



Leading through Collective Trauma

A summary of research done by Tim Duncan

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Tim Duncan, President Dot to Dot Management Consulting, Inc. spoke with 50 business leaders discussing their current challenges. The following report provides a summary of what these leaders are facing and the tools to move forward in this unique time.

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Dot to Dot Management Consulting, Inc.

Tim Duncan, after a successful career in management consulting, founded Dot to Dot Management Consulting in 2009 engaging businesses to connect their staff to purposeful work. Dot to Dot has worked with firms of all sizes from Global Energy Companies to small non-profits engaging leadership in strategy and change which repositions them for long-term success.

If you are an organization struggling with major transitions, under-performing departments, lack of direction or planning or a deteriorating culture we should have a discussion. Losing employees who feel no real connection to their work, no purpose that engages them in something bigger or more significant.

Are you spending precious resources to replace workers? Please feel free to send me an email (tduncan@connectd2d.com) to set up a time to meet.

Introduction

Over the past two years we have endured a significant amount of disruption to our everyday normal lives. We experienced a series of events starting in early 2020 with the COVID outbreak, then the social justice marches (which turned into riots, looting, and violence), then the capital riots, housing cost increases, the Delta variant, the great resignation, supply chain issues, inflation, and now the Omicron variant.

During this time business leaders have been faced with the daunting task of maintaining their businesses, protecting their staff and customers, navigating the social and health issues that change the landscape, and meeting the needs of their families. Many have been impacted in very personal ways.

During this time of instability and change I wanted to hear how corporate business leaders and business owners were coping with some of the more significant issues, what skills and abilities do they leverage and what they would like to see happen assuming all goes well. After interviewing 50 leaders here is what I discovered and what I believe to be true.

Challenges

Jimmy Dean once said, "I can't change the direction of the wind, but I can adjust my sails to always reach my destination." Business leaders have a lot of challenges to balance each and every day. But there is always one or two issues that seem to take priority and impact our businesses in significant ways. In my interviews the following three challenges were most often cited.

HIRING AND TURNOVER



A great majority of those I interviewed were challenged by the amount of turnover and the difficulty of filling open positions within their organizations. One organization had hired 30 recruiting firms and had still not found a single qualified candidate. One company had hired someone, only to have them quit two weeks in for double the salary.

RESEARCH DETAILS

- 50 business owners and business executives
- Timeframe was October 2021 – January 2022
- Industries included manufacturing, consumer products, insurance, finance, business services, professional services, B-to-B, entertainment

QUITTING JOBS

The number of workers quitting jobs vaulted to 4.5 million from 4.2 million, above the prior record of 4.4 million reached in September, the Labor Department said Tuesday. That means 3% of workers voluntarily left their positions, matching September's record high.

(Bureau of Labor & Statistics, 2021)

It predicts that 41% of workers are considering leaving their current employers.

It estimates 64% of new employees with less than one year under their belts are struggling in their positions.

(Microsoft's 2021 Work Trend Index)

Much has been written about the great resignation, staffing shortages, wage and work environment demands. This challenge has been increased by the amount of work required from the remaining staff who stay. Many of the firms felt like they could grow their companies if it were not for these staffing shortages.

Organizational staff shortages bring about negative impacts such as loss of revenue opportunities, low morale due to burnout, customer dissatisfaction, more turnover, missed commitments, increased cost due to increased wages, and loss of expertise. In addition, the leaders themselves are feeling great anxiety, longer hours, health issues, strained relationships and generally feeling out of balance.

One organization I spoke with adjusted their compensation programs with long-term retention bonuses making it harder for employees to walk away. In addition, they gave out holiday gift cards and improved their recognition program ensuring affirmation, affection and acceptance.

The hope for a best-case scenario for most leaders was to find and hire more quality people, cultivate, and articulate a theme that people feel compelled to come and work at their organization - become employer of choice, find new suppliers, find new capacity for certain skills, immigration reform, new hires turn into rock stars or labor costs stabilize.

