

# Leadership in Times of Stress and Change



Seven Skills for  
Gaining Trust  
and Inspiring  
Confidence

Mark J. Tager, M.D.  
Harry L. Woodward, Ph.D.

WorkSkills-LifeSkills

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For more information:  
[www.workskills-lifeskills.com](http://www.workskills-lifeskills.com)  
or toll-free  
1-877-WORK567 (967-5567)  
WorkSkills-LifeSkills  
9237 Regents Rd., Suite 126  
La Jolla, CA 92037  
Phone: 858-202-1491  
Fax: 858-202-1497  
Email:  
[mtager@workskills-lifeskills.com](mailto:mtager@workskills-lifeskills.com)

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Woodward Learning  
International, Inc.  
4905 13th Avenue South  
Minneapolis, MN 55417  
Phone: 612-824-1410  
Fax: 612-822-6777  
Email:  
[hlw@woodlearn.com](mailto:hlw@woodlearn.com)



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## ACKNOWLEDGMENTS

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One of our favorite exercises is to ask workshop participants to draw a picture of their organization. The vast majority of drawings look like either organizational charts or pyramids. In the pyramid model, leaders at various levels spend time and energy being responsible to those above them. The power of this exercise comes when the pyramid is inverted and each level of management focuses—not on being responsible—but being responsive, to the larger group that is now above them.

In crafting *Leadership in Times of Stress and Change*, we've tried to apply this principle and create a program that better meets the needs of our audience. We've inverted the pyramid by involving our associates in defining and shaping the content. Now it's time to thank them for their help. The largest group is composed of our colleagues at the Society for Human Resource Management. For their input, feedback, and support, our gratitude goes out to:

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## HAVE IT YOUR WAY

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Welcome to *Leadership in Times of Stress and Change: Seven Skills for Gaining Trust and Inspiring Confidence*. For the past twenty-five years, we've had the privilege of working with organizations and individuals as they wrestled with the challenges of changing work environments. We've seen firsthand the effects that the resulting stress has on people: how it either erodes health, self-confidence, and performance; or brings out the best in employees and teams. What follows are the nuggets that we have gleaned from this work, presented as straightforward, practical tools that leaders at any organizational level can use to help reach their personal and organizational goals.

There are several ways to use this book. The first is to explore the seven areas of importance, chapters 1 through 7. As you do so, we will be asking you to make some changes, try new techniques, and possibly adopt a different attitude and philosophy about your role in working with others. For those with less time, you may wish to skim the introduction, take the inventory, and then concentrate on those key areas that will provide you with the greatest payoff.

You can also take this program one step further. *Leadership in Times of Stress and Change* features a comprehensive online inventory, as well as an online and in-person training program. For those of you who would like a more in-depth approach, we encourage you to contact us through the information on the copyright page.

As John F. Kennedy once wrote, "Leadership and learning are indispensable to each other." In the next several chapters, you'll learn the skills to become a better leader, and also gain knowledge about yourself and your organization through the process of leading.

— Mark & Harry



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## THE LEADERSHIP CHALLENGE

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Every business leader is aware of the competition, the other organizations with similar products and services. But there's another type of competition facing today's leaders—one that is often overlooked—competition for the energy, loyalty, and focus of your people.

It's fierce competition. Why? Because we have entered an era of constant change and increasing stress. We live in a 24/7 world where we are constantly bombarded by emails, phone calls, faxes, and overnight deliveries. Television, radio, and the Internet bring global problems to our doorsteps every day. The drive for improved productivity has resulted in increasing workloads and shrinking staffs. Commutes have increased. Tempers have shortened. In the wake of terrorist attacks, uncertainty pervades the nation. Downturns, mergers, and acquisitions have made reorganization more the norm than the exception.

It is in this milieu that you, the leader, continue your quest to positively influence your people. To do this, to gain mindshare, you'll need to get them to put aside

unnecessary concerns, distractions, and harmful emotions to focus on the work at hand. But how do you do this?

It would be nice if there were a recipe or whole cookbook outlining a step-by-step process that would guarantee your success. Chances are, whoever produced this cookbook would market it as the “new and improved” leadership product. We believe that very little is new in leadership. The tools are the same as ever. Leaders do two things. They provide direction to their people: addressing the who, what, where, when, and how of the situation. And they provide support in the form of praise, encouragement, listening, feedback, reinforcement, and self-disclosure.

