

# Avoiding the Power Trap in Uncertain Times

Edward M. Marshall

**R**ecently there was a company that in the face of pending layoffs did something unusual—all the employees chose to take a pay cut rather than have their colleagues laid off. And in a Fortune 500 company, a 30 percent staff reduction in one division was completed by the employees themselves. The employees organized into collaborative teams that were aligned with the division's mission, and from that vantage point, a number of employees made conscious choices to retire early or look for other positions. The teams were trusted to do this tough management job.

Counterintuitive? One-offs? What could have accounted for these extraordinary actions? In both situations there was strong, courageous, and collaborative leadership that consciously chose to confront the economic crisis in a different way. In both instances the employee base was trusted to participate directly in the solution and took extraordinary actions that defied traditional logic. The results were a strengthened culture, positive work relationships, and improved leadership credibility.

The traditional leadership paradigm tells us that in the face of difficult personnel decisions, one or a few leaders are expected to decide who stays and who goes. In the process these leaders create a culture of

fear that serves only to erode morale, the credibility of their leadership, and company performance.

The *power trap* is this: some leaders believe that because of their posi-

tion they must have all the answers. But the reality is that the best knowledge about how the work really gets done is held by those who actually do the work. Another part of the trap is a belief that members of the workforce cannot be trusted to make decisions contrary to their own interests. But as the examples noted earlier show, nothing could be further from the truth. In fact, with the right leadership, employees can be trusted to do the right thing for the company, not just for themselves.

## TRUST AND ENGAGE

Extraordinary times provide opportunities for extraordinary leadership. Especially in times of great economic uncertainty, senior leaders have an opportunity to consciously leap out of the power trap and work with their people to resolve the most vexing problems facing the company. This is not the time to retrench. It is the time to trust, engage, and collaborate.

What does it take to make this choice?

Business leaders who are most likely to leap out of the power trap are those who can do three things:

*Trust themselves.* They have done their personal development work and are clear about their principles, values, and direction. They are able to show their humanity and compassion toward others.

*Trust the workforce.* They know that a business will succeed only if the workforce has confidence in

---

**Extraordinary times provide opportunities for extraordinary leadership. Especially in times of great economic uncertainty, senior leaders have an opportunity to consciously leap out of the power trap and work with their people to resolve the most vexing problems facing the company.**

---

tion they have the best knowledge about how reductions should occur and that it is their responsibility to make these decisions. Part of the trap for these leaders is that they believe

---

*Editor's note: Issues & Observations is a venue for CCL staff members and associates to express their personal views about leadership.*

**Copyright © Jossey-Bass, a Wiley Imprint. All rights reserved.**

Reproduction or translation of any part of this work beyond that permitted by Sections 7 or 8 of the 1976 United States Copyright Act without permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030; phone 201/748-6011, fax 201/748-6008, e-mail: [permreq@wiley.com](mailto:permreq@wiley.com)

itself and its leaders. They believe in their people, have confidence in employees' skills and judgment, and know that those on the front lines of the business have the best knowledge about where improvements can be made.

*Create a culture of ownership.*

They create a collaborative work environment in which the workforce is engaged directly in the critical decisions facing the organization. Employees take care of what they own when a significant change in how the business functions is imminent, and this sense of ownership makes the difference between resisting change and embracing it.

## TRUTH AND CLARITY

Leaders have a conscious choice to make during fearful times: they can choose the power trap or they can choose trust and collaboration. The latter choice is easier said than done, but there are some specific ways to lead workforces through and beyond uncertain times.

*Display internal clarity.*

Understand the one-to-one correlation between a leader's values and principles and how the workforce will react to challenges. Leaders who are caught in the power trap will encounter resistance and low morale. But if the leader trusts employees and builds a collaborative response to the crisis, the employees will own it. It starts with the leader.

*Display organizational clarity.* Be clear about where the organization is headed, both strategically and culturally.

*Tell the truth.* Accept that there is no point in trying to spin the numbers

---

**Accept that there is  
no point in trying to  
spin the numbers or  
keep them secret. Be  
transparent even if the  
information is not what  
people want to hear.  
Openness and candor  
produce respect and  
trust.**

---

or keep them secret. Be transparent even if the information is not what people want to hear. Openness and candor produce respect and trust.

*Show your humanity.* In telling the truth, do so with compassion; be vulnerable. Get out of your head and into your heart. Workers want to know

you understand their pain and that this is not just about the numbers.

*Engage the workforce.* When possible, engage people in finding solutions to the financial problems facing the company. If the workforce is given responsibility for resolving serious challenges, you might be surprised at the results it can produce.

*Honor your people.* Do the best you can by the workforce. Engage those who remain with the organization in a dialogue about what comes next.

## FORGING A BOND

Tough times require humble leaders. This is the time to move from the head to the heart. It is the time to trust and engage rather than isolate and disengage. It is during difficult times that the bond of humanity and integrity is forged, and it is this bond that will shape the future of the business. It's time to consciously choose to move from the trap to trust. ✍

---

*Edward M. Marshall is a senior partner at CCL specializing in organizational leadership. He is the author of Building Trust at the Speed of Change: The Power of the Relationship-Based Corporation (AMACOM, 1999), and a nationally syndicated columnist on workplace issues. Marshall holds a Ph.D. degree from the University of North Carolina at Chapel Hill. He can be reached at [marshalle@ccl.org](mailto:marshalle@ccl.org).*