



Hewitt Leadership Consulting

Effective Leadership During a Downturn

Strategies for leading through a crisis

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Hewitt Leadership Consulting—Who we Are and What we Do

We Believe That

- ▣ Leadership capability is key to business success
- ▣ Organisations build leadership capability
- ▣ Some organisations do this better than others
- ▣ As a result, they gain an edge over competition

We Know This Because

- ▣ We have researched over 1,000 organisations and their efforts at growing leaders
- ▣ We have uncovered clear evidence on what factors truly differentiate these efforts
- ▣ We have deployed this knowledge internally and with our clients with amazing results

What We Do

- ▣ We bring our insights and research to our clients in a way that changes their thinking
- ▣ We help our clients build leaders faster and better than their competitors
- ▣ We advise client top teams in making informed choices about building leadership capability

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Leading in This Environment is a Complex Challenge

UNCERTAINTY

Poor Visibility, No Maps

- Extreme uncertainty in the business environment.
- The next few years will feel like being in a perilous journey with no maps.
- Leaders struggling to move from 'wait and see' to 'action'
- Leadership teams must form a collective view to move forward

EXPECTATIONS

The Weight of Past
Success

- Stakeholders expect continuing improvement in results
- Stakeholder expectations have not moderated as sharply as the market
- The board room agenda has often been hijacked by analysts
- Strong need to set a new set of expectations—a clear agenda

CONFIDENCE

No Trust, No Traction

- 'Confidence in leaders' at an all time low (17%*)
- Critical to instill a sense of confidence and trust
- Need to pay attention to key talent—retention/disengagement risk
- Need key talent on-board with leadership agenda

GOVERNANCE

The Non-Team at the Top

- The team at the top must operate as a real team
- Urgency and cohesion are critical to navigating the crisis
- Constructive team styles more critical than individual competence
- Need for a proactive process to build constructive leadership teams

* Hewitt **Best Employer** Studies

Leading Through a Crisis—What Leaders Need to Focus on

The Right VIEW

Building and articulating a collective view of the road ahead for the business

The Right AGENDA

Crafting a specific set of short and long term actions to gain advantage from the crisis

The Right PEOPLE

Ensuring that we retain and engage the people who will make us win in the future

The Right LEADERSHIP
BEHAVIOURS

Being aware of and modeling the behaviours that will create the conditions and climate for future success

