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Wise Leadership for Difficult Times

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During these difficult economic times, more and more organizations are faced with the need to make hard decisions about financial and human resources. When the choice is to lay off staff or reduce their hours, it can have a devastating effect on people and the organizations they serve. We all have a friend, neighbor or family member who has been suffering these effects of the economic downturn.

Many of the surviving workers are struggling under the weight of quite reasonable fears:

- How will this recession affect my job? Am I at risk of losing my job?
- Now that some colleague(s) are gone, how will I cope with the increased workload?
- Is there a safer industry or organization I should work for?
- Am I too old to learn a new skill?
- Have I saved enough money for retirement?

Such gnawing concerns show up in people's behavior. What are typical signs of strain? Here's what we see in our consulting practice.

A financial services leader called us to report that one of her best managers had been complaining about staff who were late on project due dates and were performing below their previously demonstrated capability. We coached them both to be on the look-out for the following typical signs of strain:

- Increased gossip and rumors
- Cynicism and complaints, both formal and informal, reasonable and unreasonable
- Lack of initiative; just doing the basics
- Competition for "plum" assignments to make oneself look good
- Missed deadlines
- Increased use of sick leave
- Irritability, outbursts, moodiness, and depression

We pointed out that while strain may be unavoidable, wise leaders recognize that their own actions can reduce these employee reactions and keep productivity from declining. We urged them to first monitor their own behavior for a week. They were willing to give it a try and to talk further with us about their observations.

When we met again, we pointed out that unfortunately, some leaders fail to recognize the opportunity they have to assist staff to be as resilient, productive and optimistic as possible. In fact, while struggling to cope with their own understandable stress, unaware leaders can unwittingly and unnecessarily increase the problem.

Our clients recognized some of their own contributions to the staff's performance problems; here are some common missteps.

Causes of Unnecessary Strain from Unwise Leadership:

- Multiple rounds of employee cuts based on insufficient planning or overly-optimistic projections
- Perception of favoritism that unfairly protects some individuals, projects or budget items
- Important decisions based on rationales or values that are not credible
- Important decisions based on sound rationales or values but that are under-publicized and therefore invisible to staff
- Perception of staff exploitation such as raises given to higher level staff while lower level employees are laid off

Practical Tips for Business Leaders

So having explored some areas for needed change, we discussed two general strategies with our clients.

First, pay attention to your people in ways that count during difficult times

1. Connect with people:

Invest your time in maintaining morale; the resulting productivity will pay off in improved performance during the difficult short term and will insure ongoing loyalty. Here are some ways to invest in your staff:

- Communicate candidly and often about what's happening and why
- Offer reassurance where you honestly can
- Be visible and genuinely available – walk around and talk with people; ask how they're doing
- Really listen! A little empathy can go a long way

- Explore people's complaints. Most people understand that leaders do not have magic wands and can't make the difficulties go away. But when leaders listen calmly and respectfully, they can provide meaningful support to their staff
- Follow-up when you say you will – be trust-worthy
- Appeal to staff to see the organization as their own. Ask them to pitch in to help ensure its survival. Assure them that you will do all you can to make the current need for extra effort temporary.
- Make sure staff knows that managers are suffering and making sacrifices also, and that when things get better everyone will be rewarded.

Second and equally important, pay attention to the work itself in ways that fit the current challenging time.

2. Work Management:

- Make the work load fit the employee capacity – this is not a time for unreasonable expansion of the business on the backs of reduced staff.
- Ask employees for their ideas to simplify, stream-line and generally make the work more efficient. Challenge them to look for outdated, low-value tasks to be eliminated. Frequently they know better than you do! Accept all reasonable suggestions; and, if you reject a suggestion, be sure to explain your reasons.
- Involve staff in planning for change. If they remain in the dark, you risk the common “marathon effect” where leaders get way ahead of everyone else in both understanding of the new strategy or initiative and in commitment to them. Employees can do their part to fulfill the new plans only if they are in on board!

The current economic environment challenges leaders daily to make smart business decisions and also to be wise leaders .It's time to do self-reflection and, based on this realistic self-assessment, stretching your people-skills!

It can be a wise investment to obtain help from experts in effective organization change and the challenging role of leadership. Our clients tell us how valuable they find our services. We help them to retain talented employees, respond effectively to customers, exploit new opportunities, make money and generally cope with the strains of leadership in today's economy.

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For more information on leading organizations in a time of difficult change, contact Vogel/Glaser & Associates, Inc. at www.vogelglaser.com and see [Renewing Organizations.pdf](#) or call 410-730-9590. Judy and David have been providing customized executive coaching and organization change consulting services for a combined 60 years.



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