

LEADING IN DIFFICULT TIMES

The Four C's of Success

CONROY ROSS PARTNERS

AN **Optimum Talent** PARTNER COMPANY

Just as no two people are the same, no two leaders are the same. While different leaders possess different styles and beliefs, we know through decades of studies and research that there are certain characteristics that great leaders share. For that reason, it is important that leaders learn from their peers and past experiences. This is especially true when facing difficult times, such as an economic downturn, as particular approaches can help a leader successfully guide their business through turmoil.

According to industrial psychologist, Jocelyn Bérard, leaders who thrive in chaos possess three traits:

- **A sense of urgency/efficiency**
- **Versatility**
- **A high degree of stress tolerance**

Certain leaders may have a higher degree of some of these traits than others, so it can be beneficial to understand how different leaders utilize and transform these traits into actions. For some, this may be the first economic downturn they have experienced. For others, this may be number three or four. What's great about peer-to-peer knowledge sharing is that more senior leaders can share their learnings from the past and new leaders can offer innovative ideas and approaches. In order to gather this type of collective insight, Conroy Ross Partners held a leadership event that included three panelists speaking about their experiences and insights when leading during difficult times. The speakers were:

- **David LeMay** CEO, Stuart Olson Inc
- **Mike Begin** CEO, Spartan Controls
- **Jocelyn Bérard** Leadership Author, Industrial Psychologist and Senior Vice President, Optimum Talent

From listening to these leaders and their colleagues in the room, we found that there are common methods that can be applied across various organizations and industries. In this white paper, we summarize the learning from this dialogue and share the 'Four C's' that are critical to effectively leading in difficult times: Corporate Strategy, Communication, Culture and Cautious Optimism.

CORPORATE STRATEGY

While all downturns share some similar characteristics, a commonly held viewpoint is that the current downturn feels different, unprecedented from the past. There are several factors contributing to this unfamiliarity including political and economic challenges occurring across North America and changes within world markets. With so many different dynamics at play, and projections changing daily, corporate planning has become extremely difficult for many organizations. Although leaders know the importance of a sound business strategy, when times get tough, many disregard their current strategy and instead focus on short-term measures that do not align with the organization's goals and vision. These drastic alterations often impact

growth, revenue, and talent management, all of which can be very damaging when the market begins to recover.

Strong leaders do not panic during tough times. They embrace a deliberate and focused approach and take time to think through the necessary changes that their organization needs to make. Great leaders know how to balance the immediate needs of the business while also remaining future focused. “In order to achieve your goals, you need to be true to your culture and strategy,” states LeMay. “It is easy to hunker down, sit on cash, and cut expenses, and to an extent you have to do that, but don’t get caught in the trap of cutting spending on things that make you different, that people joined your organization for,” he continues. Don’t throw out your long-term strategy. Instead, take the time to sit down with your team, think critically and revise your priorities without undoing everything you have worked to achieve.

Echoing that sentiment, Begin shared the following insight, “Stay true to your moorings, values and principles. Don’t change your mind because of the circumstances. Get creative and

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challenge things. Try and grow certain areas of your business and see ahead of the chaos.” Most businesses can survive a downturn. However, smart, strategic businesses can not only survive, but can take advantage and get ahead of their competition by diversifying, acquiring new businesses, launching marketing campaigns and recruiting top talent.

COMMUNICATION

If your organization does not have a sound internal communication plan, now’s the time to make one. There’s never a more critical time for timely, honest and transparent communication than during an economic downturn. Having a sound internal communication plan ensures that you are delivering regular messages through a variety of mediums (email, memos, town halls, etc.) and that certain messages are delivered via different means (i.e. the most sensitive messages are delivered face to face).

It is also important that all levels of management are prepared to successfully deliver communications. “Leadership comes from multiple levels within an organization and the management team is key to communication,” states Begin. All levels of management should be prepared to deliver the same message across the organization. If required, have managers practice with one another prior to speaking with their teams so that they are comfortable with the message being conveyed.

Lastly, consider adapting your communication style for different levels of the organization. Dealing with your management team versus entry level staff may involve slightly altered language. The most important thing to remember is that even if the message is negative, people would rather know than not know. Don’t leave your employees in the dark. When communication is not clear and accurate, they will make up their own stories; often assuming that things are much worse than they really are.