What *is* new in leadership, however, is the need to adjust your style so that you are providing people with the right mixture of direction and support in these challenging times. This involves both a recognition that things are different and a willingness to change how you approach people and situations. To get the right leadership combination, it is helpful to acknowledge the following:

### **You Already Have Established Leadership Habits**

These leadership traits are the result of three factors that shape what you do:

- **Natural tendencies.** Those of you who have taken a personality-based assessment such as the Myers-Briggs Type Inventory, the PowerSource Profile, or the Social Style Inventory are already aware of some of your inherent preferences such as how you acquire and process information, your need for closure, or your tendency toward intro- or extroversion. A number of your management strengths and weaknesses find their roots in these natural preferences.
- **Your work experience.** At this point in your career, you’ve gone through your share of training courses.



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You've gained tools and have been influenced by leaders and mentors. You have also observed and been part of change efforts in your company that turned out well, and others that did not. Your style is strongly influenced by these experiences; there is a natural comfort in using solutions that worked well in the past, even though the new context may demand a different approach.

- **Your attitudes and beliefs.** Many factors contribute to developing your views on life and your beliefs. These include parental, peer, and religious influences, early upbringing, and personal accomplishments and setbacks. All of these elements combine to determine whether you see yourself as being in control of life's situations or limited by circumstances, whether you look at change as a problem or a challenge, and whether you have the necessary commitment to see things through.

Everyone has a different combination of experiences and philosophies. This combination is a mixed bag, with its own levels of appropriateness for the situation at hand. Some aspects of your leadership style will be effective most of the time, other parts rarely. Some techniques are fine for stable environments, but totally inappropriate for changing ones. Understanding your unique blend of leadership habits is an important place to start, and you can begin this process by taking the Leadership Change Inventory in the following chapter.

But before you explore personal aspects of your leadership style, let's take a look at some of the traits that exceptional leaders share.

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## UNDERSTANDING LEADERSHIP

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Let's face it, when things are relatively stable—when market conditions are healthy, when production of goods and services is running smoothly, when morale is

high—most organizations don't really need leaders. They need managers or supervisors who follow the rules and established processes of Basic Management 101 and who are smart enough to avoid screwing things up.

When things get tough, though, when the necessity for rules diminishes, organizations need people willing to lead with three key attributes:

- **Flexibility:** the willingness and capacity to do things differently, to take the risks involved, and to admit to a level of uncertainty.
- **Empathy:** the ability to put yourself in the shoes of your employees, to really know and feel what each is going through.
- **Trustworthiness:** the congruence of your thoughts, feelings, and actions, expressed in a manner that results in others finding you credible.

These three attributes are an integral part of the seven skills presented in *Leadership in Times of Stress and Change*. Empathy (“Take the LEAP with Your People”) and trustworthiness (“Communicating with Credibility”) are discussed in great detail. Let's take a closer look at flexibility, especially in light of the recognition that each leader has established habits.

### **Do Less, Be More**

Our experience has led us to believe that most managers and supervisors are doers. They solve problems by taking charge, rallying the troops and directing their activities. Our Western management system places a high value on action and on “hard skills” such as measurement, analytics, appraisals, objectives, and tasks. These are all important items, in fact they are crucial for performance. The problem emerges when leaders rely heavily on them in changing times, when a different skillset is required.

In times of stress and change, the competencies required for effectiveness are the leadership skills that



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involve spending additional time with people, not telling them what to do, but instead listening more. Rather than issuing directives and expecting immediate compliance, you may need to go over the same issue many times, from many viewpoints. Moving forward in changing times means first stepping back long enough to understand how people are reacting, then crafting an other-centered strategy to move them along. These people-centered skills may seem like a waste of time, especially when time is in short supply. Or they may appear to be a weak replacement for “real” action. Yet paying attention to these skills of involvement with your employees can be the most important and strongest leadership task to accomplish during stressful times. As we’ll see below, it makes a big difference in the health and productivity of your people and your company.

