

Passionate leadership Managing the downturn with style



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3 June 2009



Passion:

a powerful emotion
such as love, joy,
hatred or anger

“Be not afraid of greatness: some are born great, some achieve greatness and some have greatness thrust upon them”

**William Shakespeare, Twelfth Night, Act II,
Scene V**

**“Leaders are people
who leave their footprints
in their areas of passion”.**

**Jonathan Byrnes
Harvard Business School**

Agenda of today's event

- The importance of passionate leadership in crisis times
Derk Jan Koole, General Director Hay Group Russia
- The effect of the crisis on your organization and on you
- Passionate leadership: what is it and what's in it for us?
Nadezhda Diakonova, Senior Hay Group Consultant
- Dealing with today's leadership dilemmas
- A case study
Interview with Irina Likhova, HR Director from MegaFon
- Conclusions

Introductions

- Name
- Company
- Position
- Your passion

How to lead with passion while they took the icing from the cake?

Derk Jan Koole, General Director Hay Group Russia



Just when I had all the answers, all questions changed

Scenario 1	Scenario 2	Scenario 3	Scenario 4			
Stop bleeding	Intensive care	Recovery	Sustain and shape			
<p>You need to keep your organization alive and adapt quickly to the economic situation</p> <p>Limit the development of risks and liabilities throughout the crisis</p> <p>Preserve the foundations of the business: clients, talents, key assets, differentiated practices, etc.</p>	<p>You need to improve your diet: improve your organization and refocus on core processes</p> <p>Learn from the crisis and develop effective risk management capabilities</p> <p>Increase capability, excise deadwood and raise the performance bar</p>	<p>You can, and want to strengthen your competitiveness: redesign the way you operate</p> <p>Gain market position during the crisis</p> <p>Become stronger, take measured steps to expand your markets, customers and reach</p>	<p>You are in good shape and it's time to gain unrivalled competitiveness</p> <p>Take advantage of competitors' weaknesses</p> <p>Use the strategic position gives to outperform the markets</p>			
Survive			Adapt			Shape

People react to sudden traumatic events in 4 stages

- 1. Denial.** The initial reaction is to deny that change will be necessary. “This isn’t happening” or “It’s just a temporary setback.”
- 2. Anger.** The next stage is to get angry and look for someone to blame. At the same time, people stubbornly resist giving up accustomed ways of doing things.
- 3. Mourning.** In this stage, people stop denying that change is inevitable, acknowledge what has been lost, and mourn it.
- 4. Adaptation.** The final stage is to accept the need to change and get on with life.

The Most Admired Companies excel in times of economic uncertainty by:

- **Refusing to compromise long-term objectives** for short-term demands
- Achieving **success through people** (developing and retaining talent and fostering high levels of employee engagement)
- Encouraging **teamwork** and **collaboration**, especially within the executive team
- **Focusing** outwardly **on customers** and markets
- Keeping **focus** in an uncertain economy

These appear to be enduring characteristics of Most Admired companies that contribute to their success *regardless of economic conditions*

