

The Year of Recession or the Year of Accountability?

Companies that plan to survive must develop real leaders – now.

By Bethany Detrich

Hard economic times are here. Unlike politicians and talking heads, companies that want to survive don't have time to bemoan their challenges and play the blame game. Instead, companies must re-cast the way they look at 2009.

This is not the year of recession. And viewing it that way will not spur any company to action and future growth. Rather, firms should see 2009 as the year of accountability.

Mediocre leaders often can muddle through in good times. In fact, companies with a total absence of leadership can survive when the economy is healthy. But throw in some market adversity, and deficits in leadership become painfully clear.

Do you plan to be in business in 2010? If so, there are very specific strategies you must implement today if you wish to survive and grow in the future. And they all come down to a single, key element that has gone missing at a growing number of businesses: accountable leadership.

The face of accountability

What does accountability truly mean? That's hard to discern in today's marketplace. CEOs take multi-million-dollar bonuses even as their companies go down the tubes. Congress spends billions of taxpayer dollars on pork-barrel programs. Accountability seems to have gone the way of common sense.

The same rings true at smaller companies. These businesses spend thousands of dollars to send future leaders to training classes. Yet they don't provide these leaders with any ongoing coaching. After training ends, employees are not questioned about what they learned in class. And ultimately, despite a significant investment of time and money, they are not held accountable for positive changes in performance or behavior.

To put it simply, accountability means doing the right thing. Leaders must be accountable to themselves. But they also must be accountable to their people – both in checking on their performance and being responsible for their own. Accountability requires checks and balances.

Today, boards of directors want their executives to adhere to specific values and principals. Yet they rarely actually hold these individuals accountable. Instead, these executives spend time working *in* the business, but not *on* it. They stay behind the wheel, keeping the business going, yet never actually move it forward.

Leaders often become trapped in a sea of spreadsheets. They focus on the numbers, ignoring the key people who work with and for them. And they fail to require

accountability from themselves or others. This is not leadership. And it will not work in a challenging economic environment.

In fact, today's economy requires leaders to be even more accountable than ever. Why? Because companies are being forced to do more with less. They lay off employees and cut back budgets. In this time of perceived lack, it is critical that leaders ensure their employees:

- know what is expected of them
- are measured based on their performance
- are held accountable for the results

A focus on results

Do your employees know what is expected of them, and how they will be held accountable? The answer to this question ranges widely, with some companies offering few to no metrics, and others operating on spreadsheet overkill.

Consider one of my client companies, which was measuring its sales management team on more than 240 metrics. How could a sales manager possibly execute on that? Which brings us to the first strategy of accountable leaders: define the top five to six activities key to each employee's success. Explain these activities and why they are important. Show how they will be measured. And set a time to review and inspect the results. Be disciplined enough to place a review date on the calendar – now – and stick to it. This is accountability – on both sides of the manager/employee relationship.

The next strategy is similarly simple – and important. Leaders must stop working on the business to the detriment of developing their people. One of my client companies is struggling mightily right now. Why? Because the vice president in the sales division has not invested time in his employees, nor has he set expectations and required accountability from them.

This leader has five people reporting directly to him – yet he is the only one who knows how to make a sales call to a major client. He gets pulled into minutiae and actually tries to perform his employees' tasks completely missing the point of multiplying oneself with a team. He told me that he was going to make his team work more hours. When I asked why, and which activities they would be focusing on during this extra time, he had no answer. He just wanted them to seem busy. Making employees work more hours on the wrong activities will get you nowhere.

This is a severe lack of accountability on the part of the vice president. Rather than putting out his employees' fires, he should develop his people and re-create his positive attributes and activities in them. He must hold them – and himself – accountable for focusing on value-creating activities.

Accounting for time

So how does a company encourage its leaders to become accountable by setting out metrics, developing their staff and revisiting the results?

It starts with focus. Rather than drafting up a laundry list of requirements, companies should create a laser focus on the activities that are truly important. Most businesses these days invest countless hours devising mission statements and a list of key values. Yet they don't break this down, explaining to managers and other contributors what this actually means in day-to-day operations. Corporate leadership, from the very top, must explain all the way down the line what is expected and why.

Secondly, managers should be held accountable for their schedules. This sounds simplistic. But one reason that most employees don't execute on the company's overarching mission is that they don't fit it into the daily work schedule. Leaders must be expected to spend considerable time working on the business and training up their people – not putting out fires.

Next, managers must be forced from behind their computers. Thanks to technology, most communications take place by email and phone. But the best coaching takes place face-to-face. Leaders should spend face-to-face time with the sales team every week, and with other teams one to two times per month. This tactic will help leaders – and their people – stay focused.

Taking time – a valuable commodity – to raise up leaders may seem like a luxury when the economy is falling down around us. But companies that expect a prosperous future must make the most important investment possible during trying times. They must develop leaders and hold them accountable.

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