

Presiding over Uncertainty: Business Leadership in Trump Times

Donald Trump's election victory this week has sent shockwaves around the business world, surprising markets and political experts alike. Following hot on the heels of the shock of the UK's Brexit decision, it has only added to the sense of uncertainty in which companies and business leaders are currently operating.

While Trump moved immediately to a more conciliatory tone in his acceptance speech, there is now huge speculation over what policies he will adopt, whether a more protectionist stance will disrupt global trade, or indeed, whether his election will actually strengthen the UK's hand when negotiating its departure from the EU. Fundamentally, it is too soon to know any answers to these questions. However, having such an unknown quantity leading the world's biggest economy provides a new layer of uncertainty for the business world.

The only certainty is uncertainty, traditionally a major concern for the business community. It has the potential to undermine business growth – especially for companies unable to react quickly and adapt their business plans quickly. Agility and fast decision-making are now critical success factors for organisations and their senior leaders.

Agility - Ready, fire, aim

The design of modern weaponry is instructive here, given its move from the traditional concepts of “ready, aim, FIRE!” to “ready, fire, AIM”, as missiles seek their target after launch, rather than before. Following the Brexit vote and now Trump's win, many business plans will already be past their sell-by-date, or at very least, at risk of being outdated in the near future. Adjusting live-in-flight is a skill leaders need to develop urgently, with agility to change course rapidly as uncertainties turn to new realities.

Resisting command and control

However, old-style leadership behaviour often acts as a barrier to agility, especially in such a rapidly changing business and economic environments. Evidence from the last few years is clear: this is already at play and getting much worse.

Leaders need to resist the impulse to default to ‘command and control’ style behaviour, in order to create space and time to focus on scanning the changing landscape, the market and the competition. This starts with the question “How can I increase my personal capacity by 50%?”

Realistically, we know that long hours are already par for the course – even more so in times of change. Working longer is an unlikely solution (even if it was, it's hardly a smart solution).

Getting out of the way

Fundamental to achieving the vision and agility required of Executive leaders today is the ability to mobilise senior managers, letting them run more of the day-to-day operations with authority to play what's in front of them. Effective leaders invest in strengthening senior managers' individual capabilities and create the right environment for collective success. In turn this frees them up to focus their energies on strategic activities rather than routine management tasks. This kind of investment is too often de-prioritised in periods of economic stress.

Micro-management: the final curse

In times of uncertainty, many senior leaders have a tendency towards chronic micromanagement, rather than getting out of the way.

This was clear in the aftermath of the last financial crisis, when many executive leaders began to obsess about the minutiae of everything that crossed their desks. In an extreme example, the CEO of a major accountancy firm slashed discretionary spending authorities: any cost above £500 had to be approved by himself personally.

In an effort to 'take control', he was not alone in trying to ensure everything was done in the right way (a management task) rather than doing the right things (a leadership responsibility). Not only is this a false economy, left unchecked, this behaviour spreads to taking over day to day problem solving from their team to the point of almost doing their job.

Micromanagement at the top of organisations leads to huge internal inefficiency and dysfunctional top teams as self-preservation behaviours become common place. It also prevents a business from becoming agile and outward looking.

Agility now is key

Uncertainty on the scale before us on both sides of the pond, demands a different response. And the burning question for many business leaders now is "how agile is your organisation?"

Becoming match-fit means Executive teams free to pursue opportunities in the new reality, senior managers liberated to deliver more of day-to-day business as usual, both ready to adapt in-flight quickly as needs be. Get this right in uncertain times, dividends will flow thereafter.

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