### **What You Do Makes a Difference**

In our training program, we conduct an exercise that drives home the important influence that leaders have on their people’s confidence, commitment, and well-being. We ask workshop participants to think about the *worst boss* they’ve ever had. What did that boss do and how did those actions affect the participant? After generating a list of actions and consequences, we go on to ask people to generate a list for the *best boss* they’ve ever worked for; what did the best boss do and how did it make them feel? The comparison is striking. “Bad bosses” erode confidence and create climates of fear; they whittle away at self-esteem and put people in lose-lose situations. People who believe their bosses are bad become depressed, anxious, or angry; they don’t sleep at night, blood pressures rise and muscle tension increases. Ulcers, nervous tics, rashes, and headaches become commonplace. The good boss, on the other hand, creates a state of confidence and commitment in people. People who have experienced good bosses often feel mentally tougher and more willing to take risks for the



company. They are loyal, committed, and will go that extra mile. When their boss helps them get through tough times, they reap a sense of personal growth and accomplishment.

As authors, consultants, and seminar leaders, we're always on the lookout for examples of positive change experiences. In the course of writing this book, numerous colleagues shared with us stories of bosses, mentors, and coworkers who had "done it right"—who had gained the trust of their workforce and inspired performance during stressful times. You'll find some of this correspondence in the appendix. What's notable is the passion with which people wrote about their "best bosses," even after many years had elapsed.

Change can be difficult, and leaders with great influence wield a double-edged sword over their employees. They can make the process even more difficult by clamping up and charging ahead without acknowledging people's fears and feelings. But good leaders can also learn to make the process less painful—and their employees and the company can be stronger for it.

### **In Stressful Times, Give Up the Expectation That People Will Respond Rationally**

When people are shocked, two opposite, "irrational" emotional states tend to prevail. The first is *withdrawal*. They shut down emotionally. They become incapacitated by sadness. Their body language is closed and protective. They avoid eye contact and turn inward to avoid any more stimulation. In the second state, rather than withdrawing, they become *hypervigilant*. They are completely on edge. Little things set them off. Their body goes into hyperdrive as they become more frantic and frustrated. This frustration is often expressed as anger or in unfocused, frenetic action that accomplishes little. To complicate the issue, it is normal for people responding to significant change to vacillate between the two states, at times being withdrawn, at other times being hyperac-



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tive. While the external expression is different, the end result is the same. When people react in these ways, they aren't acting rationally because they are having difficulty receiving and interpreting information:

- **Perception.** They miss important clues from the environment. When in withdrawal, people shut out the very information that could help them move through the change. In the hyperactive state, they are so overloaded and unfocused that they can't attend to the information, and therefore it fails to register.
- **Processing.** In the hypervigilant state, every input is viewed as a potential threat. With the body in its "fight or flight" alarm reaction, processing becomes distorted. Hypervigilants will misinterpret words and gestures, often attaching false or inappropriate meaning to harmless phrases or body language. For those in the withdrawal state, it is almost as if the information is being filtered through molasses. Things remain fuzzy and unclear.

By understanding that change can produce seemingly nonsensical responses in rational individuals, leaders can better predict employees' fears and address their concerns.

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## LET GO OF THE NEED FOR CERTAINTY

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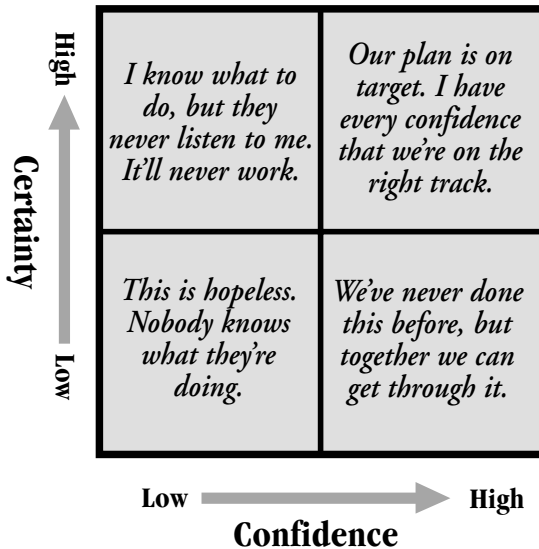
In your business career, how many times have you been in a situation where you were totally certain of your goal and completely confident in your (and your people's) ability to get there? Most of us can count these moments on one or two hands. This is the Valhalla of leadership. We long to get to this place, even if we know our stay will be short-lived. Many managers idealize this state and remember when, in years past, they washed up on its shores, when things were normal and controllable, when the pace of change was moderate and people acted predictably.



