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EXPERT OPINION

Understanding the tasks of a leader in turbulent times

A psychologist and executive coach counsels top managers on ways to inspire confidence within an organization even as economic stress mounts

By Steve Axelrod

The current financial meltdown and economic collapse have created an epidemic of confusion and fear in the workplace and beyond. Net worth has plummeted and so has confidence, security and respect for leaders and institutions. The responsibility of a leader is to guide an organization, not only financially, but also towards psychological stability. In order to foster a sense of steadiness despite external disruption, it is valuable to examine some of the emotional forces in play and actions to take in order to keep people focused and engaged.

Self-awareness should be your first priority.

Knowing your own emotional responses to risk, uncertainty and danger is essential for successfully leading an organization during upheaval. The current crisis can trigger very personal memories and fears of trauma and loss, with unintended behavioral consequences. Echoes of earlier catastrophes can lead to withdrawal at the very times you need to be most available to others. At the other extreme, leaders who lack self-awareness can create toxic organizational environments when they turn the pressure they feel into angry, demanding behavior with members of their senior team.

Demonstrate empathy in the broadest sense.

It is important both to recognize and acknowledge what people in your organization are experiencing. While not all the problems caused by stress can be fixed, you can start by demonstrating an understanding that the pain is real. When behavioral problems surface, remind yourself to filter them through your understanding of individual and organizational stresses. Your empathy will guide you toward providing what people need most right now—your availability, regular communication and a plan for the way forward.

Create a sense of urgency without breeding fear.

Now more than ever, organizations need everyone's commitment and willingness to problem-solve and innovate. If a staff is swamped by fear and uncertainty, capacities for thought and productive action will shut down. Communication is your most powerful tool for limiting adverse emotional

reactions and keeping people engaged. The frequency and timing of communication, as well as its content, is critical. Your staff wants to hear from you frequently and regularly. They will be tuning in for a clear and honest accounting of what you see and the actions you will take. Especially in times of crisis, they appreciate straight talk and are turned off by unemotional “corporate speak.” Also, pay attention to the timing of your communications. Giving too much non-specific advance information about the austerity measures to come can breed toxic reactions—nobody functions well with the Sword of Damocles hanging over them.

Demonstrate a commitment to the growth and development of the organization’s talent in bad times as well as good.

You can model engagement by giving people the thoughtful, individualized feedback they need. Affirm your stars; they need to know their value and their role in the organization’s future. Hold up a mirror to poorer performers and challenge them to improve in critical areas. The best managers earn their staff’s respect and gratitude even when delivering tough messages. If you give the proper time and attention to managing and recruiting talent, your organization will be better positioned in the marketplace when recovery begins.

Assert personal and organizational core values.

People want leaders to point them consistently toward what’s most important about the organization’s mission, operating principles and codes of conduct. This is a time for pruning and refining your business and for strengthening its core. It is also a time to make sure that your behavior aligns with the values you espouse. Your integrity is now more than ever a critical component of your leadership, so make sure that if you are asking others to sacrifice that you are also doing your share.

Finally, remember that how you handle the current turbulence will have a powerful long-term impact on your leadership credibility. Success in facing these tough tasks will also have a long-term impact on your own growth as a leader. The very culture of business may well be moving into a period of restructuring, in which roles, processes, values and priorities will be refashioned. This will present important opportunities for you. Don’t go it alone. Strengthen your network, reach out to those who can help you. Check your own denial or emotional reactions; seek and be open to feedback.

Executive coach Steve Axelrod holds a Ph.D. in psychology from New York University and has 25 years of counseling experience. He has been retained to work with leaders in a range of organizations, from nonprofits to Fortune 500 companies, and has lectured on the psychology of work at the executive level and the powerful influence of a leader’s psychological dynamics on organizational performance.



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