



Speak up in hard times

It's not all good news, but it must still be told, writes Ken Gunn

Managing organisational change when the news is all bad requires a special toolkit of managerial skills.

In our booming economy only 12 months ago senior managers were worried about attracting and retaining talented staff or managing expansion. Now, however, we are being buffeted by waves of economic crisis, forcing business leaders to consider big changes.

The change in fortunes has been astonishing. One of our CEO Institute members, management consultant Robert Wagner, observes with chilling clarity the shift in business confidence that he has witnessed in recent months. "Five months ago, many CEOs and managers were still pretty blasé about the economic downturn; three months ago, they were more concerned; less than two months ago, people were beginning to look ill."

I want to share some tips for navigating and surviving these tumultuous times. I will look at the importance of communicative, visionary leadership in dealing with issues such as employee resistance to change and common reasons for failure of organisational change.

Create a shared sense of direction

Sandy Hollway of Sydney Olympics fame is a CEO Institute Syndicate Chairman. He says the key to surviving economic down turns is to set goals – creating a shared sense of direction. Staff yearn for leader ship. "Can somebody please re-establish a goal, stick out a marker and tell us why it should be pursued and how it will be done?" he says. Whether it be downsizing or merging, the goal needs to be communicated honestly. "If somebody is going to be badly affected, you need to look them in the eye and tell the truth."

Hollway says leaders are responsible for communicating hard messages; and that they can't assume such messages will be conveyed through management levels.

Elements of change management

As managing partner of Harriss Wagner Management Consultants, Robert Wagner has many years experience in change management. He says that effective leaders understand four key elements: the key drivers of the change; the consequences of not changing; the approach that is being taken; and how the desired change will look when it is completed.

Wagner says: "During times of high stress, the leaders of organisations must be proactive about discussing change and related stresses. Collectively, and as individuals, employees must feel supported in their fears and concerns. Leaders must be frequent communicators and empathetic listeners."

Hang onto talent

As businesses look at ways to cut costs, Wagner cautions against retrenching talented employees who are costly to recruit and train. "In our firm, we will avoid cutting knowledge out of the business where possible. Times like these create opportunities to build organisation competency through professional development, while at the same time tapping into peripheral markets to generate new business opportunities."

When employees have to be retrenched, Hollway says, the reasons why are little consolation to the person losing their job. In those circumstances, he says, "We get way past technical issues of organisational change management and into issues of how, as human beings, we treat each other. To those people, we need to show sympathy, remorse and concern."

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