

Leadership key to economic survival

BY LESLIE WIMMER

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During tough economic times, leadership often can make or break businesses and employee morale.

Effective leadership is key to keeping employees motivated and focused, and to set businesses up for long-term success, especially during a recession, area leadership experts say.

Two practices leaders should continually follow are effective communication and sticking to their company's core values, said Bethany Detrich, CEO of Leadership Growth Partners, a Southlake-based company which provides customized training programs.

"Right now there's a lot of mediocre leadership out there, and when things are going well, everybody can be a great leader. But, one of the common mistakes I'm seeing now is that people aren't sticking to their core values," Detrich said.

During tough economic times, business leaders tend to start focusing on spreadsheets and profit margins too much, Detrich said, adding that right now, national attention is focused on examples of major leadership failures at large U.S. corporations.

"These leaders at car manufacturers, or on the financial side, they have just lost complete track of their core values," she said. "I know that Ford and GM and Chrysler were built on some very sustainable core values, but they've lost track of that and that's why they've made such poor decisions, [such as] flying jets to Washington to ask for money, and paying out multimillion dollar bonuses."

Solid communication practices also are key to enforcing core values because communication is the most important tool to get ideas across on what a business is and what it stands for, said Kelly O'Brien, director of the Center for Professional Communication at the Neeley School of Business at Texas Christian University.

"In terms of leadership, the ability to inspire others through effective communication, to be clear about the vision of a company, where an organization is going, that is critical," O'Brien said. "Even the word choices and what we choose to focus on has a big impact on communication, and how those words are presented. We've all heard that people look more to what you do than what you say, so there also has to be an alignment with what you say, how you say it, and your actions."

Actions leaders can take to encourage employees include making themselves present and noticeable often, O'Brien said. Leaders also can hold meetings or drop in on employees to talk about company values and be reassuring.

But, leaders also have to balance that sense of reassurance with honesty and reality about economic troubles, O'Brien said.

"At the same time, [leaders] have to be honest and acknowledge that there are challenges out there that we have to face," he said. "We shouldn't have employees walking on egg shells, wondering what's happening. By a leader acknowledging that we know we're in difficult times, the employees are going to feel some relief because they know their leaders are grounded and are facing the reality at hand."

Leadership in training also is key to developing strong employees, Detrich said. Often, companies tend to send employees to training seminars or sessions, or hold in-house training events, but afterward leaders don't follow up on what employees have learned to find out how effective the training was, she said.

Businesses "spend literally thousands of dollars on training and training consultants to come in the door, but they don't measure it on the back end," Detrich said. "It's amazing to me that this is one of the only processes that doesn't get measured up front and measured on the back end in the business world."

To spend money and employee time effectively on training, companies need to hold leaders and employees accountable for showing results, Detrich said.

"I've seen accountability go the way of trash, it just gets thrown out the window, especially when times get tough," she said. "I've seen businesses spend thousands of dollars to send people to classes, but not provide any leadership for them when they come back. So you have this large amount of time and money invested, and then the leaders aren't holding their employees accountable for positive change."

Leadership Growth Partners was founded about 12 years ago, and Detrich offers customized, hands-on, experiential development programs to help middle-market companies develop leaders and successful employees, Detrich said. Training programs can last anywhere from a few months to five years.

"When times are turbulent, you can't have mediocre leaders," Detrich said. "This is when you truly see the metal of a leader. The recession will pass, but what you are going to need to do in the mean time is accept that the recession is here, but don't focus on the negative. And realize that you will recover. We will recover eventually."

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