

# What to Say?

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## Certainty Vanishes

As we look back on the business circumstances of June, 2008, optimism prevailed in the world economy. In the US, manufacturing orders were steadily increasing beyond previous averages. Leadership in most US manufacturing centers were anticipating a strong 3<sup>rd</sup> and 4<sup>th</sup> quarter of business earnings. One could imagine customers wrestling for capacity as the world economy sought more goods. Both domestic and global demand was quite strong across manufacturing, technology, and service sectors. But trees don't grow to the sky...

By late 2008, a new and harsh reality had taken hold– the global economy was stalled by a global recession. The economic slide began with a subprime mortgage meltdown that quickly spread to a global lending crisis. By the fall, legendary names such as Bear Stearns, Lehman Brothers, and many other global investment banks teetered on the edge. With pressing liquidity issues, banks stopped lending to each other. The global financial markets tumbled over the ensuing months. It was not long before consumer spending and world commodity rates would falter– The stage was set for a global crisis–capital markets stood still. In the US, automotive chief executives flew to Washington, DC, pleading for taxpayer bail-out money. The aviation industry took a hit. Commercial airlines were caught between soaring fuel costs and lower passenger demand. Most companies had begun reducing their operating costs by slicing travel budgets, suspending short-term contractors, and divesting higher risk business initiatives. Would this global economic decline match the likes of Post-9/11, 2001, or could this be a deeper, broader decline?

By 1st Quarter 2009, the world's manufacturing sector was forced to slow production rates, as order books diminished to levels only seen in the previous decades. Orders for high tech components declined as corporations sought to reduce budgets by any means. Consultancies started to see cancellation of service agreements. Demand was shrinking as corporations lost financing facilities and fortitude to sustain spending as

forecasts predicted further decline in sales. A new trend emerged as long-term suppliers and subcontractors were told their services were no longer required. By 2nd Quarter, 2009, many companies had started plans to eliminate 15% of their workforce, with additional lay-off rounds to follow if the economy continued to decline. Companies tried to be creative as they managed their cost reductions. Companies turned to furloughs, reduced business hours, and capped salaries in their fight to avoid further lay-offs.

Beneath a dark cloud of P&L reports, the human toll was becoming clear. Trust was declining amongst employees. Loyalty was strained, as the emotional contract between workers and their corporate managers lay ruined. Corporate bankruptcies ballooned as quickly as individual jobless claims.

As the 3<sup>rd</sup> quarter arrived, the NYSE, FTSE, and other world stock markets were in recovery. Was Wall Street's rebound cause for hope or simply a slight reprieve from months of somber economic news? If the stock market improved, how long would it be before jobs returned? New rumors surfaced each day, as the lay-offs and furloughs continued even in the face of improving stock market news around the world.

### **Seeking Understanding– What Happened?**

When situations suddenly change, we resist the notion of acceptance. As leaders, we need to understand that our employees may be in various stages of adjusting their own emotions. It's natural for every single employee to be asking "What Happened?" As the leader you can help by letting your people know it's alright to be in shock, angry, even rejecting the current circumstances that surround the company. As the leader, be patient– people find understanding of events at their own speed. Our leadership work begins with understanding the state of our team, and building a way forward to understand events and related business decisions.

### **Seeking Assurance– What's Next?**

Leaders face new challenges, and must behave in new ways when uncertain times unfold. It has been said that leadership is carried out as a web of effective conversations. Most of all, leaders choose actions to—

- Anticipate what may come—specific conversations they'll need to have with individuals and groups
- Discuss with others what may come
- Rehearse new approaches to these conversations
- Deal with their own fears

- Communicate, communicate, communicate with their team members

Let's examine **two types of conversations** that you face as leaders in uncertain times. The first type is a conversation that seeks **new information** about the future. The second conversation is aimed at **our emotions** and our welfare in the present.

### Leaders are Visible– What Can I Say?

“I can't meet with my people, because we don't have answers yet.”—from a Senior Operations Manager

The trap here is the imbedded assumption that the leader must supply the answers, and many answers aren't yet known. In the attached matrix, you'll find common situations and possible leadership responses. You'll notice that many responses have more to do with addressing the needs of the individual, and little to do with absolute answers that a leader has been supplied by the corporation. Keep this in mind as you remain visible in a world short of answers.

Employees desperately want to end the uncertainty, and will continue to press for answers until satisfied on their own terms. More importantly, leaders must avoid feeling trapped into having answers to all the uncertainty in the workplace. We as leaders naturally want to give assurances & reestablish normalcy. Yet if the leader meets with his/her people, the door may be open for disappointment if questions about staff reductions aren't responded to immediately. Worse, if the leader hesitates or fails to respond, the next rumor will be built around the leader's facial expression, tone of voice, word choice, even eye movements.

