

Preparing leaders to lead in times of change is key to companies' futures

Need to communicate, stay visible, provide feedback

The reality in today's business world is clear — most companies and their employees will go through major changes in how they work and in what defines success in the current marketplace.

Economic cycles, shifts in customer demands and strategic changes such as mergers, acquisitions and divestitures affect how leaders lead and how employees are expected to do their jobs.

Locally, companies such as PNC Financial Services Group Inc., Mellon Financial Corp., H.J. Heinz Co., Bayer Corp., US Airways and others are in the press routinely with announcements of growth, acquisition, downsizing or shifts in product mix/offering. Each of these necessitates the steady hands of leaders who can keep employees focused even as the major change unfolds.

But how does a company's leadership keep people's heads in the game when rumors, uncertainty and just plain inaccurate information are swirling around? There are a few key things that leaders must do during times of change that can result in the difference between a distracted work force — and one whose performance is outstanding.

Take the example of Mobil Oil prior to its merger with Exxon in 1999. Mobil's top executives sought direction and coaching on how to lead and communicate during those challenging times — and help engaging and motivating their work force during what they knew would be a protracted premerger phase.

What did they do? Instead of staying behind closed doors in private meetings, leaders at all levels increased their presence on the floor and with employees. They set aside time to talk about where they were in the premerger process. They shared



**Guest
commentary**

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information on how the business was performing. They showed through their own words and actions that their heads were in the game — even though their futures, like their employees, were in question. And the result? The four quarters prior to the merger were the best in Mobil's history. That didn't happen by accident. That came from leaders leading differently — and employees performing differently — in response to that leadership.

An announcement as major as two companies merging will most certainly cause huge uncertainties for individuals in either company. But it doesn't take an announcement of that magnitude to create major churn in an organization. Most changes contain elements of secrecy. Long, closed-door meetings, assigning employees to "special projects" and other activities focused away from the core business may be necessary — but they can also create distractions and erode performance and profitability. The key is, they don't have to.

Major strategy execution/change plans must also contain plans for leaders to lead differently, communicate, provide more feedback and manage the performance of the existing business during the transition to ensure that the value of those assets remains or grows. Most changes are intended to improve the performance of the business. The last thing management wants is a devaluation of any part of the company.

Communicate in as much detail as possible. For instance, "If the merger goes through, we will, no doubt, have a certain

amount of redundancy in our back-room operations. We will deal with this first, by eliminating open positions, second, by attrition, and if we need a third option, we will select folks according to seniority, regardless of which company they work for today."

Manage by walking around. Be visible. Engage in meaningful/business-oriented dialogue with folks. You may need to conduct a two-hour, closed-door meeting, but do it after you've walked the floor or plant making eye contact with and engaging in dialogue. Successful leaders lead by example and if leaders are engaged by the core business, employees will know and find the enthusiasm contagious.

As leader, you will need to defend your and other leaders' actions to those who remain after the dust has settled. Take deliberate actions before and during the change process so you create a future you will be proud of — and that others will choose to emulate. The fabric of an organization is more easily influenced during times of change than it is at any other time. Take advantage of this. Build trust. Create a more open environment. Change your game as a leader — and rise to the next level.

Any disruption in business — even a positive one — has the potential to impact the core business and the bottom line. With the right kind of leadership before and during the change process, virtually any executive can ensure that when all is said and done, the company will be more profitable — and grounded in a culture that is stronger and healthier than it was before the transition.

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