It was clear, just like the pandemic, most organizations have been caught off guard by the staffing challenges they are currently facing and their plans are at best short-term attempts to get them by with the hope this is just an anomaly that will correct itself over time.

BUSINESS TRANSFORMATION

The second most challenging thing business leaders are facing, which is often linked to the first, is the need to transform to meet the changing needs of the customer and to remain competitive. Whether it is the changing landscape due to regulation, customer behaviors, competitive entrants, or technology many businesses are challenged with frameworks that are outdated and/or inflexible. This is putting tremendous demands on staff and leadership to move more quickly while keeping up with the demands already placed on them. This often requires experienced staff in a time when people are leaving, and new hires are hard to find.

One firm felt like the changes benefited their transformation efforts by forcing people out of their comfort zones and also providing rationale for streamlining processes.

ACTIONS TAKEN - LABOR

To meet this challenge the leaders, have:

- increased wages
- moved staff into stretch roles
- added benefits (coaching, sabbaticals, free lunch, work from home, referral & sign on bonuses)
- streamlined hiring processes & the work
- use personal networks
- hired more recruiting firms
- prioritized staffing needs and requests
- added training for unskilled labor
- Improved rewards & recognition programs

ACTIONS TAKEN – TRANSFORMATION

- hired key help (coach, CTO)
- new systems
- reduced tasks, efficiency
- anticipated staffing needs
- gained leadership support
- pre-emptive hiring

Firms in need of transformation are often characterized by slow response to market change, playing defense to keep up, loss of differentiation, missed customer expectations, losing out to new competition, or turning away business that does not fit their existing structures.

SUPPLY CHAIN SHORTAGES

The third most significant issue mentioned was the current supply chain shortages and price increases. Between labor shortages, congestion at key maritime ports, and a lack of space on vessels and containers, ocean freight faces massive delays and elevated rates. Leaders are faced with either escalating prices or the inability to get the needed goods they require.

The result has made servicing products in the field more difficult, inability to grow and expand, lack of price predictability, loss of profits, lower demand for services, required workarounds, shutting down operations and scheduling challenges.

One company I spoke with has created communications through newsletters and social media that keeps their customers up to date with logistical data and pricing.

OTHER NOTABLE ISSUES

Other areas of concern mentioned by the business leaders interviewed included:

- Driving sales/competing, engagement/motivation/expectations
- Executive turnover
- Regulation
- Data protection
- Globalization
- VUCA (Vulnerability, Uncertainty, Confusion, Ambiguity)

Leadership

Research respondents (Executives/Business Owners) were asked several questions designed to better understand how they saw themselves as leaders. This included how they would like to be remembered (their legacy) and what qualities they possessed (leadership traits). In addition, respondents were asked what they

ACTIONS TAKEN – SUPPLY CHAIN

- waiting it out
- shift to other suppliers
- focus on products less impacted by supply chain issues
- educate customers about issues

would like to change about the current business culture. These are detailed in the *Raw Data Appendix*.

Personal vision

A majority of those asked wanted people to remember them as leaders who developed, impacted, and cared for the people they worked with and for. When you look at the leadership traits this would best be enabled by engaging the behavioral attributes (see right panel) backed up by the values attributes. This of course becomes more difficult and more important given the challenges we are facing with a robust economy demanding growth and an unstable workforce demanding change.

Interestingly many respondents wanted to be remembered as a force for change, leaders that made an impact on their organizations. The changes required to adjust to a shifting workforce, a culture shift and a market shift will require all four elements of behavior, values, mind and emotion.

Business environment vision

Business environment is defined as the sum of all external and internal factors that influence a business. Our ability to change external factors, or how others operate in the business world is influenced by how we act internally and how we react externally. By establishing a work environment (standards of operations, purpose, values) that creates behaviors consistent with our desired outcomes, leaders can be agents of change.

