

THE PSYCHOLOGICAL ROLE OF THE LEADER IN TURBULENT TIMES

Business leaders face huge challenges during economic recession. Qualities such as courage, self-confidence and the ability to make tough commercial decisions under pressure all come to the fore. Less widely appreciated and understood is the crucial psychological and emotional role that leaders must play during periods of acute uncertainty if they are to optimize the long-term performance of their business.

Leaders must understand the dynamics that lie "below the surface" of their organisations and skilfully address the unspoken needs of their staff. This takes maturity and skill but will maximize the chances of weathering the economic storm and emerging strengthened when times improve. Those businesses that do not achieve this will find their commercial problems compounded by destructive internal dynamics and underperformance.

While leaders may have had setbacks during their career, most will not have experienced a global downturn. They face a steep learning curve if they are to succeed in the new business environment. The support and guidance of HR professionals can be a critical success factor.

What happens to organisations during turbulent times?

The suddenness and severity of the current economic downturn has inevitably generated a shared sense of shock and foreboding. The media's relentless reporting of the latest bad news fuels this mood. The loss of household names like Woolworths and Wedgwood only adds to a sense of insecurity and lack of confidence in the future. In 2008, a leading psychologist linked the endless flow of economic bad news to a widespread sense of helplessness, also blaming the recession for an increased risk of injury and stroke (Devlin, 2008).

Within organisations, negative feelings are compounded as colleagues interact. Research and experience demonstrate that feelings and states of mind are highly contagious. Daniel Goleman, who developed the concept of emotional intelligence, recounts experiments showing just how quickly a strongly-expressed emotional state is transferred from one person to another (Goleman et al., 2001). In the workplace, all employees can be influenced by a prevailing mood of anxiety, which gradually dominates the organisational "system"[1]. Negative thoughts and feelings predominate while more positive views become subtly excluded or difficult to express. This creates an intangible but powerful emotional backdrop that can be termed "systemic anxiety"[2].

This negative dynamic is exacerbated by pressure on staff to work longer and harder. Many organisations control costs by cutting resources and jobs but aim to maintain output. Extra demands are placed on the remaining employees who generally feel unable to refuse. Frequently they are also expected to demonstrate new levels of flexibility, covering the work of former colleagues or adapting to new working methods. This fuels longer working hours and associated problems.

During a recession, workers are also likely to undergo repeated experiences of loss. This is an inevitable consequence of the cutbacks, project cancellations, job freezes, redundancies and retrenchment businesses engage in to survive. In his book *Managing Transitions*, Bridges emphasizes that change - even when desired - always involves a loss (Bridges, 2003). This is more significant when change is unwelcome and imposed from outside. Feelings of sadness, anger and guilt prevail.

Organisational consequences of the 'toxic cocktail'

Combined, the powerful dynamics described above form a "toxic cocktail" that threatens morale and performance [3]. It generates damaging behavioural and attitudinal changes within organisations. Among other things, this leads to more:

- Short-term thinking
- Presenteeism
- Absenteeism through sickness, stress and depression
- Addictive behaviours
- Rumours
- Politics
- Defection of valuable employees

There is likely to be a decrease in the following:

- Morale
- Motivation
- Clarity around task priorities
- Work-Life Balance
- Productivity
- Innovation and risk-taking
- Long-term and reflective thinking

The psychological role of leaders during turbulent times

This toxic cocktail means that in times of great uncertainty it is not enough for leaders to address strategic and operational tasks. They must also address the emotional needs of their workforce if they are to improve morale and productivity. There are four key behaviours that leaders must master in order to provide the workforce with the best possible sense of psychological "containment" [4]. This set of behaviours takes considerable insight, resourcefulness and maturity on the leaders' part but the stakes are high. If achieved, they will:

- Reduce anxiety, fear and anger
- Build trust, loyalty and commitment
- Generate resilience and optimism

Behaviour 1: Prompt and considered action

When an organisation enters turbulent times, the first behaviour its leaders must demonstrate is a prompt and energetic response to the difficulties facing it. The workforce needs to know that its leaders recognize the seriousness of the situation and are addressing it. However, the leaders' actions must not be the result of impulse or panic. Leaders should immediately announce that they are making the problems their absolute priority while explaining that they need time to finalize the best course of action.

