



## Building effective leaderships

The harsh economic climate has forced everyone to put in discretionary effort and leaders are no exception. However many senior managers have never faced such difficult trading conditions before, and have had to step up their game to help their organisation maintain a competitive advantage. We speak to experts in the field of leadership development and explore some of the challenges faced by today's senior managers.





**L**eaders today have to deal with crisis situations in a fast-moving environment and will continue to do so until the market settles. The challenges they faced over the past year are on an unrivalled scale, but the way they were addressed and how they face the uncertainty ahead will truly sift out the successful leaders. Jim Tapper, Managing Director of the Centre for High Performance Development (CHPD), explains: "The greatest challenge for leaders over the last 12 months has been the handling of crisis-like conditions. They are now facing a fast-changing trading world, with less predictable outcomes and have to operate in more hostile environments. It can be difficult for leaders used to a quieter state of affairs to deal with the crisis state. The best leaders are able to transition between both states."

The huge responsibilities that have come with the changes in the business world has meant that leaders have had to adapt quickly in order to maintain a strong position in the marketplace. Penny de Valk, Chief Executive of the Institute of Leadership & Management (ILM) explains that this rapid pace of change can be unsettling: "This is a real test of personal resilience. The choices a lot of leaders are having to make for the organisation and for their people are very tough ones. The intensity and pace of their responsibilities has accelerated enormously, and good decision making under those conditions is a challenge." Nick Warren, Principal Consultant at leadership development firm Performance Unlimited, explains that in times of uncertainty there is a temptation for leaders to panic, and become too reactive and blinkered: "Leaders who will thrive are those that remain focused on the long-term and seize the opportunity. Rather than playing a defensive game, these leaders are on the offensive. In our experience, it is now the true pioneers who will achieve the greatest success. Courage, confidence



and boldness are some of the attitudes and behaviours that leaders need to exhibit as we move into an economic upturn. Visionary leaders who inspire confidence in their teams and customers alike are those that will see their companies not only survive but flourish in 2010."

Having to adapt to the trading conditions of the recession has undoubtedly affected the style in which senior managers lead their people. Dr. Arthur Jue, Director of Global Organisation and Talent Development at Oracle, and a member of the Board of Directors for the International Leadership Association, explains that for leaders to be successful they

*One of the greatest challenges has been for leaders to refine their key leadership skills to meet the changing demands of this new and complex operating environment*

need to inspire confidence and trust and not be sidetracked by the conditions in which they're operating. "Much research indicates that many attributes of effective leadership transcend situational or cultural contingencies. For example, as a leader, you are either credible or not. You are either forward-looking or you aren't. Most effective leaders, regardless of experience, understand that you can't go it alone – you need to collaborate, build your talent pipeline, and lead by example.

"Nevertheless, four major 'generations' co-exist in the workplace, each with different shared experiences that have shaped their respective ethos. Traditionalists, survivors of the Great Depression, have been described as valuing stability, institutional leadership, and

social order, Boomers and Gen Xers are typically characterised as less hierarchical and more entrepreneurial. Tech savvy Gen Y leaders – influenced by the positive psychology movement – may tend to have an optimistic outlook on life. Regardless of generation, however, many would agree that effective leaders tend to see and capitalise on opportunities amid crises, including economic volatility."

Prior to 2008 many leaders were unfamiliar with managing an organisation and its people during a recession. So how have they coped since the rapid state of decline of the economy? Melissa Gallagher - HDA Client Partner & Project Manager comments: "One of the greatest challenges has been for leaders to refine their key leadership skills to meet the changing demands of this new and complex operating environment; where difficult decisions must be made to ensure the continued success of the business and priorities have changed. We have found that coaching has been an enabler of change during this period – driving leaders and in turn the company forward to achieve success."

An important issue to arise from the downturn is the increased focus on employee engagement and communication. Leaders recognise the importance of keeping lines of communication open to maintain motivation and productivity. The recent ILM research, *Delivering in a downturn*, revealed that the key skills CEOs want from their leaders are not always the most obvious, as de Valk explains: "We thought that in a downturn CEOs would be more interested in cost-effectiveness and budgeting skills, but that isn't the case. They really want their managers to have a strong, purposeful approach, to develop innovative solutions and to keep a really positive outlook. Those are the top three characteristics that they're looking for in a management team during tough times."

Economists are in disagreement as to when the upturn will come, but one thing that is certain is that organisations need to have strong leaders in place now in preparation for what



## Gallagher highlights some of the most significance skills an effective leader should possess to determine success while operating during challenging times:

the future brings. Warren explains: "In times of economic gloom, companies can retrench into a culture of fear, blame and 'me first'. Yet the businesses that continually seek to nurture respect, support and collaboration will be the winners. Not only will they build a cadre of courageous and pioneering leaders but also in the long term they will be the companies that continue to attract and retain the best talent. Exceptional times need exceptional leaders and giving leaders access to performance coaching and targeted development is critical in today's economic climate."

- The ability to **influence** others, without manipulation – employees will be feeling vulnerable during a downturn and a lack of trust will prevail as such it will be important for leaders to possess the ability to persuade rather than dictate. In order to achieve this, leaders should focus on refining their use of the five key stages of influencing: gaining rapport, questioning, active listening, highlighting benefits, arriving at a decision.
- The **flexibility** to tailor their skills and approach to meet changing demands (both internal and external) – leading during a recession, requires difficult decisions to be made to ensure the continued success of the business, in addition, priorities change so that key leadership skills must be tailored to meet the needs of this new operating environment.
- Sound **judgment** (regardless of external pressures) – effective decision-making is crucial when chaos abounds.
- Being **ethical** – effective leaders are trusted by their colleagues and staff members, making the 'right' decisions and staying true to the organisations vision will be important during a recession.
- **Communicating** openly and honestly at all times – this is crucial to building and sustaining trust amongst staff members. It can also be useful for leaders to develop their coaching skills in order to guide and advise staff members rather than 'telling' as this can enable more effective conversations to take place."



## Improving business performance through mediation and training for 20 years...

*"Thoroughly professional and helpful. Avoided further stress for all involved and helped to restore professionalism back into the team"*

**.....sometimes you need an old hand**