

Keeping the Faith: The Role of Leaders and Employees during Crisis



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To get out of this recession, I believe we need quite a few things: we need perspective (knowing we've been there before and we'll get out of this again); we need hope for a better tomorrow; and we need confidence that our organizations and our economy will rebound. But we also need effective leadership and engaged employees. Today, I'd like to offer some candid thoughts as to what leaders can do to guide organizations through this crisis, and what individual contributors can do in their daily jobs to help navigate through this proverbial storm. As local columnist Ross Levin stated in a recent article: "If you keep feeding fear, it could grow big enough to devour you. Focus on what you can do now to provide a better outcome." This column will provide an extensive list of ideas for taking action today to improve your tomorrow...

Times are indeed tough. But we cannot stand still, paralyzed by fear or stunned by uncertainty. Indeed, we must take action to manage and improve our organizations today, investing in initiatives that focus on improving our enterprises. That is the only way that we will improve productivity, enhance value for stakeholders (customers, workers, and owners), and sustain performance in the long term. We must take action as leaders and contributors.

The Role of Leaders

I know the challenges today emanate from broader macroeconomic issues, and I know that the solutions to our economic problems require extraordinarily strong leadership from our elected and appointed community leaders. However, I'm focusing here only on organizational leadership – of what leaders can do today, given the circumstances, to improve their organizations and emerge stronger in the future.

Here are ideas to improve and sustain organizational performance today (in no order):

Listen and Be Honest. Stevie Ray, the Minneapolis-based nationally recognized speaker and trainer – and founder of the Brave New Workshop comedy club – had a column recently in the *Mpls-St. Paul Business Journal* on leadership. He said that tough economies like the one we're in do a remarkable job at weeding out the good versus the bad leaders. He says "...leadership is based almost solely on trust. You can be the most brilliant thinker and planner in the world, but without the trust of your team, your ideas go nowhere. Trust is not an intellectual exercise; it is a purely emotional response. If you haven't

been fostering an atmosphere of trust in your workplace, you'll...have to scramble...to catch up." He goes on to say something that I think is really insightful for leaders during these tough times... When leaders ask him 'how can I regain morale in my group?', his question in return is 'what did you do to lose it in the first place?' If their answer is 'the economy went sour,' then he suggests they look inward. His belief is that marriages rarely end because of an affair – the affair is a symptom that there was something else wrong with the marriage. "A bad economy doesn't break up a good team; a bad economy illuminates problems that were underneath the surface all along."

Stevie Ray's advice for improving leadership? Be honest. But he believes American leaders are probably holding their cards closer to chests these days out of fear and self-preservation. They are becoming more guarded with data, more limited with their communications – just at the time that American employees need to hear more. Ray says now is the time to sit down with your employees and say "I'm scared too" and tell them why. Now is the time to listen to your people to hear about their fears and then try like hell to avoid that outcome. Now is the time to have conversations with your people – not just about the problems, but about possible solutions.

Lead with Courage. This month, our state program hosted two breakfast discussions on the importance of leadership in tough times. The first was facilitated by Sandra Davis, Ph.D. and CEO of MDA Leadership Consulting (<http://www.mdaleadership.com/>). Sandra had numerous insights about the role of leaders during tough times (slides can be found at http://www.councilforquality.org/performance_archive.cfm). She advocates that leaders can do many things to lead with courage, including:

- Be deliberately visible. Like Stevie Ray above, Davis says that during tough times, employees need re-assurances from their leaders. "Your absence screams loudly," she claims. Make it a point to be visible.
- Recognize that you represent hope.
- Communicate as much as you can about reality, your business plans, and hope.
- Reach out to customers whether they are doing business with you or not. I found this point insightful: whether or not customers are buying from you right now, they need to know that you are still there, that you care about their business, and that you can offer value to them today and in the future.
- Try to remove ambiguity for your people. Sandra says that ambiguity always breeds anxiety, so as much as possible try to eliminate uncertainty – or at least be candid about which are the things you are certain.
- Maintain your own optimism – it's a learned characteristic.
- Keep focused on helping your team learn and grow. It's always easy to inadvertently reduce your focus on employee development during hard times. But you still need to invest in your people...perhaps even more so during crisis.
- Stay close to your strongest performers – they need to know you value them.

Lead with Energy, Passion, and Urgency. The other breakfast discussion was facilitated by Jeff Lavers, Vice President and General Manager of 3M ESPE (Dental) Division, recipient of the Baldrige Award in 1997. Jeff believes that during tough times leadership comes down to passion. He claims that "...during a hurricane, people are searching for a tree to cling onto." He advocates that good leaders:

- Quickly respond to internal and external changing circumstances – they use "outside-in" thinking" to confront realities.
- Convey a sense of urgency – while avoiding a feeling of panic, they are action-oriented, creating an environment in which critical thinking is encouraged and rewarded.

