

Leading your team out of the recession

A Guest Article by Brian Pyke
January 2010

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

How businesses can capitalise on the predicted upturn

The attention of nearly all business leaders over the last 12 months has been firmly fixed on the impact of the recession. With many businesses having faced challenging times, the focus has almost inevitably been on cost cutting, delivering bottom line operational efficiencies, and survival.

Business confidence is, however, slowly starting to develop, and the cautiously optimistic view that it might be getting better is balanced with the view that at the very least it probably isn't getting any worse.

Having driven all of the efficiencies that became necessary during 2009, attention is now turning towards how businesses can capitalise upon the predicted economic upturn. As the recovery starts, it will bring with it a fresh set of challenges.

Engaging your employees

For you as a leader, if you want your business to outperform your competitors, you will need to motivate your employees to behave in a way that will better those of your competition. Having employees who are fully engaged and involved in your business plans will be an essential ingredient if you are to gain their commitment to performance excellence.

Right now, however, there is a strong chance that many of your employees are feeling pretty bad about things. They may have had to take a pay freeze, lost bonus or overtime income, faced the uncertainty of possible redundancy, maybe even seen some of their friends and colleagues made redundant. Now, as business picks up, there is more work to do than before, and there are fewer people around to do it!

The challenge of demotivated employees

So, just at the time when you need your employees to be "up for it" to take advantage of the expected upturn, to be committed to your customers and to get ahead of the competition in doing so, your business may have employees who are feeling demotivated. Or, worse, you may even be running the risk of losing your best people at the very time you need them most.

You will not be alone in facing this problem. It will be commonplace among many businesses. How you deal with this challenge, however, will be one of your key differentiators going forward.

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

Your biggest opportunity: the “not engaged”

A recent Gallup survey suggests that currently only 29% of employees are engaged with their business plans. These are the people who are passionate, are driven, and love what they do. Engaged employees go the extra mile – not because they are directed to do so, but because they want to.

Sadly, though, there are also those who undo all of that good work. Gallup suggests that 17% of employees are actively disengaged with their business. These are the ones who can potentially cause damage to your brand, your reputation and the experience of your customers.

As for the remaining 54%, Gallup describes them as being “not engaged”. They don’t go the extra mile; nor do they underperform. They just turn up and do what they are asked. It is with this group that your biggest opportunity lies.

Putting people back on the leadership agenda

In a really tough economy such as today’s, it has never been more important to inspire your teams to deliver results for you. The personal motivation of your employees is paramount, and yet turning that motivation back on after a period of fear, uncertainty, reduced headcount, budget cuts, and all-round bad news is a massive challenge. The economic downturn has taken people priorities off the radar, and getting it back onto the leadership agenda is crucial.

Applying your leadership skills to ignite the passion in your team to be inspired in the face of uncertainty is going to be vital. Motivating employees to deliver the high levels of discretionary effort that will be the difference between a good performance and an outstanding performance is the challenge that will most likely determine the speed of your business upturn.

The business case for employee engagement

All of this “warm fluffy HR speak” is all well and good, I hear you say, but right now any leader needs to be sure about generating a return on any investment made, be it a financial return or effective use of time.

Most business leaders will instinctively appreciate that motivated employees will deliver better results than those who are not motivated. But how do you translate that common sense appreciation into a sensible business case for employee engagement?

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

The financial facts of engagement

In recent years, many recognised and validated business studies have looked at the correlation between employee engagement and business results. Here are just a few of those findings.

- A Gallup survey in 2006 showed that businesses in the top quartile for employee engagement scores averaged 18% higher productivity and 12% higher profitability.
- A Corporate Leadership Council report in 2008 reported that organisations with engaged employees grew profits three times faster than their competitors.
- A Watson Wyatt study of 115 companies suggested that a company with engaged employees achieved a financial performance four times greater than that of companies with poor engagement.
- A Towers Perrin-ISR global survey reported a 52% gap in performance improvement over a 12-month period between companies with highly engaged employees and companies with low engagement scores. In the same report, Towers Perrin reported that companies with high engagement scores demonstrated a 13.7% improvement in net income growth, compared with a 3.8% income decline shown by companies with low engagement scores.
- A Gallup report in 2006 reported on the variations in earnings per share across 89 organisations. Growth rates in businesses with top quartile engagement scores were 2.6 times higher than in businesses with lower engagement scores.

The list could go on.

Warming up the cold hard road to recovery

The “cold hard facts” will have got you through the worst of what you have had to face. You will have applied all of your technical know-how, as well as the skills and experience of the people whom you trust and who work around you.

You may have had to reshape your business. You will have reworked the financial numbers every which way you can to ensure you have shaped the business to meet the challenges. And you will probably have taken the tough decisions about who stays and who leaves your business.

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

You will have looked at all of the operational efficiencies that can be achieved. You will have looked at your market sectors, your customer strategies and your risk management strategies. You and your leadership team may well have had so much to do to finalise your plans that you may have become just a little isolated and remote from your people.

So now it is about adding a little “warmth” to your recovery plans that will re-energise your team, give them a sense of purpose again, and motivate them to deliver excellence in everything they do.

