

Kellogg Insight
The Insightful Leader Podcast Transcript
December 2021 – Harry Kraemer

Jessica LOVE: Being a leader isn't easy. And then, along comes a crisis: Maybe your revenues take a catastrophic hit, or there's a data breach, or you run into supply chain issues that seriously affect your ability to operate as a business. All of these things can make the job of a leader A LOT harder.

But just remember.

Harry KRAEMER: My grandfather would say to me, 'Harry? Harry? That's why they call it work.'

That's Harry Kraemer. He's a clinical professor of leadership at Kellogg. For years, he led Baxter International, a global healthcare company with more than 50,000 team members around the world.

And his grandfather wasn't poo-pooing the stress that Kraemer often felt as a leader. He was helping Kraemer put things into perspective.

KRAEMER: 'That's why we get paid. And by the way, if it was already simple and it wasn't challenging, we may not need you.' And I realized, 'yeah, I'm not going to waste a lot of time on worry, fear, anxiety, pressure and stress.'

LOVE: [Sigh] Don't you *wish* it was that easy? To lead through a crisis without wasting time on worry and fear, just because you know that's what you've been hired to do?

[music]

LOVE: You're listening to The Insightful Leader. I'm your host, Jess Love. I recently talked to Kraemer at an Insightful Leader Live event about this very thing—how, exactly, can you guide your organization...or your team...through a really difficult time? And how can you do it in a way where you...and all the people around you...come out on the other side with their dignity and resilience still intact?

According to Kraemer, it all comes down to leaning REALLY HARD on a few skills you probably already have as a leader: Your ability to relate with people, your communication skills, and a willingness to be honest about things you'd rather not be honest about.

That's next.

[music fades out]

LOVE: Focus on how you relate to people. That's the first thing you'll want to do when the goings get rough at your organization.

KRAEMER: And how do I relate? First of all, I listen to people. We've all heard that expression, 'there is a reason that we've got two ears and one mouth.' Really listening to people, showing that you care, really wanting to make sure that you understand people's views.

LOVE: When we say relate, we mean connect. As a leader, Kraemer says you should do everything you can to connect with others as individuals. This means making a point to remember EVERYONE'S names, to ask how their families are doing, to chat about the sports teams they follow. Basically, you want them to understand that YOU care about THEM.

KRAEMER: If every single person knows you care about them, they'll do anything for you. I always think of this as this magical combination of win-win. It's the 'right values' thing to do...that's for sure. But even if that light didn't go on, you would still do that because that's how you build teams.

LOVE: It may seem like small talk, but it has a big impact on how they feel about you. They feel confident in you. That's good for morale and can help people better cope with uncertainty.

OK. The second skill we need to kick into high gear during a rough go of it... is communication.

Say, a new competitor in your industry is grabbing a significant part of your market share...to the point where it's an existential crisis for your company...and now you have to cut people's benefits...or put a pause on salary raises indefinitely. Well, you should tell people what's going on.

[music]

KRAEMER: You see these organizations and some of you may have worked for them...that, when things are going well...oh, you get a note from the CEO and the president all the time. And as soon as there's a crisis, all of a sudden people disappear. And I always argue...when things aren't going well, you really need to turn up the communication volume.

LOVE: Practicing good communication makes a difference for teams under normal circumstances. It can be essential during challenging times. And it doesn't have to be overly complicated...just continuous.

KRAEMER: Creating an environment that every single person, every single person understands what we're doing, why we're doing it, how they fit in.

LOVE: Even if you've been a leader for a while, you probably remember how it feels when the top brass isn't being forthright about company problems. It breeds resentment, anxiety and suspicion. No one knows what the heck is going on, and they start drawing their own bleak conclusions. It's toxic for workplace culture. Intercept that as much as you can by communicating, communicating, communicating.

Hand-in-hand with communication is our next skill we'll want to amp up during a crisis: honesty.

KRAEMER: The pushback I sometimes get from CEOs, they'll say, 'well, Harry, there's a lot of things we don't know and I don't think I want to admit what we don't know.'

LOVE: Unfortunately...you gotta! Kraemer says that...implicitly, being honest about the fact that you just don't know what's going to happen shows vulnerability. It helps people trust that you don't have a personal agenda and that you're just trying to help them by keeping them updated on what's going on at the company.

And here's how.