We liken these moments to gazing at a calm, waveless ocean where nary a ripple breaks the mirror-like smoothness. We all know these moments are fleeting, the tides and waves will exert their inevitable pulls and disturb this reflection. At times, there will be rough seas, strong tides, and unpredictable swells. Navigating these waters will present a new set of challenges, affecting both your confidence and certainty and your people's as well. This dynamic is shown on the Marhari Grid\* below, and reflected in the representative statements in each of the quadrants.

### The Marhari Grid

Let's take a closer look at the quadrants formed by this grid.



\* We admit, we couldn't resist the play on words. One of the most widely known insight tools, developed in the fifties by Joseph Luft and Harry Ingham, is the Johari Window. The term was created by merging the first names of its originators.

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### **High confidence, high certainty**

You are operating in a normal, stable, but fleeting environment, marked by two states: high levels of confidence and high levels of certainty. You know what to do, the course of action is clear, and you are confident in your plan and approach. In a stable environment, planning provides and supports these feelings. It works well when you have all the information, the situation is proceeding incrementally, and your people are all acting rationally. This is reflected in the general sentiment that “we’re on track and we’re gonna reach our goal.”

### **Low confidence, low certainty**

Now let’s look at the opposite quadrant, low confidence, low certainty. This point represents the lowest end of the scale in morale or work climate surveys. People are unsure and afraid. When a high percentage of people in the organization share this viewpoint, it is often an indication that leadership development is bankrupt. The organization has failed to invest in training that empowers employees, builds strong, functional teams, and values participation and innovation. Now when the organization needs to “go to the bank,” when it asks people to sacrifice for the company, there’s little goodwill upon which to draw.

### **Low confidence, high certainty**

This state is most common when people have not been allowed to participate in decisions that affect them. Their contributions and ideas have not been valued, even though they may be the people closest to the customer or the problem. There is an undercurrent of resentment and resignation. After reorganizations, these are often the people who have “quit but stayed.” They bide their time and stop contributing because experience has told them that their input will not be valued.

### **High confidence, low certainty**

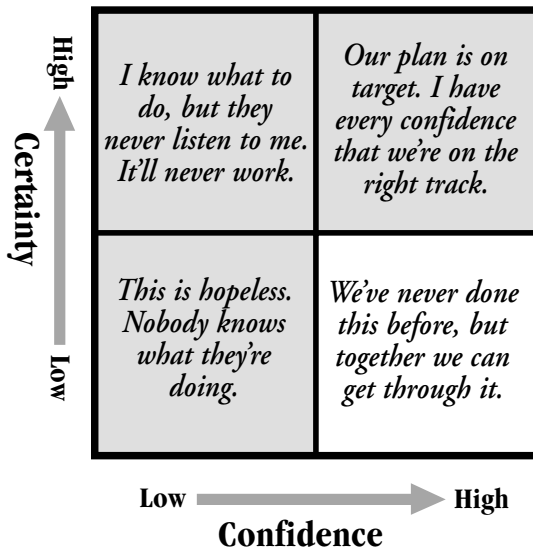
When we ask managers whether it is their job to be

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confident and *certain*, most say yes. How about confident and *uncertain*, we ask. Most reply that uncertainty is a sign of weakness, that leaders should project an aura of definitiveness.

Yet uncertainty is a large part of change—an aspect that can be exciting and rewarding if approached with honesty. It takes a strong leader to say, “I’m not sure how we’re going to get where we need to be, but I am confident that we will come up with a plan to get there.” The goal of leadership in changing times is to find comfort in being *confident but uncertain*. In fact, this is the only position that will be viewed as credible by those who work for and with you.



### **I'm *Sure* I Don't Know Exactly How We'll Get There**

Being confident in uncertain times and situations presupposes that you are willing to relinquish a certain measure of control and to seek, value, and use the energy and input of your team. Managers who are willing to

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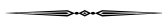
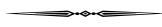
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admit they don't have all the answers often feel an incredible sense of relief that the burden is off their shoulders and shared by the team. The confidence is in the we, not the me. Together we can do it. And employees are willing to work harder for a goal, even if it's uncertain, if you've been upfront about your own limitations and they've had input in the process.

