

CRISIS LEADERSHIP



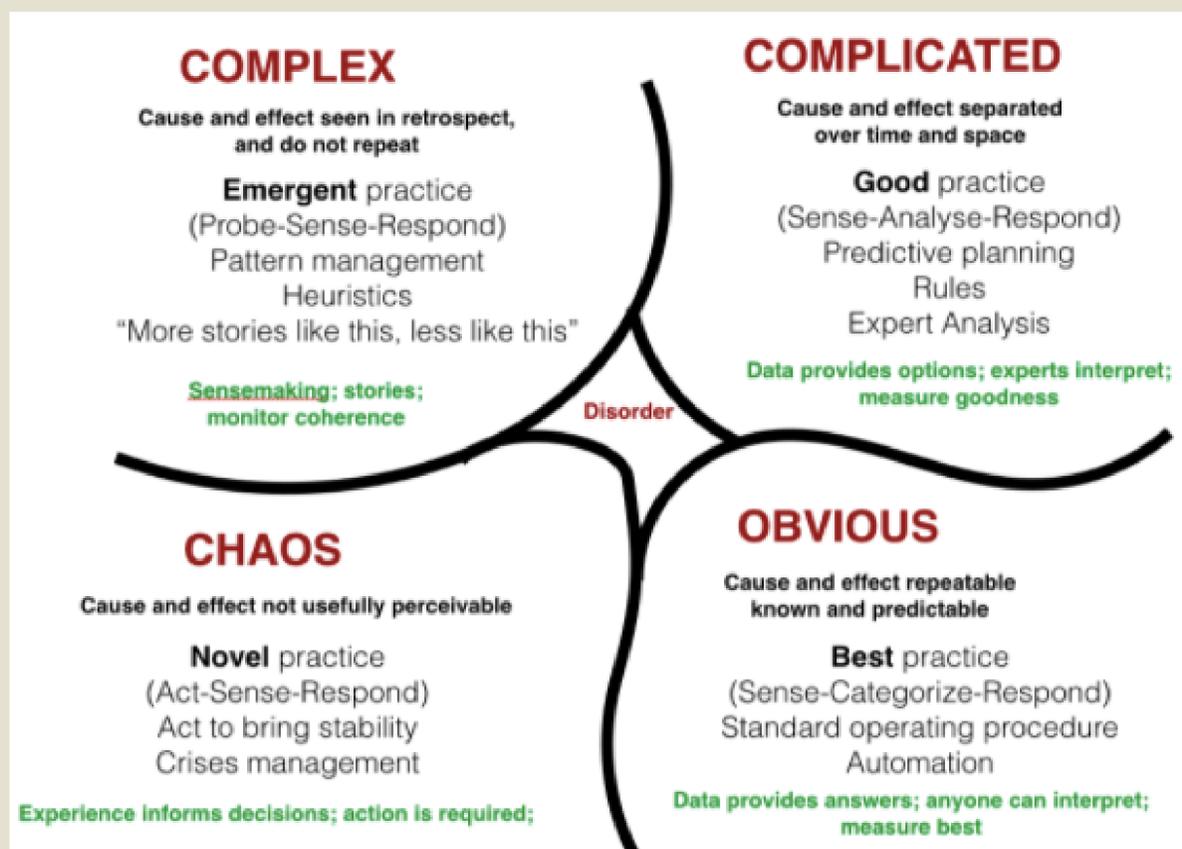
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Introduction

In our previous article **“Business Resilience in Times of Crisis”** we highlighted leadership as a key factor and discussed the Cynefin Framework to understand how different types of problems should be engaged by the leadership team. Crisis Management fell very much into the Chaos quadrant where decisive action was required. Here you would then evaluate the outcome of immediate action and respond accordingly. Repeating this cycle until you establish some level of stability. Professor Dave Snowden described this in his model as **Act - Sense - Respond**.

