the pressure to give in,
- look far enough ahead to see the light at the end of the tunnel,
- communicate positive intent and optimism, while also being candid, clear and real,
- do more with less, and
- assume responsibility for forging ahead.



During difficult economic climates, businesses and their leaders are forced to change their priorities to increasing revenues and increasing productivity from those of better times when priorities also include such initiatives as recruiting, developing and retaining leadership talent. Unfortunately, the latter activities too often fall into the bucket of likely budget cuts, when, in fact, strong leadership may be the single most critical means for effectively managing out of trouble.

Right Management recently conducted a survey of more than 500 senior leaders and human resource professionals to identify the most important leadership practice fundamental to achieving business goals during tough times. More than half of respondents cited “engaging employees to ensure organizational alignment and commitment” as being the most important leadership practice. While other practices were noted as important, none came close to the importance of engaging and aligning employees.

When leading in tough times, what leadership practice is MOST important to achieving business goals?



Source: Right Management online poll of 600 senior leaders and human resource professionals, conducted January to February 2009.

LEVERAGING LEADERSHIP ASSETS

Research has mounted over the last several years clearly demonstrating the economic value of top versus marginal performance, amongst all employee levels, but especially for leaders. Organizations perceived as possessing top-tier leadership generally deliver higher total shareholder value than those thought to have poorer leadership. So, while not necessarily of mathematical proof, this type of research provides evidence of the importance of organizational leadership during good times. One doesn't have to speculate too much to understand the increased value of strong leadership to the bottom-line during tough times.

Add to the current economic conditions the well-documented leadership supply crisis caused by demographic and geographic shifts, rapid global expansion, and what has been relative underinvestment in developing leaders, and it is clear that organizations must now, more than ever before, step up to the challenge by providing leaders with the necessary support and resources to effectively manage under these conditions.

Organizations perceived as possessing top-tier leadership generally deliver higher total shareholder value than those thought to have poorer leadership.

PROVIDING LEADERSHIP TOOLS

The key to navigating these times, then, is not only addressing the current concerns, but building the capacity to prepare for effectively managing during better times. But, what does this look like and how can more effective leadership help navigate the currents of economic difficulty? How can organizations weather the economic downturn and position themselves to be even stronger coming out of it, particularly when the unfortunate reckoning with downsizing is financially required?

When all is said and done, leading in tough times means:

1. Leading more efficiently and wisely by making more informed personnel decisions,
2. Defining roles and expectations,
3. Insuring continual upgrading of the current skill-base and capabilities across the organization, and
4. Engaging employees at a far deeper level.

It is the organization's responsibility to provide its leaders with the necessary skills and tools to effectively conduct themselves in this climate. Whether you are a senior leader or a human resource professional who can provide developmental support to your organization's leadership, it is time to step up to the plate.

1. Making More Informed Personnel Decisions

The keys to effective talent and succession management are individual assessment and competency modeling. Each one of these provides a solid foundation on which to make informed data-based decisions about the current and future leaders of the organization. Competency models provide leaders with accurate business-focused targets and profiles by which they can reliably hire, develop, promote, review and reward employees and other leaders at all levels. This synergistic effect between HR subsystems carries value both in economies of scale and skill. Linking HR subsystems to a common denominator, such as competency models, also drives operational efficiencies, much needed during poor economic times. And, possessing a wide array of culturally adaptable individual assessments allows leaders to find the right people to hire, promote, develop, place and transition. Such tools and processes are even more critical during difficult times when there isn't as much room for making personnel mistakes. Using a competency model foundation with accurate, consistent and legally defensible individual assessments allows leaders to place the right people into the right positions at the right time, thereby driving overall organizational productivity, quality and impact.



Individual assessment and competency modeling provides a solid foundation on which to make informed data-based decisions about the current and future leaders of the organization.

2. Defining Roles and Expectations

Turbulence means uncertainty and uncertainty often results in lack of clear understanding of roles and expectations for leaders and their direct reports. Roles are defined differently, expanded, contracted and sometimes simply left to evolve as the organization sorts itself out. Leaders must bring clarity to not only their direct reports' continued contributions and performance expectations, but also for themselves as well. If they are unclear about their role during these difficult times, they can't very well expect their direct reports to be clear about theirs.

