

RESPONDING TO CRISIS WITH EMPATHY AND COMPASSION

PART 4 OF A 6 PART SERIES

The essentials of leading through crisis to transformation

FIVE ESSENTIALS OF LEADING THROUGH CRISIS TO TRANSFORMATION

- 1 Leading from a distance
- 2 Building high-performance teams
- 3 Responding to crisis with empathy**
- 4 Earning and keeping trust
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Crises and uncertainty rarely come with a standard playbook for business leaders to follow, and the course of action that will pay off the most in the long run is not always clear. In addition, events like the COVID-19 pandemic have a way of exposing both the strengths and the flaws of our institutions, our organizations, and our leaders.

Making wise decisions with empathy and compassion can be a challenge even in the best of times. But in a crisis, employees, shareholders, boards, and other stakeholders look even more to their business leaders to make the difficult decisions and clarify the priorities as well as to set expectations and communicate the path forward. Indeed, now more than ever, leaders who demonstrate empathy and compassion are seen as more effective than those who don't.

“No one cares how much you know,
until they know how much you care.”

— Theodore Roosevelt

LEADERS FACING A PAINFUL CHOICE

Organizations that proactively build adaptability and flexibility into their operating model and culture are better positioned to pivot strategically when crisis hits.

But to execute that pivot, they need transformative leaders who can make, communicate, and act on decisions effectively amid the chaos and uncertainty that crises bring.

Depending on the nature of the specific crisis, some leaders may conclude that they have little choice but to initiate reductions in workforce. For these leaders, arriving at that decision from a place of integrity, communicating it with empathy, and offering transparency into how they made the decision are all vital to safeguarding their organizations' future and the future of everyone affected by the reductions.

Exercising such abilities well during a crisis requires foresight, tact, and a high degree of emotional intelligence. By drawing on recent lessons generated by those who are tactfully navigating the COVID-19 crisis, leaders can improve the odds of maintaining their employees' trust and confidence while helping their organizations recover quickly on the other side of the pandemic.

EIGHT LESSONS FOR LEADERS MANAGING WORKFORCE REDUCTIONS



1. MAKE ONLY THOSE DECISIONS YOU CAN STAND BY

No amount of wordsmithing or clever communication can mask a poor decision. For example, if you want employees to believe you when you say a workforce reduction was a difficult decision, first exhaust all possible measures that don't involve layoffs. Have executives taken pay cuts? Has the company already slashed overhead and travel expenses or instituted a hiring freeze? If a layoff is unavoidable, communicate all of the interim measures already taken, so that everyone understands that the reduction is truly a last resort. Many executives know that transparency with regard to how they arrived at a decision is important, and they want to communicate candidly about that process. But if the decision itself wasn't well-thought-out, then transparency about how they got there won't help them earn anyone's trust.



2. ACT QUICKLY ONCE YOU'VE MADE A DECISION

Backtracking from or delaying difficult decisions sends mixed messages and only provokes more confusion and anxiety. It also leaves employees most affected by the layoff with less time to plan for their future, and it makes it even harder for your organization to recover. Take action once you've arrived at a reduction decision, and provide the support that employees need to move on.



3. DON'T MUDDLE THE WHY

Make sure members of your executive team understand and are aligned on why head count reductions are necessary. If the executive team helps you develop a narrative and talking points about the decision, their alignment on the why will be stronger, and they'll have a common language for communicating the decision to their own teams. Moreover, employees see through excuses and platitudes, so beware of using the crisis as an excuse to resolve performance issues that should have been dealt with earlier. For example, laying off an employee for performance reasons but framing it as elimination of a role will send the wrong message if that role still has to be covered in the organization. Muddling the why can lead to confusion throughout the ranks—especially for teams most affected by the reduction.



4. CLARIFY THE PATH FORWARD

Explain which strategic priorities your organization will continue to focus on and which, if any, will be designated as lower priority. Such clarity helps leaders and employees decide how to best spend their time and energy. If the company must narrow its strategic focus, articulate why the shift is happening and what you want people to prioritize going forward. Be sure that head-count-reduction decisions reinforce that strategic shift rather than contradict it.



5. HONOR YOUR COMPANY'S CORE VALUES

Invoking your company's core values will help you make the right decisions when you're weighing complex trade-offs, such as whether to cut large numbers of junior staff or a handful of highly paid executives. Conversely, violating the organization's core values—even unintentionally—will call your integrity into question and could erode employees' trust in the enterprise's leadership.



6. EQUIP MANAGERS TO SUPPORT DIFFICULT DECISIONS

Make sure that managers and leaders across the organization have the information, briefing, and lead time needed to communicate reduction decisions to those affected on their teams and to field questions from employees. Ongoing conversations with those leaders, along with a regularly updated FAQ repository, will go a long way toward providing that support.



7. DON'T UNDERESTIMATE THE IMPACT ON LAYOFF SURVIVORS

Remaining employees need to know that their colleagues who are leaving were treated fairly. Any doubt could lead to an erosion of morale and productivity and put the organization's future at even greater risk. Fully and honestly explain how leaders arrived at layoff decisions and what kinds of support are being provided for those affected. When layoff survivors have visibility into the decision-making process, they'll more likely view the decisions as fair—and a sense of fairness is crucial for earning and maintaining trust.



8. LET YOURSELF BE VULNERABLE

Don't be afraid to show emotion in a way that's natural for you when communicating with others about upsetting events during a crisis. During such times, showing that you too are vulnerable—like others around you—goes much further than making a scripted presentation or adopting a thin veneer of composure. Why? Vulnerability lets people know you too are human. And now more than ever, your employees need to see that.

Crises call for leaders who can step up and guide their organizations to recovery, even if that means making painful choices.

Sadly, reductions in an organization's workforce are sometimes unavoidable—and they're always difficult for everyone involved. But leaders who demonstrate empathy and compassion—and who are transparent about their decision processes—stand a better chance of earning and keeping their followers' trust. Applying lessons learned from effective crisis leaders can help you meet those imperatives so that you can move your organization through a crisis and help it emerge stronger on the other side.

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ABOUT US

For nearly forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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