

# Clear Leadership for Uncharted Waters

## At the Helm of Your Own Ship

While the economic downturn will eventually level off, predictions indicate that the current conditions will remain for an extended period of time. As companies face persistent uncertainty and the necessity to adapt to rapidly fluctuating markets, leaders are faced with the challenges of maintaining positive leadership practices while under increased stress. Even firms that have so far avoided hard times must deal with the cascading changes throughout global and local economies that impact employee and customer loyalty, security, and everyday decisions. Many firms that have been hit hard are steering in waters that they may not have experienced before. Knowing how to approach leadership during extended times of uncertainty can help organizations maintain their leadership advantage, weather the storms, and even grow stronger in the process.

Over the past forty years, PDI has gained invaluable experience in leadership consulting with several of the world's most solid and enduring firms and has put together some practical advice that reflects best practices in leadership during times of uncertainty. This information can assist organizations searching for ways to successfully navigate through today's turbulent waters.

## Use Care in Making Strategic People Decisions

Decreased, delayed, and canceled business, along with other necessary tactics when companies fall short of profit projections, are common responses to struggling markets. As organizations review budgets and look for ways to accommodate decreased revenues, leaders are tempted to scale down employee development initiatives or eliminate them entirely. While this may be necessary, care must be taken to communicate and implement the decision in a way that will still reinforce the organization's commitment to its talent. If done poorly, it may seem like a "panic attack" to the workforce and create a self-reinforcing cycle that loosens the bonds of loyalty across the business.

Organizations must think carefully and strategically about their talent before they cut. Poor decisions at this time can take the focus off achieving competitive advantage or damage the positive aspects of the company's culture. Keep in mind that this economic challenge will eventually pass, and organizations with leaders who have reinforced their culture and their sense of internal loyalty will emerge with greater strengths.

## Lead Well in Tough Times

Leadership is about rallying people behind a shared vision, mission, and goals. It is about connecting human action with specific objectives and aligning people and groups to work together toward those ends. In the midst of fear and increased stress, leaders must take sensible action. Their role is to reduce employee stress and fear and create a sense of shared purpose and understanding of the day-to-day priorities. Their message is: "we are in this together" and "we can do this together."

## *Focus on Connecting Talent to Business Strategy*

- Organizations need to strengthen the connection between business strategy and its most critical talent pools, considering questions such as: are short-term commitments vulnerable due to lack of talent to help achieve core strategies? Are sales teams staying connected with customers, and how they are retaining key accounts?

- Leaders need to ensure their people are focused on addressing the key business challenges of the coming months. Consider what types of behaviors need to be driven, monitored, and reinforced. It may be as simple as clarifying the business context so day-to-day priorities are clear. Or, it may be as tough as highlighting the negative outcomes that may occur if business challenges aren't addressed.
- When there are multiple goals that need to be reached, reinforce a sense of balance. Remind people to explore how their goals may be connected, and not just make an either/or choice. Many firms struggle with finding this balance, but it is critical to maintain it. Keep in mind that there may not be a perfect solution, but that compromise and aiming for the best possible solution for the current situation is a reasonable goal.
- When restructuring and downsizing is necessary, make sure to do so in a way that re-engages your remaining workforce. Cutbacks create a sense of helplessness up and down the organization. Leaders need to acknowledge the pain and frustration and ask teams what they believe are the top priorities at this time. Take steps to ensure that newly created groups become effective teams and not just "survivors."

### *Relate Well to Employees and Customers*

- Know your people. Challenging times bring out the best in many people. High-potential people may be ready to step up sooner than expected. This is a time to help people learn from experience and to discover the depth of the talent already on board.
- Ensure that you retain your most important people. Use sound performance management practices and direct communication; get closer and more personal with the people who matter.
- If it is time to move on, let go of the past but take some time to acknowledge and celebrate high-quality relationships before you go.
- Identify and act on customer loyalty. Don't just respond to customer expectations; find out what is changing and continuing to change. Reinvent your relationship with your most significant customers before someone else does!

### *Communicate Clearly and Often*

As the saying goes, you cannot listen while you are talking. At times like this, employees expect their leaders to talk and to listen. Leaders should use every tool at their disposal to do so effectively:

- Communicate business challenges and key events quickly, but also remember to communicate even when there isn't much to report. This helps build confidence that communication channels remain open.
- Create opportunities for questions and dialogue and start discussions about the type of organization your company wants to be and what can be done right now to attain that. Tell stories about employees helping other employees, helping customers, and partnering in new ways.
- Clarify the help you need and ask others for their support. Ask others what they need. This is important for leaders at all levels.

### *Setting a Course for the Future*

An organization is only as strong as its people and the leaders who guide them. With clear links between talent and business strategy, relating well to employees and customers, and clear and open communication, leaders within organizations can adapt to uncertain times, weather the storms, and create a stronger organization for the future.