

Caught in a storm

Today's bosses have to navigate some choppy waters if they are to make it successfully to shore, argue business psychologists YSC

Businesses today are like ships in a hurricane. Leaders must steer a safe passage through the storm, but the captain also needs to make certain that the ship emerges from danger facing back to port.

In a bid to survive during the downturn, many leaders had to grab their companies by the scruff of the neck and take appropriate cost-cutting measures. While this may have shored up the business for the time being, what is required now are leaders who can react swiftly to market conditions while demonstrating that they have a clear plan for how to navigate their organisation towards a more positive and purposeful future.

With economic recovery by no means assured, the ability to lead through challenging times will continue to be a requisite for those at the helm of UK business. Within this overarching challenge there will be many other tests of a leader's judgment. They need to react to the short-term while maintaining a long-term view; they must make difficult decisions but preserve morale and engagement; they must cut

where there is fat but also spend to maintain the viability of the business; and they have to downsize but at the same time develop talent pipelines for the future.

Business leaders must manage these polar opposites by being in the thick of things rather than watching from a distance. This will be the only way to get the best out of their people physically and mentally.

The unrelenting, more-with-less culture that has prevailed has left employees tired and jaded. They have witnessed too many examples of bosses who expect their people to sprint a marathon. Leaders need to consider how they can recharge their workforces. They need to de-clutter their organisations so energy is not wasted on unnecessary meetings or disruptive company politics and in turn this will make the organisation more agile and able to respond to market demands.

Employees are more likely to be re-energised if their leaders are able to tell compelling and positive stories about where the company is going. Simply dropping change on an organisation without offering any kind of context is a fast-track to a disengaged workforce. Communicating a sense of the past, present and future provides people with comfort as well as context.

It may also be time for some to relax their grip – over-controlling leaders can end up squeezing the life out of their people. New approaches to leadership suggest giving individuals space and freedom to operate and even allowing them to fail. As well as developing confidence it builds a capacity for people to make judgments themselves rather than merely follow orders.

As to how well UK leaders are equipped to deal with these challenges is open for debate. In relation to most countries, it is fair to say the UK is sophisticated in its thinking about leadership. Pressure placed on leaders, however, means that sound theory can give way to a darker side. As a result leaders can become immobilised and narrow in their focus. This in turn can lead to indecision and detachment.

There is no management algorithm that can be applied to these circumstances and leaders must use their experience and instinct to make the right judgment call. In the process they must remain true to themselves. The term authentic leadership has perhaps become

over-used but is still important especially at a time when leaders need workers to follow them more than ever. Leaders must accept that they have different strengths from their team and need to play to them. Rather than try to be something they are not, they should build a complementary team around them so they can find their authentic voice.

Linked to authenticity is a demand for leaders to consider what meaning they are creating for employees and customers. In the 1960s and 1970s, leadership thinking centred on the 'what' – objectives and setting targets. Later, the 'how' was added, which related to how individuals led and the values they espoused. This century, we have added the 'why', that is the purpose and meaning leaders create. Employees and customers need to know why they should follow this person.

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The challenges for leaders going forward are many and varied as they seek to gain competitive edge in a fast-growing global marketplace. Western economies have also got to get used to the rebalancing of economic power taking place. To compete as a global organisation, one of the greatest challenges is to create a genuine global leadership team as opposed to a UK one that operates on the world stage.

With the many challenges come opportunities. Warren Buffett once remarked that you don't see who's swimming without trunks until the tide goes out. Quite a few leaders have already been exposed after being carried along with the tide of good markets for so long. For those still with trunks on, however, there's never been a better time to road-test and show off their leadership credentials.

From a network of global offices YSC works with some of the world's leading companies to build individual and organisational effectiveness.

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Assessing potential the YSC way

"I'd be wary of any leadership assessment and development that is sold as a kind of psychometric or technocratic science," says Gurnek Bains, CEO of YSC.

"YSC has quite a personal approach to assessing potential: we talk to leaders about themselves and about how they've operated and evolved. We seek to understand them as individuals through the stories of their lives and go deep into their underlying assumptions about themselves, what drives them and what they want to achieve.

"There are three standout categories that we look for which are: drive, judgment and influence. While they don't have to be exceptional in all three we do look for spikes in their behaviours in these categories.

"Once these underlying drivers, motivations, values, assumptions and beliefs are determined we map them on to the individual's personal goals and the challenges they are likely to face in achieving them."