While a proactive response reassures the workforce, a lack of swift and visible action from the top increases anxiety, anger and blame. Leaders who demonstrate this first behaviour will understand this and have the courage and confidence to take responsibility. Failure to act may reflect a paralyzing level of anxiety in the leaders themselves. Equally, it may arise from a misguided belief that responding with alacrity to a crisis will create more problems than refusing to engage. This latter policy, often favoured by political leaders, is almost always disastrous.

Behaviour 2: Honest and consistent communication

Though reassured by seeing their leaders "in action," employees will inevitably be preoccupied with what the downturn means for them. In the absence of reliable information, rumours and speculation flourish. To reduce these and build trust, leaders should provide honest and timely information (within appropriate constraints) about the challenges facing their business and the measures that may need to be taken as a result.

Being rigorously honest takes considerable maturity on the leader's part, particularly if they are people-focused and find conflict difficult. Many choose to delay or dilute bad news in order to "avoid worrying and demotivating" the workforce. This view often reflects (and rationalizes) the leader's own discomfort, anxiety or guilt at being the bearer of negative messages. However, employees read the economic signs and will almost invariably expect some bad news. During a downturn, managers are continually asked about possible redundancies even when there is no intention of cutting jobs. People suffer most from uncertainty and would prefer to know the worst than to imagine it.

Leaders of course cannot always be completely open, for example when information is share-price sensitive. Often they will not know the answer to questions such as "are these job cuts the last?" It is best to explain honestly what they do not know or cannot share. This builds trust and reassures the workforce that they will be told as soon as possible. An example of good practice is the CEO who provides a regular weekly update to staff, even when the update consists of stating that there is no new information this week. Simply receiving this message tells the workforce that their leader understands their need for information and will provide it when he or she can.

Methods of communication can range from one-to-one conversations, small team meetings, "town-halls" and carefully planned roadshows for large groups of staff to intranets and house magazines. There is considerable value in adopting multiple methods as long as the message is consistent. Leaders frequently express surprise that the same questions are asked repeatedly, even when answers have been provided. This is because anxiety significantly reduces the capacity to listen and absorb information. Leaders must prepare themselves to remain calm, resist becoming irritated and patiently repeat their message.

Behaviour 3: Emotional connection

A speedy response and honest communication are not enough to maximize "containment". Leaders must also maintain an emotional connection with their workforce. They must:

- Acknowledge the painful impact of bad news on their workforce and resist moving on too quickly to something more positive out of discomfort, guilt or insensitivity.
- Find an authentic way of disclosing some of their own sadness, concern or disappointment so employees know they genuinely care.
- Let staff vent their feelings, listen and empathize - even though they cannot make the bad news go away.

A recent example of excellent practice was the manager of a manufacturing company tasked with telling his staff that popular and longstanding colleagues were being made redundant. He announced this at an off-site meeting the following day, cancelling the entire morning's agenda in order to allow staff to absorb this news, discuss it in small groups, express their feelings and ask questions. He also shared his own sadness that these redundancies were necessary (though without blaming head office or disassociating himself from the decision). He offered particularly affected individuals one-to-one meetings, listening to and acknowledging their feelings. This leader's respect for his staff's need to process bad news, express their emotions and feel heard was deeply appreciated. His actions generated great loyalty and people were able to recover more quickly as a result.

The range of meetings and media mentioned above, through which leaders communicate to their workforce, should also be made available for staff to express their thoughts and feelings in response. This presents a major challenge to leaders who have to show great restraint and self-management in order to listen to their employees' expressions of distress and anger without becoming defensive, irritable, impatient or overwhelmed. For many, this critical aspect of staying emotionally connected with their people is also the most difficult as they must absorb a great deal of negative emotion without necessarily being able to make things better. However, it is also the most important as the "simple" process of listening and

empathizing is tremendously powerful and will in due course create real appreciation and loyalty.

Behaviour 4: Inspiration

The most impressive leaders go one step further. While remaining realistic about tough conditions, they find a way to motivate and inspire their followers to perform. To achieve this, they must draw on deep reservoirs of leadership energy, fuelled by a powerful combination of self-confidence, personal humility, passion and belief in the future.

This fourth behaviour must be founded upon the three previous leadership behaviours action, honesty and empathy. It is only when a leader has demonstrated these that their "call to arms" will be experienced as truly authentic and compelling.

