

Thinking aloud

What now? - Managing and leading through the next phase of the recession

The credit crisis and its shocks to the real economy have caused CEOs and their management teams to implement emergency measures to ensure that their companies survive the recession. For many, the very practice of focussing so tightly on the numbers has led to a heightened clarity about the drivers of value, opportunities for operational efficiency and the risks of pursuing them. However, as an eventual recovery begins to seem more likely, the task may become still more complex. Even for those whose companies have avoided the most severe effects of the crisis, uncertainty about the future is abundant.

Here are four questions about organisational behaviour for executives to consider as they enter this phase.

Do you need to redefine the primary task of the organisation?

'Primary task' was a term coined by Gordon Lawrence (1977) as a tool for understanding organisational behaviour. He identified that there is often a major difference between what the organisation sets out to do (it's primary task as set out by the chief stakeholders) and what can be inferred that the organisations primary task is from how people in the organisation actually behave and the way they perform their roles. Changes, in an organisations structure and a focus on numbers are the perfect opportunity to re-establish the value drivers in the organisation and an opportunity to refocus the whole organisation on its core purpose and primary task. In this way leaders can ensure that operational efficiency gains and long term value creation are accepted as core to performance not just survival.

Are you managing endings to strengthen loyalty?

Restructuring the business creates a huge challenge in terms of endings and opportunity in terms of new beginnings for customer's, suppliers, managers and employees. Seventy percent of managers report a sense of loss when making redundancies. Loss is associated with anxiety, feeling out of control, guilt, remorse and defensiveness. In this emotional state problems can not be stated let alone solved. In this 'depressive' state there is a tendency to omnipotent fantasy and blaming. To get to the state of wanting to know, to learn from experience and to solve problems individuals must acknowledge, identify and empathise with these feelings only then can progress be made. Managing endings well is

www.crelos.com

© Crelos Ltd, 2009

*Crelos is the new brand name for the consulting business of Getfeedback

Thinking aloud

important to help this transition. Many organisations work with outplacement consultancies to help with employee transitions but this cannot and should not replace the important task of saying goodbye and recognising contribution. Good endings are a time for affirmation and reflection. Affirming contribution and reflecting on time together helps people to work through the typical feelings of loss and leave both employer and employee in a better state of mental well being.

Is aggression stifling creativity in your business?

New research on aggressive behaviour at work, published in the Academy of Management Journal, shows that rude and aggressive behaviour impairs mental functioning. The researchers tested three scenarios involving rude behaviour on a series of brainstorming tasks, which included solving anagrams and finding creative uses for specific objectives. Professors Erez and Porath found that even when the rude behaviour was pretty mild; it impaired a person's cognitive functioning. As more and more jobs within organizations become increasingly complex and require higher levels of cognitive functioning and creativity, anything that interferes with that process is likely to have an impact, not only on individual job performance but on the productivity of the labour force as a whole.

Are you putting the right people in charge of managing complexity?

The signs of economic recovery are on the horizon but there is considerable ambiguity and complexity in the air as leaders try to predict market economics, customer buying behaviour, supply chain dynamics, and workforce reactions. The ability to process information and solve complex problems is not within in everyone's skill set. Assessing the complexity of organisations, projects, roles and people's ability to lead through complexity is not commonplace but will be increasingly important for organisational survival. The work of organisational psychologist, Elliot Jaques, identified that the ability to handle complexity is not a static trait; it matures with age in a predictable manner. When complexity is greater than the individual's ability to deal with it, symptoms arise such as lack of decision making, issues with implementation, too many people involved in tasks, too many layers of managerial involvement.

Do you have a strategy to deal with your talent becoming someone else's target?

The rules of workforce employment are changing; contingent workforce management is becoming the norm. Organisations that have implemented cost saving through flexible work practices seem in the short term to be winning the war for talent, but have these organisations considered the longer term implications to the workforce of these new policies when the market picks up?