

**Recession Compassion:  
7 Steps on How to Treat Employees to Get the Best Performance  
During These Global Economic Times**

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*Leadership is influencing employees to voluntarily pursue organizational goals. Leadership is also getting people to follow, even if they have another choice. To lead effectively, managers must motivate others to want to be lead or get people to choose to follow. What makes this difficult are the barriers thrown in based on the multitude of cultures that we have in the current work place tied to the current economic state of the world. Using compassion towards employees creates an environment of employee buy-in that will decrease turn-over and increase the need to do better for the organization.*

## **INTRODUCTION**

During these hard economic times, organizations are discovering there is very little room for experimental leadership. Today's leaders are learning that they must provide guidance and direction for everyone in the organization to provide good leadership. But what does it mean to provide good leadership? Leadership as defined in many management texts books "is the ability to influence employees to voluntarily pursue organizational goals" (Kinicki & Williams, 2008). We believe that leadership is getting people to follow you, even if they have the choice not to. What both of these definitions have in common is that for managers or supervisors to lead effectively, they must either motivate others to want to be lead or somehow get people to choose to follow. This paper is going to discuss why it is important for leaders to understand that using compassion or relationship building can increase motivation, retention, and organizational buy-in.

As employees, we have often wondered if our supervisor knows anything about our culture. Or even worse, we have wondered if he or she even knows we have our own cultural identity and if we can show it at work. Leading is a complex topic, one that requires "planning, organizing, controlling, and leading" (Kinicki & Williams, 2008) skills. Successful leaders have the keen ability to motivate and engage employees through the toughest projects. But beyond these four basic managerial skills, what does it really take to really become a great leader? Throughout our years leading and even more so, being lead, we have concluded that it is the intangible skills of leading that will separate a good leader from an exceptional, caring leader. What it takes to go beyond basic managing to effective leading is compassion.

Compassion is not “speaking of handwringing displays of sympathy. [Compassion] is referring to one’s having an innate respect and fondness for the other person.” (Sorrell, 1991) This includes an understanding of their cultural identity.

### **Compassionate Leadership**

Going back to our initial questions about supervisors, this paper is not concerned if an employee has a cultural identity; we all have one regardless of where we came from. In fact having cultural identity is not really a prerequisite for employment at most organizations. What we are targeting is the personal aspects of employees or employees’ lives that all managers and supervisors should know. Not that all employers should pry into the deep dark secret lives of all their subordinates but they should have a basic understanding of the joys and passions that make their employees happy. Even though there is no scientific proof that happy employees are more productive, there is proof that happy employees are happy. And happy employees typically leads to productive benefits like long term employment, increased job satisfaction, pride in the organization, and overall better communication. All of which contribute to lower operating expenses. Tracey Warson states that “you need to develop relationships with others...build relationships with people within the company because that’s how things really get done.” (Coughlin, Wingward, & Hollihan, 2005) Leaders must learn enough about their employees to create an environment that fosters long term loyalty. Long term employment saves the company in the long run due to lower turnover costs. Turnover costs can include posting for jobs which may include advertisements, the hiring process which may include hidden costs such as salaries if a search committee is required, and training new employees which definitely has costs, as well as the stress on co-workers who have to help during the training process.

A great leader must have the ability to understand what is important to their employees is important to himself or herself. A compassionate leader must also pay attention to more than just culture; they need to understand what is going on in an employee’s life including disabilities, illnesses, family problems, and much more. Employees should be treated with respect and as equals with management. Thinking like this is pretty radical, but we believe employees will be more productive if they are treated with respect.

### **Globalization and Leadership**

With the shrinking of the world with globalization, and with the downturn in the global economy, an uncaring manager has no business being a leader. And will ultimately do a disservice to the company if they do it poorly. In the book *Enlightened Power, How Women are Transforming the Practice of Leadership* executive coach and organizational development consultant Kira Hower comments on how:

Leaders from the old command-and-control world of management may view empathy, understanding, and compassion as showing vulnerability, also known as ‘poor management skills.’ In reality, the more human and balanced you are in being confident and compassionate, the more successful you will be – because employees want to be treated as human beings, not as human ‘doers.’” (Coughlin, Wingward, & Hollihan, 2005)

It is important to understand that employees are people and as people they have needs outside of the normal rewards programs to feel vested and appreciated. Compassion is one way a leader can show his or her employees that they are important to the organization.

But where do compassionate leaders come from? Are good leaders born or created? We say that there are some people who are just born to lead. But for the rest of us, these skills can and should be developed. In their book *Primal Leadership, Learning to lead with Emotional Intelligence* Daniel Goleman, Richard Boyatzis, and Annie McKee state that in the “not only that leader can be made, but also that [great leadership] can be learned.” (Goleman, Boyatzis, & McKee, 2004) They then go on to explain that many people are born with the ability to lead and that those who are not born with these skills can learn it. Knowing this will help organizations understand that they can create great leaders.