According to LeMay, one of the most meaningful things that a leader can say is “we know we’re in tough times, but we’re in this together.” By recognizing your team’s efforts and taking control of your internal communications as soon as possible, you can better control the rumor mill and prevent internal storytelling from getting out of control. In addition, your team will have greater respect for you as a leader if you are truthful, open and appreciative of their efforts.

CULTURE

Employees are the foundation of any business – without them, your organization likely would not exist. Furthermore, the more engaged and happy your employees are the more productive and profitable your business will be. How you treat people during tough cycles will be remembered long after the market recovers. During difficult times, small wins and recognition are often forgotten rather than celebrated, while closed-door meetings and the mistreatment of outgoing employees occur publicly and are definitely remembered. Employees may not recall all of the financial perks, vacation days and free food in the cafeteria, but they will remember how they and their peers were treated.

Although layoffs may be unavoidable in a downturn, leaders have to be extremely careful about disregarding remaining employees and disrupting the culture. Take a step back and get out of momentary thinking. You need to consider the talent you require long term and should be assessing whether or not your employees are in the right roles today. When tough decisions become unavoidable, ensure that the messaging that follows is genuine, honest and done with integrity. A lack of sincerity can lead to a poor reputation that can be damaging to your attraction and retention efforts in the future.

While budget cuts need to be made across the business, be wary of cutting too deep or in the wrong places. “One thing that we have done is refuse to cut the development of our people. There are places to save, but there are also things that keep you positive and impact morale and performance,” recommends LeMay. For instance, where possible, keep training and development budgets intact. This may require some innovative approaches, but you don’t want to lose months or years during which your employees are not learning or keeping their skills up-to-date. Continual investment in your employees is vital as they are your most valued asset and the key to your survival. In addition, you want to avoid the risk of losing tenured staff and/or those with particular

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expertise. As we know from past downturns, when the market improves it usually does so fast and furious, so having a strong and engaged workforce will be critical to your recovery.

Investing in your employees demonstrates your commitment, making them more likely to reciprocate in the future. There are several approaches to recognize and reward employees, such as extra time off or lateral moves, that do not come with a price tag. Also, if your organization typically hosts social events or runs internal engagement initiatives this is an area to be mindful of. Getting people out of their offices, bringing them together as a team, and allowing them to take their minds off things for a while can be invaluable. While you don’t need to spend thousands on a holiday party or wellness initiative, you should investigate inexpensive and innovative ways to demonstrate your appreciation for your employees. “Organizations with strong cultures come out of these scenarios better and stronger,” advises LeMay. Small actions such as this can have sweeping impact on your employee’s attitudes and corporate culture as a whole.

CAUTIOUS OPTIMISM

A bad attitude is never going to get you anywhere. Pessimism and negativity result in low productivity, lack of motivation and high levels of stress. During difficult times, organizational focus tends to narrow to the few critical business objectives that will sustain the company through turmoil. Often this narrow focus does more harm than good. Although it can be difficult to be positive, embracing an optimistic outlook, despite the trials of your current situation, is extremely beneficial for both your personal wellbeing and the functioning of your organization.

Don't shy away and distance yourself from the problems your business is facing. "Leaders should be present, visible and prepared to inspire others," instructs Bérard. Employees repeat what they hear from their leaders. If all they receive are negative messages, this is the information that will be repeated to their networks and echoed in the external marketplace. In today's world we are constantly bombarded with negative information and headlines and it is important that leaders counteract this while staying honest and transparent. It is a fine balance, and may take some practice to get it right, but by focusing on more positives and reinforcing the organizations objectives and strategies you will set the right tone for optimistic thinking. Don't get hung up on things that you cannot control and instead focus on what you can. Share wins and make your progress visible, no matter how small the achievement may be.

"Be pragmatic, be real, be true, and be future focused," advises Begin. An economic downturn can be a great time to look for opportunity on the other side. You might have to take some calculated risks, but now may be the best time to do so. As Sir Winston Churchill said, "Never let a good crisis go to waste." Now can be the time to make real, meaningful transformations in your organization, but you have to be open to change and comfortable working in the unknown.

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Despite the negative predictions, attitudes and atmosphere of the current market, you can effectively lead your organization through difficult times. Learn from your peers, celebrate small wins, be present, trust your team and follow your instincts. "You are going to have bad days. Superman doesn't exist. Look in the mirror and say that 'I did the best I could,'" shared LeMay. This is important not only for your own approach, but you should empower all your employees to embrace a similar attitude. While you will have challenging days, remember that you are trying your best and trust that it will get better, it always does.