

THE BUSINESS ENVIRONMENT AFTER SEPTEMBER 11

Views on Leadership in an Uncertain World

Presented by Kathy French

“It feels like we are walking on shifting sand” was the statement made in a leadership seminar by an executive who was responding to queries about the business environment after September 11th. **Without a doubt, business people are feeling the impact of the attack on America in several ways**—not the least of which is the uncertainty of the economic future in their market or industry. Great feelings of sadness and loss pervade their companies, and employees are having a hard time staying focused. The need for reassurance in current strategies, structures and potential outcomes are making even trivial issues and decisions increasingly tentative. Safety—both personal and with work issues has become a constant tap on the shoulder.

Projects, purchases, plans and decisions are being put off. “Will you raise that issue (idea, sale etc.) again after the first quarter?” –seems to be the mantra of many business executives as they try to cope with the myriad shifts of mood, information and market reactions. The business environment is not a happy place right now. Sales are down; the media reporting of incidents of doom both locally and globally seems to have captured the public’s attention. There does not seem to be a beacon in the future promising a change. **In the bleakness, many executives are uncertain as to the appropriate leadership role for them right now.**

Granted, there is no precedent for hindsight research and recommendations for an incident so horrific as September 11th, but we do have reliable information on leadership during changing times and times of uncertainty. **There is much for a business owner to consider that will give hope in a scattered climate.** For example, from the Wharton School comes the research findings on CEO behaviors that impact profitability during times of uncertainty. The findings in this 1996 hallmark study are clear. The extent to which the leader of a company:

- Is visionary
- Demonstrates confidence in self and others
- Communicates high performance expectations and standards
- Personally exemplifies the firm’s vision values and standards
- Demonstrates personal sacrifice, determination persistence and courage

...Is highly correlated to the profitability of the company in times of high risk and uncertainty. Interestingly enough, these factors are not necessarily correlated in the less challenging times of certainty and high commerce.

Here are some thoughts on the first issue: Visionary

Visionary is one of the leadership characteristics needed in times of stress and uncertainty identified by Wharton School professor, Robert J. House in his study of CEOs and their impact on Profitability. Maybe that’s a no-brainer to you, but how do you make it work in your company? Just how do you take the company vision and make it a direct link to profitability in times of uncertainty?

The answer is in the articulation of the vision. If the company leaders use the vision as the one thing that is certain in the future, and consistently conveys that message; then it becomes the flag post for others. **If you, as the leader, speak and act as if the company vision is a true prediction of the company's future, then your work associates will believe it.**

Part of the articulation of your company's vision that's important to remember is the frame that's necessary—which accounts for risk and uncertainty. **Acknowledge that times are scary and that changes have to be made to protect the company and the safety of all who are there.** However, there is nothing that will impact the desire of all associates to accomplish the goals. With that desire comes the results that were determined earlier as a part of the vision.

That's exactly how CEOs are using their visionary characteristic as a positive influence on profitability during uncertain times.

And other thoughts on uncertainty and the role of the leader....

Emerging Leadership

The Emerging Leadership process that has been initiated in a few businesses are beginning to show great returns. In one engineering company, the Emerging Leaders group is currently working on the operating structure for the year 2004. All 18 of them have been working feverishly to meet a December deadline, and without realizing it, their relationship with each other has changed to be more collaborative and crosses boundaries. It is also keeping them very focused on the task and not off-balance wondering what the future holds.

Another company has 12 of their emerging leaders instituting the Balanced Scorecard planning process among several different sites around Colorado. They are almost finished and amazed at the difference the common planning process has made when it includes more than just financial results.

The Enneagram

The Enneagram continues to be a profound style tool for executives. Many are amazed at the clarity it provides them for the work they need to do to develop a clear leadership role. The Enneagram offers nine world views that are substantially different and each is motivated differently.

One particular executive who is a SIX style says he knows now, for the first time, that others are not worried about the same things he is, and it is was a tremendous surprise and relief at the same time. He is getting an eye-opening understanding as to why people do not react to his demands. His style (#6) is known for changing their minds often.