

# Leading through an Economic Downturn

## The Creation and Communication of Hope

**If people lack hope they simply give up.** In an organisational sense this means they stop trying, lose creativity or even leave the business. Not what you want when you are trying to navigate difficult times and create sustainable growth!

### 7 Steps to Organisational Hope

*Build a compelling  
Picture*

*Keep it Fresh*

*Challenge People to  
Choose*

*Develop Organisational  
Capability*

*Ensure Faith in the  
Leadership*

*Build the Talent Pipeline  
Avoid Insanity!*

As a leader in an organisation one of your primary roles is to create hope or perhaps more precisely a belief in the future sustainability of the business. This is not quite as simple as creating a vision for the business, although that is part of it. They have to visualise a compelling future that is attainable, desirable and aligned to their personal ambitions and needs.

It must answer the critical questions that exist in everyone's minds:

- ▶ Do I want to be part of that?
- ▶ Does this organisation have the capability to get there?
- ▶ Do I believe that the leaders are up to it?
- ▶ What does it mean for me?

**Here are seven key steps to creating that future:**

#### **Build the picture**

Remember that your strategic horizon may be several years ahead but your employees may be worried about getting through this year.

Your people want to know where you are leading them and critically, why, of all the destinations that you could have chosen, this is the right one! A vision statement just doesn't do it for the vast majority of people.

Your picture of the future must demonstrate an understanding of where your customers are going, how your competition is developing and the threats and opportunities of your commercial environment. It must reflect a sense of realism and pragmatism; it must show how you are going to deal with the challenges that you will inevitably meet and the critical milestones along the way.

#### **Keep it fresh**

If you continue to pursue a vision that was designed for better times, do not be surprised if your people start to lose hope.

Always remember that these pictures can evolve, and should change as your predictions for the world are proven incorrect by unpredictable events.

Who can honestly say that they predicted an oil price of \$150 per barrel?

#### **Challenge people to choose**

As they look at the picture that has been created they need to be certain that they really want to be part of it and that there is a valuable role for them to play.



In his book “Good to Great”, Jim Collins talks about “getting the right people on the bus”. The right people are those who have consciously chosen that your picture of the future is one that inspires them, and is one to which they wish to commit their passion and energy.

Equally it is a responsibility of leadership to identify those people who are not right for your organisation in the current times. If you can, ensure that they are not recruited in the first place, or, if they have been recruited help them to leave with dignity.

As leaders we should never forget that we expect our people to make long term investments based on the future of our business. They sometimes physically move their families to work for us and they commit to mortgages based on our promises. Having made long term commitments they must continue to feel that they made the right decisions.

### **Develop the organisational capability**

Before you set out on your journey you need to define the specific organisational capabilities that you will need to get there. Honestly appraise how you currently perform against them and develop a plan to address those at which you are currently the least skilled as an organisation. [Research on Organisational Strategic Effectiveness: Eichinger, Ruyle and Ulrich](#)  
If your picture is compelling but your people do not believe that the organisation is capable of getting there, there will be no hope.

*One of our clients in the emerging markets of Central and Eastern Europe has enjoyed a compound growth rate of greater than 30% for the last 5 years and is forecast to experience similar growth into the future. The survival issues on the minds of their employees therefore were not security of employment but the ability of the organisation to implement common systems, build robust processes and develop appropriate management and leadership capability. Their commitment to the challenging vision that was being laid before them was based not on the potential within the market but upon their faith that their leadership team understood these issues and, most importantly, was capable of addressing them.*

### **Ensure that there is faith in your leadership**

Quantitatively measure the culture of your business using a tool like the Denison Culture Survey to ensure that you know where you stand. [www.denisonconsulting.com](http://www.denisonconsulting.com)

People follow leaders when they believe that they are capable of taking them to where they want to go, and not just because they are the “appointed” leaders. Your leadership team is under constant and highly critical scrutiny from the people who work in your business as they test their comfort to trust their futures to your abilities. Your team must be seen to be working as one, aligning their energies and efforts to a single and unifying ambition for the business. Whilst differences of opinion and conflict are healthy within a team they cannot be allowed to be shown outside the closed confines of the Boardroom or they may fatally undermine your success.

Are your leadership behaviours truly aligned to the big picture and are you creating a culture that will deliver the results that you are expecting? Profit is, after all, just one trailing indicator of the overall health of your business.

### **Build your talent pipeline now!**

Talent is your legacy. *“If you are short on bench strength today, it’s the fault of your predecessors. If you are short on bench strength in the future, the responsibility is yours now.”* [Robert Eichinger and Mike Lombardo – The Leadership Machine](#)



Now that you have a clear picture of what your business will look like and need to deliver in the future, you should know what organisational capability you need to develop. Now you know the culture that you need to create or sustain, you can accurately define the competencies that your leaders of the future will need to possess. These will almost certainly differ in some ways from those of the leaders of today!

*One of our clients in China understood that in order to deliver their long-term business objectives, they needed to create 100 new first line managers each year in order to fill their talent pipeline. At the same time they faced an acute shortage of available talent in the market. Not only would head hunting be expensive in the short term, it is totally unsustainable in the long term. At the same time, the talent that they did have was highly attractive to other multi-national/global firms in a rapidly expanding market. Having identified the people that they really wanted to keep, they used development programmes as a key retention strategy. In short this is one way of giving these people hope for their individual futures.*

You may not be operating in China or the fast growing markets of Central and Eastern Europe but the availability of the right talent to deliver sustainable growth is a significant issue for us all. [The war for talent - McKinsey](#)

### **Avoid Insanity!**

To deliver sustainable growth you will need to create an environment in which there are no sacred cows, and the things that define “the way that we have always done it” may be first in line for change.

One definition of insanity is to continue to do everything that you have done in the past but expect different results. Your people work with the daily reality of your business, they know what is working and what is not, they know if your systems are creaking and about to collapse or if they have the capacity to handle vastly increased volume. They know if your products and services are really designed to provide the things that your customers want today and into the future or if your competitors have acquired some sort of leapfrog technology. It is against such pragmatic and tangible evidence that they finally assess their level of hope.

### **...and finally.**

In any cycle of change, be that driven by harsh economic conditions or indeed buoyant growth, there will come a time when your people experience feelings of frustration, fear, denial, uncertainty and even anger. These feelings are often the triggers that create employee disengagement, a disease that is costing the UK economy between £37 and £39 billion per annum. [Gallup](#)

A genuine sense of hope for the future is what inspires people to move on from these negative feelings and will thus re-engage your people in helping you to move from survival to sustainable growth.

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**This is the second of a series of ThoughtPieces to support organisations in Leading through an Economic Downturn. For more information see:**

[www.changemakerweb.co.uk/survival/toolkit](http://www.changemakerweb.co.uk/survival/toolkit)