

Leadership in the time of Crisis

II. How to communicate tough decisions and lead difficult discussions



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Trilogy of webinars

Leadership in the time of Crisis

- **How to keep people motivated and engaged?**
- **How to communicate tough decisions and lead difficult discussions?**
(20. May 2020, 2 pm UAE time)
- What can Leaders do to balance between expectations and fear?
(27. May 2020, 2 pm UAE time)



Short term cost cut or long term strategic change

Focus on

- **Cost control**
- **Maintain liquidity**



Repeatable restructuring and routine layoffs

- always have consequence
- often damage employee engagement
- Lower company profitability on long term basis



Why are layoffs often ineffective?

‘Bad layoffs’ = not perceived fair by employees &
having lasting negative effect

Wrong reason = short term cost cut effect only
neglecting long term strategic change



What practice showed (Nokia in 2008 versus 2011)?

- neutral or negative immediate effect on stock price
- reputation suffered
- 20% decline in job performance (decline in productivity and profitability)
- decline in job satisfaction, company commitment

- Employees felt the process was equitable
- Support was given



Alternatives

1) Adapt for long term change

- Long term strategy in 'retraining' employees (AT&T, 2013)
- Commitment to long term employees' growth
- Ruthlessly prioritize (hold on large initiatives)



2) Temporary measures (paid partially, unpaid)

- Temporary leave
- Lower position/ salary agreement

3) Redundancy

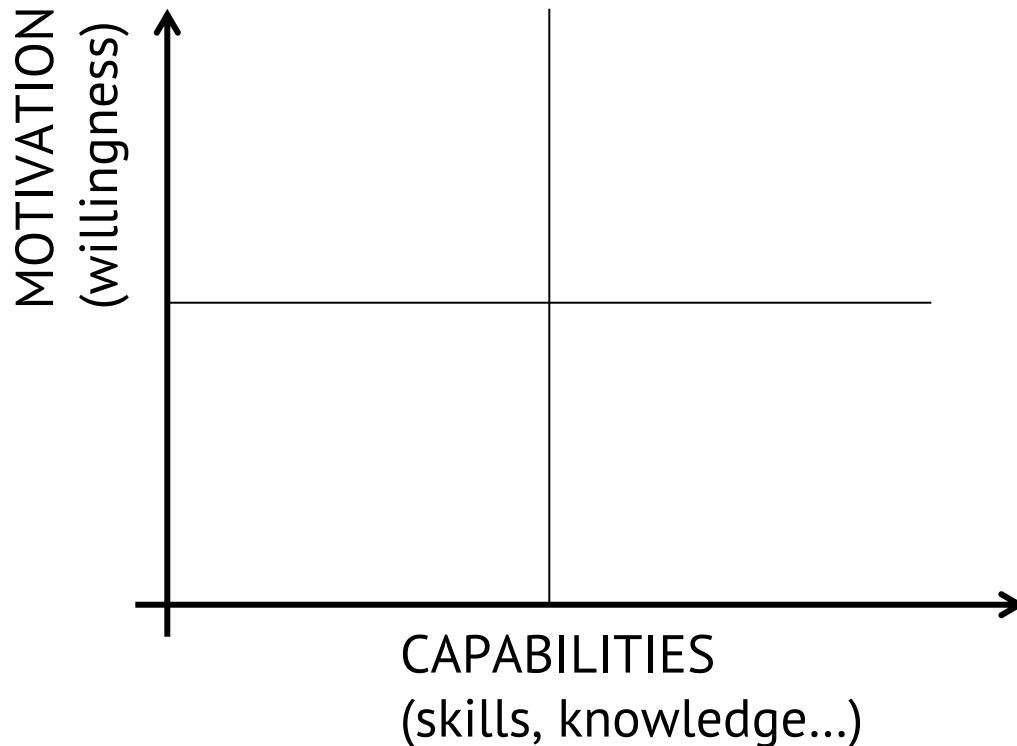
Usually in 3 scenarios:

- Healthy present
- Short term volatility
- Uncertain future



Long term change in people strategy

Know your people well!



Where are my team members?

- What additional skills they possess? Where to be utilized?
- Their attitude?
- Their willingness to explore new approaches – innovate?
- Willingness to learn versus existing knowledge?



Temporary measures

*The more concerned you are, the more likely you are to accept or change behaviour.
People will accept losing things and making sacrifices if there's equity*

Specifics in the UAE/Region?

How to communicate to a group?

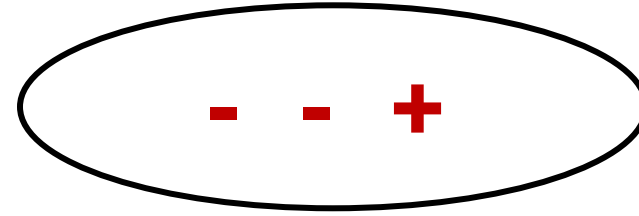
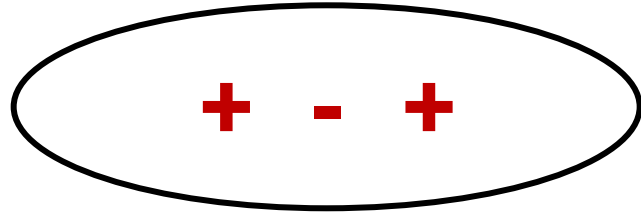
a) + - +

b) - - +

...with individuals?



Communication examples



Airbnb CEO communicating 25% of their people losing job – what he did well?

- empathetic tone, show passion for the company and care for the people
- detailed background into the financials & how decision on reductions was made
- clear language on benefits
- gratitude toward his employees, acknowledged the work they have done
- respect and courtesy, everyone felt as a part of Airbnb family and being valued

“Our mission is not merely about travel. When we started Airbnb, our original tagline was, ‘Travel like a human.’ The human part was always more important than the travel part. What we are about is belonging, and at the centre of belonging is love.”



Redundancy discussion

What reaction to expect?

Possible reactions from employees	How to react as a manager
Denial	Repeat same message again, be clear and precise
Anger	Let the emotions go out (let the steam off)
Bargain	There is only one way forward – no other options
Depressed	Listen, show compassion, give time
Acceptance	

Source: Elisabeth Kübler-Ross (1926-2004), 5 Stages of Grief



Redundancy discussion - structure

1. Positive attitude toward person
2. Give reason and explanation
3. I - message
4. Final decision to be communicated
5. Support
6. Stay concrete / Offer meeting on next steps



Re-energize your team

'Lay-offs severely damage people's trust in management and their strategy.'

1. Restore trust and confidence

*Have I lost a colleague who was my friend?
Why you still trust your company?*

2. Create, show common challenge

3. Engage in plan and execution

4. Provide support and acknowledge



"The power we discover inside ourselves as we survive a life-threatening experience can be utilized equally well outside of crisis, too.

I am, in every moment, capable of mustering the strength to survive again."

(Michele Rosenthal)





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