



Management and Performance Associates – April 2010

Leading During Crisis

“The first lesson of economics is scarcity: There is never enough of anything to satisfy all those who want it. The first lesson of politics is to disregard the first lesson of economics.”

Thomas Sowell (American Writer and Economist, born 1930)

This quote would be more comical if it weren't so true. Every day, normal people are caught in-between economists and politicians. It's no news our current situation is troublesome. On January 12, 2009, the Organisation for Economic Co-operation and Development (OECD), reported the growth cycle outlook for the G7 as well as for the next 28 emerging countries. The OECD described each country (excluding Brazil) as experiencing a "strong slowdown." Brazil was listed as a "downturn." During 2008, Wall Street icons disappeared, global and local companies' sales spiraled downward, profits vanished, investments evaporated, retirement dreams were postponed, and some of our friends and family members lost their jobs. Although a new year always brings hope and opportunity, reality cannot be ignored. That's the scenario we have to deal with.

Obviously, the recovery of the economy is not our purpose here; for the remainder of this article we want to focus on leadership actions to manage the workforce and the leadership responsibility during a crisis. We hear reports of people working in a toxic environment (“nobody knows who is going to be axed next...”), others complain that they are working much harder (“yeah, we still have customers to service, products to deliver, but fewer employees to do the job...”), and, not surprisingly, motivation is going down as uncertainty goes up. So, what is a good leader to do in this scenario?

Here are some recommendations:

1) Conduct a staff meeting to address general concerns

What is our mission and vision? Where are we going? Why? What is our forecast? How does the

current economic scenario impact us? How does it impact our competition? What are our strengths and weaknesses in this scenario? Where are the opportunities and threats? Answering and clarifying these issues will bring a sense of purpose to the troops. Especially in difficult times, employees need to feel that their contributions matter and everyone needs to be aligned.

2) Conduct one-on-one meetings to address specific performance issues

You know your employees. Review performance data, development plans and last year's performance review. Based on each employee's current level of knowledge and skill, what is the plan for them to face their current challenges? Discuss this with them and avoid just telling them what to do. Everyone will have to be on the top of his/her game in order to overcome the current situation.

3) Do your homework beforehand

If you don't have information and the answers to the questions posed above, get ready beforehand. Meet with your boss to clarify all these issues and ensure alignment. If your boss doesn't have the answers, it could be a signal that unnecessary work might be performed. The current situation does not allow for any loss of productivity due to efforts in the wrong direction. Continue to strive for alignment before meeting your employees. Review each staff member's performance data, the gap between existing and required skills and then establish a performance plan for the year. Doing what we have always done will not suffice now. New skills are needed. Competencies like creativity and innovation are essential. Being concerned about the environment is more than a fashion. It is a necessity.

4) Clarify the rules of the game

When (and if...) conducting this initial employee conversation, most managers focus too much on



the results to be obtained (increase revenues, reduce costs, increase customer satisfaction, etc...). Few managers go the extra mile in addressing behavioral competencies. Research shows that behavioral competencies have a substantial and exponential impact on performance. Go over the competencies listed in your company's manual. Some companies have different competencies for hiring, coaching, appraising performance and rewarding. How can you ensure more consistency in applying them all?

In other words, explain to each individual what is expected of them during the year, both in terms of competencies (i.e., creativity, innovation, ability to learn new skills, dealing with ambiguity, etc...) and financial results.

5) Revisit the plan constantly

Maintain a constant dialogue with your team members as the ride will be bumpy and plans will need to change accordingly.

6) Coach

Conduct frequent coaching sessions with your employees. Ask them how they think they are doing? What are they doing well? What can they do differently? Offer your fact based feedback but only after you have heard their self assessment. A coaching session is not about criticizing them but about motivating them to leverage their strengths and come up with a plan for improving performance. Coach your employees on the decisions they are making, let them learn under fire.

Although none of the above recommendations are exactly novelty, our experience shows that most managers do not follow them. They have survived in the past without doing so. Can they now? We don't think so.

Leadership differs from management, and there is nothing like a crisis to show who has (and who doesn't have) leadership. Leaders must delegate responsibility and for that they have to choose the right person to do the job. A leader must inspire confidence so employees will follow. A leader must

bring out the best in people. A crisis requires that you show leadership and it can also be the best moment to develop leaders throughout the organization, not only at the top.

See you next month. Suggestions are welcome.

To know more of our training programs, please send us an e-mail to:

sergio.pereira@mapa-way.com or

sonia.dondice@mapa-way.com

Visit our website:

[**www.mapa-way.com**](http://www.mapa-way.com)