A female CEO in the banking sector recently delivered just such a message to her top 100 executives. It was honest and bracing in its acknowledgement of the tough economic times to come and she made clear how much she was expecting from her top team. She also shared, with real passion, her belief that the organisation she led had the capability and will - through relentlessly focusing on the needs of its customers - to weather this challenging period with results and reputation intact and to emerge as "one of the winners". The palpable buzz and enthusiasm that infused the room illuminated what can happen when a leader gets this fourth behaviour right.

The role of HR in turbulent times

Few leaders find that these four behaviours come naturally. For most, they must be learned and practiced. This can be particularly challenging during tough times, as leaders themselves are not immune to the toxic cocktail of negative organisational dynamics and many feel anxious, burdened and exposed. HR partners who enjoy their leaders' trust can play a central role here.

HR should remember that leaders risk reverting to earlier, less skilful versions of themselves under pressure. The task-focused leader who has learnt the importance of maintaining good relationships may revert to "tell" mode under pressure and become impervious to the feelings of others. The people-focused leader who has learnt to confront difficult interpersonal situations may revert to avoiding tough conversations. Some may find their working hours spiralling out of control in the maelstrom of task demands and be unable to switch off. This in turn erodes their capacity to mobilize the emotional intelligence necessary to deliver the leadership that turbulent times demand (Loehr and Schwarz, 2001).

Specific ways in which HR professionals can help include:

- Presenting leaders with an analysis of the psychological, emotional and behavioural impact of the downturn on their organisation.
- Emphasizing the leaders' role in helping staff feel contained in the midst of the toxic cocktail of negative dynamics.
- Identifying, coaching and supporting those leaders best able to demonstrate the four key behaviours.
- Identifying those who are struggling and, where possible, coaching them to gain insight and behave more effectively. and
- Providing an emotional outlet for leaders to offload their own negative emotions, whether distress, anxiety, anger or guilt.

One organisation has addressed these needs by having a dedicated, senior HR professional supporting and coaching the board around these issues. This was achieved through other, less strategically-critical HR projects being put on hold. Another executive team has asked a trusted coach for specific, focused consultancy in this area. Both approaches appear to be paying dividends in terms of leadership performance and the morale and productivity of the workforce.

Looking after the needs of HR

HR professionals usually have to juggle powerful competing demands on their time and attention and this is even truer in turbulent times. As well as supporting leadership behaviour, they have a central role in planning and implementing cutbacks, redundancies or closures with all the emotional strain and sheer hard work this involves. If the organisation cracks down on poor performance, HR is expected to help with the difficult conversations as well as dealing with the human aftermath. The HR team members are expected to be emotional "sponges" on the one hand and policy and procedure experts on the other, providing everything from a shoulder to cry on to legal advice.

If HR professionals are to remain effective in the face of these demands, they must attend to their own needs. While colleagues use them to unload concerns and frustrations, the impact on HR partners themselves can easily go unnoticed. However seasoned and competent, they too are subject to the toxic cocktail. They must find ways to resource themselves and each other so that they can recover quickly from the negative experiences that tough times inevitably bring. This will enable them to model the balanced, insightful and containing leadership in their own sphere that the leaders of their business need to demonstrate in theirs.

Looking to the future

Together, the leadership behaviours described will provide a sense of psychological safety and emotional containment in organisations undergoing great uncertainty, instability and often painful change. Leaders cannot avoid or prevent painful events affecting their people. However, with the support of HR, they can take charge of threatening situations with alacrity and resolve. They can deal honestly with their people, convey genuine empathy and create a powerful sense of hope in the future. Leaders who achieve this will help staff deal more effectively with difficult experiences and inspire tremendous loyalty and trust. They will also succeed in focusing the energy of the workforce on the job in hand, helping their organisations to emerge successfully from recession when the conditions for economic growth return.

Notes

1. Systems thinking sees organisations as consisting of different parts that relate to and interact with each other and the external environment. See extensive literature on systems theory.
2. "Systemic anxiety" is an original term coined by the author.
3. "Toxic cocktail" is an original term coined by the author.
4. In identifying this combination of behaviours, the author has drawn on the ideas of eminent psychologists Winnicott and Bowlby whose work includes the concept of "emotional containment". This relates to the experience that a mother needs to provide for a baby in order to allow it to grow up with a sufficient sense of safety and confidence. See D.W. Winnicott, *The Child, the Family, and the Outside World*(1964) and J. Bowlby, *Attachment and Loss* (1969).

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