KRAEMER: You say, 'this is what we know right now. Okay, here's what we don't know. Here's why we don't know it.' We're going to show vulnerability, we're not going to have a big ego, we're not going to be a narcissist. 'And here's the process to continuously update you on what we don't know.' That may be every day, it may be every week.

LOVE: Preempt suspicion, and you'll have a more appreciative team.

This is easier said than done. Especially when the thing you have to be honest about...is job security.

KRAEMER: I have seen the mistake, in my opinion, many general managers make when they're visiting a facility, and somebody asks them, 'will there ever be a layoff?' 'Oh no no no, there's not going to be a layoff. Okay? There's not going to be a layoff.'

LOVE: But, truly, if a layoff is imminent, it's better to be honest about that. Even if there is no indication layoffs would be necessary in the near future, you — the leader — should not make definitive promises about the unknown. And you should definitely avoid sugar coating. Here's how Kraemer might put it.

KRAEMER: I would say, 'you know, great question. I hope we don't have a layoff. I'd like to do what we can. But you know what? It could happen. If competitors figure out a way to cut their price by fifty percent...if they come up with a better product than we have...well you know what? That will be an issue.'

[music]

LOVE: Tell them what you know, and don't brush off the possibility that things might NOT go to plan. And if you do need to lay people off, show compassion.

KRAEMER: I've done this in many many facilities and many different scenarios, I would say, 'at some point in time, if it does happen, let me tell you what will occur: We will make sure that there is severance, I'll help you find another job someplace else, we will do the best outplacement we possibly can.' As difficult as it was, I always said to myself, 'well, if I've got 100 people—and right now, we can no longer afford to do that—I really have two choices: I can either lay off ten people and help them find another job and work with another 90 people to be successful, or I can say 'well we're not gonna let anybody lay off anybody.' And then I run the risk of the entire organization going bankrupt.

LOVE: Maybe you are listening right now, and you HEAR Kraemer's advice: it makes sense. You should be focusing hard on your relationships, on communication and on transparency. But there's just one problem.

KRAEMER: What do you do when all the things we've talked about, 'we get it, we understand it...but our boss, he or she either doesn't get it or doesn't want to get it?'

LOVE: Sometimes you're NOT the boss. And the one who is the boss? Doesn't seem to care much about changing their approach to leading through a crisis.

Luckily, there's still something you can do. This is where leading *UP* comes in. Leading up means influencing the behaviors of the people above you. And pulling it off will require some RELATING on your part.

KRAEMER: Maybe what I will do is I will take the time to understand how you operate, what works, what doesn't work.

LOVE: Do some reconnaissance. Figure out what motivates your boss, and use that to frame a suggestion you want them to take.

For example, maybe your superior is very self-centered and doesn't like input from lower-level employees. Kraemer says one way to work with that is to come up with something and make them feel like it was their idea. Give them credit for it.

Or maybe you sense there's no way this person will even give you the time of day. Maybe they've rebuffed your ideas before and you feel like they're just NOT going to hear what you have to say this time around.

KRAEMER: This happens a lot. That there is no way I'm going to get you to listen to me. I know you well enough to know that you will listen to somebody at your level. And there is somebody, maybe it's Joanne who works with you, who went to school with you, who does influence you. Well guess what? I'll sit down and talk with Joanne and say, 'Joanne, I got this idea.'

LOVE: In this case you hand the ball to Joanne...Joanne takes the idea to this boss...who can make the changes you want to see. Leading up can require this type of indirect influence. So...find an ally and push for change *together*.

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LOVE: Whatever crisis your organization is experiencing, it is your job as a leader to help your team weather it. So it's time to lean into some of the skills that made you a leader in the first place: relating to others and communicating with transparency. And if you don't personally have the power to make the changes that you think need to be made, lean EXTRA hard on relatability...and get the people above you to do it for you.

Because...it's like Kraemer says...

KRAEMER: Leadership has nothing to do with titles and organizational charts

LOVE: Nope. Instead, it's all about your ability to influence.

With all that in mind...and, not to put words in his mouth, but...Kraemer believes in you, You got this, leader!

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Laura PAVIN: This episode of The Insightful Leader was produced by Jessica Love, Emily Stone, Fred Schmalz, Maja Kos and Laura Pavin. It was written by Jana Rose Schleis, and mixed by Laura Pavin. Special thanks to Harry Kraemer.

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We'll be back in a couple weeks with another episode of The Insightful Leader podcast.