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Treading water

Here's what presidents, CEOs say can be done to counter adversity

By **DANIEL SCHROEDER**, *For Small Business Times*

Question: 2002 is just about over, and it's been another tough year for us. The economy has been slow. Sales are down. We've had two waves of employee layoffs. Employee morale is low. Top management is asking us to do more with less. What advice do you have for a manager who is trying to keep it going in face of ongoing adversity?

Answer: There are no easy answers to your question. In some form or fashion, the organizational clients with whom I work are all saying what you're saying, regardless of the sector in which they operate; 2002 has been a tough year for most companies. While there are some signs that 2003 will be better, there are, of course, no guarantees.

So, confronted with "ongoing adversity," as you call it, what can be done? Some findings from a recent roundtable discussion of presidents/CEOs that I facilitated may be helpful. The panel was asked to offer answers to the question: "How do you succeed in uncertain economic times?" Following are their insights.

1. Articulate a vision – To a person, the panel felt that the overriding key to weathering the current economic times is to offer a compelling vision of the future around which employees can rally. In

essence, that gives them something to aim at — a "target" that shows the way for future success.

It is important, of course, to make the vision tangible and concrete for people; show them how what they do relates to that desired future state. At the same time, the panel felt it was important to confront the reality of things — no sugarcoating of "the way things are." Frank, honest discussion of the tough times can build credibility.

2. Focus on execution – This suggestion flows from No. 1, above. The panelists felt strongly that to move forward, the plan or vision must be well executed. That means staying on message and persevering even when the initial evidence may not be all that compelling.

Employees must be held accountable for results and the tactics they are using to achieve them. If your plan changes from month to month, if employees do things one way this week and another way next week, then there is no sense of overriding vision — it becomes "any way the wind blows." You must have a vision and plan for making it happen. You must expect employees to execute the plan. You must follow-up to see that they do so.

3. Encourage employee involvement – One of the interesting findings from the discussion was that the panelists were quick to point out that they don't have all of the answers. While they may be more in-tune with the overriding strategic concerns of the company, they recognize that they are not necessarily as sensitive to what goes on at the "grass roots" level.

Thus, they felt it was important to ask for the input of the employees as a new course is charted. "What are the implications of landing this customer, producing this product, offering this service, etc.?"

Seeking the input of employees is, of course, consistent with the emerging model of participative management. Importantly, while it is nice to ask for employee input, it works best when feedback/follow-

up attaches to it. When you ask for an idea, make sure you let people know what you did with it. Keep them posted. Let them know what happened. That way, they will be more interested in offering input the next time it is sought.

4. Encourage employee development – For me, this theme was perhaps the most interesting. The normal trend in tough economic times is to cut “extra” programs such as training/development for employees. The panelists felt that rather than cut such programs, the time is now to invest in them.

They recognized, of course, that sometimes, tough funding choices have to be made. Still, they suggested that it is worth it to fund employee development programs, even if doing so is somewhat painful. Their rationale? Use this slow economic time to re-tool and re-engineer, not just the physical equipment, but also the “people” equipment. In this way, when things start to pick up, you will not be ready to just “walk,” but rather to “run.”

If the recipe for future success is for employees to be more, do more, etc., then you have to invest in them so that they can grow and evolve.

The above is what the panelists had to say. In addition to their

suggestions, I would offer the following one: Open the communication channels. Times are, indeed, tough. People are, indeed, scared, frustrated, etc. Let your colleagues and employees know how you are feeling. Encourage them to share with you.

Communicating in an open fashion about the current state of events reduces fears and builds a sense of understanding and, sometimes, control. Plus, it goes a long way toward building your own credibility and earning the trust of those around you. Demonstrate that you care. Proceed on the basis of honesty and openness. Model your commitment by dedicating yourself to helping them to help the company to reach its desired future state.



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