

▶ **Trust: The Toughest Leadership Challenge in Tough Economic Times**

by Bob Rogers, President, DDI

In my 40 years as a leader, including 20 as president of DDI, I have held some very challenging discussions, from terminations to layoffs, from salary reductions to why someone didn't get a promotion. But the toughest conversation of all is talking to associates in down economic times—trying to communicate difficult messages while retaining their trust in me and the organization. These are the toughest because of the ambiguity of the situation and the constraints you are under in terms of what to share, promise, or withhold. I am sure many of your leaders feel the same way. Sadly, we know that when leaders feel intimidated by these discussions, they may not conduct them well, or may even avoid them altogether. And this damages trust in both individuals and the organizations they represent.

This is illustrated by a recent study reported in the January/ February edition of the *Harvard Business Review*. It showed on a scale of 1-5 (1 being the least amount of trust; 5 being the most), bosses rated a mere 2.7 in the amount of trust their subordinates had for them, versus 3.0 for their organization. I think these numbers reflect the pain of leading during this economic downturn. Frontline leaders are having an especially tough time. They don't know what the future holds, and have less leadership experience in managing ambiguity. As a result they are sharing less, and communicating poorly at times when employees need to hear more from their leaders. It's a delicate situation, for on one hand frontline leaders can't say what employees want to hear most: Don't worry, your job is safe, everything is fine. But on the other hand, in the absence of communication, employees will fear the worst.

So what is holding leaders back from having open and honest discussions with their people during ambiguous economic times? Our belief is that there are three reasons why leaders don't do enough of these discussions to retain the trust of their workforce.

Reason # 1: A Lack of Confidence

There are a number of reasons why frontline leaders may lack the confidence necessary to have these conversations. For one thing, they don't have them very often so there is little practice. In my career I have lived through four recessions—this being the worst—and I've been able to draw on what I learned previously. Many new leaders aren't similarly equipped.

Also, organizations don't provide their leaders with enough information and guidance on what they can share and what they can and cannot promise (such as we won't have any layoffs, or your job is absolutely safe). Leaders need to see or hear their own leader modelling these conversations, so they can apply what they see to the conversations they'll have with their own people. If senior executives don't hold honest and open discussions with their subordinate leaders, how can those leaders be confident that they will handle these discussions with their people in line with what the organization expects?

Finally, leaders are not sure what skills and behaviors will be most effective in these situations. They need guidance. When DDI laid off a small number of our associates last year, we prepared a booklet for all leaders on how to discuss with all remaining associates what happened, why it happened, and what the future prospects looked like for our company. Individual meetings with leaders who had to conduct lay-off discussions as well as a group meeting with all leaders ensured everyone was prepared for this tough period of change.

Reason # 2: Under-developed Skills

Many leaders haven't developed enough of the skills most important to maintaining trust. It probably won't surprise you that the skills and behaviors needed to maintain trust are the key principles that we teach in our Essentials of Leadership course, which is the foundation for all of our frontline leader curriculum. They are the cornerstone of good management, and it's key that leaders know which ones to use and with what degree of frequency and emphasis to use them. This is where the skill comes in, at a very sophisticated level, since each person's situation and anxiety level will be different. Let's take a look at the key skills and behaviors:

Maintenance of Esteem. In tough times people more than ever want to know that they are adding value and are important to the organization. Even if the leader can't promise "no layoffs," it is necessary to assure an associate that they are a capable, valuable contributor. This will foster a sense of security in or out of the company.

Listen and empathize. Sounds easy, but when people are fearful of losing their jobs and they are the only earner in the family the anxiety will be at its highest. It is critical that they know the leader is listening and understands their fear. This can be very tough, and leaders are most likely to be weak in this area because it takes practice to be able to express both the content and feelings while being sincere. That doesn't happen with one or two practices—it takes a sustained effort to master this skill. And even for experienced leaders, I advocate role playing tough conversations that require listening and empathy in practice runs to prepare for the real thing.

Share appropriately. Offering a leader's own feelings or rationale for decisions is touchy when there are things that cannot be shared. Also, associates may think that their leader's job is safe so why should he or she worry? By sharing feelings of anxiety and stress about the situation a leader provides reassurance and shows an associate that he or she understands.

Leaders should be positive and provide hope that things will get better without saying things that they do not actually feel. Leaders need to state why the course of action the organization is taking is going to be successful in the long run. For example, many associates at DDI were frustrated that our company didn't use pay cuts or reductions to part-time work in order to save jobs. I was able to alleviate associates' frustrations and help them understand our decisions by explaining that since we did not anticipate a quick recovery in the global economy, we needed the reduction in staff to ensure our organization was the "right" size for the next few years.

Ask how you can help them. Sure you need to ask them for their help in reducing costs or improving productivity, but the emphasis here should be on you helping them! What they might say may be very different than at any other time, but may provide valuable information about how the leader can continue to build trust with the direct report.

Reason # 3: No Accountability

When these discussions don't occur, it's often because the organization and senior executives don't hold all leaders accountable for conducting the discussions. Without that accountability many leaders will shy away from these discussions because some will be very difficult. But as I like to say to our leaders, that's what leadership is. It's holding the tough discussions, retaining trust in tough times, and motivating them when they want to focus on the bad times. This is the time when leaders should be communicating more not less. And that won't happen if senior leaders don't model that and hold all leaders accountable for doing the same.

What Can Organizations Do?

Training and support for all leaders is essential in times like these. And frontline leaders are likely to have

the most acute need to build skills and confidence. Of course I happen to think DDI has the best tools to help organizations with this. But whether you turn to us for help or not, I think it's essential that organizations provide their frontline leaders with training and support. Pivotal topics to target for the best results include trust, retaining talent, leading change, and motivating others. For more senior leaders, the ability to lead with courage and develop emotional intelligence helps these 'leaders of leaders' conduct and model tough discussions to build and retain trust.

This is the time your leaders need the confidence and skills to hold these tough discussions. Are your leaders up to it?

About the Author

DDI President Bob Rogers is a recognized expert in strategy execution, performance management, leadership development and succession management. Bob himself is the product of a successful succession management program at DDI for more than 25 years, having risen among the senior leadership ranks to his current role.