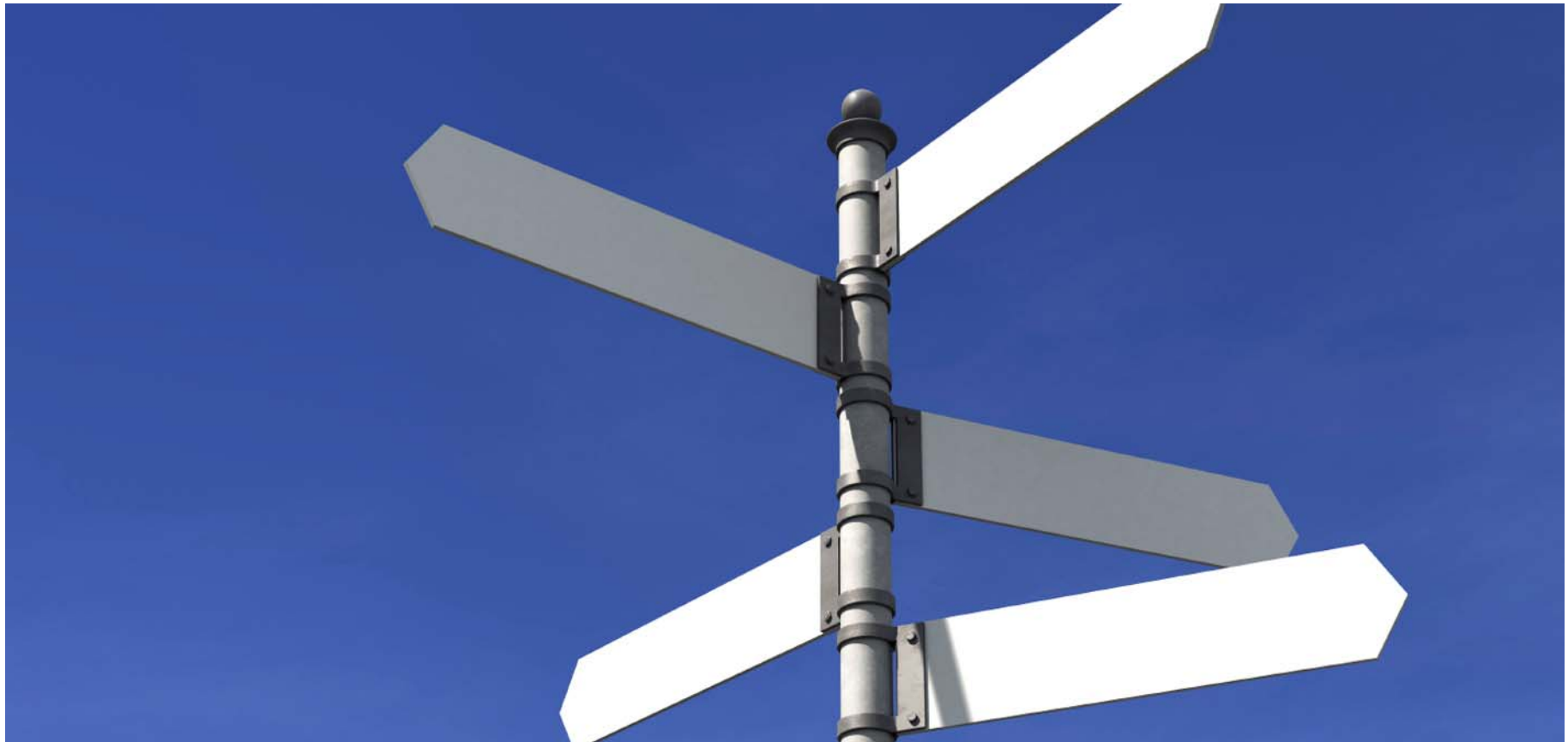
The Most Admired Companies continue to **take the long view** in times of economic uncertainty.



They see challenging economic times as
an opportunity as well as they are a threat.
They concentrate on the core.



They stop their top talent from walking out the door when times get tough **by engaging with their workforce and providing clear direction.**



They allow cool heads and creativity to prevail: Leaders **keep a cool head** in tough times and are poised to not only be heroes, but **team players**, too.



What are the key drivers of effective management in time of crisis?

6 basic management rules to overcome and benefit from the downturn

- | | |
|---------------------------|---|
| Strategy-driven | 1. Go deep into the real drivers of performance |
| Conscious | 2. Do not put at risk what made you successful |
| Management | 3. Develop new performance management capabilities |
| Timing | 4. Dramatically speed up the Feedback cycle |
| Leadership posture | 5. Manage the emotional challenge and the intangible assets |
| Communication | 6. Increase intensity of communication |

Strategy driven conscious management

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Stop bleeding	Intensive care	Recovery	Sustain
Strategy	Start. Stop. Maintain. 90 days agenda	Reorder your strategic priorities	Reshape your strategy	Accelerated strategy
Operating model	Rapid analysis of immediate downsize and bring under control	(Re)design core delivery unit at costs	(Re)design the operating model for rapid growth	(Re)design for accelerated growth
Processes	Cut or reduce non core activities	Cut or invest in processes which feed the growth engine	Strengthening core processes and enablers of the new operating model	Get agility on critical internal/external processes
Jobs	Non critical jobs elimination	Obvious overlaps elimination	New mission critical jobs implementation	Succession/backup management
Capabilities	Mobilize critical know how and energies	Make sure that key talent are in key jobs	Reorder for resources allocation	People development and market opportunities
Management	Team at the top sets rapid agenda	Clarify governance system	Cascade top level decisions through organization	Global campaign initiatives
Focus	COSTS	COSTS AND REVENUE	VALUE CREATION	MID-TERM VALUE

