



Communication:

The “New” Currency of Effective Leaders in Difficult Times

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In a December 2007 *Fast Company* interview, veteran technology investor Roger McNamee presciently discussed the “new normal” – how businesses today need to think about operating, post-bubble and post-bust.

“Forget about the Next Big Thing,” said McNamee, who has notched stellar investment gains during both tech booms and busts. “The next thing has started. It’s called the New Normal. The New Normal isn’t where you wait for the next boom. It’s about the rest of your life.”

McNamee sees the new normal as a time of solid opportunity for leaders willing and able to focus on great ideas and great execution. Gone are the days, he believes, of celebrity leadership – the CNBC CEO. Instead, for leaders “success has less to do with looking good than with crafting change-the-world (or at least improve-the-world) ideas and executing them every day.”

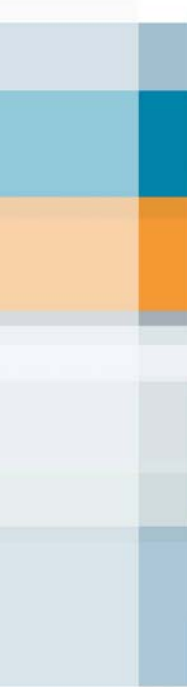
The Need for Leadership Renewal

CEOs departed companies in record numbers in 2008. According to executive outplacement firm Challenger, Gray & Christmas, 1,484 CEOs voluntarily or involuntarily exited in 2008 – a stunning average of six each business day. This is the highest annual total since Challenger began tracking this data in 1999.

The reasons for these CEO departures, and the ripple effect of other executive shake-ups and shake-outs, sends a huge message to all of us interested in leadership development: high-quality leadership is a higher priority than ever. Leaders will increasingly be needed who can engage others through meaningful stories about the challenges and triumphs that daily shape their actions and the future of their enterprises.

The unfortunate reality of many CEO departures: they’re often due to issues that have festered for some time and current events simply give a board the ability to act quickly and decisively. Boards and employees in general are not looking, as McNamee stated, for the celebrity or hero leader. They are looking for someone who can connect with people and give them hope and renewed purpose.

The current economy has provided CEOs, executive leaders and boards with an opportunity to take stock of their organizations’ strengths and weaknesses. They are asking: Is the strategic plan still sound? Are leaders effectively articulating the strategy and executing the action steps that will get us from here to there? Is there a shared spirit of collaboration within the organization? Do we have strong leaders coming behind those in charge now? Are we doing all we can to build our bench strength?”



These questions challenge all of us to assess the quality and transparency of relationships between leaders and all key parties – managers, peers and direct reports. How well are leaders keeping people informed and engaged in constructive two-way dialogue? We need a New Normal for creating leadership competence.

A New Leadership Normal

The new normal takes us back to leadership basics. In leadership, it means finding ways to be effective with fewer resources. Organizations know better than to call a halt to leadership development, but they do want proof that they are using their resources well. We think the greatest growth opportunity in leadership development lies in encouraging leaders to get back to the basics – back to the core of leadership as interaction.

We believe communication is the undervalued currency of leadership. We know that through powerful conversations, leaders can dramatically and effectively impact their businesses, build relationships and transfer knowledge. And we all know that surviving and thriving in today's world means engaging and aligning everyone around the organization's strategy and the actions needed for swift execution.

Research shows that leaders spend 70 to 90 percent of their daily time in conversation. That's good news, or is it? Occurring so frequently and so casually, the potential power of these conversations is easy to overlook. Leaders often fail to intentionally use these moments and conversations. If and when they do, they close the gap between good performance and great performance. If and when they do, they have an immediate and relevant impact.

Forging a Stronger Organization – One Leader's Example

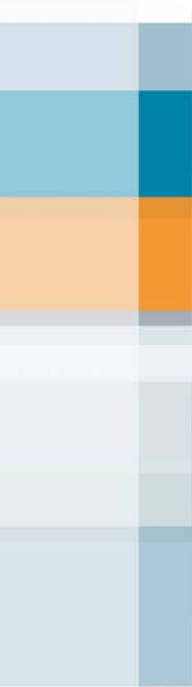
As Warren Buffet has stated: "only when the tide goes out do you discover who's been swimming naked." Now is an opportune time for organizations to assess their bench strength and determine if they have the lineup needed to propel their companies to continued success.

