

MAKING THE MOST OF TOUGH TIMES - Advice from THE REFINERY

As we find ourselves in the midst of economic turmoil, all organizations are faced with some challenging circumstances. Certainty has gone (or at least the appearance of it), replaced by fears, changes in direction and more ambiguity. Yet here at The Refinery we believe strongly there is opportunity in this crisis for those organizations that do the right thing. But what is the right thing? How can organizations not only survive, but thrive, in this environment?

At The Refinery we are increasingly noticing two types of organizations. There are those that are handling the current economic environment with confidence, maturity and calmness. And then there are those that are stumbling, panicking and faltering. The difference is dramatic.

Clearly, any organization would prefer to be in the former category, rather than the latter. But what does this mean for those in positions of influence? What must they do and what must they avoid? Here at The Refinery we want organizations to succeed and thrive, so we've put our heads together and come up with some words of advice for those who lead organizations. We hope this advice is helpful – and we hope all leaders act on it.

If we had to summarize our thoughts, we believe that leaders must act in a way that is rational, principled and disciplined. Let us explain what this means.

Rational

By being rational, we mean keeping your emotions in check. Use them to inform you, but carefully manage them and whatever you do, don't let them run away from you such that you make irrational, emotionally charged decisions.

It is an emotional time. Many leaders are faced with the prospect of having to make some tough decisions that may impact people negatively. There is fear, anxiety and uncertainty. It is possible to be driven by emotions and make decisions that may feel right but be fundamentally wrong. There is a business to run and there is an organizational imperative that all leaders make sound business decisions – regardless of how difficult or personally impactful such decisions may be.

We're not talking about being cold and heartless here. Indeed, having a high degree of emotional intelligence is more important now than ever. An emotionally intelligent leader possesses a high level of self-awareness, strong self-management skills, a high degree of empathy and the ability to foster outstanding relationships. These are all invaluable assets as a leader calmly and rationally considers his or her options. Conversely, a leader with no self-awareness nor self-management skills will be driven to behave in ways that are driven by his or her emotions. The result will likely be irrational and poorly thought-out decisions.

Leaders must be empathetic while still being thoughtful, rational and determined. Make decisions that will benefit the most and harm the least. Make smart, sensible, numerically based decisions that will get you where you want to go.

Think beyond your own decision-making responsibilities and focus on building the organizational capacity for rational thought. This requires that you gather people together and facilitate dialogue, collaboration and rational, sound decision-making. Engage the organization in what is happening.

Remember, all are aware of the current economic crisis and most are concerned. Talking secretly behind closed doors does nothing to build confidence. Do not try to “protect” or “shelter” your employees in this way. Instead, treat your employees with the respect they deserve. Engage them in finding rational solutions. Be upfront and honest.

Principled

This is a time when the true colours of organizations are on display for all to see. When times are easy, organizations can be lax. But when times get tough, there needs to be rigour in business practices and rigid adherence to values. The real values, as distinct from the espoused values, of an organization will be exposed to employees and customers alike.

It is essential that you act in a principled manner, being true to both your own personal values and those of your organization. Values are the glue that holds organizations together. They are the DNA, the very essence of the organization and what it stands for. As such, when times get tough it is more important than ever to act in accordance with those fundamental beliefs and principles.

Consider what you want people to say about your organization and your leadership when this crisis has passed. Organizations that compromise their values because they are in challenging times will rapidly lose credibility with all stakeholders. Trust us, this will haunt them for years to come.

Now is the time, both individually and with your team, to get really clear on what you and your organization stand for. Gather people together and have some realistic and rigorous debate about your values and principles. Ask yourselves how you are going to use your values to guide your decisions and actions given the present economic environment and the challenges your organization faces. What will you do – and perhaps more importantly, what will you not do? What matters most?

The output of such reflection and discussion should be a set of principles to guide your actions. Don't hesitate to go public with these principles and make sure employees understand what they mean. For example, one of your values may be that you value and respect your employees. What does this mean in

challenging times? Does it mean you won't lay off anybody? Absolutely not – remember the concept of rational decision-making. But what it does mean is that if you have to let anyone go, you will do it with the utmost honesty and dignity. And with all employees you will communicate extensively, you will involve them in decision-making as much as possible, and you will invest in those who remain to ensure they have the skills and talents they need to move the organization forward.

Disciplined

Being disciplined starts with a very clear sense of what you are trying to achieve. Return to your vision and strategies and consider if anything needs to be changed given the new circumstances. What holds true? Where do you need to shift your priorities? What do you need to stop doing and what do you need to start? Although you may think you can't afford it, now is the time to gather your key people together and review, refocus and adjust your key strategic priorities. Take a day or two, and hire a facilitator who can guide you in a rational, principled and disciplined way.

Now, more than ever, you need to be crystal clear on what you are trying to achieve and what the best way to get there is. You must decide, through collaborative discussion, what is most important and then invest in those things. If you need to cut budget, align it to strategies and avoid the sweeping "20% across the board" strategy. Such broad-brushing does little to communicate to the organization what matters the most and typically causes high levels of disengagement and mistrust.

Once you have a clear focus, it is critical that you be disciplined about following through with the actions that will get you where you want to go. Panic in the marketplace, new economic realities, experiences of competitors and other unforeseen events may all cause you to veer off course. Don't let them. Be focused on what must be done and be fiercely committed to following through. Have the discipline to be able to assess when you need to keep going versus making a course correction.

Make sure you focus on those things that will sustain you through the current downturn and ultimately position you well for the day when the recovery comes. Be disciplined about doing the important things, not necessarily those considered urgent. Avoid panicked, impetuous and impulsive decisions.

Learn from the experiences of your competitors. If they are succeeding, why? If they are faltering, why? What does that tell you about your strategy? If your competitors fall by the wayside, be focused on the new opportunities this presents for you.

Consider what you are asking your people to do given this new environment and don't hold back in developing the required skill set. The current economic environment is new for many and it is naïve to assume that leaders who thrived when times were good will be equally competent when times are tough. Many managers require a skill set they have not used before, such as focused strategic planning,

implementing profound organizational change or complex decision-making. An investment in developing these skills will have a huge pay-off.

Have the discipline to pay attention to your best talent. These are the individuals who will lead you through this current downturn. Develop them, support them, reward them. Get out of the way and let them create new paradigms and break old rules if necessary. Do everything you can to help them – and by inference, your organization – to succeed.

It is more essential than ever that you invest in your people. Such investment must be carefully thought out and target the talented individuals who will implement the agreed-upon strategies. Put as much energy and resources into developing people as you do in developing the plans. Without this, even the best-laid plans are likely to become just wishful thinking. Get help from a creative and responsive external partner in doing this. If you are too internally focused, there is a danger that you won't see what you don't know.

Closing Comments

When faced with ambiguity, the path forward is not always clear. Do not let fear or lack of certainty paralyze you. Make decisions, act, pay attention, learn and readjust as necessary. And whatever you do, don't go at it alone. Surround yourself with good advisors whom you can use as sounding boards, supporters and developers.

Not all organizations will rise to the top in these times. Several will fall by the wayside. At The Refinery, we're confident that those that survive will be the organizations that do things right and that act in a rational, principled and disciplined manner.

This article was written by Dr. Rosie Steeves, co-principal of The Refinery Leadership Partners Inc., a Vancouver - based consulting company. The Refinery is interested in hearing from readers on leadership issues in the workplace. All information is treated confidentially. E-mail your questions, comments and ideas to rosie@refineryleadership.com