Managers and supervisors need to learn that the personal employee/employer 'relationship' aspect of the job is the most difficult. Each employee requires the supervisor to have a different set of skills. Soft-skills training encompass techniques that require experience, relationship building, the ability to communicate, and how to empathize. This is where effective leaders move past the technical requirements of the job and on to the personal relationship building with staff. Harvard professor of management, Karen Stephenson says "the relationships between people in an organization create the real pathways of knowledge, for the actual power of an organization exists in the structure of a human network". (Coughlin, Wingward, & Hollihan, 2005) For all leaders, now is the time to learn about his or her staff. Leaders need to learn what their staff likes and/or dislikes. These leaders must find out if they have special skills, hobbies, or interests. Many effective leaders even find special hidden talents possessed by employees that create positive financial returns for the company.

Taking a genuine interest in your staff will make them feel valued, listened to, and understood. Leading is the concept of motivating employees to productively tow the company line. "Leadership is defined as a process of influencing individual and group activities toward goal setting and goal achievement." (Mosley, Pietri, & Mosley, 2005) Leaders are asking employees to follow into the world of business and be productive. This becomes even more difficult when leaders have to implement something new or if leaders have to make a change that affects others. If we, as leaders, are not willing to know about our employees and understand what motivates them, we will never succeed at tapping their full potential during times of change or stress. "Many change efforts fail not because the managers' intentions are incorrect or insincere but because the managers are unable to handle the social challenges of changes." (Bolman & Deal, 2008) Just like life, the more you give, the more you receive. The more we care about our staff, the more they care about their own productivity. According to Aristotle, "Pleasure in the job puts perfection in the work." (Rohmann, 1999)

For most managers it is often the small cultural events that happen to their employees more often than major life changes. And it is the successful leader's job to know this and know how to deal with the employees that these life events are concerning. The more a leader knows, the less that leader will be surprised. Knowing about an employee's issues, background, cultural identity, the more they can fit this information into the strategic plans of the organization. This will help successful leaders become more effective; which in turn will be more beneficial for the organization.

Does this mean that leaders have to know everything about all employees? No, this just means that great leaders know something about each of their staff. Most people, regardless of their cultural identity will not want to share their inner most secrets with their supervisor, nor will they want to divulge personal information that will leave them feeling vulnerable. What we are stating is that in the process of daily duties, leaders must take the time to find out what makes employees tick. Take time to create an open communication environment for all employees. "In learning organizations, individuals recognize that they can glean important information from anyone regardless of their status." (Johnson, 2001) Employees will learn from each other and most often from their leaders. The more open the environment, the more learning that is able to take place in the organization. A leader must take some time to learn about his or her staff. Leaders might find that some employees will have interests that can be beneficial to the organization.

### **Seven Steps to Compassion**

To start with, leaders should learn the basics about his or her staff. Great leaders take some time each day to find out what interests staff members. Many go beyond what they are interested in and learn how to show interest. Here are seven simple ways that we have developed to help leaders manage with compassion;

1. Know and understand each employee and their own cultural identity.
2. Listen to what your employee is saying through language, body movements, and tone of their voice.
3. Treat your employees how they want to be treated, not how you want to treat them.
4. Show respect, by showing that you really care.

5. Ask questions and follow up. If an employee is having an issue, make sure you check in with them.
6. Role model cultural awareness
7. Celebrate diversity

A negative example of this not happening that we can think of in our own working experience relates to when a co-worker lost of a family member. They were given the leave that they requested but that was the end of it from the employer's perspective. Our co-worker stated to us that she just wished someone would have asked her how she was doing. A few months later, that co-worker quit. She just could not handle working for people that she believed did not care about her.

When there is a major emotional experience in the family of an employee, it just is not enough to provide the time off. Great leaders take a moment to ask about it. This might not the most comfortable situation and many managers might be thinking 'what should I say?' It is not about what is said. The point is that someone took the time to say something. "Sometimes we are so afraid of saying the wrong things that we make the biggest mistake of all and say nothing." (Cullen, 2008) Intent and impact are two different topics. Intending to do good will always trump the impact of saying something wrong. "At times we have to reach around the words to discover the true intent." (Cullen, 2008) As a leader, the organization's staff needs to know that upper management cares. Especially in times of hardship, a little will go a long way with an employee. Plato once said "Be kind, for everyone you know is fighting a hard battle" (Rohmann, 1999). You just never know when your battle will need the support of your friends at work.

### **Diversity**

The same can be said about diversity. As the world shrinks and companies grow, diversity becomes a more relevant topic. Many leaders approach diversity as a topic to avoid, like it is better to treat everyone the same. They will use the old adage of treating people equally will provide equal results. Nothing can be further from the truth. People do not enjoy being treated the same as everyone else. Most people want to be seen as individuals. Just think about rewarding employees, do all employees want the public parade of notoriety? Or do some want just a private 'job well done'? People are different.

