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How Not To Run A Country (or Company)

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There are many interesting lessons and perspectives for business leaders presented by the current economic crisis. One of the most interesting and provocative may be that it puts us all in a situation that our employees are in. That is, we are being led by a President (CEO), Congress, and the Senate (management team) that we have little direct control over and yet their decisions (or lack thereof) will have a dramatic impact on our lives and that of our families. Now having your future largely controlled by other people is concerning enough for most. However, if your confidence and respect for those people's ability to effectively lead begins to erode then this proposition can become downright alarming. You now know what I mean, don't you. Let's look closer.

Start At The Top

As always, let's start at the top. In a time of crisis what is the worst thing you can hear from the leader of your company, or in this case your country. The answer; NOTHING. That's right, the absolute worst thing you can hear from a leader is NOTHING. Even bad news will give you some data to make a decision. Even horrible news will give you some perspective with which to plan your actions. But NOTHING, well, gives you nothing at all to go on except your own imagination and that of your co-workers. And how is that working out? How are productivity, creativity, and initiative in a company, or country, where everyone is spending the day wondering what is going on? How are productivity, creativity, and initiative in a company, or country, where everyone wonders if it even matters what they do anymore? So for the cost of periodically communicating with people, which is free, a leader who remains silent loses huge amounts of productivity, creativity, and initiative just when his company, or country needs it the most.

Where are we heading? Ask almost anyone on the street this question today and I guarantee you the most frequent response is "I don't know". If I walked through your company today and asked the same question what would the most frequent response be? Why? Two of the most important responsibilities of a leader are to communicate where the company, or country is heading (strategy) and provide periodic updates on current status (operations). This gives employees and stakeholders their bearings which they need in order to maintain focus and equilibrium. Without focus and equilibrium, you lose them, usually when you can least afford to. Two key points. Number one, this is your job. Number two, this costs you nothing. It is free and provides the greatest management leverage available to you, bar none.

After 9/11, the President was very visible and effectively rallied the American people, and to some extent the world, by demonstrating leadership and resolve during this challenging time. It is one of the reasons that we recovered from this devastating event as quickly and solidly as we did. Contrast that with the deafening silence of what we are hearing during this economic crisis. How does it feel to wake up every morning and receive no clear information with which to make decisions? Or even worse, to receive conflicting information, read alarming headlines, hear rumors, etc. that you have no way to validate. That is how it feels to your employees every day you remain silent.

The Management Team

I find it interesting that Congress and the Senate were able to vote on and distributed $350 billion to several banks and insurance companies without so much as a casual discussion with the executives of those companies. However, when three of the largest manufacturer companies in the United States ask for help they are paraded through a public gauntlet of humiliation overseen

by a management team (The Senate and Congress) that has one of the worst management records (and approval ratings) in US history. It is interesting to watch as the various Senators and Congressmen take a giant step backward from this economic disaster and question why these auto executives wound up in this situation and whether they deserve help. Perhaps this gives some insight into why the US is losing its manufacturing competitiveness.

Sound a little familiar. It should. Have you ever worked in a company where the CEO displayed favoritism towards a certain executive or department. Ever sit in a management meeting or company meeting and watch the VP of Sales run roughshod over the VP of Engineering because he couldn't deliver the latest "special' on time while the CEO sat there in silence? Ever watch as the VP of Manufacturing is criticized by the VP of Engineering because he can't assemble the recently released "product" that came with no documentation and tolerances that would put a Swiss watch to shame? Meanwhile, the CEO sits on in stony silence. Ever been on the receiving end of public criticism from a management team whose strategy you were trying to execute and now has taken a giant step back as if that strategy came from you? Again, the CEO stares at this activity impassively. How about when management team members publicly criticize each other in the hallways and over lunch with their employees? As an employee of the company how does that make you feel? Does it instill confidence that the CEO and management team of the company will be able to successfully lead the company through a crisis? What is it like to work for an organization where personal and parochial department interests trump that which is best for the organization as a whole? That is what our Senators and Congressmen have been doing since this crisis erupted. As an "employee" of the United States how does that make you feel?

The Choice Is Yours

So, as you can see this current economic crisis, and the governments handling of it, provides a unique opportunity to better understand how your leadership affects the daily lives of your employees. It provides an opportunity to walk in their shoes and feel what it is like to have your future largely directed and controlled in an organizational structure where you have limited influence. As you now understand it can be scary, frustrating, and sometimes downright maddening. The real question, however, is now that you know what are you going to do about it. I'll give you a hint. The first step is to get up out of your chair and walk out your office door.

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