Survive



Adapt



Shape

Engaging people by intangible rewards

Scenario 1	Scenario 2	Scenario 3	Scenario 4
Stop bleeding	Intensive care	Recovery	Sustain and shape
<p>Be straight with staff regarding situation</p> <p>Recognize achievements in saving the company</p>	<p>Give key business challenges to most talented people and key roles to best performers</p> <p>Understand needs and wants of top talent</p> <p>Provide the tools for people to do their jobs</p>	<p>Understand needs and wants of entire workforce</p> <p>Creative solutions for budget-free recognition</p> <p>Help managers develop skills to recognize staff in non-financial ways</p> <p>Assess and improve work climate</p>	<p>Develop career development platform</p> <p>Ensure development linked to performance and long term potential</p>

Survive



Adapt



Shape

Communications

Scenario 1	Scenario 2	Scenario 3	Scenario 4
Stop bleeding	Intensive care	Recovery	Sustain and shape
<p>Straight communication about situation and challenges</p> <p>Address fundamental concerns – fears, expected outcomes, behaviors</p> <p>Reassure your most driven and focused employees</p>	<p>Frequent briefings on achievement of short term objectives and business situation</p> <p>Ensure clarity around individual and team contribution and initial results</p>	<p>Continuous communication of strategic priorities and must win battles</p> <p>Communicate the value of rewards employees are receiving</p> <p>Focus on role of manager in reward communications</p>	<p>Sustained communication on strategic direction and milestones achieved</p> <p>Leverage internal communication practices</p>

Survive



Adapt



Shape

Expected impact

Your organization will benefit from the 6 rules in a multifaceted way

- **Your efforts will lead to sustainable business results in a short and long term run**
- **The strategic direction after the crisis is clear to everybody**
- **Morale is up – the staff is motivated**
- **Key players also stay with the company after the downturn**
- **The DNA grew stronger for future challenges**

The effect of the crisis on your organization and on you

Choose 2 pictures:

One that resembles the effect the crisis has on your people

One that resembles the effect the crisis has on you as a leader

Passionate leadership: what is it and what's in it for us?

Nadezhda Diakonova, Senior Consultant, Hay Group



- What do you think passionate leadership is?
- Do you know any specific leader you could call passionate?
- What did he/she do differently from others?

How does **it**
feel to work
for a
passionate
leader?

**TODAY'S
REALITY:
ECONOMIC
DOWNTURN**

When people feel...



