



Richard Ferguson

Leadership, fear and the brave new world

There is no one in employment today who has lived and worked through an economic crisis like the one we are staggering through right now reports *Richard Ferguson*, Director at Sensei UKE.

We live in unprecedented times with hundreds of thousands of job cuts across all sectors of the UK economy, none more so than the financial services sector. The first domino in the long line of disasters was the unforgettable footage of customers queuing outside Northern Rock, then the demise of Lehman Brothers and the repercussions of this, including the impact on HBOS, which was forced to seek a merger with Lloyds TSB.

The only meaningful comparisons are with the Wall Street Crash of 1929 and the global recession that blighted the following decade. They were harsh times, characterised by failed banks, emergency stimulus measures worldwide, the Mid-West turning into a dust-bowl, national strikes, the Jarrow March and the rise of fascism. In short, it was the financial and political climate that spawned the Second World War. This is a dramatic comparison, but these are also dramatic times. International blue-chip banks have failed. Whole countries have failed. Capitalism itself has been bailed out by the humble consumer, as tax payers worldwide have propped up the

banking system. As a consequence, attitudes to everything have changed.

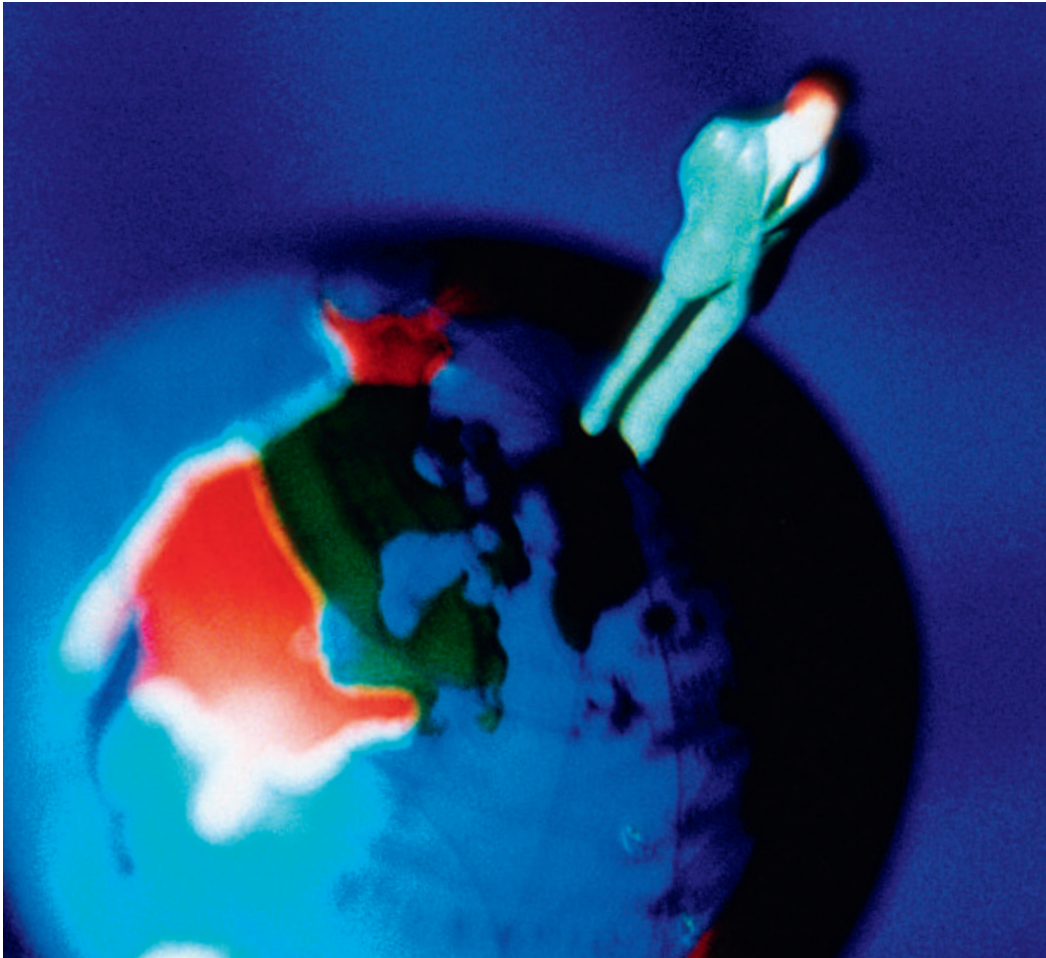
“Bankers are pariahs”, “Greed is no longer good” are views we hear expressed on a regular basis. We now know that money really does make the world go round. The only thing that is certain is uncertainty - not least in the jobs market. We are all more insecure than we used to be. Barack Obama was elected president of the United States in the spirit of these new times and on a simple catchphrase: “We Want Change”. There is a new world order; we just don’t know what it is called yet. And this serves to make an important point: namely, that leaders with personal experience of times and circumstances like these simply do not exist. We are all having to make it up as we go along. And we are all looking for inspiration, for guidance and for the new skill sets demanded by these changing times.

