

Bucking the trend: how to lead when times are tough

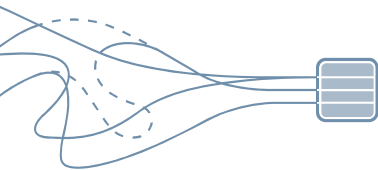
What is the sign of a great leader? Too often, society bases judgment of leaders on the amount of money they make or how well their company's stock price is doing. While that information is important to consider, I do not think that those factors alone make a great leader. They are only financial factors and they imply that a great leader must make a lot of money or be a part of a money-making organization. So how would you judge those same leaders when the stock market crashes? How do you judge leaders in government or not-for-profit organizations? Can a great leader not be a high school basketball coach? Of course they can. The true test and measure of a great leader is one who can motivate, inspire and get results during the toughest of times.

In this article, I will discuss four principles of leadership that are always important, but become even more important during tough economic and social times. I will also provide some practical advice on how to leverage these principles to make things easier on organizations when they are presented with economic and social challenges and briefly discuss how a leader must lead during the best and worst of times. The principles, in no particular order, are: communication; inspiration; determination; and accountability.

Communication

Communication for a leader is so important that I almost mentioned it twice. Many of an organization's problems can be tied back to poor communication. Employees, suppliers and customers need to know what is going on in the organization and want to know how the organization is going to make it through the tough times. There is a much greater risk of employees jumping ship when they start to hear rumours of layoffs, takeovers, bankruptcy, etc. and the leaders of the organization are remaining silent. In tough times more than ever, leaders must be prepared to have the integrity to be honest with their employees, even if it may be tough to do. Nobody wants to be the bearer of bad news.

By communicating, leaders can help employees feel like a part of the organization and will feel accountable for making it a success. Employees will also not feel betrayed when bad news comes from their boss. It is imperative that strategic decisions are communicated to the entire organization and that employees have a mechanism for providing their feedback and suggestions. HOW to communicate can be done through town hall meetings, email updates from the President or CEO, a suggestion box, etc. Great leaders have a plan in place (and usually a contingency plan for that matter) and always err on the side of over-communication because it is easier to cut back than add more communication later. If you under-communicate,



the opportunity to involve employees has been lost and will be very difficult to recover.

It is also very important to know WHAT to communicate. Here are some practical examples.

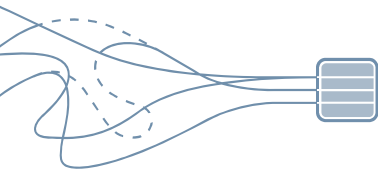
- If the company is going through tough times, communicate to employees the company's strategy for getting through the challenges and how the employees will be involved.
- If the company has a high turnover rate, communicate to employees what the retention strategy is going to be.
- If the company is going through a battle with the union, keep employees updated on the progress and maintain a positive attitude.

The key to communication is not only to do it early and often, but also to do it effectively. People know that the news will not always be good, but better they hear the news from the leader of their organization than from the newspaper or from their customers. Developing and executing on a communication plan can save a business from a lot of issues further on down the road.

Inspiration

This can sometimes be an over-used term, but it takes a great leader to inspire an organization when economic challenges are afoot. It may be inspiring employees to perform better, to be patient, or the extreme, to inspire people to show up for work the next day. Leaders that lead by example are the ones that will get the best results. Their motto should be "never ask someone to do something that I would not do myself." Now, of course, I am not suggesting that all leaders should be going through the organization taking on every job, but if employees know that you are willing to do whatever it takes to succeed, they will follow.

Inspiration can take many forms, like motivating people to be more productive or to cut travel costs, but the key result is getting support from employees as to the direction of the organization. Even in economic down turns, there are opportunities for growth. If an organization is going to take advantage of those opportunities, employees need to be on board and inspired that the direction of the organization is the right one. Great leaders need to stay flexible and be able to adapt to the challenges that are presented to them. They need to be able to find creative solutions to common problems and sometimes go against the tide and take an educated risk. If the leader truly believes in his or her decision, and can communicate the belief, it will inspire others to believe it as well.



Accountability

When organizations are going through tough times, the accountability of leaders needs to come to the forefront. Strong leaders take responsibility for their actions and can therefore, make others accountable as well. The best leaders are those that are willing to share the praise for successes and take the responsibility for failures. This means admitting mistakes and being accountable for them. Too often do we see companies getting terrible results and their leaders getting huge compensation packages. This is not being accountable for your actions.

One of the greatest examples of taking accountability was when Lee Iacocca, then President of Chrysler, cut his annual salary to \$1 until the company became successful. His belief was that he could not ask his employees to make sacrifices for the company if he was not willing to do that himself. That is being accountable to the organization, its employees and for its success.

Determination

Great leaders are determined to make things better, no matter the challenge that is thrown at them. They do not jump ship as it starts to sink; they batten down the hatches and get ready for a fight. There is a phrase that athletes use “leave it all out on the field (or the ice)” and this is what great leaders need to do. That means that they need to do everything that they can to turn around the fortunes of the organization, with no regrets. This may mean taking educated risks or making tough decisions, but “leaving nothing on the field” means that the leader gave it everything that he or she had to make a difference.

Recently, the Board of Directors of General Motors fully endorsed and supported the work that GM President Rick Wagoner had done recently. Even through significant layoffs, loss of market share and low morale, Wagoner was determined to do what needed to be done for the business and the Board supported him by saying that no one could have done a better job given the circumstances.

There are many other areas of leadership that are required to be considered a great leader, but those leaders that can follow through with the ones above, both in good times and bad, will rise above the crowd. It is no coincidence that companies that are run by the great leaders are also more likely to take advantage of the tough times and come through in a better position than where they started. Everyone can relate to the analogy of the stock market losing value....when the market value goes down, some see that as a sign to sell everything before it goes down further whereas others view it as an opportunity to buy at a lower price. Which way do you see it?