**Tensed
Insecure
Worried**

**Stressed
Scared
Upset**

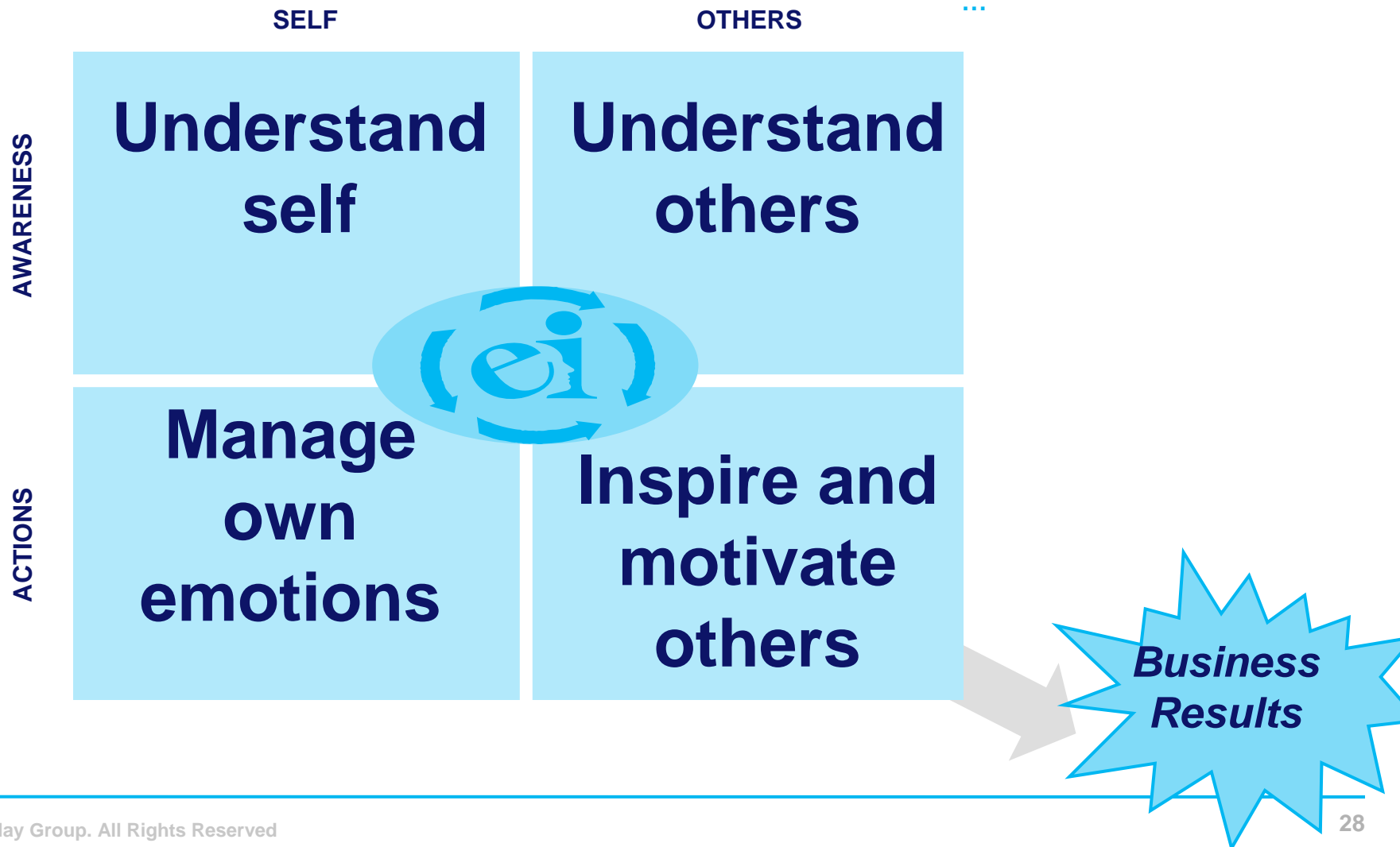


**When stress is too
high, people
cannot deliver
good results**

Passionate leadership is about inspiring and motivating others!

- Create clarity
- Keep people focused on effective execution
- Have long-term focus
- Communicate positive vision
- Build trust

HOW do passionate leaders do it?