When defining a problem in CI (Continuous Improvement) methodology best practice is to focus on process, rather than people. When you think about solving these challenging define the problem using a process as the object.

With the need to address changes brought about by this collective trauma we have a blank slate to address cultural elements we see as detrimental to how business is done. For instance:



Behavior

- Driven / Forceful / Persistent
- Caring/Empathetic
- Competitive/Challenging
- Collaborative
- Kind/Friendly/Gracious



Values

- Hard-working
- Loyal
- Dedicated
- Humble



Mind

- Analytical/Thoughtful/Detailed
- Curious
- Innovative/Creative
- Strategic/Visionary
- Focused/Determined



Emotion

- Passionate
- Funny
- Introverted/Private/Shy
- Ambitious
- Change-agent
- Committed
- High Energy/Overwhelming
- Worrier
- Friendly
- Loving
- Respectful

- Willingness to try new things – we are in a state of change that requires this, now is the time to put changes in and to engage those struggling with this.
- Positive world impact (purposeful) – look at examples in the book “Infinite Game” and identify the Just Cause your company can adopt.
- Remove distrust, better relationships – create a vision for engagement with staff, customers and partners that establishes how we want to operate/ behave that is beneficial to all parties.

Dot to Dot Perspective

As I thought about the news, the responses from those I interviewed and personal stories over the past two years, I began to wonder what an Organizational Psychologist would call this seismic change that seems to be taking place. My answer came from a book published in 1972 by American Sociologist Kai Erikson called “Everything in Its Path” where he coined the phrase “Collective Trauma”. Basically, it refers to the psychological reaction to a traumatic event shared by any group of people that can affect an entire society. For example, the Holocaust, the Great Depression, WWII, 911, etc.

There is a saying; that culture is slow to change except in the presence of a cataclysmic event. We see people react to collective trauma in the following ways:

- Increased vigilance: avoiding coming back together in person, avoiding big crowds, and reacting to those who are less vigilant.
- Vulnerability: a workforce with whom many have never experienced something so dramatic or thought about their own mortality as they have with COVID.
- Isolation: a struggle to get people back to work, feeling unsafe away from home and connecting digitally.
- Identity crises: a workforce that is questioning what they want to do, where they want to work, if they want to work, how they want to work. The Great Resignation or what some call the Great Recommitment has created a shortage of both skilled and unskilled workers.

In an article for the World Economic Forum, Sarah Kirby (Group Head, Organizational Design and Human Resource Strategy, Zurich Insurance Group) says.

“Companies are at a crossroads: those that capitalize on post-COVID opportunities will find themselves in a good position to retain their talent and attract people when the situation stabilizes. By contrast, those that fail to change will be left behind, exposing their employees to increased risks of financial distress, facing layoffs and closures.”

This powerful statement creates an urgency to look at this as both a warning and an opportunity to lay the groundwork for a more engaged, productive, and motivated workforce post COVID.



Imagine this, as you sleep a tornado picks up your house and drops it in a remote location, like Dorothy in the Wizard of OZ. Unlike Dorothy there is no yellow brick road to follow, no tiny little people cheering you on your way. You have experienced a significant change event, but you are not yet sure

where you are and what will happen next. In addition, there are plenty of other people in the same situation.

Here are three steps to consider:

1. **Recognition and Acceptance:** With the uncertainty that lies ahead it is important to understand that one must recognize that things may be different from now on. Once you accept this it is your job to help your loved ones recognize and adjust to this new reality. Yes of course I am describing a change program, but one element is different, what are we changing to.
2. **Define a clear purpose:** Dorothy was clear that she wanted to get back home. Her purpose was to be reunited with her family and friends. Understanding your purpose, why you exist, gives you and those you work with a clear sense of direction. Just like Dorothy, you will encounter challenges, do new things that can be scary, but you will always know what you are after and where you are going.

