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Leadership credibility

Employees don't like working for executives they don't trust

Question:

Our executive team is made up of four people. We meet regularly to discuss company performance and related issues. Outside of these meetings, the president and the vice president of finance and accounting spend the most time together. Here's the problem: they seem to have a different view of how things should be run than the vice president of operations and me (the vice president of sales and marketing).

This plays itself out in many different ways. Here's an example: at the last management team meeting, we got into the topic of performance appraisal and how we need to identify the poor performers in each work area so we can meet our goal of 6 percent forced turnover this year. It's not a real popular idea, but one that is financially driven. Here's the problem: during the discussion, as some people were talking about how hard this policy is to carry out at a personal level, the president said something close to the following, "You have to come to grips with this. It's time to stop complaining and start acting. If I had to, I could go around this room and identify the poor performers. I could do it right now and eliminate the people I'd identified. That's what all of you need to do." This was a bombshell with a lot of fallout. The story got out to a lot of the employees. I think a more sensitive response would have been the right way to

go. It would have appeared that he had a heart. Instead, he came across unfeeling and cold.

Other issues have to do with his ideas

about how things should be run. He said things like, "We need to start acting like leaders and tell people what to do. We're doing too much hand-holding of these crybaby employees. We're in charge, they're not." These statements directly contradict our mission statement and ongoing process improvement practices. There are so many examples like these that I've lost count.

The bottom line is that tension is high in the executive team. Morale and trust are very low among the managers. Yet, he walks around like everything is rosy and we're really doing it. The reality is that most people can't wait until he leaves.

What is your take on this situation?

Answer:

This is a very difficult situation. As I have noted in a number of my recent articles, corporate culture is shaped from the top. The tone at the top in your company appears to be one of detachment, conflict and heavy-handedness. This is exacerbated if your actions (i.e., eliminate 6 percent of the employees) are at odds with your words (i.e., a mission statement that emphasizes how important the employees are to the company). In short, these kinds of contradictions erode credibility and trust.

When there is executive-level strife, this ripples throughout the organization at-large. That is why team charters are so important. The team has to commit to certain principles and actions and hold itself accountable. It sounds to me like this is not happening. It sounds like there is a lot of power-based maneuvering going on.

This is a short-term approach. Results may be generated, but they will be in spite

of the executive behavior, not because of it. Over time, punitive, intimidating actions wear thin. Individuals who act this way are inevitably viewed in unfavorable terms. In short, they are not viewed as credible. Employees don't like them. Employees don't trust them. And, employees don't want to be around them.

James Kouzes and Barry Posner have done a lot of work over the years on leadership practices. Among their many excellent published works are "The Leadership Challenge," "Encouraging the Heart," and "Credibility." This last work was updated in a 2003 edition.

Over 20 years of research has led these authors to conclude that credibility is the building block upon which all leadership is built. Cast in today's business climate, where ethics and values are being examined with renewed seriousness, I would say that a leader's credibility is more important than it has ever been.

Kouzes and Posner suggest that there are four fundamentals to developing leadership that has credibility. They are:

Character counts

The following anonymous poem illustrates the importance of character. "Be careful of your thoughts, for your thoughts become your words. Be careful of your words, for your words become your deeds. Be careful of your deeds, for your deeds become your habits. Be careful of your habits, for your habits become your character. Be careful of your character, for your character becomes your destiny."

Individuals act, organizations create cultures

Consistent with the poem cited above, individuals need to take care of their own actions. This means doing the right thing all of the time, not just some of the time. Someone once said the definition of charac-

ter is, “doing the right thing when no one else is looking.” When an organization is comprised of people who do the right things, a powerful corporate culture is built, culture being the organizational equivalent to individual character.

Our system is based on trust

In the wake of the financial scandals of the past few years, many people have come to doubt the information and data that their companies give them. Skepticism about the books being “cooked” is common. Worry about the company’s future is common, too. Only when we have faith in our leaders and their actions do we have trust. Only then do employees feel connected with the company.

Leadership is a dialogue, not a monologue

For so many reasons, one-way communication (i.e., top-down) is simply not the mode to use when leaders wish to relate to employees. If organizational initiatives are perceived to be something that are done to the employees, rather than with them, today’s, “what’s in it for me?” workers are simply not going to tolerate that for very long. This aspect of corporate culture (i.e., inclusion, participation, openness) is clearly influenced by the actions (and in-actions) from the executive suite.

So, how does your leadership stack up against Kouzes’ and Posner’s four fundamentals? Not very well, I’m afraid.

What to do about it? Well, one way to get this out in the open is to gather feedback from various sources in the organization and present it for discussion within your executive team. A survey, some focus groups, some interviews, etc. could be undertaken to collect perspectives. Discussion of the findings by the executive team might lead to acceptance of the situation and ownership of the issue.

Subsequently, some action steps could be outlined to begin to rebuild the credibility that has been lost. That is, of course, entirely dependent upon each individual being willing to take care of his or her part. This includes the president, who is the most impor-

tant person in the organization in terms of shaping the corporate culture.

Ultimately, each of you in the executive team has to reflect on the cost of carrying on as you have. As Lao-Tzu observed long ago in the Tao Te Ching, “Harsh interventions are a warning that the leader may be uncentered or have an emotional attachment to whatever is happening. A special awareness is called for. For even if harsh interventions succeed brilliantly, there is no cause for celebration. There has been injury. Someone’s process has been violated.”

What will you do to build a process of leadership credibility?



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