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## People First

# Tough times can bring out the best, or worst, in top executives and their teams

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There is a privilege in pressure. Stress affords us a unique opportunity to learn what's at our core.

Viktor Frankl, author of "Man's Search for Meaning," lived through Hitler's concentration camps. From that horrid experience, he learned that the only thing a man can control is his own mind and his subsequent behavior. A leader's reputation is based on how he chooses to behave in any given situation, regardless of circumstances.

We forget that organizations are not just names on buildings. Companies are communities, and each community has a leader. He strikes a chord that sets the tone carried through the organization.

One leader hitting a high note is Rob Howard who, in 2004, founded **Telligent**, an enterprise collaboration and community software company, on little more than an idea: Software must be user-friendly. This idea has grown into a company of 104 employees with headquarters in both Dallas and London. Howard, like many business leaders, has had to reduce his work force. Never having faced this situation before, he chose to sit down face-to-face with each affected team member and deliver the news. He reflects, "In some way I felt that I had let each one of them down. They deserved to hear the news directly from me; I owed them that measure of respect."

On the other side of town, Blackstone's **Hilton Hotels'** HR department sent a blanket e-mail to an entire level of directors (including some 20-year veterans) informing them that their services were no longer needed. With that single

pervasive behavior, Hilton struck a gong that echoed to thousands of its employees: You can expect no better treatment — wait your turn.

Washington, D.C.-based Leadership IQ surveyed 4,000 employees from 318 companies who had survived corporate layoffs. Seventy-four percent admitted they are not working as hard as they used to work. Makes you wonder how The Blackstone Group and Hilton — which have smart people — can be so shortsighted.

## **The feel-good phenom**

People have to feel good about you for you to get the best from them. That's a fundamental truth that applies as much to the relationships between you and your clients or consumers as it does to your employees.

M. Scott McDonald, managing partner of the Dallas office of Littler Mendelson, has Carolyn Dawson's best. In the height of ragweed season I was late for a meeting at Littler. I rushed in clearly miserable; Carolyn met me in the lobby and while I waited for McDonald, she appeared with not only a bottle of water but a little red pill — Sudafed. I could almost breathe by the end of the meeting. Littler is a first-class law firm, with a single focus on employment law. I was so taken aback by Dawson's attitude that I mentioned it to Scott. "We try to walk the talk. At Littler we strategize solutions that will maximize relationships and create win-win situation for our clients: It makes sense to spend the time to do that for ourselves," responded McDonald.

Big business doesn't have to be impersonal. A great example can be found at **HKS Inc.**, an international architectural firm with 1,500 employees worldwide. Its design for Cowboys Stadium has changed the backdrop of sports entertainment. However, HKS has been pressed hard in 2009. Projects are on hold and staff has been cut. CEO Ralph Hawkins is a conservative man who has been with the company 30 years. The average tenure of a shareholder is 24 years, principals 20, vice presidents 10 and associates six, so in every sense of the word HKS is a community. So, recent layoffs came as a hard blow. "We will bring them back," Hawkins says with determination. In the meantime, in-office continuing education is still offered along with access to the HKS workstations and recruitment firms.

We have always hoped for leaders with moral fiber. Who are our leaders really? Who are they when no one is looking? I don't think Hawkins, Howard or McDonald would say walking the talk is easy — I'm sure it often kicks their butt. Yet these leaders decided early on how they were going to behave in life and in business. Not easy. But at the end of the day, they get to feel good about themselves — and the community can trust their judgments. As Nathaniel Branden said, "Self-esteem is the reputation you have with yourself."

**Let the bell ring — "To thine own self be true."**