Create your leadership “glue”

One of the key transformational elements of any warm recovery strategy is around the “glue” that unites your senior management team. That doesn’t mean everyone has to think the same and agree on everything. It does mean that constructive, positive challenge and debate is healthy, but once you have agreed your approach you must have absolute cohesion about how you communicate, act, and behave to your employees.

When you as a leadership team visibly display a sense of oneness in the way that your people see you behave, then you will create a positive energy in your business. It will give people confidence; it will create a dynamic positivity that builds belief in your team that whatever the challenge ahead, it can be solved.

Once that “glue” is in place, and the messages are delivered with clarity and consistency, your local line management teams can take those messages and develop them with local emphasis, to make them real and to build confidence for their people. Your messages will be constantly reinforced by line management because they are clear and unambiguous.

A leadership team that speaks with genuine conviction about the future in a consistent and cohesive way will inspire and motivate their teams to positive action.

Vision and values

We all know the power of having a defined vision and a clear set of organisational values, but it is not just about having a vision. How you communicate your vision and values and then “walk the talk” will be vital. If you want your people to change, then you as leaders need to actively demonstrate, live and breathe the change that you want to see in your people.

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

Make your vision of the future compelling. Make it exciting, give people the confidence that it can be achieved, and paint a picture of what life will be like in the future as together you start to deliver the results by doing things differently.

Most importantly, though, be the change that you want others to become. Be brave, be bold. Ask your people what you can do better. Actively seek feedback and encourage others to do the same. If you want your people to change and do things differently, you have to be a "do as I do" not a "do as I say" leader.

A lesson from NASA

There is a well-known story (or is it an urban myth?) of the difficulties facing the US space programme in the mid-1960s.

A five-star general was visiting Cape Canaveral when funding for the NASA moon programme was under threat due to budget overruns and a fatal accident. He had assessed the financial projections, reviewed the processes and examined the project plans, and yet he was still unsure whether to recommend keeping the funding for the programme in place. While waiting for his official transport back to Washington, he decided to wander around the reception area to read the information notices posted on the notice boards.

Wherever he wandered, though, he repeatedly got in the way of cleaner who was washing the floor. After this had happened several times, the cleaner politely asked the general to get out of his way.

The general was not accustomed to being addressed in this way. Somewhat taken aback, he challenged the cleaner: "Excuse me, who do you think you are, and what do you think you are doing?" The reply was simple: "Sir, I'm helping to put a man on the moon and you are getting in my way."

To inspire such passion for achievement in your employees you will need to create an equally powerful sense of purpose, your own "moon landing" vision so compelling that your team not only know what it is, but also how they are vital to its delivery.

Raising your team's confidence that they can deliver

Positive motivation comes from developing people's sense of self-esteem. People need to feel valued, have a sense of purpose, and understand how they contribute to the success of the business. Your performance management systems need to be aligned with your vision and values. Your objectives need to be measurable and focused upon the new world.

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

Your people will need to be reassured. They will need to feel that they belong in the new world you are creating. Everyone has a deep need to belong to something, and making them feel wanted will be hugely powerful. How you make them feel valuable will determine whether they move from being “not engaged” to “engaged”.

Many leaders find this difficult even in the good times, so when times are as bad as they have been recently, the need for leaders to give people a sense of value and purpose will be even greater.

Developing self-worth

Your people need to feel good about what they are doing. You need to find ways to develop their feeling of self-worth. Everybody is different; they all have a unique combination of skills, talents and potential that will be in demand elsewhere. After all, it is these skills and talents that made you hire them in the first place.

What are you doing to develop those skills in your people? It doesn't necessarily mean you need to invest large sums on training programmes. There are other ways to help people develop their capabilities: mentoring, coaching, sharing best practice, secondments and development projects, to name but a few.

Above all, your people need to feel that you value them. They need to believe they can achieve the new things that you want them to do, and your commitment to developing their capability to be successful will give them a feeling of self-belief, that they are competent to face the challenges ahead, and give them the positive attitude that self-confidence can bring.

Celebrate success – no matter how small!

We have already seen that as well as being common sense, most documented research suggests that motivated and engaged employees have a positive impact upon business results. It is estimated that effective leadership can improve the climate in a business by up to 70%, and the value that a positive business climate engenders can range from a 5% to a 30% impact upon bottom line performance.

It goes without saying, therefore, that a more engaged workforce will almost certainly deliver improved business performance.

You have set about communicating the new plan, you have reset the targets, and you have a number of change programmes running. Do your team know their key milestones and performance measures?

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

Empowering your teams

I have seen enlightened leaders empower their teams by getting them to develop their own local plans to deliver the key goals and objectives of the business. This empowerment gives employees the feeling that they are valued for their experience and expertise.

They have a strong working knowledge of the business and will often come up with plans that are more stretching than those you might have set them. In addition, by being involved in creating the plan rather than just being told what it is, they have a vested interest in, and are more committed to, ensuring it is successfully delivered.

Impact of recognition

Celebrating success, no matter how small, can play a vital part in energising individuals and teams. The positive impact of recognition – and even a sincere and well-timed “well done” to someone – is powerful, and can inspire them to go above and beyond the call of duty.

