

Leadership in a Crisis

Our Findings

A lot is being spoken about leadership at this time, especially in relation to the financial crisis and how leadership manifests itself in the current situation in terms of; traits, behaviours and qualities. Teams are looking for leaders whom :

they can trust,
with the ability to do the right things,
with clear integrity
who demonstrate the capability and competency to manage through ambiguity

Some Big Leadership Questions

Just what do you do as a leader when everything around you is so uncertain, rapidly changing and without precedent ?

Do we need the same leaders today - or does the level of change/uncertainty and lack of precedent lead to the need for new and different qualities in leaders ?

We thought it might be useful to share with you our findings/observations gleaned through our contacts with senior management teams and the thoughts of others from the confer-

The Management Responses

We have identified two clear responses to the current crisis:-

1. The finance department appear to have taken charge and the management team distance themselves from the day to day - locking themselves away to cogitate. This has left the ongoing management to middle management/finance.

We call this “The **IVORY TOWER** approach”.

2. The senior team coming together to show clear leadership:-

- o Trying to making sense out the mess
- o Making it easy for everyone else to understand
- o Sharing it and socialising it
- o Proposing a clear course of action

Acknowledging that they may be not be right, but no leader is perfect

We call this the “ **THINK, COMMUNICATE AND SHARE**” approach. This approach at least brings your people on the journey with you but requires significant trust.



Leadership Qualities

What are the qualities that are emerging in these uncertain times?

The one clear emergent trait that people consistently mention is TRUST, first and foremost in times of great uncertainty people appear to look for leaders they can trust. However, in digging beneath the surface of trust with our clients the reality goes a little deeper and focuses on the ***Ethics/Values*** of the leader. Leaders are expected to demonstrate; INTEGRITY, CAPABILITY and COMPETENCY which make teams both believe in them and want to follow their lead at this difficult time.

THE REALITY IS THIS....

You might trust someone with high levels of integrity, but if you don't believe they have the necessary expertise it is unlikely you will want to follow them.

The Solutions

Leaders need to be more visible in these circumstances, to communicate more and exude consistent confidence in order to maintain the respect of their teams.

2. Organisations should seek out the staff that were around during the last recession and leverage their experience - if you've lived through one recession and come out of the other end there must be some value to be shared.



In order to highlight the above, here is a genuine quote from a senior trader in the City a few months ago :-

“No one on our floor has been here more than three years and is over 30. No one has experienced anything like this before, we have only known year on year growth. It's not as if you can pick up a management book and work out the solution for yourself. To be honest we haven't got a clue what to do”!

In the light of recent Select Committee presentations the above also appears to apply to those leading our biggest banks....should we be surprised at our current troubles ?



So back to solutions...what makes a successful leader in turbulent challenging times?

1. Someone who really knows their subject, instils trust and demonstrates high levels of integrity.
2. The ability to enrol people and effectively balance; task, team and individual needs.
3. The preparedness to make decisions, yet offer choices and remain part of the 'doing team'.

Remaining really clear exactly what you want people to do, why, the expected outcomes and the downsides if they don't perform.

The leader needs to decide where to enter the problem to help provide the solution and give leadership at one of three levels :

Strategic

Operational, 'ideas to actions' make sure communication is at the centre as it's the glue holding the whole thing together.

Tactical ~ being seen to deliver.

Our take on things is that most of the issues currently revolve around the operational and tactical levels. But the leader must not abandon or forget the strategy, it's the context and framework within which you are leading.

What to do now ?

Firstly, pull together a team you can trust. Balance the team with thinkers, doers and creative types ~ you cannot accept politics or 'fence sitters'.

Do a quick organisational 'stock take or sounding'....

Income

Cash

Increased Demand

Reduced Demand

People ~ morale, stress & uncertainty

Risk to delivery of strategy

External stakeholders

What shape are you in? The answers to the list above should provide an idea of the state of things and a potential course of action.



The possible answer appears to be in two parts;

Part one	Part Two
<p>Assess the situation (that's your 'stock take ~ sounding')</p> <p>React Quickly</p> <p>Take out or neutralise cost</p> <p>Drive insight from your information more frequently. If it was monthly then make it weekly. Get on top of your information.</p> <p>Communicate</p> <p>Make Noise</p> <p>Be seen to be doing things</p>	<p>Prioritise and plan</p> <p>Contingency and scenario planning</p> <p>Identify your opportunities and risks</p> <p>Operationalise and prepare for what's ahead.</p> <p>Ensure your people are OK and clear about what you are doing and why.</p> <p>Keep your ears and eyes open to what's happening on the street.</p>

In these uncertain times, teams are looking for clear leadership to provide a level of sense and understanding out of the uncertainty. It is obvious that more turbulence is on the way, so.....communicate, build trust and lead with integrity. Don't be afraid to make mistakes as leaders aren't perfect or sit in an 'ivory tower'.