Shall we conclude that leaders should remain invisible when there is no new information? **ABOLUTELY NOT!**

What to Say?—Leaders must increase the frequency of communications with their people. Adopt the habit of asking, “What are you hearing out there?” “What are the latest rumors?”

Why ask for these comments from subordinates?

#1. The leader must **diminish the power of rumors** to distract and spread in your part of the organization. If rumors surface, employees can count on their leader, to discuss the rumor in a responsible manner. When you're done, your people are literally less frightened and more productive—until the next rumor circulates (which is why you must do this with only a short interval of days between such meetings).

#2. When a leader has **the courage to ask** for the latest rumor, you are demonstrating your interest in caring for your people, **NOT ANSWER** each rumor in a reactive manner.

#3. A Leader must be prepared for a conversation that asks, “What part of that rumor seems more reasonable?” After several responses you’ll ask, “What part of that rumor seems more speculative or far-fetched?” Your questions make it clear that the **team has to be accountable** for what they say. i.e. they must determine a reasonable way forward. This greatly reduces any imbedded assumption in team members’ thinking that you’re the “answer person” because you’re a manager.

You leave this topic by saying something like, “We can’t answer this now, which is common for many rumors. But we can now see that the reasonable part makes us listen to a rumor and remember it, while a less reasonable part usually contains what bothers us most.” When leaders take on rumors directly, you help others **BALANCING REALISM AND HOPE**.

#4. Leaders seek to **understand what is distracting** the work team. You need to know what the latest rumors are. Consider writing a one page memo with each rumor listed as a bullet. There’s no need to explain elaborate beyond the essence of the rumor. Send the note either individually or as a group email to your boss, your mentors, and every senior leader you know and admire. Creating a collective sense of what the organization is worried about is the first step toward exploding myths in the workplace.

Also, if you have subordinates who are leaders, sit down with them and **share how to handle rumors with their teams**. Leaders serve each other in this space, while working **WITH** our front line people.

### **Leaders Care- How Do I Deal with Emotions?**

As leaders we should recognize that rumors serve as the collective vehicle to gain reactions from bosses and colleagues. In short, rumors are polling booths to collect points of view from many. As the leader you can gain control by asking your team to publicly comment on three questions that **address their current state of emotion**. You’ll go from people hiding their emotions to an environment where needs and concerns are openly surfaced and acted upon responsibly.

- [What do you Think? \(About what is going on with you today?\)](#)
- [What do you Need? \(From your work team to help you be your best?\)](#)
- [What do you Feel? \(As a team member working in today’s climate?\)](#)

### **What’s My Circle of Influence?**

In times of uncertainty, we all need to consider our sphere of influence over events impacting our teams. For example, we can’t control the economic downturns or acts

of nature, yet we often feel bad when we see the toll such events have on people around us. In short, each leader must gain clarity on what they can do to control and influence, and realize that emotions will surface, regardless of whether we have the power to change circumstances.

In our work with leaders managing uncertainty, we emphasize the constant need to come to grips with the following questions before publically committing to actions:

- What can I control?  
(And you can count on me to control for the benefit of the company and our team.)
- What can I influence? (And you can count on me to do my best to advocate for what I believe in.)
- What is beyond my control & influence? (And you can count on me informing you of answers I receive; however, I have no ability to alter the news I communicate to you.)

### **Leaders Listen– What are You Hearing?**

Here is an example of a skill you can learn quickly for communicating with your group. We call it “Shaping Expectations”. What you say in opening remarks can end with an explanation of what you’ll do next.

For example, you say, “In a minute I’ll ask you what rumors you’re hearing. I’ll take volunteers. Yes, you can say even the negative and the outrageous. But we must realize that we can’t answer everything, and perhaps not even anything right here, right now. All of us need to know what worries us.”

Then, give them a few seconds to think. Then you say, “Do we have a first volunteer? Remember, we’re just reporting what we’ve heard. These are not the statements of the person offering them.”

After the first comment comes, work it. Ask what parts seem reasonable. Ask why someone may have thought this. Then turn to what may make it unreasonable, again using non-judgmental questions.

You’re **demonstrating** that everyone has the power within to analyze this type of rumor (but you don’t say that). Leave them with REALITY AND HOPE. You are not compelled to answer these questions just because they have been asked.

“What do I do when one of my people comes into my office, closes the door, sits across from me, then asks, ‘Am I all right?’”—From a Senior Manager

To be a leader is to be put on the spot. Our best avenue is to anticipate that requests like this will happen. Have a response ready. But first, let's review the basics.

You are not required to answer this one, either. And any hesitation will lead to the subordinate "over-reading" your non-reaction, and fearing the worst.

Your best course is to say, "We'd all like individual reassurance. I'd like to know the very same answer about my situation. But these things take time. The answer isn't known. And I know that isn't comfortable for you, or what you wished to hear. But uncertainty is just that. Not knowing also means you haven't learned that you're not OK. Bottom line—I can't answer these questions for you, for your peers, for myself because the answers aren't known."