At this point in our workshops, after we have introduced the idea of confidence and uncertainty as an ideal, many managers raise the what ifs:

- **What if my team doesn't have the necessary skills?**
- **What if my people don't view me (or another leader) as credible in the current climate?**
- **What if people are angry or upset because of circumstances that can't be controlled?**
- **If I've been a highly directive leader, are you telling me I need to have people invested in the process and participating, that I need to change overnight?**

Our response to these questions is: Never underestimate people's capacity to rise to the challenge. Tough times can bring out the best in everyone. When you create a climate that is inclusive, open, and affirming, many people are willing to give you the benefit of the doubt, to wipe the slate clean of past grievances and work with, as opposed to against, you. For those with doubts in the power of teams, we encourage you to reflect on the words of Margaret Mead:

  
*Never doubt that a small group of thoughtful,  
committed citizens can change the world.  
Indeed it is the only thing that ever has.*  


A final note before we move on. Throughout this book we talk a lot about stress as a result of change. Any time managers motivate their workforce, they are adding



stress to increase performance. And any time we want to make personal changes—to work harder for a promotion, to take classes to educate ourselves, even to make the decision to have and raise children—we are adding additional stress to our lives. As change leaders, we realize that stress is often a positive motivator for growth and accomplishment. In this book, however, when we talk about stress, we will more often than not refer to its negative consequences—strain and distress—because these are the perceptions that most people have of stress during challenging times. It is our goal in this book to minimize the adverse results of stress and strain and make change a more manageable and positive experience.

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### **YOUR GUIDEBOOK TO CHANGE**

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Throughout this introduction, we've presented the idea that the goal of a great change leader is not to pretend to know all the answers, but rather to have and inspire confidence through honesty. We, too, don't claim to have all the right answers. Instead, we're offering you a guidebook to the seven major stages of a positive change, written by people who've been through the process and helped others along the journey. This is not a book of tactics, but rather a collection of templates. It does not deal with providing direction for common job tasks. Other books detail specific elements of supervision and how to provide the right mix of instruction and praise. What we offer instead is insight into the process of change. It's up to you to decide how much time and attention to devote to various parts of the trip, whether it's better to occasionally skip ahead or veer off course. Your specific path through stressful times depends on many variables: the amount and type of information available, the degree of emotional disturbance a situation could cause, and your comfort and ability with various skills.





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Our guidebook to change begins with you, in both the Leadership Change Inventory, which will test your comfort levels with certain aspects of change, and through chapter 1: “Look Within Before Venturing Out.” Chapter 2, “Clarify the New Context,” addresses the importance of not only knowing where you are at the beginning of your trip, but also of communicating this location to others and seeking their input. Chapter 3, “Set a Direction, Even Though It’s Likely to Change,” discusses the difference in value between *making* and *following* a plan. “Communicate with Credibility,” chapter 4, explores the importance of self-disclosure in inspiring trust and addresses the question of how much information is too much to share.

Next is “Take the LEAP with Your People.” Think of this as your bungee-jumping excursion. You may be ready to dive off a cliff into change, but you have to make sure that your team members are with you, that someone has checked your ropes and calculated the distance of your jump. To make the leap with your people, you’ll need to (L)isten, (E)mpathize, (A)sk, and (P)ropose, rather than charging ahead and ignoring resistance. In chapter 6, “Remember, There’s Always One More Way to Look at a Situation,” we attempt to demystify creativity, offering numerous techniques and procedures for forming new solutions. In our final area of importance, “Keep Balance in Mind,” we offer suggestions for keeping your personal health and enthusiasm high as you go through the change process along with your people.

We’ve tried to make the book as easy to read and jargon-free as possible. Those of you who want to know more can find supporting studies and research in the appendix. There is one statistic, however, which deals with the magnitude of the disconnect between employers and employees and gets at the crux of the issue, that we have to share up-front. In several recent studies, more



than 90 percent of employees listed trust as an important issue for retention in their workplace, while only one-third of those surveyed felt that they currently had a high level of trust within their organization. At the same time, only 6 percent of human resource managers listed a lack of trust as one of the main reasons why employees left. It is this schism that we address in *Leadership in Times of Stress and Change*. How can we gain the trust of our people? How can we inspire confidence and performance during stressful times?

And so we say bon voyage! Being a leader in times of stress and change can be a difficult, frustrating process, but also one that offers great rewards as well as challenges. Go ahead now and take the inventory in the next chapter and see how ready you are for the journey, as well as areas that can use some improvement.