- Create a vision of winning that captures the imagination of others – they help their people “connect the dots” by showing them where the dots are (but allowing them to do the connecting).
- Speak with energy and expression that engages others – they inspire achievement and provide a spark for action.
- Demonstrate confidence and relentless optimism – very similar to Davis’s advice, they keep perspective and help people move forward.
- Are passionate about supporting and leveraging change

Manage the Organization as a System. Organizations are highly complex systems, comprised of literally hundreds of processes and procedures. I believe the role of leaders – during good times and bad – is to manage the overall system of processes so that it optimizes resources, reduces waste, leverages strengths, and improves outcomes and results. How? Here are some ways:

- Plan. Create a vision and establish goals that sets a strategic course for the future. Analyze your environment, set direction, create action plans to move in that direction, implement those plans, and adjust as new data become available. Make planning systematic, dynamic, and real.
- Use data to make decisions. Don’t rely only on intuition to make key decisions, but get in the habit of basing decisions on facts. Your decisions will be more accurate, more consistent and predictable, and more accepted by your people.
- Never stop focusing on your people. As Ray, Davis, and Lavers all imply: your workforce is your most valuable asset – they have knowledge, experience, relationships, and skills that allow the company to serve customers and achieve results. Focus on their development, their satisfaction and well-being, and their engagement.
- Manage your cash. Be cautious with capital spending, but don’t forget to invest in the “right” initiatives. It’s easy to freeze all spending during difficult times, but you have to continue to invest in the future – where those investments have an anticipated positive return.
- Manage your processes. Spend time investigating BETTER ways of doing things. Eliminate waste (using Lean or other methods). Focus on productivity – doing more with less (or doing less with less, as appropriate). Improve cycle times; reduce inventories. Simply put: manage your operations better.
- Focus on the customer. We can’t lose sight of who buys our products or consumes our services; we can’t lose sight of who generates revenue for our organizations. Today, more than ever, organizations need systematic ways to listen to customer requirements, develop offerings that satisfy customers’ needs in a differentiated way, and create value for the buyer.
- Build a culture of problem solving and innovation. Get to the root cause of issues; use quality tools and data to make decisions and resolve problems. Improve communication.

To me, the case for action is strong: now more than ever, leaders are compelled to more diligently and more systematically manage and improve their organizations. William A. Foster once said “Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.” During challenging times, leaders must lead.

The Role of Employees

My final point today is what I believe to be the role of employees during these tough times. Remember I said pulling through this recession requires hope and perspective, effective leadership, and engaged employees. Well, that last point is up to ALL of us as individuals, regardless of our position or rank.

And as individual contributors, we all can spend a little time each day improving the work we do:

- Make suggestions; offer your improvement ideas; get involved in solving problems that you see at work. This applies to all levels of contributors, from the CEO to the shop floor. We all participate in daily activities, and we all know a better way to get work done. Now is the time to offer suggestions for changing and improving the processes in which you operate. No one knows better than those who are within the process.
- Keep focused on the customer. We ALL deal with customers – either internal or external. And as I mentioned above, more than ever, we need to focus on customer needs. Why more than ever? Because customers have a choice of buying from you, buying from your competitor, or not buying at all. Customer service and customer relationships are paramount in tough economies.
- Stay positive. As Levin said: “If you keep feeding fear, it could grow big enough to devour you.” Be realistic, but keep optimistic. Jeff Lavers says that too many employees (at all levels) are walking around each day looking at their shoes – there’s just a black cloud hanging over many organizations these days. Well, it’s difficult to see where you’re going (or to navigate a new direction) if you’re head’s always pointed to the ground. Keep confident.

Sometimes it’s easier said than done. As Ferdinand Porsche, founder of Porsche cars, once said “to change is easy; to improve is hard.” But we must try. We must experiment, adapt, react, and persevere. Just like there’s not one solution to helping this country’s overall economy, there’s not one solution to helping an individual organization grow and succeed in the future. But the only way we’ll get out of this crisis is to take action.

Dale Carnegie wrote his classic book “How to Stop Worrying and Start Living” in 1944, at the end of the worst 15-year period for stock market returns in history. His advice rings true today: “The best possible way to prepare for tomorrow is to concentrate with all your intelligence, all your enthusiasm, on doing today’s work superbly today.”

So as a leader or a contributor, figure out what you do well and do it well. As Levin said “...focus on your own piece to create your own peace.” Sounds like sound advice.