

## **Leading in a Climate of Fear: How to Take the Reins during a Recession**

**By Justin Pinkerman**

Have you ever gone through a haunted house? I once visited one that was so frightening I was required to sign a waiver before entering. Terrifying doesn't even begin to describe the experience. Grotesque figures to make your skin crawl, ghoulish creatures lurking in the darkness, maniacal laughter and blood-curdling screams - this one had it all. I even had a live rat dangled in front of my face. Needless to say, I never intend to go back nor do I recommend haunted houses to anyone.

The way news outlets sensationalize the present economic turmoil, I almost feel as if I'm back inside the haunted house. Broadcasts walk me through the cobwebs of foreclosed homes, parade me past the tombstones of Lehman Brothers and Bear Stearns, and invoke the ghosts of the Great Depression. Images of deathly pale stock traders spook me into despairing for my 401k. I am told debt prowls in the shadows, and warned about the grisly fate of America's future.

Likening these economic times to a house of horrors is overly dramatic, but today's market does share a common bond with a haunted house: the power to elicit fear. In the present hour, leaders must step forward to alleviate apprehensions and forestall panic. Let's look at the qualities that must be demonstrated to lead during a downturn.

### **1) Visible Presence**

In times of uncertainty and fear, people look to leaders more than ever. They need assurance that someone is working on their behalf and rallying to their cause. In the aftermath of 9/11, Rudy Giuliani was ubiquitous in New York City. Whether conducting news conferences, attending memorial ceremonies, or directing public officials, Giuliani's presence sent a message of resilience and recovery. His demeanor seemed to symbolize the mood of the Big Apple - tough, courageous, and undeterred.

Sixty years before September 11th, Americans endured tragedy at Pearl Harbor. Our nation's leader, President Franklin Roosevelt took the mantle of leading Americans as the United States entered the Second World War. As he had done during the Great Depression, Roosevelt made his presence felt through his famous fireside chats. At a time when few Americans had television, Roosevelt entered into their homes over the airwaves to calm fears and address the threats facing the country.

### **2) Clear Communication**

Aside from making his presence felt, President Roosevelt's fireside chats gave a unifying message to all Americans. While affirming that times were tough and sacrifice was needed, Roosevelt clearly communicated that America was up to the challenge. FDR understood that fear festers in silence. That's why he faced it head-on through his famous quotation: "We have nothing to fear but fear itself."

### **3) Credible Hope**

"Leaders," said Napoleon, "are dealers in hope." During tumultuous times, leaders must cut through the gloom and doom with rays of light. When stocks drop and layoffs soar, people are moved toward fear, and they are tempted to look at worst-case scenarios. In these moments, leaders must point people to a brighter tomorrow in order to counteract the destructive emotions of fear.

When introducing hope, leaders should be careful to avoid speaking in abstract terms. Hope should be mixed with substance. Before people can see the light at the end of the tunnel, they need to be confident they are walking through the darkness in the right direction. Along with optimism, leaders must offer a concrete action plan to arrive at a better tomorrow.

#### **4) Difficult Decision-Making**

During a recession, leaders inevitably arrive at unenviable decisions such as scuttling popular projects or reducing payroll. Time and again, they must make tough calls that affect the livelihoods of their people and partners. Author Tim Elmore advises leaders to take the following actions when making difficult decisions:

- Accept tough calls as a requirement of leadership (influence comes with the weight of responsibility and that weight is heavier in hard times)
- Do your homework (avoid make panicked choices; think them through)
- Seek counsel
- Set a deadline (don't delay what is difficult; confront hard choices)
- Understand the emotions of making a tough call (some decisions involve pain; prepare for the hurt and find safe havens to express it).

#### **5) Personal Renewal**

For inhabitants of war-torn neighborhoods in Iraq, fear is a frequent companion. As coalition forces attempt to stem violence in the country, politicians speak of the ongoing effort to win the "hearts and minds" of the Iraqi people. Their rhetoric has merit. Heartfelt support and intellectual consent from Iraqis is surely essential to rebuilding the nation.

However, before leaders can capture "hearts and minds," they must master their own thoughts and emotions. A climate of fear takes a heavy toll on those leading the way. At a time when efforts must be redoubled just to stay afloat, leaders naturally run low on energy. After making a series of agonizing decisions, leaders may be tempted to succumb to toxic thoughts of hopelessness and frustration.

When surrounded by turmoil and confusion, leaders, more than ever, must carve out quality time with loved ones, draw upon their faith, and seek beauty in art and nature. These activities serve as reservoirs of peace and renewal. Unless leaders are regularly re-energized, they will lack the strength to fend off the grip of fear in their organization.

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