In 2018, Larry Fink (Founder, Chairman and CEO of Blackrock, Inc.) wrote in an open letter to CEOs “Without a sense of purpose no company either public or private can achieve its full potential. It will ultimately lose the license to operate from key stakeholder.”.

Each and every functional area, staff member, partner and customer will engage and feel connected to what you believe, and why you exist creating the stickiness needed to attract and keep employees and customers.

3. **Vision:** Now that you have established a purpose (why), you can begin to architect the what, when, how, and where, This begins with defining those issues that have become tension points in the current change environment. For instance, the question of where one works is a new issue arising from the pandemic.

By creating a clear picture of where you want to land you can identify what needs to be done to get there. Engaging team members will ensure they buy into the vision and will take the necessary and difficult steps to get you there.

4. **Implement the vision:** There are two important things to keep in mind when taking steps to enact a new vision:
 - Move slowly and assess: you do not have to do everything all at once and make adjustments by assessing the reaction and success of the changes
 - Treat this as a change program: plan your communication, help people transition, provide training and support and manage resistance.

Don't do this alone, get help if you need it and engage your team . Keep an open mind, this is a great opportunity to create an environment that will be attractive to current and future employees.

Appendix - Raw Data

Significant Business Challenges	#	Business Affect	Personal Affect	Solutions	Best Case
Finding and retaining resources	30	<ul style="list-style-type: none"> revenue growth low morale staff workload client dissatisfaction expertise loss onboarding challenges miss commitments turnover disconnect from workers wage increases unprepared for the future 	<ul style="list-style-type: none"> hurt relationships lower profits health (blood pressure, cholesterol, heart attack) family stress balance of work and satisfaction frustration over strategy delays fatigue therapist visits less time on strategic thinking 	<ul style="list-style-type: none"> new staff sources comp plan changes referral bonus's personal networks recruiting process optimization streamline work bundle work into projects/bid out elevate staff into stretch roles prioritize staff needs set L-T staffing goal improve culture add benefits (coaching, sabbaticals, free lunches) recruit talent - not role balance work bring in people and train them use more social media 	<ul style="list-style-type: none"> hire best quality people cultivate theme where people drawn to work here become employer of choice find new suppliers find new capacity for certain skills reform immigration hires are rock stars labor costs stabilize people feel valued connect with remote employees automate many non-valued tasks
Training People	1				
Supply Chain Shortages/ Cost Increases	9	<ul style="list-style-type: none"> servicing difficult get product to sell inhibit growth predictable pricing profitability service demand workarounds ops shut down scheduling 	<ul style="list-style-type: none"> answering to my partners when I oversee sales and Acct Mgt. explaining to customers 	<ul style="list-style-type: none"> shift to other brands, lead strategies and promotions communication with customers on logistics, freight costs store up additional inventory 	<ul style="list-style-type: none"> resolve supply chain charge customers appropriate amount to maximize profits
Driving Sales/ Competing	3	<ul style="list-style-type: none"> slow growth miss targets costs increasing 	<ul style="list-style-type: none"> emotional toll isolated low productivity more strategy identity crises 	<ul style="list-style-type: none"> add products - diversified reduce costs less 3rd party dependance partnering add markets fine-tuned targets digital marketing push 	<ul style="list-style-type: none"> increase sales COVID gone beat the competition reduce costs