This means that the rules of leadership and management have also changed forever - whatever organisation you lead. Let us not forget that this crisis has filtered out the weak and many of the leaders of the past have been



The recent economic challenges have shaken the very foundations from underneath our workforce and peoples’ sense of belonging and pride has taken a bashing.





swept away. What an opportunity though, for the leaders of the present and the future - we welcome this new breed, who will lead us forward into these new and uncharted territories.

Franklyn D Roosevelt, leading the United States out of the Great Depression, said, "The only thing about the paralysis and inertia inflicted by the economic climate of his day. His solution? A series of initiatives for change in his first one hundred days in office. We take this as our inspiration. OK, so fast forward to the real world. You're in the company of new leaders, including Stephen Hester and Lord Myners. The challenge begins, are you ready?"

The new breed of leaders has a stark choice; do you play it safe and plod ahead with a tried and trusted routine? Or do you take a risk and follow a path filled with surprise, insight, passion, novelty and real engagement guaranteed? A no brainer if you ask me. Being a leader has never been easy, even when times were good and the future was rosy. However, one thing is for sure, many of the leadership

skills honed over years of growth and prolific spending are of little use, now that we face organisations full of people who are fearful of change, lacking in confidence and petrified of risk.

The recent economic challenges have shaken the very foundations from underneath our workforce and peoples' sense of belonging and pride has taken a bashing. Our new breed of leader needs to show empathy for this reality. The financial services sector is full of talented people who are eager to do well; they are just badly bruised and need a bit of tender loving care to get the most from them. Make sure you give them this, in spades.

Of course, some of the challenges are technical in nature, for example the ingrained bonus culture and the ability to focus solely on the short term. It has already been widely reported that a Conservative government would seek to stop the payment of large bonuses in the banking sector; and there is general agreement that handing out big awards backed by state guarantees is 'unacceptable', even for banks that are not part-

owned by the taxpayer. Change here is inevitable, so grasp the opportunity and shape a reward system that cuts through this noise - one you can proudly defend rather than constantly apologise for.

That being said, it's the adaptive challenges facing the new breed of leader that really interest me. This new adaptive leader will recognise almost instantly that they are being presented with the most amazing opportunity to seal closure on the past and set about challenging the rules of the game for the future. Leadership is no longer a scientific endeavour to be learned from the task masters of the past, it's more improvisational, more experimental and far more of an art than a science.

Firstly, leaders need to depersonalise conflict and create a culture where courageous and authentic conversations can flourish - conversations designed to tap the inherent pride and desire to do a professional job that exist in everyone still working in this critically important economic sector. Next comes courage, the courage to try new ways of leading without feeling embarrassed by the learning journey. The balance needs to be just right. Just enough leadership to make a difference, but not so much that people feel disempowered and resort to simply 'doing as they are told', which is just as dangerous and demoralising.

Support is imperative too. Leaders need to try new things and learn how to get the most from their teams. The confidence of leadership can soon evaporate, but leaders shouldn't falter. It takes real skill to create a safe and suitably stimulating environment and we never stop learning how to do things better.

New habits like listening carefully before transmitting information, removing blocks to progress and eradicating passion killing procedures will have a dramatic and instant impact on the morale and energy of the team. Getting rid of the day to day clutter and creating enough head room to 'think' will be one of the differentiators of leadership success. Our new leaders will need to find sanctuaries and in some cases a suitable coach, preferably from outside the industry, to help stoke the fires and fuel the energy they will need for the journey ahead.

Most of all our new leaders need to remember to live a balanced life and not succumb to the temptation to become totally consumed by their role. The days of high stress, macho based power living are fading and few will mourn their passing. Simplicity is the key. As Einstein famously said, 'any fool can make things complex but it takes real genius to make things simple'. ■