

Global Economic Turbulence: How to Lead Differently!

Five Leadership Operating Principles for achieving results in Turbulent Times

By Paul Butler & Bob Waters

You're talking about it, maybe even consumed by it --- so are your employees!

For some, today's economic turbulence creates immobilizing anxiety; for others it inspires hope and positive action. Understanding and acknowledging the potential effects of this turbulence provides a basis for crafting strategies that will produce personal and organizational success. Leaders at all levels must be capable of navigating the continual whitewater of ever changing social, political, technological, economic and legal environments. Where it does not exist, it must be proactively developed and nurtured.

We have interfaced with hundreds of managers during the past several months and have noticed a profound shift in how the most effective leaders are leading.

Understanding this shift has allowed us to identify patterns of effective leadership. These patterns are not unlike what we have witnessed when working with companies undergoing dramatic transformations such as merger or acquisition.

The patterns of effective leadership have inspired us to identify:

“Five Leadership Operating Principles for Sustaining Success During Turbulent Times”.

1. Communicate the WHY.

Be proactive! Get employees involved by providing an unobstructed line of sight to what's going on. Tell them why they are critical to the company's success. For example, asking employees to “sign up” for cost cutting programs is not very motivational, but providing an insight as to how their individual and collective contributions might positively impact the bottom line allows them to rationalize their involvement and value their contribution.

Action: *Have each leader review all internal and external communications with the lens of communicating the why*

2. Accelerate Key Issue Identification

In light of the volatility of the business environment, don't be victimized by regular planning cycles!

Action: *Commit a cross-functional team to perform an environmental scan that captures both the internal strengths and weaknesses and the external opportunities and threats. From this analysis, determine key issues and implications for the business. Reset organizational goals and initiatives appropriately and communicate the why.*

3. Recalibrate Employees' Expectations of Their Leaders

Let employees feel they are in control by providing them the opportunity to help keep their leaders on target! Create an environment in which it is OK to ask questions and offer feedback.

Action: *Encourage your leaders to conduct start, stop, and continue exercises with their teams. In the face of continual change, this exercise will define how leaders need to allocate resources in order to drive performance. This exercise will help refocus the organization on the issues that really matter. Communicate and share any new expectation, put them in writing and anchor them in the performance system.*

4. Manage the White Space

Break any barriers that get in the way of cross-functional collaboration!

Action *Have functional leaders meet with their counterparts (example: Sales and Manufacturing) and conduct the following White Space Exercise: Determine what each function does in service to other functions. Score functional relationships on a 1-5 scale on how well each delivers value. Discuss the results and initiate actions necessary to close the service satisfaction gap. Repeat the exercise periodically to measure and assess progress.*

5. Identify and Celebrate Wins!

Think and reward results versus activities. It shows progress, creates momentum and increases engagement. Create a "Wall of Results"!

Action *Try this: Plaster the walls with graphs and charts. Bring your team together and get their input as to how the results were accomplished. Then ask the most important questions --- what did this do for the organization? Capture and communicate! Recognize the success and find appropriate ways to celebrate the gains.*

The danger of not adjusting leadership approaches is real...Make a conscious choice to eliminate the danger – NOW!

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