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Contact Us

hughesconsulting@bellsouth.net or call Office: 985-893-2236

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The Stabilizing Effect of Good Leadership

article by The Ken Blanchard Company

As the financial markets continue to see-saw and new companies announce layoffs, it's easy to feel anxious wondering what the future might hold for you and your company. It can seem as if matters are outside of our control, especially when companies point to economic conditions as the source of their problems. Yet some companies seem to deal with adversity better than others. What's their secret? That's something that The Ken Blanchard Companies has been studying for more than 30 years. In our experience, the companies that best deal with adversity are those that have:

- A clear and compelling vision
- Passionate and engaged employees
- Strong servant leaders

In their book *The Secret: What Great Leaders Know—And Do*, authors Ken Blanchard and Mark Miller, vice president of training and development for Chick-fil-A, use the acronym **SERVE** to help readers remember these simple principles for success.

“S” stands for **See the Future**. This has to do with the important visionary role that leaders play in an organization. A compelling vision allows people to be proactive and move toward what they want rather than reactively moving away from what they don't want. A vision builds trust, collaboration, interdependence, motivation, and mutual responsibility for success. Vision helps people make smart choices, because their decisions are being made with the end result in mind. Ask yourself:

Where do you want your organization to be in five years?
How many members of your organization could tell you what the organization is trying to achieve?

“E” stands for **“Engage and Develop People”**. As a leader, once the vision and direction are set, you have to focus on engaging and developing your people so that they can live according to the vision. People need to be trained in self-leadership. While many organizations teach managers how to delegate, there is less emphasis on developing individuals to pick up the ball and run with it. Organizations on the leading edge have learned that developing employee self – leadership is critical for success. Consider these questions as you think about Engaging and Developing People:

To what extent have you successfully engaged each member of your organization?
How are you encouraging the development of your people?

“R” stands for **“Reinvent Continuously”**. Great leaders are always seeking answers to questions like these:

How can we do the work better?
How can we do it with fewer errors?
How can we do it faster?
How can we do it for less?
What systems or processes can we change to enhance performance?

One of the biggest challenges leaders face when they look to re-invent processes to better serve the customer is inertia. Many people assume that an organizational structure is permanent. In many cases, the organizational structure no longer serves the business—the people are simply serving the structure. It's good to have a plan; it's good to have your structure in place. But always be watchful and determine whether it's serving you, your customers, and your people well. If it's not, change it.

“V” stands for **“Value Results and Relationships”**. Great leaders—those who lead at a higher level—value both results and relationships. Both are critical for long-term survival. Not either/or, but both/and. For too long, many leaders have felt that they needed to choose. The way to maximize your results as a leader is to have high expectations for both results and relationships. If leaders can take care of their customers and create a motivating environment for their people, profits and financial strength are the applause they get for a job well done. Success is both results and relationships.

Consider these questions as you think about Valuing Results and Relationships:

How much emphasis do you place on getting results?

How many of your people would say that you have made a significant investment in their lives?

What are the ways in which you have expressed appreciation for work well done in the last thirty days?

“E” stands for **“Embody the Values”**. All genuine leadership is built on trust. Embody the Values is all about walking your talk.

Many organizations—including The Ken Blanchard Companies—were negatively impacted by the events of September 11, 2001. In Blanchard's case, the company lost \$1.5 million that month. To have any chance of ending the fiscal year in the black, the company would have to cut about \$350,000 a month in expenses. The leadership team had some tough decisions to make. One of the leaders suggested that the staffing level be cut by at least 10 percent to stem the losses and help get the company back in the black—a typical response in most companies.

As they do before making any major decision, members of the leadership team checked the decision to cut staff against the rank-ordered organizational values of ethical behavior, relationships, success, and learning. Was the decision to let people go at such a difficult time ethical? To many, the answer was no. There was a general feeling that the staff had made the company what it was; putting people out on the street at a time like this was not the right thing to do. Did the decision honor the high value that the organization placed on relationships? No, it did not. But what could be done? The company could not go on bleeding money and be successful.

The leadership team decided to draw on the knowledge and talents of the entire staff. At an all-company meeting, the books were opened to show everyone how much the company was losing, and from where. This open-book policy unleashed a torrent of ideas and commitment. Small task forces were organized to look for ways to increase revenues and cut costs. This participation resulted in departments throughout the company finding all kinds of ways to minimize spending and maximize income. Things were tough for awhile, but over the next two years, the finances gradually turned around—as they will this time also. By 2004, the company produced the highest sales in its history.

The Importance of Good Leadership

Continually doing a good job in each of these areas is a significant task, yet it's worth it. We believe that servant leadership has never been more applicable to the world of leadership than it is today. Not only are people looking for deeper purpose and meaning as they meet the challenges of today's changing world, they are also looking for principles that actually work.