Companies that continue to invest in leadership assessment and development for individuals and/or for entire work groups are sending a message of hope. How better to show key leaders (present and future) that you are committed to their success than providing development even when economic circumstances are tight?

There are many reasons for assessing and developing talent – and some are particularly salient in this environment. Individual employee appetite for learning and growing has not changed. Those organizations that feed that appetite will discover that their key players want to stay, want to contribute in the future and more importantly, are ready to tackle new challenges.

A client of ours, the CEO of a Fortune 100 manufacturing company, recently requested leadership development feedback for each member of his leadership team, including peer feedback and leadership assessments. His goal: to enhance his company's competitive advantage by strengthening his team's solidarity and galvanizing each member to become more resilient and high-performing for the road that lies ahead.

Through this effort, leadership team members are having more intentional and courageous conversations with each other than ever before – a clear success in the current economic



environment. Some are now also receiving individualized leadership coaching. The company's leadership team is sticking together, and challenging each other in ways that keep this manufacturer performing ahead of its peer group.

As this example shows, growing and developing an organization's top leadership talent does not happen through magic. It requires a deliberate, focused talent strategy. With mounting business pressures, it is easy to slip into thinking that we have to skip all the things that we don't have the time or resources to do. And yet, this current reality is also an opportunity of a lifetime – a chance to learn how to focus on only the most critical leadership development investments and make sure those investments are really making a difference.

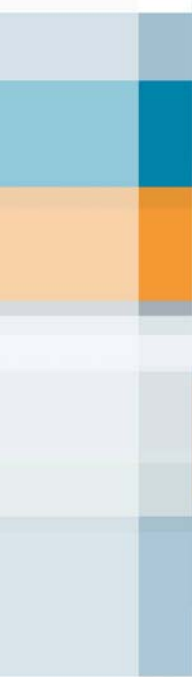
Many of our clients are peeling back the layers of leadership development programming to get back to the activities that make the most sense to their leaders. We all need to focus on what is practical, easy to implement and proven to make a difference.

Simplified, Cost-Effective Development

We believe leadership development investments have an increased impact when organized through a simple three-phased framework: Awaken, Align, and Accelerate. Using this model, HR leaders can analyze the resources available to them within their own organization and leverage their investments with targeted consulting in ways that deliver greater business impact with fewer resources.

The **Awaken** framework is about helping leaders to know themselves and to realize their true impact on others. Awaken encompasses feedback and self-insight; it is the cornerstone for real growth and change that will advance the business. Tactically, it includes the following actions and initiatives:

- **Developmental leadership feedback** – Use 360-degree assessment tools, supplemented by personality assessments like the Hogan Leadership Forecast series. Or, employ leadership development assessment centers, where eight to 10 leaders from a peer-group participate in an intense day-and-a-half development experience. Whatever the tool, leaders need real-time information about their impact.
- **Thoughtful reflection** – Learning from experience demands time for reflection and taking stock. Leaders need to save time to think about the impact of their actions, to articulate their insights and to capture their ideas for how they will use their learning in the future. By having a vision for their own leadership brand, they will be better able to see what they can do to realize it.
- **Leaders teaching leaders** -- Executives who have a passion for learning and developing others are (at times) an unused organizational resource. Tap into them. Ask them: "What things do you think the next group of leaders need to learn from you, and what impact would that have on the business if they knew it?" Consider inviting recent retirees to participate in this effort and structure follow-up mentoring sessions.



Align is about engaging the leader's manager, peers and team members in his/her development goals. Through greater commitment from others and the support they give, an individual leader can achieve stronger leadership. Tactically, it may appear as follows:

- **Coaching** – Through individualized coaching, leaders can become more attuned to their current impact and future potential, align their development with business needs and accelerate their development through structured skill building.
- **Targeted skill-building** – At all organizational levels, targeted skill-building enables leaders to enhance their attributes and development areas and more effectively achieve bottom-line results.
- **Knowledge transfer** – Rather than leaving knowledge transfer to chance, organizations are increasingly adopting formal programs and processes to ensure a continuity of knowledge flow along the leadership pipeline.

