

Build Trust to Prosper in Difficult Times

Bob Lee

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Every organisation is affected by the economic crisis now sweeping the world, but not all are affected equally. In every crisis there is opportunity, and in every crisis, there will be winners and losers.

The challenge is to see the opportunity.

A key defining characteristic of the companies that will prosper is a strong optimism, supported by an unshakable belief that they will emerge as winners – stronger, more resilient, and better positioned to grow than many of their competitors.

Your organisation is most likely facing the sternest test of character that it has ever faced. In the good times, you acknowledged the importance of building a high-trust culture; of creating a workplace where great people could do their best work; of treating your people as if they were your greatest asset.

Now, like so many other companies, you are possibly faced with having to lay off some of those same 'great people', and to reduce the hours, pay, and benefits of those who remain while simultaneously increasing their workload and responsibilities. Faced with these challenges, it would be understandable if your organisation were to retrench, to simply announce the bad news and then try to ride out the storm. Understandable, but **so** wrong.

“You have to say that we will be in this for a long time and we will turn this into a defining event, a big catalyst to make ourselves a much stronger enterprise”

The **decisions** that you implement in the coming months and years will be forgotten in time.

But the **way in which you go about implementing** those decisions will be remembered for decades to come. Get it right, and the story of this period in your organisation's history will become the stuff of legend, part of the folklore of your company. Get it wrong, and it will be remembered too, but for all the wrong reasons.

So how do you get it right?

Jim Collins, management guru and author of the business classics *Built to Last* and *Good to Great*, was interviewed earlier this year by *Fortune Magazine* in conjunction with their publication of our *100 Best Companies to Work For in America*.

Jim has spent the last few years trying to understand what distinguishes those who prevail when the world goes out of your control, studying those companies that have managed – and continue to manage – to survive and thrive through the tough times.

Here's some of what he has learnt.....

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1. Remember your Core Values – and stick by them

According to Jim Collins, what really matters is that you actually have core values – not what they are. “The more challenged you are, the more you have to have your values. You need to preserve them over time.” As examples of companies that survived the Great Depression, he points to Procter & Gamble, General Electric, Johnson & Johnson and IBM as organisations that had an incredible fabric of values, of underlying ideas or principles that explained why it was important that they existed.

“One of the things that was very distinctive about P&G, for example, was that they said a customer will always be able to depend on the fact that a product is what we say it is - we will always build our reputation on quality. When they were under pressure to start cutting corners or use cheaper ingredients, they just didn't do that.”

Your core values serve as a moral compass – always important, but needed more in tough times than in good.

2. Understand that it's the calibre of your people that will see you through

Collins says that the other thing worth mentioning about these ‘great survivors’ is that when they went through the Depression they really understood that it was the calibre of their people that would get them through. “If there's a storm on the mountain, more important than the plan are the people you have with you.”

He cites Hewlett-Packard as an example of a company that used difficult times to bolster their legions of talent. After World War II, all the government labs were closing down, putting countless engineers into the labour market. Although HP were going through layoffs, Bill Hewlett and Dave Packard said that the greatest opportunity they ever got wasn't technology; it was the opportunity to hire those engineers.

For those with the courage to seize the opportunity, there may never be a better time to attract top talent.

3. See the bigger picture, see the opportunity to choose

Boeing lost 90% of its revenue after World War II. Boeing's Bill Allen used the opportunity to ‘zoom out’.

“If you talk to firefighters about the dangers of firefighting, they say that under duress there's a tendency to zoom in on the specific square area in front of you. We zoom in - go to the micro. But [some people] have the ability to do the opposite, to get above the fire, zoom out, and look at this with a whole different lens”

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Allen decided to take Boeing's expertise in military technology and systematically applied that know-how to building the 707.

What know-how does your organisation have that can be applied in a different or parallel market? What efforts are being made to zoom out, to see the world through a different lens?

4. Understand that turbulence is your friend

Great companies use adversity to develop attributes and disciplines that they never lose. Collins cites Southwest Airlines as an example, pointing out that their famous 20-minute turnaround time came about because of severe cash constraints. "They had fewer planes, but they could get them back in the air quicker"

He points to the turbulence that Southwest has experienced – interest rate changes, deregulation, fuel shocks, 9/11 – and still learned how to be stronger than others.

That which does not kill us makes us stronger.

5. Remember that those who panic die on the mountain

Jim Collins is a keen rock-climber, and his interview is peppered liberally with climbing analogies.

"As a rock climber, the one thing you learn is that those who panic die on the mountain. You don't just sit on the mountain. You either go up or go down, but don't just sit and wait to get clobbered. If you go down and survive, you can come back another day. You have to ask the question, What can we do not just to survive but to turn this into a defining point in history?"

Expand, or contract, but don't just sit there.

6. Learn to distinguish the truly great talent from the rest

Stressing the importance of finding and keeping the best people, Collins offers a couple of suggestions for telling the 'truly great' from the others.

"The right people don't think they have a job: They have responsibilities. If I'm a climber, my job is not [just] to belay. My responsibility is that if we get in trouble, I don't let my partner down.

The right people do what they say they will do, which means being really careful about what they say they will do. It's key in difficult times. In difficult environments our results are our responsibility. People who take credit in good times and blame external forces in bad times do not deserve to lead. End of story."

Do you have enough of the 'right people'? And are you the 'right person'? Do what you say you will do, but think before you commit. If you enjoyed the kudos in the good times, take responsibility now – don't let your team down.

"The right people don't need to be managed. If you need to tightly manage someone, you've made a hiring mistake."

