



# Crisis of Confidence?

## People Development

"You're so confident in a crisis" commented a friend following a minor medical incident involving monkey bars, a seven year old - and the uncompromising gravitational pull of the Earth.

Reflecting on this, two recent conversations with senior executives of large multi-national businesses came to mind; both lamenting the degree of confidence existing within their team.

Turn to any news provider and we see a familiar picture; a lack of confidence in the world economy, in consumer attitudes and in future business prospects. We live in uncertain times with the media painting a vivid picture of our economic future walking a tightrope across an enormous abyss. As the Economist put it this week:

Individual confidence stems from feeling competent

*"The world is crazy ... but at least it is getting regular analysis"*

and capable (a basic knowledge of first aid underpinned my confident response to the playground mini-crisis) and also from having the authority or space in which to act. Yet corporately these key confidence drivers are being eroded.

Capability development budgets are being slashed – leaving individuals at all levels within businesses unsupported in their attempts to achieve challenging business targets.

Budgetary limits are being tightened, restricting individual's authority to act within a previously agreed set of boundaries.

These ever tightening controls - imposed on people who were previously trusted to manage their portion of the corporate finance pot - may be doing far more long term damage in terms of confidence and positive outlook than is realised.

### A pre-requisite for success

Moss Kanter (Ernest L. Arbuckle Professor of Business Administration at Harvard Business School) states in her book Confidence: Leadership and the Psychology of Turnaround

That is exactly what is needed in our business outlook right now: individuals, teams and through them

*"Everything about an economy, a society, an organization, or a team depend on it [confidence]". "People who believe they can win put in more effort and persevere in difficult moments."*

ultimately an organisational culture, in which positive expectations (Kanter's definition of confidence) generate a willingness to invest time, resources, energy and creativity, despite having budgets scrutinised at every meeting.

Confidence is key if we are to come through this recession in a position to capitalize on the upswing (whenever it finally arrives). We need confident,

competent individuals to forge the way, to make brave decisions and to maximise growth. But we also need confidence now - it is plain to see how the rabbit -in-the-headlights approach to the Eurozone EFSF problem has exacerbated the pain and the ultimate cost of the rescue plan. Clear confident action rather than indecision and wavering maintains momentum - and this is also true in a commercial environment.

**Confidence, not arrogance**

So, how, as leaders can we achieve and instil that confidence to act, given the current climate? It has to be about finding creative ways of learning from each other in order to develop competence, being open to innovative ideas and allowing individuals to take the initiative – even in small ways. But equally, we have to positively compensate for the spiral of doubt that creeps in when confidence evaporates from within our team. Confidence is after all a mind set, a feeling, a way of viewing a situation, an energy.

Of course there is a chasm of difference between confidence and arrogance – to quote some dear associates of ours: arrogance drains whereas confidence radiates energy. If we all decide to project a positive expectation, could we harness that positive energy and between us set the wheel in virtuous rather than vicious motion?