

Seven steps for showing your true colours

DAVID HURST

Globe and Mail Update

February 9, 2009 at 6:00 AM EST

Simple choices between good and evil, it is said, are a poor guide to a person's values. The only valid tests of our beliefs and those of our organizations are in actions taken under pressure.

The sudden change in economic fortunes has given organizations an unexpected opportunity to show their true colours. And their people are watching. It is a challenge that will test the boilerplate on corporate values in countless annual reports and set every organization's tone for years to come. Will the stories to be told of the Crash of '08 and the ensuing recession reaffirm your organization's values or will they tell of cold actions that contradicted the warm words crafted in happier times?

Undoubtedly, many companies are going to have to take drastic action just to survive. "Cash is King" will be their mantra and in the process they will be forced to make unpalatable choices among myriad evils. There is plenty of practical advice out there on how to do this – talk to your clients, monitor your receivables, squeeze the supply chain, and so on.

When it comes to people, the counsel runs through the sensible to the Draconian – freeze travel, hiring and compensation, layoff temporary workers, ban overtime and reduce the permanent work force as required. Short term, this may be essential for survival but how these moves are made is critical, not only for survival, but for the ability for the organization to thrive in the recovery that eventually will come.

Fortunately, there are precedents for our current condition and we can learn from them. Here, based on my experience inside a failing company in the depths of the 1982 recession (the sharpest in North America since the Great Depression of 1929), are some thoughts for managers and leaders on how to survive and thrive in times of crisis:

Opportunity in adversity

The key to getting anything done in an organization is a sense of urgency focused on the key priorities. Crisis gives us that sense of urgency. The role of managers and leaders is to focus the resulting fear, and drive out the dread that is sure to develop among staff – that debilitating feeling that something is going to happen and that you can't do anything about it.

Make people moves early

Do what you have to do to get the cash flow positive by focusing on financials. Make any people moves as early as possible and give a real rationale for your actions, instead of vague, generic reasons. This crisis may be an opportunity to open up your organization's numbers to your people. You can hardly expect their co-operation if you do anything less.

Organization needs to flow

Address the key issues with cross-functional, cross-organizational teams comprising people from all over the organization and who are capable of handling a variety of challenges. De-emphasize the formal organization. Line managers are often best left off the teams to run their operations. Include “young Turks” and perennial malcontents from the fringes of the organization to send a powerful message of change.

Create opportunity spaces

Any change like this threatens the organization's power structure. Create open “patches” – space, time and organizational cover through top-management sponsorship – in which the issue-driven teams are protected from the organization's “antibodies” – people who benefit from the status quo – that will attack and reject the task forces as foreign intruders.

An oral tradition

Tell the story – get control of your organization's narrative: We make sense of change with stories. Use the story of the organization to create a narrative centre of gravity that acts as an identity, a catalyst for co-ordinating the actions of others as they play their roles in the outcomes. At times like these, a strong sense of past gives the best guidance to the future.

Talk to me

Don't underestimate the power of face-to-face communication: Trust is at a premium and nothing reaffirms and creates it like sitting down with people, especially over a meal. Get in front of your clients, suppliers and resource providers. Talk to your people in town halls and other venues. Talk to yourself: Write a daily blog and publish it for all to read.

Appropriate methods

There are an enormous number of methodologies and tools available to address particular issues, such as brainstorming through “wikis” and other open-source platforms. Look in your own backyard for best practices – working models trump third-party descriptions every time. Use new technology for brainstorming with clients, and other stakeholders, as appropriate.

All seven of these factors interact with each other to form an integrated approach. The dilemma for managers is how to respond to the crisis through the centralized control of cash flow and capital expenditure (including the hiring of people) while, at the same time, taking the lead to decentralize the responsibility for focused innovation and learning. During the 1982 recession we did both, surviving the downturn and thriving in the recovery that followed. But we learned that it's both discipline and freedom – not either-or.

Otherwise, all that values stuff is just shining hypocrisy.

Your audience is waiting.

*David Hurst is a speaker, consultant and writer on management and the author of *Crisis & Renewal: Meeting the Challenge of Organizational Change*.*