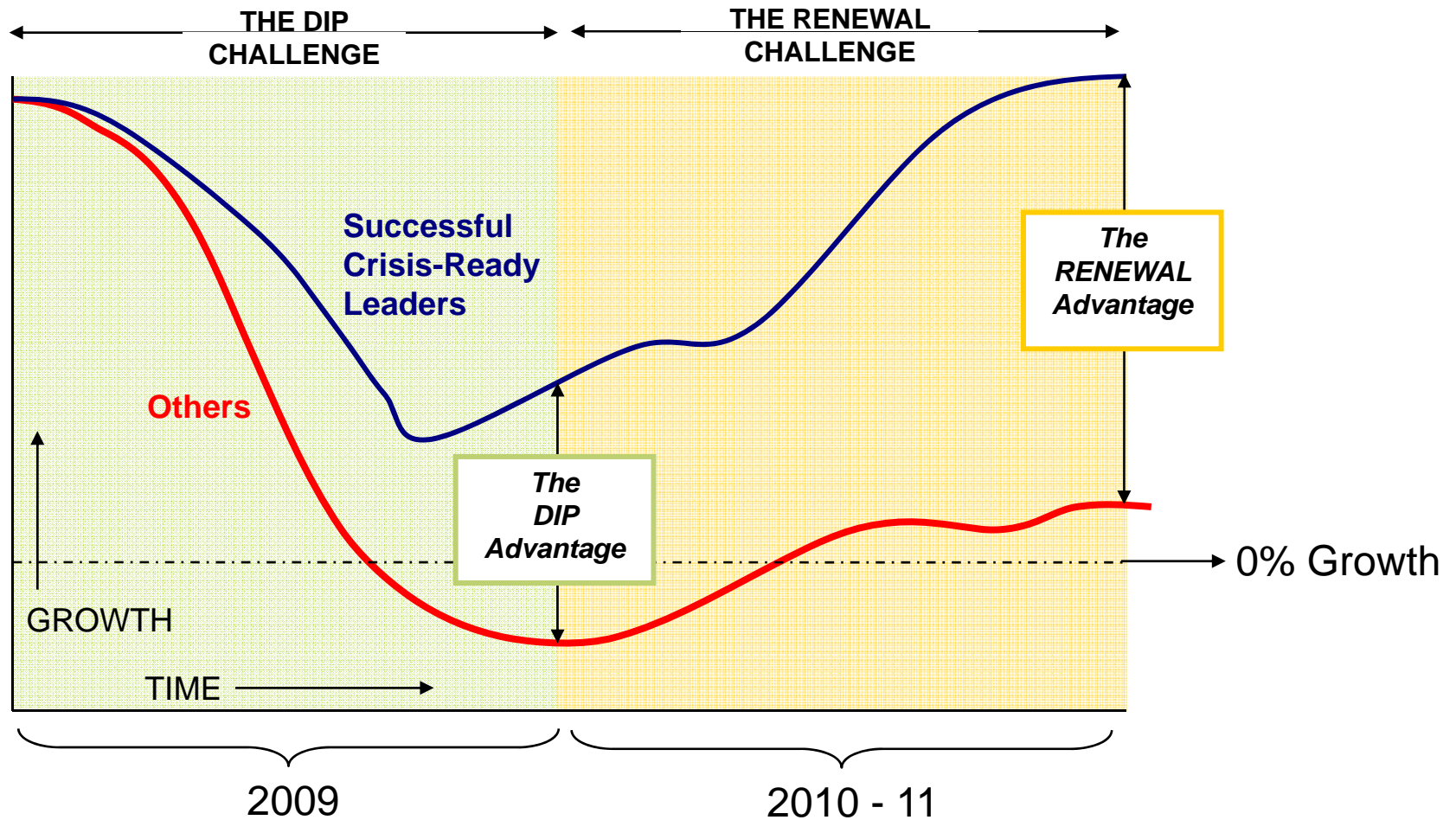


Forming a View of the Future

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Leading Through the Crisis Successfully Involves Overcoming Two Distinct Challenges



What we Have Learned From the Past

- ❑ Even a 'shallow' recession (like the early 2000's) can create long RENEWAL periods (consistently > 5 years)
- ❑ Performance during the DIP does not predict performance during RENEWAL
- ❑ Over the RENEWAL period, better performing firms can create significant advantage over others (60% + gaps open up in most industries)
- ❑ Leaders need to be clear what will help them win in the RENEWAL and nurture those capabilities during the DIP
- ❑ It is critical to track performance versus peers in this period to understand true competitiveness—tracking performance against budgets can be deceptive



Building the DIP and RENEWAL Agenda

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The Leadership AGENDA for the DIP and RENEWAL

So ... Will we Need to Work on a Different Competency Model?

Thankfully, **NO** ... Leading through the DIP and RENEWAL does not call for a new set of competencies.

Leaders will need to understand the difference in application – how and when to deploy specific leadership skills in this new environment.

The difference is about **timing and execution**

- ❑ The same competence, applied a couple of months too early or too late creates a significant difference between success and failure in this period.
- ❑ The same competence, applied in daily as opposed to monthly rhythms, for example, will create significant variance in results.



The PEOPLE Conversation— Retaining the Muscle to Win

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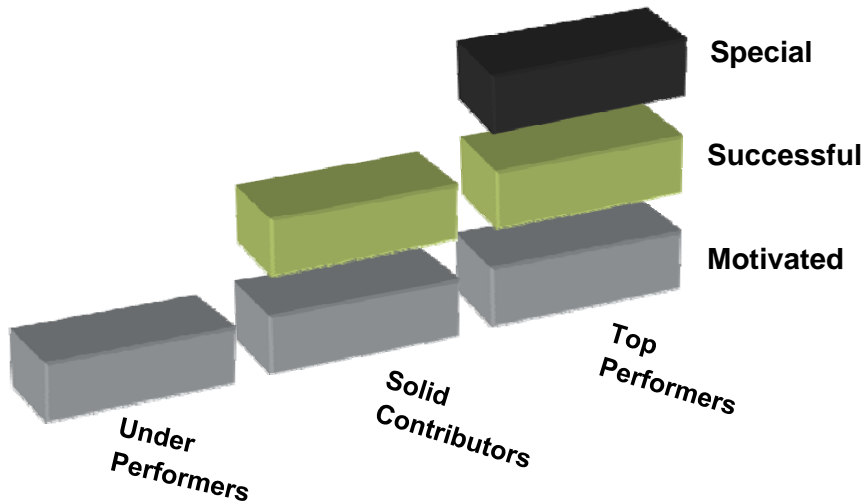
Hewitt's Performance and Development Framework

Building a *High Performance Workforce* depends on four key factors:



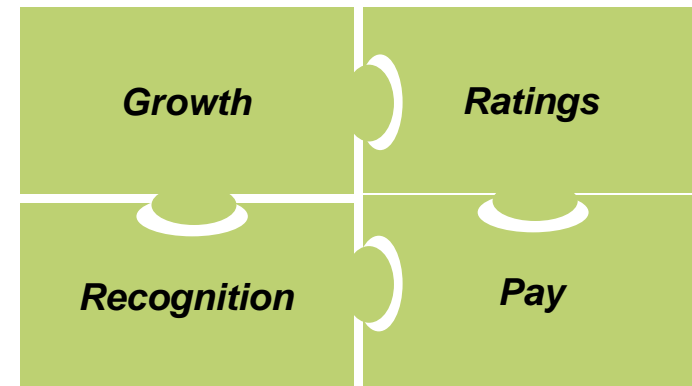
How Do You Use the Tools Available to You as a Leader?