A Study by Walker Information, a research firm based Indianapolis stated; "that employers spend too little time showing workers they matter, as manifested in lack of communication and lack of interest in new ideas and contributions. A majority of employees feel underappreciated, according to a 1999 survey. Forty percent of employees who rated their boss's performance as poor said they were likely to look for a new job; or eleven percent of those who rated it excellent said they would." (Kinicki & Williams, 2008) Many employees will give that extra bit of effort when they know the organization's leadership will support them in the way they want to be supported.

Diversity is the concept of dealing with people with differences, keeping in mind that any time you have more than one person you will have differences. Maura Cullen states "valuing diversity starts off as something that we do and grows into something that we are." (Cullen, 2008) Instead of avoiding diversity, embrace the uniqueness of each employee. Remember that as long as you respect these differences and only use what you know for benefit of relationship building, people will allow you into their world. And in order to find out their individual differences, all that needs to be done is simple; ask questions. People will not share what they do not want you to know. As managers, we have learned that the more we know about people, the more we learn what they are willing to share.

Leaders may find success in a corporation without having feelings. But is that how you as a leader want to be remembered? If a manager is task oriented but loses a bunch of people along the way and morale is at an all-time low; where does that leave the organization? If people are beating down the doors to leave, then you have a problem. "The number one reason people quit their jobs, it's believed, is their dissatisfaction with their supervisors." (Kinicki & Williams, 2008) Success should not be derived solely from whether you completed the project but whether you and your staff completed the project and

enjoyed the work along the way. Leaders should derive satisfaction from knowing that they supported the staff through a tough job with a sense of humility, humor, and accomplishment.

Like we stated earlier, employees want to feel valued. Taking the time to learn about them will do just that. It will provide a safe environment where employees are comfortable. From a training perspective it costs roughly eleven times more to train a new employee than it does to keep an existing employee. We believe it is time to slow the revolving door of employee turnover within organizations and find a way to keep the talented people that organizations have already invested in with so much time and money. Aging trends state that the newer generations of employees are into changing companies faster than hairstyles. Is this because they are flighty? Or are they just looking to find a fit? Time will only tell if the newest generation entering the workforce will continue to job shop but one thing is certain, very few people leave good jobs. And most people in good jobs will tell you they work for great managers.

### **International and National Management**

Traditional western management tends to focus on outcomes and strategies. Where Asian management styles tend to focus on what the customer wants and needs. Michael Porter wrote that “Japanese [organizations] have a deeply ingrained service tradition that predisposes them to go to great lengths to satisfy any need a customer expresses...becoming all things to all customers.” (Porter, 1996) This focus creates a gap between what the employee can accomplish and doing whatever it takes to make the customer happy.

Organizations in the United States might market that they focus on the customer, but their end results usually tend to focus on the shareholders. The need to create a profit will supersede any internal or external customer service focus. Return on investment becomes the modus operandi and managers are left without time to focus on learning about their subordinates.

Neither focus is correct, or incorrect. It is not a bad thing to focus on the organizations return on investment, nor is it a bad thing to focus all your effort on your customers. But either way, you cannot create great customer service or a solid return on investment without the proper employees in place. Where a western organization like Southwest Airlines will focus on “short haul, low-cost point-to-point service” (Porter, 1996), not really considered going out of their way to provide service that their customer want, they do still provide great service and are recognized for service year after year. Honda and Toyota on the other hand have been working diligently to focus on exactly what customers want, and still they are both reaping the benefits based on company market share growth, “[Toyota is] the world's most profitable automaker - and soon to be its biggest - now has a 15% market share in the U.S., where it sold 2.5 million cars and trucks last year.” (Taylor, 2007)

What become important to these organizations relates to how all three of these companies treat their employees, not what they focus on for their processes. National or International organizations must place an emphasis on how they currently treat their employees.

### **CONCLUSION**

In conclusion, leadership is a skill that can be grown in any person. “Leadership is often confused with management. But a person can be a leader without being a manager and many managers could not ‘lead a squad of seven-year-olds to the ice-cream counter’.” (Gardner, 1986) And it is this point that we have conveyed in this paper, managers and people in leadership positions must take the time required to become more people-centered. They must utilize relationship building skills to become more compassionate with their subordinates and/or staff.

We both have extensive leadership experience including serving the military, in corporations, and in academic settings. The one underlying aspect that has helped us become successful in all of these very different organizational structures is the fact that we have always taken the time to learn our subordinates as individual humans versus standard employees. In terms of human resource development, the term human comes first. That is because the most important part of an organization is the human element. Without people there would not be an organization. We know that if we treat employees as individual

humans, they in turn will provide a much more stable environment that will allow the organization to be successful. Like we said earlier, people want and need to feel valued. It is up to the leaders to take the time to create this feeling amongst all people in the organization.

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