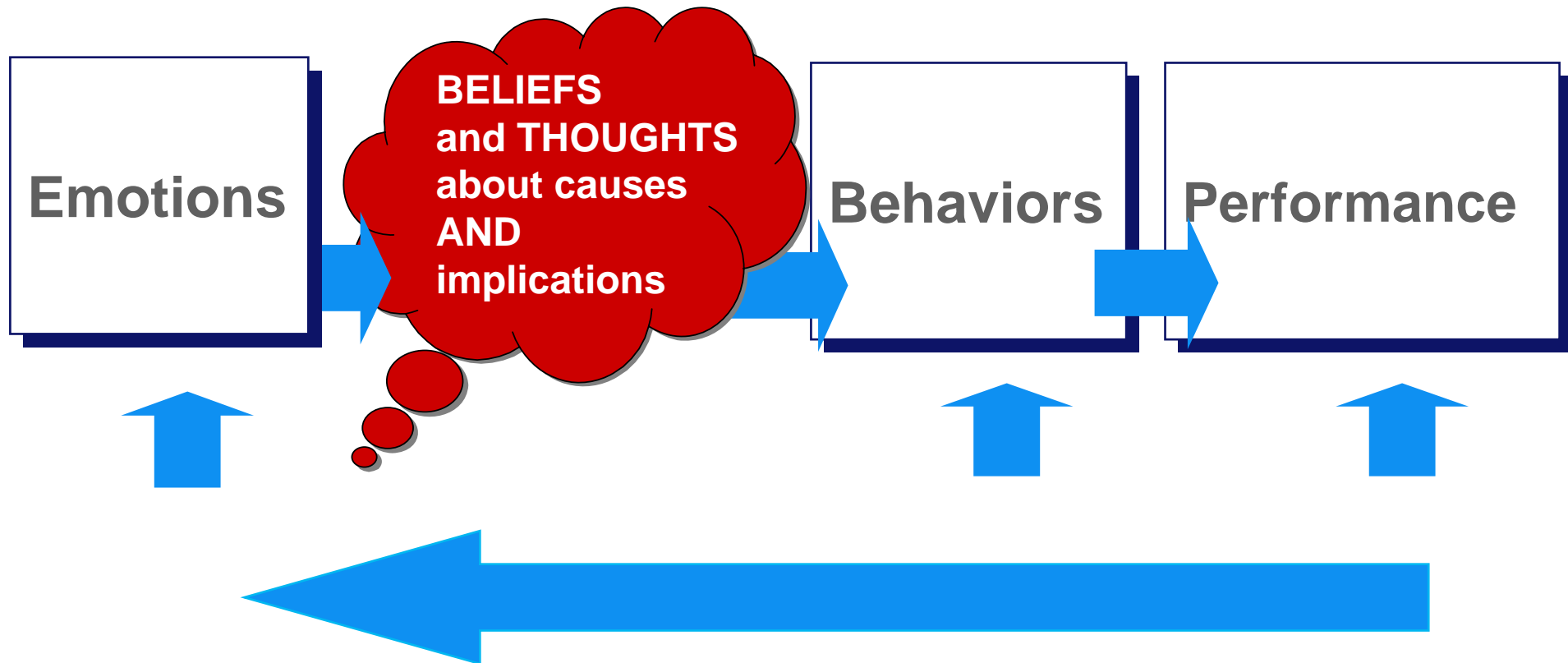
HOW do they do it? Key differentiators

- Self-confidence
- Optimism
- Resilience
- Integrity

**"Whether you
think that you can,
or that you can't,
you are usually
right."**

Henry Ford (1863-1947)

Our behavior depends on our thoughts and inner beliefs



When thinking about the crisis, some leaders would say to themselves...

You cannot trust people!

If I loose it now, I am a bad manager!

Difficult times...

I am stressed

I am scared

The economy is collapsing!

I MUST always deliver results!



I have to control them tighter!

My people are poor performers!

We will not deliver results

I MUST always win!

...While other leaders would think differently

What shall we all change to learn and grow?

This is an opportunity to make the company stronger

Difficult times...

What are **THEY** concerned about?

What can I do to strengthen it?

What is important for my people **NOW?**

It is OK if I invest this time

What can I do to keep my team motivated?

My team is my resource

I will learn from that situation



Our beliefs, thoughts and “musts” are provoked by..

- Our values
- Our ambitions
- Our fears and insecurities
- The way we see ourselves

Passionate leadership: transferring your drive to others

**'I had been
conducting for
nearly 20 years
when it suddenly
dawned on me
that the
conductor of an
orchestra does
not make a
sound.'**

**'...his true
power derives
from his ability
to make other
people
powerful.'**

-- Ben Zander

**Great listener
Encourager
Communicator
Courageous
Sense of humor
Shows empathy
Decisive
Takes responsibility
Humble
Shares authority**

**Blank wall
Doubter
Secretive
Intimidating
Bad temper
Self-centered
Indecisive
Blames
Arrogant
Mistrusts**

Who would you work best for?

Taken from Daniel Goleman, Social Intelligence, 2006

We have to be very careful when talking to ourselves and avoid thinking traps!

- We tend to **jump to conclusions** too fast
- We **fail to evaluate all the evidence** and read other's minds without checking
- We **“maximize” evidence** that meets our expectations and **“minimize”** anything that conflicts with them
- We base our perceptions upon the way **we feel** rather than the facts

We CAN CHOOSE THE THOUGHTS
we WANT to think and CHOOSE the
leadership style we like



Then even in these trying times....