Ratings: Send the right messages to each type of performer



Most approaches to performance ratings have serious unintended consequences

Rewards: Use all available resources to acknowledge an employee's contribution



Enabling managers to think about the full range of performance outcomes helps them to better recognise and differentiate performance

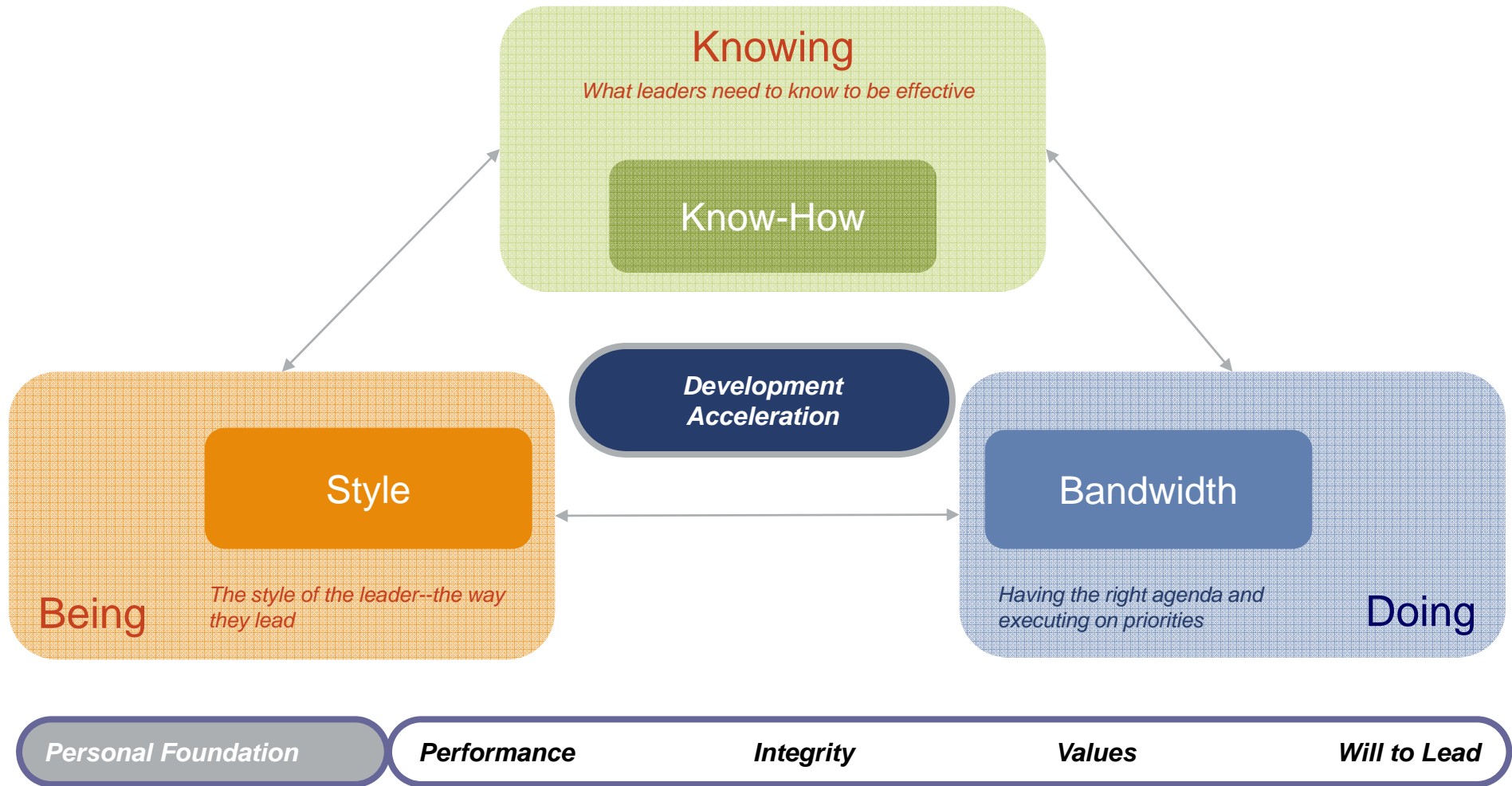


Leadership Behaviours— Creating the Conditions for Success

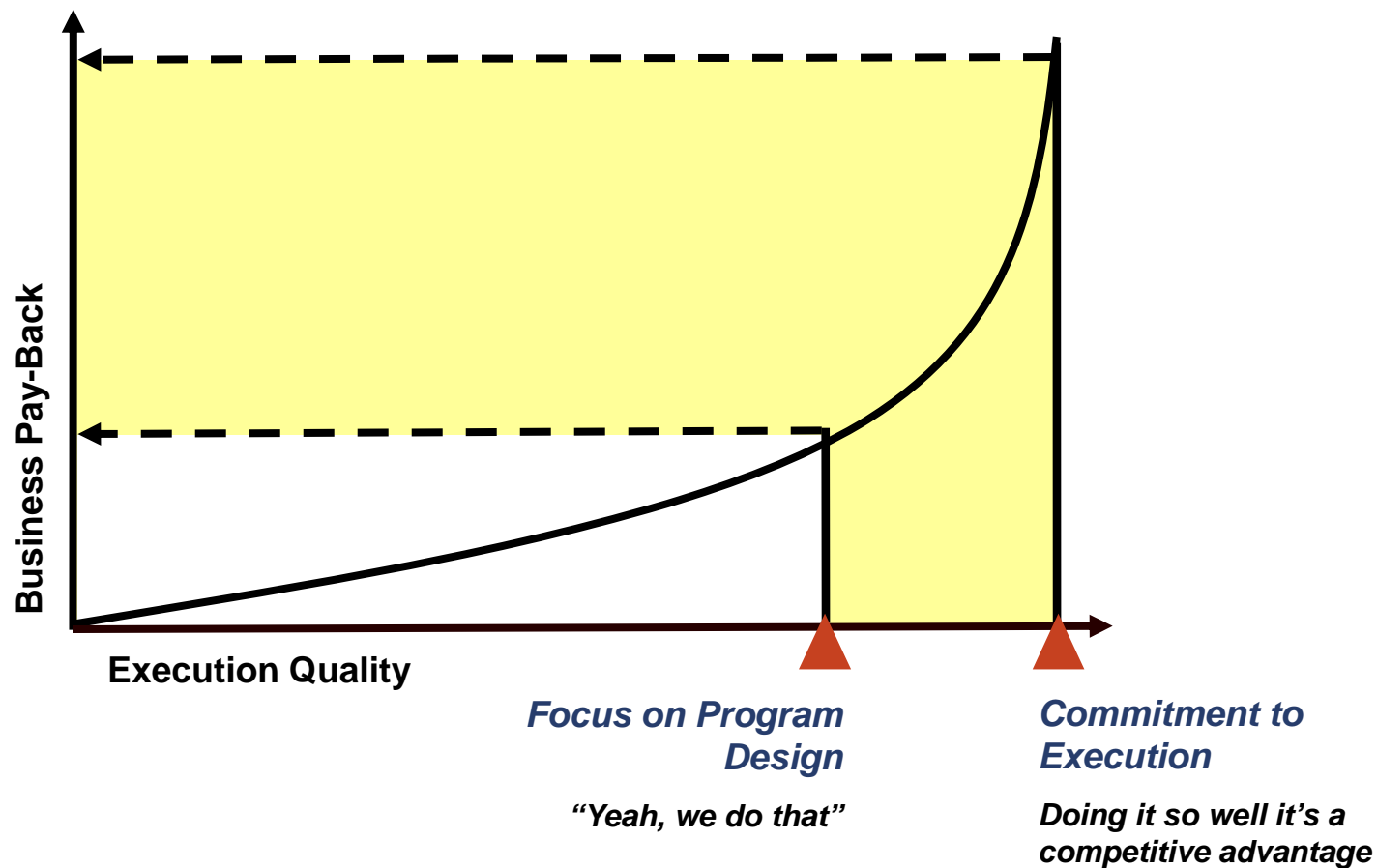
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Completing the Story



The Best Companies Close the Execution Gap



How Hewitt Can Help

Lead the Process

- Facilitate Dip/Renewal workshops and follow up
- Individual and group coaching to drive progress
- Follow up sessions and progress measurement

Support Internal Programs

- Upskill internal resources to facilitate Dip/Renewal workshops
- Work with leaders and HR to connect efforts with other leadership/people initiatives
- Provide ongoing mentoring/coaching of facilitators and leaders

Provide Other Support

- Design/deliver bespoke leadership development programs to match the key needs of your organisation
- Top team and senior leader coaching, including Hewitt's revolutionary "bandwidth coaching" model
- Lead the development of Leadership and Talent strategies to ensure strong pipeline of internal talent

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