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Collins' advice is both practical and wise, and behind it all lies an acknowledgement of the importance of creating and maintaining a high trust culture within your organisation. With high-trust, everything and anything is possible. Without trust, it is impossible to achieve anything of lasting value.

It may seem counter-intuitive, but there will never be a better a time to build trust than right now. How we behave when truly tested is all that matters.

We all delighted in the story of Tom Heavy, who works in the Centra store in Drogheda. He sold a quick-pick ticket to an unknown customer who absent-mindedly left it behind him when he left the store. To make sure the ticket was not accidentally given to someone else Tom wrote 'Paid for: Tom' on it and put it to one side. The next day was Tom's day off, and his colleagues called him to tell him the fantastic news that 'his ticket' – the one that he had signed on the back – had scooped a €350,000 prize.

Tom has been saving for the last few years to buy a camper van, and it's clear from the newspaper reports that he is not a wealthy man. €350,000 would buy quite a few top-of-the range camper vans, but Tom didn't hesitate. He set out to track down the real owner of the ticket and a few days later handed it to a suitably embarrassed Dermot Finglas.

It's unlikely that anyone will ever question Tom's trustworthiness in the future – not *because he was honest*, but because of *the circumstances* in which he showed his honesty. Most of us would hand over a *losing* lotto ticket, but how many of us would hand over a €350,000 ticket knowing that we could claim the prize and that no one would ever know that it was not ours to claim?

In the same way, as leaders, we earn few brownie points for showing ourselves to be trustworthy in good times. It's how we act to build and maintain trust in these difficult, challenging times that will define our legacy, and define the levels of trust that our people will place in us for years to come.

High-trust is the glue that will hold your company together, keep people contributing to the best of their ability, allow creative ideas to flow, and keep everyone's spirits up in the face of great challenges.

Amy Lyman, co-founder of Great Place to Work® Institute and our Director of Corporate Research suggests a few practical actions that you can take to ensure that your peers, and all employees, work together to get through the next year and ensure that your organisation emerges stronger – and more trusted - than ever before.

7. Involve People

It is important to remember that everyone is aware of what's going on, everyone is vulnerable, and some people will be harmed significantly by a job loss or decrease in hours. To mitigate the impact of job changes, involve employees in developing the strategies you seek to implement.

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Employees may come up with creative ideas for staffing changes – rotating unpaid days off, taking unpaid leave, reducing hours – or may be open to early retirement packages that could prevent layoffs.

When people are involved in addressing difficult situations not only are you able to gain from their creative ideas, but you also give people a portion of control over what is happening to them.

A sense of loss of control is one of the most harmful aspects of difficult situations – harmful to people’s health and harmful to the camaraderie and commitment of the group.

8. Share information broadly and consistently

Everyone in your organisation is already talking about what’s happening. The grapevine and rumour mill are in high gear. People will create their own answers to questions if they do not receive enough information or if they receive inconsistent information from leaders. Therefore it is of great importance to let people know on a regular basis what is happening in your business and industry.

As a leader or manager it is singularly important that you be seen as a source of information about what steps are being taken to address the current situation. Even when full answers to questions can’t be given – many of us don’t know right now exactly what will happen next week or next month – letting people know what you are doing to stay on top of the situation is very important.

9. Start with yourself

If cuts need to be made, leaders and managers need to be the first ones to make changes in their own pay. Generally hours do not get reduced for leaders during difficult times, yet reduced salaries can have a tremendous impact on the perception among employees that ‘we are all in this together’. And the salary savings from reductions for the highest paid employees can have a more significant impact than cuts made among the lowest paid employees.

The benefit that you will receive back from this act of going first will more than make up for any economic hardship that might be experienced. As the recent controversy over judges’ apparent unwillingness to ‘share the pain’ shows, leading by example is truly worth its weight in gold.

10. Show up, be available, say thank you

As a leader and manager you can help to convey a sense of confidence that the difficult times facing the organisation are being addressed simply by making yourself available and being visible. This is definitely a time to visit people at their desks, in the factory or in the call-center or sales room.

Listen to what people are saying and answer with the information that you have. Let people know what you are doing, how you are keeping yourself informed. And let people know that you appreciate their contributions and hard work. ‘Thank you’ is one of the most powerful ways of showing appreciation.

“When people trust their leaders and work together to find solutions, the cooperation and commitment that come from high levels of trust fuels a collective effort to succeed”

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Difficult financial times are a challenge for everyone. When people trust their leaders and work together to find a solution the choices available will be greater, and the cooperation and commitment that come from high levels of trust will fuel a collective effort to succeed.

"I don't care how hard this period is. You have to have the combination of believing that you will prevail, that you will get out of this, but also not be the Pollyanna who ignores the brutal facts. You have to say that we will be in this for a long time and we will turn this into a defining event, a big catalyst to make ourselves a much stronger enterprise. Our characters are being forged in a burning, searing crucible."

Jim Collins

Your organisation may be facing its sternest test of character ever. This is both a crisis and an opportunity. There will be winners, and there will be losers. By restating your commitment to high trust, and by redoubling your efforts to build and maintain trust, your organisation can be among the lasting winners.

Good luck with your efforts.

A handwritten signature in black ink that reads "Bob Lee".

Bob Lee
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If you enjoyed this article or would like more information on the many practical ways in which the Great Place to Work® Institute can help your organisation to develop lasting competitive advantage through building a high-trust culture please contact me, or any member of the team, at:

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References

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You can find further articles on a wide range of trust-related topics at <http://www.greatplacetowork.ie/education/articles.php>