Realize that your people will start out rather rationally. Fifteen percent reduction means they have an 85% chance on average that they'll be working here after others leave.

But over time, especially in quiet moments of nighttime waking, driving, shaving, etc, thoughts wander over to "how awful will this get", and "what will happen to me and my family". Specific financial pressures are imagined.

This cycle of negative imagination is repeated many times per day when uncertainty and stress are high.

This is when "familiarity with the awful" sets in and changes the subordinate's estimation of their chances to avoid layoff. Repeated mental visits to "how awful will this get" starts to trigger personal thoughts like "the boss's boss has never liked me", "I screwed up three weeks ago, so now I'm a target", and /or "someone else has always been the favorite, so I'm toast".

We suggest that you mention this tendency to "return to the awful" with your group. Indicate that it changes our perception of our personal risk, even though no facts have changed. Familiarity changes our calculation of our chances to come through this. Suggest in a group setting that this phenomenon is accompanied by, "When human beings don't know what will happen next, the uncertainty void is filled by making things up." You can further suggest, "We'll get through this by having these discussions as a group, which reduces the tendency to fill in where we don't know yet."

## **Closing Thoughts**

In uncertain times, leaders understand they will be called on new information to help teams understand events. We must also understand that employees are riding an emotional rollercoaster. Great leaders are expected to have interest in the welfare of employees, especially in harsh economic downturns. Understand that you have limits to your ability to influence events, but don't allow yourself to become a victim, limited

Situation	Leadership Response	Additional Remarks
Employee shares decision they've made about staying or leaving and asks for your opinion	Advise them that these situations require all of us to make decisions without having all the information we would like.	If you have a story to provide them about decisions in your personal life that you have to make during this uncertain time it would be good to tell it. (STARL)
Morale is down and staff is anxious	Get out of your office and visit their work stations. Ask open ended questions such as: -How are things? -How is the family? -How are you handling these extraordinary times? In staff meetings begin with surveying people reaction to these extraordinary times	Avoid communicating to staff through email on non-technical issues. Utilize high engagement.
Staff is asking specific questions about conditions of employment and "What if's"	Answer what you know you can answer. Let them know you will contact HR to get clarification and get back with them	This is a part of leadership that is about being an advocate
Local traditions for reward and recognition could communicate a mixed message outside of your department.	For extraordinary effort during these difficult times utilize the rewards and recognition established in company policy.	If there is any question as to whether something follows company policy, contact HR
You find yourself inundated with employee concerns about the unknown, questions you can't answer, and your thoughts are occupied by these matters at home	It will be difficult being of service to others unless you take care of yourself. Utilize exercise regimens, relaxation methods, and engage your support network to maintain resiliency. Rely on hobbies and activities that require your attention and full engagement. Maintain your usual sleep cycle. Pay attention to your work rhythm. Those times where you are high energy and positive is the time for high engagement of staff.	To be supportive of others, you need to take care of yourself.
Staff, including yourself are focused on the upcoming "event" and leadership is day to day until then	The business will continue after the "event" and those that remain have endured much stress, seen friends or team mates leave, and established self protection work behaviors.  Begin thinking of strategies for "after care" that emphasize high involvement and input to manage more with less resources, teamwork, quality, and productivity.	Part of your role is to be an architect for the future. Envision how the work environment can accomplish short-term "wins" to rebuild confidence in the team.

to your scope of management control. If you can positively influence the present and future state of employees, your credibility will be greatly enhanced.

Be prepared for the unexpected and stick to your values. It's not uncommon for employees to let you know why they are indispensable to the company and even nominate co-workers for job elimination. Let every employee know the principles you stand for by saying, "We won't go there! I won't talk about co-workers in their absence, as I won't talk about you with others on the team." By standing up for your principles you are showing respect for the team. In essence, you are saying that "We all play by the same code of conduct, and I'll do everything I can to make sound decisions for this team. Be ready to listen, be in charge, be appropriately compassionate, and be patient. Remember, you are the skillful navigator balancing today's reality with emerging hopes and aspirations.

### **About the Authors**

This article was prepared to assist global leaders as they do their best to preserve their company's culture and management credibility during a period of business downturn. The need for this type of information was signaled by senior managers, directors, and officers, who are part of Rowhill Consulting Group's Leadership programs around the world between June, 2008 and November, 2009.

The authors are instructors and executive coaches for RCG Leadership programs and executive coaching sessions. Each of the Rowhill authors has experienced recessionary downturns that resulted in corporate redundancies, furloughs, and early retirement agreements. While these experiences don't qualify us as experts, we have shared our collective lessons. Providing effective leadership during turbulent times is daunting. We have each survived and grown from these harsh times. As leaders we have the power to overcome the most difficult moments through a balanced expression of respect & care while realigning the organization for tomorrow's challenge.