One of the issues highlighted during difficult business climates is the leader's struggle to provide the appropriate balance between personal relationship skills and empathy and more harder edged task-focused demands. In good times, when moods are positive and everything is going according to plan, strong interpersonal skills are often enough to impact desired business outcomes. But, in tougher times which often call for more draconian actions, including budget cuts and layoffs, leaders must learn to demonstrate even stronger interpersonal skills while also balancing these with toughness, making typically harder decisions based on their role as a professional manager and the functional knowledge and expertise they possess. In some cases, this may mean even distancing oneself somewhat from those the leader has interpersonally embraced. Managing through this paradox of being simultaneously hard and soft is probably one of the most difficult

challenges leaders face during tough business periods. During such times when frequent and massive change is common, leaders must provide role clarity to those for whom they are accountable.

3. Insuring Continual Skill Development

Of course, the most logical action is to either continue or increase investing in the development of leaders at all levels. Preparing a strong leadership pipeline of “ready-now” candidates based on their assessment and development insures those leaders who continue to serve, or remain after a downsizing, are most capable of performing not only at the highest levels but doing more with less and lead effectively through change. By having a strong succession management process in place, identifying high potential and high performance leaders, organizations will be in a much better position to identify talent to take on new roles brought about by the organization’s changes.

Coaching not only helps these leaders perform better but also demonstrates the organization’s long term commitment to keeping them.

One way to keep the skills and capabilities of the best continually honed, as well as abetting the continual development of the “up-and-comers,” is to provide targeted coaching in how to address the changes taking place around them for which they have relatively

little control. Coaching not only helps these leaders perform better but also demonstrates the organization’s long term commitment to keeping them. One specific development opportunity that almost always surfaces during tough times involves change management. Helping leaders learn how to more effectively manage change will undoubtedly prepare them for performing more effectively both during and after the downturn.

4. Engaging Employees

Probably the most significant leadership development need during tough times is providing leaders with the tools to effectively address the transitions and adjustments that will need to be made given the downsizing and budget cuts that takes place. It is often said that those remaining after a downsizing have an equally difficult time adjusting to the new order, feel guilty about staying behind while many of their colleagues weren’t as fortunate, are nervous about the next “shoe” dropping on them, and are concerned with the lack of clarity associated with their own roles going forward. While their colleagues may not have a job anymore, at least they know that and can take forward looking action to address the situation. Those who remain are typically anxious about the ambiguity in their own situations despite the fact they still have a job. Leaders must manage this situation



When leading through tough times, keeping employees engaged includes spending time with your people rather than avoiding them, answering their questions to the best of your ability, and most importantly, continually reinforcing their value to the company.

very skillfully or they are likely to see those remaining either start looking for another job, disengage from the company attitudinally, or simply “quit and stay” while waiting until the air clears. Leaders need to know how to handle this situation with all their direct reports, not to mention overcoming any fears and concerns they might have themselves. Recommended activities include spending time with their people rather than avoiding them, answering their questions to the best of the leader’s ability, and most importantly, continually reinforcing their value to the company.

What all of these initiatives do for the organization is engage both leaders and employees in understanding the existing conditions and how they can collectively assist in addressing them. Reaching out to employees during difficult times to better understand their concerns and interests by openly and honestly conveying the impact of the downturn on them and their organizations can provide a solid foundation for not only engaging them but retaining them when things do turn around.

CONCLUSION

Invest In Your People

Effectively managing talent is a top priority for organizations looking for ways to successfully navigate the current economic climate while continuing to meet business objectives. While layoffs abound, it is also paramount to continue to invest in your employees and develop your leaders. Organizations need to keep positions filled and produce at the utmost levels of performance. The best leaders deploy strategies to invest in their employees so that they can meet both current and future needs and can respond quickly to changing market demands. To paraphrase a well known call to action, *now is the time for all good leaders to come to the aid of their organizations.*

ABOUT THE AUTHOR

Dr. Stephen L. Cohen is the Senior Vice President for Right Management’s Leadership Development Center of Excellence, responsible for managing the firm’s portfolio of leadership programs and services. He can be reached at steve.cohen@right.com.

ABOUT RIGHT MANAGEMENT

Right Management (www.right.com) is the leading global provider of integrated human capital consulting services and solutions across the employment lifecycle. We offer consulting services in four areas: Attract & Assess, Develop, Engage & Align and Transition. These services help our clients maximize the return on investment in their people, while assisting individuals to achieve their full potential. Right Management has a global network of more than 300 service locations in over 50 countries and is part of the Manpower Group of companies, the leader in the world of work. Partnering with business and HR leaders at mid-sized and large companies, we have over 3,100 employees, and serve 80% of the Fortune 500 and 50% of the Global 1000 companies.