Business Leaders Research Summary

01/30/2021

Significant Business Challenges	#	Business Affect	Personal Affect	Solutions	Best Case
Transforming our business/ Pace of Change	10	<ul style="list-style-type: none"> slow response playing defense lose differentiator miss customer expectations overtaken by new market entrants turn away business 	<ul style="list-style-type: none"> become more focused on people mgt more assertive 	<ul style="list-style-type: none"> hired a coach hired a CTO looking at some new systems Reduced tasks, efficiency anticipated staffing/resource needs gained leadership support 	<ul style="list-style-type: none"> executive momentum toward vision read the marketplace right people are more adaptable company is more flexible reduced laziness and ready for change. VC money
Engagement/ Motivation/ Expectations	2	<ul style="list-style-type: none"> distractions management challenges issues not straight-forward turnover team culture 	<ul style="list-style-type: none"> stress frustration mental load feeling helpless to fix the problem mental fatigue longer hours 	<ul style="list-style-type: none"> new benefits (lunches discounts, games) training (diversity/equity committee, multi-generational leadership training) longer rope and unlimited resources to solve problems increase touch points build up culture (engagement survey and response) 	<ul style="list-style-type: none"> people come back to work pride in work autonomy to solve the business problems less time coddling people shared vision retaining key talent
Executive Turnover	1	<ul style="list-style-type: none"> indecisiveness credibility inside and out lack of responsiveness 	<ul style="list-style-type: none"> frustrated by loss of credibility damaged business relationships 	<ul style="list-style-type: none"> recruiting band aids 	<ul style="list-style-type: none"> strong rational leadership clear direction
Regulation	3	<ul style="list-style-type: none"> costs uncertainty 	•	<ul style="list-style-type: none"> partnerships 	•
Data Protection	2	<ul style="list-style-type: none"> cost of attacks reputation regulatory concerns 	•	•	•
Globalization	1	•	•	•	•
VUCA	1	•	•	•	•

Business Leaders Research Summary

01/30/2021

I was remembered by...	#	I would change this about business culture...	#
how I developed and cared for people	20	willingness to try new things/decisiveness/courage	7
how I impacted people	17	remove distrust/get rid of us vs. them	5
how I impacted the company/force for change	11	more collaborative	5
doing business the right way	6	more grace, patience in the workplace	4
loyalty and trust	4	less regulation, more flexibility	3
being a visionary leader	4	companies would have positive world impact/Purposeful	3
my integrity/ethics	4	back to face-to-face	3
my honesty and dependability	3	get rid of entitlement mentality / work ethic	3
my collaborative	2	people listen more	2
how I treated people the same	3	better relationship with customers/customer driven	2
my kindness	4	look deeper into quality vs. price	2
how I was a team player	1	eliminate social media	1
how I assumed the best in people	1	more time devoted to direct reports	1
honored God	2	make industry fairer to all people	1
		get rid of greed	1
		remove negative perception of corporations	1
		no more COVID	1

I would describe myself as....							
Mind		Emotion		Behavioral		Values	
Analytical/Thoughtful/ Detailed/Insightful	10	Passionate	6	Driven / Forceful / Persistent	11	Hard-working	7
Innovative/Creative	8	Funny	2	Caring	10	Honest	6
Visionary	5	Introverted/ Private	2	Competitive	4	Loyal	4
Strategic	5			Collaborative	3	Godly/Spiritual	3
Curious	4			Kind	3	Humble	3
Focused	4			Connector	2	Dedicated	2
Intelligent	3			Empathetic	2	Trustworthy	2
Dreamer/Experimental	2			Fair	2	Conscientious	2
Leader	2			Peacekeeper	2	Generous	2
Learner	2			Persistent	2	Dependable	2
Self-motivated	2			Positive/Upbeat	2	Faithful	2
Pragmatic	2			Shy/Introverted	2	Principled/Integrity	2
						Diligent	2
Items with only one mention							
Decisive, Determined, Effective, Flexible, Intuitive, Stress-free, Strong, Wise		Ambitious, Change agent, Committed, High-energy, Overwhelming, Worrier, Friendly, Loving, Respectful		Affirmative, Calm, Challenging, Coach, Compassionate, Efficient, Engaging, Fearless, Friendly, Giving, Gracious, Humorous, Intentional, Listener, Opportunistic, Problem- solver, Professional, Relational, Responsive, Sharer, Responsible, Unselfish		Consistent, Courageous, Ethical, Genuine, Integrity	