Accelerate is about timely, focused support that encourages individual responsibility to produce long-term, lasting change that directly impacts the business. In tactical form, it may manifest itself in one or more of the following ways:

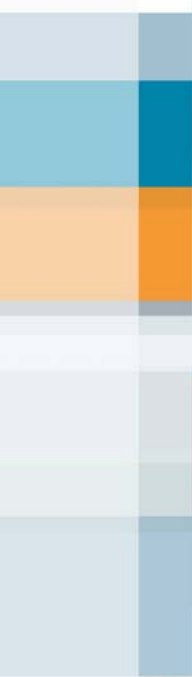
- **Action learning** – Tying learning to business challenges is engaging and powerful. By providing invigorating learning experiences for emerging leaders, an organization can build a culture of success, drive down costs, implement quality control programs, lead organizational change, or launch new initiatives.
- **Real-world challenges** – Today's environment is a rich learning lab. By helping leaders see their current demands as not just a series of tasks, but also a development opportunity, you can leverage their commitment and learning. Helping your leaders gain full value from the business challenges they face can help them take advantage of some of the most critical development opportunities they'll ever experience.
- **Leadership resources and tools** – Simplify the leadership offerings you put in front of people. Use the resources and tools that have already proven to be strong best practices in the organization. You may already have it all at hand – just define the core and make sure the tools are relevant and useable.

Achieving Leadership Success

No matter the specific leadership development process or tactic, communication effectiveness is the common thread. Simply put: leaders who struggle in their communications will have difficulty leading, no matter the leadership development assistance applied.

From corporate announcements to board meetings to client presentations, most leaders are effective at situation-specific communications. With proper thought and preparation, they're able to connect with their audiences, show empathy, build credibility and sell their ideas. The key is transferring the intentionality demonstrated in these "special occasions" to the ordinary occurrences of the typical workday, making it an unconscious part of daily business.

A global food company we work with, for example, was struggling with the fact that managers at the director level and below were too reactive and passive. They were waiting for orders to be handed down; they were waiting to be told what to do. It was not entirely their fault, their behavior was a logical response to the top-down, directive style of their senior leaders.



To change that dynamic, the senior leaders needed to let go of the idea that they had to have all the answers and instead learn how to coach, question, and more meaningfully involve their direct reports. More intentional, conscious conversations were at the center of this shift. By applying a straightforward, practical coaching model and seeing the value of engaging people rather than simply telling them what to do, these officers were able to create a more engaged and committed workforce equipped with the knowledge they needed to solve problems faster and more effectively.

Similarly, we worked with another organization to integrate a model we call High Impact Conversations™ into their performance management initiative. While the leaders' first instinct had been to focus on the process and tools, we helped them realize that the processes and tools were nothing without the conversation. At the heart of effective, ongoing performance management lies specific and deliberate conversations. By learning how to have ongoing dialogues that fostered alignment and shared accountability, these leaders were able to build greater commitment from employees to help them achieve their performance goals.

Fostering Great Communication

Today, more than ever, accomplishing more with fewer resources is the new business normal – and communication is the most vital coin of the realm. Human Resources partners can help leaders use and increase the value of their conversational currency by coaching them to use the simple, four-phased approach we use with our clients:

1. Explore the issue at hand
2. Identify assumptions, agree on facts, and explore related issues
3. Generate options and possibilities for addressing the issue
4. Commit to implementing the most effective actions, and follow up on results

To assess the effectiveness of their conversations over time, leaders should ask themselves:

- Do my conversations drive desired performance, help people get results, and achieve business outcomes?
- How effectively am I transferring knowledge, including my openness to learn from others?
- Am I strengthening relationships through my conversations?

Preparation is crucial, as detailed in a March 2009 essay in *The McKinsey Quarterly*: “Executives preparing their organizations to succeed in the new normal must focus on what has changed and what remains basically the same for their customers, companies and industries. The result will be an environment that, while different from the past, is no less rich in possibilities for those who are prepared.”

HR partners can help leaders make the most of the 70 to 90 percent of their time spent in conversations by encouraging and preparing them to have higher-impact conversations. It's the new normal, and it is the best investment we can all make.