...be passionate leaders that can
make people feel optimistic



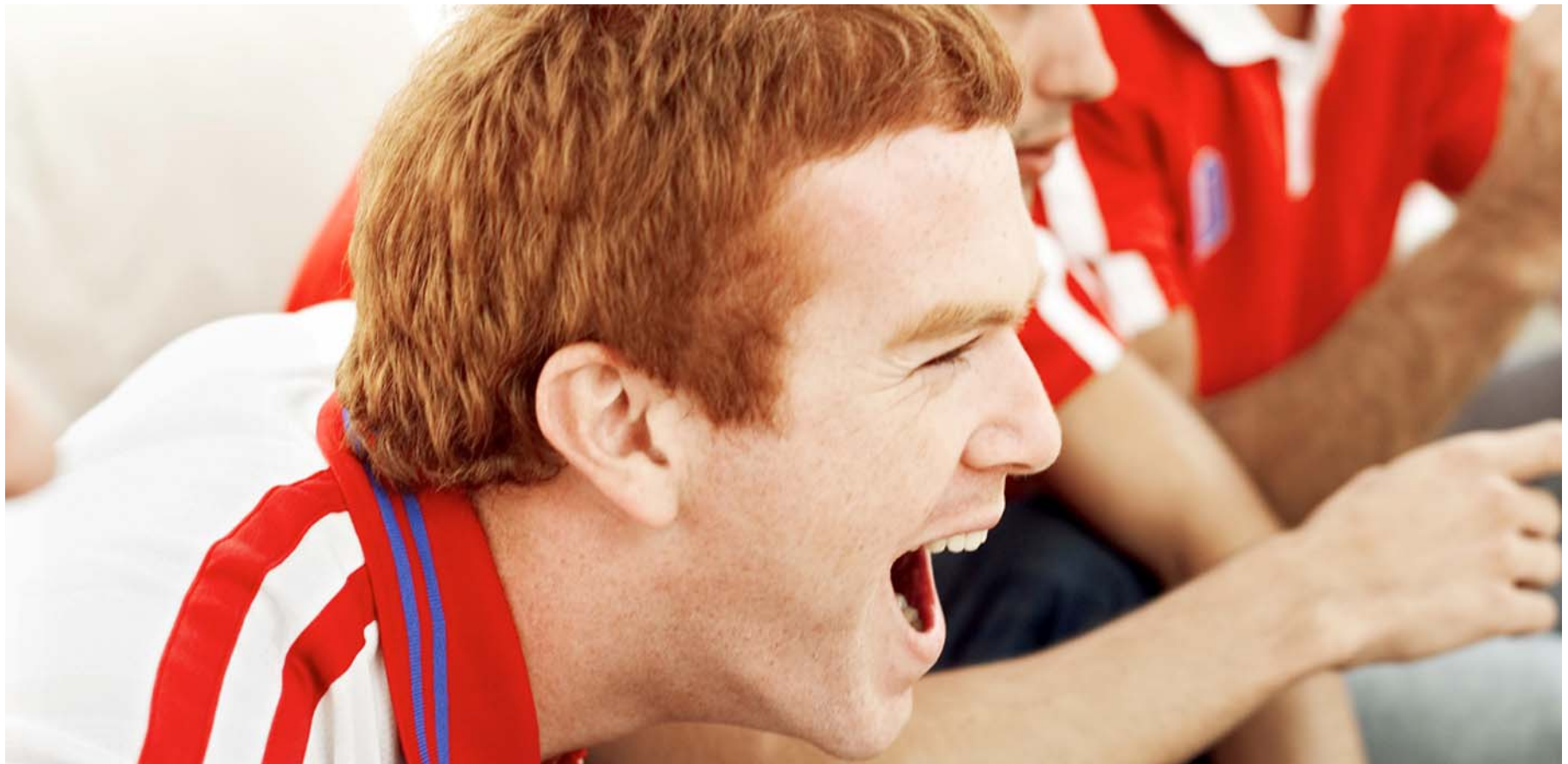
...inspired



Proud for the work that they do...



...willing to put extra efforts into
what they do!



Dealing with today's leadership dilemmas



8 lessons on leadership



1. **Courage is not the absence of fear**
it's inspiring others to move beyond it by showing confidence and optimism
2. **Lead from the front**
see the opportunities for the long run, know what are principles and what are tactics, and commit people to the course
3. **Lead from the back**
the trick of leadership is allowing yourself to be led too; persuade people to do things and make them think it was their own idea
4. **Understand your stakeholders and learn about their passion**
understand what you have in common and build partnerships by helping them to be successful or to solving their concerns
5. **Keep your friends close and your opponents even closer**
optimists can trust people too much; cherish loyalty but understand that people act upon their own interest
6. **Appearances matter — and remember to smile**
symbols matter as much as substance
7. **Quitting is leading too**
knowing how to abandon a failed idea, task or relationship is often the most difficult decision to make. Leaders lead as much by what they choose not to do as what they do
8. **Nothing is black or white**
decisions are complex, and there are always competing factors. What is the end that you seek and what is the most practical way to get there?

Dilemmas: what would you do?

1. The best leaders are optimistic. The company is “bleeding” so badly however, that I have only negative information to share and negative measures to take.
2. In crisis times it is key to provide for a long term vision and focus. I cannot predict more than even one month ahead at the moment.

Dilemmas: what would you do?

3. I know how important it is to be self-confident. However, I keep having doubts regarding my managerial abilities.
4. As a leader I am under pressure for short-term results and I need to know what exactly my people are doing. At the same time I need to trust people and give them accountability.

Dilemmas: what would you do?

5. I was passionate about building a great team. Now, I have to tear it apart.
6. I accepted this job because my passion is to build and grow. Now I need to downsize.

Driving passionate leadership in MegaFon

Irina Likhova, HR Director, MegaFon



МЕГАФОН
Будущее зависит от тебя



Conclusion



Passionate
leadership:
let your passions
lead you

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