In these uncertain times, many leaders are busy “doing” and it can be easy to forget the really important things, such as:

- recognising great performance
- recognising those who go the extra mile to meet a customer’s needs
- recognising those who take time to help develop their colleagues
- making sure that your unsung heroes are recognised and praised for what they do.

Celebrate when key milestones are hit. This doesn’t always need to be costly. Public recognition for an individual or team who has delivered a success is just as powerful. If you can back it up with formal reward systems, then so much the better.

Constantly reinforce and communicate when people are doing great things. Catch them doing things right, and make them feel good about doing things well. You will find it is infectious, and will create a momentum of positive behaviours that will be powerful. Utilise the power of informal networks and influencers within your business to reinforce what you need to happen.

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

Reward and recognition systems

Make sure your reward and recognition systems are aligned to your new vision, values, targets, objectives and longer-term goals. Your reward and recognition strategy should be balanced between delivering results for today and building your business for the future.

Do you have ways for your customers to tell you when you are doing things that delight them? Most businesses have effective complaints processes, and rightly so. But how many have overt and effective systems to make it easy for customers to tell them when they are delighted?

Harness the power of positivity

Your customers are a great source of motivation for your employees. Make it easy for your customers to let you know when one of your team has delighted them, or done something that they perceive as magical, and then share that good news around your business. Celebrate behaviours that delight your customers and you will find that it, too, is infectious.

Make sure you create internal processes for your employees to give positive feedback to other people who do great things in your business. People love to give positive feedback to their peers, colleagues, even their boss. Harness the power that positivity can bring.

The simple things, done well

Most people will recognise that it's not always about doing exceptional things. Sometimes it can just be about doing the simple things exceptionally well.

Leaders who know how to create the energy and passion within their teams are often seen by their people as charismatic and inspirational, and yet those leaders may not think of themselves that way. The way they act and behave, though, will give their teams that sense of purpose, respect and value that inspires others to excel.

It may be simple, but unfortunately it is not always easy. Think about the simple things that can make a big difference.

- **Clarity, clarity, clarity.** Make sure you are clear about where the business is headed, communicate why it is important, and the key role that your people can play in making it happen.

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

- **Value the potential in your people.** Set them challenging and achievable goals, or, better still, get them involved in building the plans to achieve the goals. Expect them to give of their best, and be willing to invest in them to realise their full potential. Respect their skills, experience and ability to grow your business.
- **Give your team a feeling of hope for the future.** Paint a compelling picture of tomorrow that is brighter than today, and show them the steps towards getting there. Excite them about embarking on the journey towards the new future.
- **Be open and honest about yourself as a leader.** Actively seek and encourage feedback. Show that you are listening and act upon the feedback. Share your knowledge and wisdom. Share your time, coach others to help them succeed.
- **Deliver open, honest and transparent communications – and then keep doing it.** Your people will not always remember what you say, but they will always remember how you made them feel.
- **Make people accountable for their actions.** Give them responsibility and accountability and try to eradicate as many internal barriers and sign-off procedures as is safe to do, without compromising corporate governance and risk management processes.
- **Recognise and celebrate successes.** Give honest and open feedback, and don't shy away from providing people with clarity about how they can improve. If done constructively it can be powerful and inspirational.

Belief and desire

As we move out of the current recession, leaders will have a key role to play to inspire, motivate and energise their teams. Most leaders instinctively know that people's willingness to do things will be driven by their belief that it can be done. Individuals and teams won't give 100% commitment to try and do something they don't believe in.

But belief is only part of the answer. As leaders we also have to create the desire in our people to deliver results. The talented people in your organisation can probably do what is required in the new world – but do they want to?

Leading your team out of the recession

A Guest Article by Brian Pyke for TCii Strategic and Management Consultants

Changing role of the leader

The role of the leader as we commence our journey out of recession is changing as our circumstances change. He or she must be able to:

- give everyone in their team the clarity of direction for the future
- help them understand what needs to be done and why they are important
- coach/train/develop them to be the best they can be
- ignite the passion in their team to deliver great results.

Delivering the financial performance will be vital for future growth. Analysing the results will be key to deciding on strategic and tactical decision making. But don't forget that the financial numbers are usually driven by the people in your business, and we as leaders must also invest our time to respect the key part they play in our future success.

Inspire, motivate, energise

Getting the best from employees requires leaders to motivate them to deliver more of their latent potential. Without this inspirational leadership there is the danger that people who are "actively disengaged" in a business can, and probably will, negatively influence others and fuel a downward spiral of low morale. Leaders cannot leave that to chance. We must ensure we are inspiring, motivating and energising our teams to deliver to their full potential.

There is a fantastic window of opportunity for leaders who embrace this challenge. It is a time when leaders can create the positive energy and environment in their businesses to unleash the full potential of their people, and actively inspire them to be the very best they can be.

Brian Pyke
Managing Director – Inspiring Excellence Ltd

If you would like more information on any of the points covered in this Guest Article, please contact **TCii** on **020 7099 2621**.