One of the problems we discovered here was that not all leaders are experienced or familiar with operating in this quadrant. As we established this does not make them bad leaders per se, just out of their depth in this type of situation. So in this article we will take a “deep dive” into leadership and look at what qualities and skills are required to lead an organisation through a crisis and look at what can be done to prepare leaders for this role.



Cynefin Framework, Dave Snowden, 1999

Many organisations that provide crisis leadership training point out that no two organisations are exactly the same in terms of how a crisis will impact on them, but there is a lifecycle that all unexpected emergencies follow, which leads to three distinct stages of crisis management: **React, Respond, and Recover**. It should be noted how closely this aligned to the Chaos Quadrant in the Cynefin framework. PWC identifies that **7 out of 10** business leaders have faced a novel crisis in their career, the average number faced by each individual being 3. It would therefore appear that a crisis is almost inevitable, but failure doesn't have to be. The only surprise here is how little effort, resources and training are put into this area - with major organisations only concentrating on business as usual until they are in the “eye of the storm”.

Leadership Style

Think of an example of an exceptional leader - it could be Gandhi, Mandela, or Churchill - and ask yourself what makes this person stand out as one of the greats. There may be traits that can be identified in all of them - charisma, charm, courage - but there are plenty of people with these traits who cannot lead. So what is the magic ingredient? It could be argued that great leadership sits at the crossroads of an innate ability that has honed the right skills, and combined them with emotional intelligence. It is the act of achieving success through the alignment of the why, the what and the how.

In individual terms, being a great leader means understanding yourself, and the wide range of tasks you'll be responsible for. The University of Kent identifies the following, non-exhaustive list:

- Persuading and motivating
- Clarifying
- Making decisions
- Listening and supporting
- Delegating
- Being assertive
- Learning from failure
- Persevering
- Accepting responsibility
- Taking initiative
- Planning and organising



Academics over the years have identified many leadership methods. The three broadly recognised leadership styles proposed by Kurt Lewin in the 1930s still hold true today and form the basis on which much of future theory was built.

Authoritarian leadership, one person is in charge of the whole decision-making process, from evaluation to implementation. This is considered to be relatively ineffective in most settings.

Democratic leadership, input can come from others and decisions can be made collectively. The leader will guide the process but will make the final call. This is often called the "opposite" of authoritarian leadership, although the reality is slightly more nuanced. It is considered to be a broadly effective leadership style.

Laissez-faire leadership, input and decisions can come from any direction, and active leadership from one individual is minimal. This is considered to be more effective than other styles in very specific settings.

Whilst there are many subsets of these categories that people recognise in modern leadership theory such:



They still broadly conform to Lewin's original theory. However, today's business environments are fraught with dynamic challenges, rapid change and shifting paradigms. This may call for a new breed of leader who is a mixture of most of the leadership styles highlighted above. As the Chinese proverb teaches us, *"the wise adapt themselves to circumstances, as water moulds itself to the pitcher"*. An agile leadership style may be the ultimate leadership style required for leading in today's environment.

Knowing which of the leadership styles most suits you is part of being a good leader. Developing a signature style with the ability to stretch into other styles as the situation requires will help enhance your leadership effectiveness. Start by raising your self-awareness of your dominant leadership style. You can do this through 360 feedback asking trusted colleagues to describe the strengths of your leadership style. Become familiar with the repertoire of leadership styles that can work best for a given situation. Identify what new skills you need to develop to improve your overall effectiveness.

Situational Leadership

Situational Leadership Theory developed by **Dr. Paul Hersey** and **Kenneth Blanchard** would appear to put this agile leadership requirement into an understandable framework.

Hersey and Blanchard suggested that there are four primary leadership styles:

Telling (S1): In this leadership style, the leader tells people what to do and how to do it.

Selling (S2): This style involves more back-and-forth between leaders and followers. Leaders "sell" their ideas and message to get group members to buy into the process.

Participating (S3): In this approach, the leader offers less direction and allows members of the group to take a more active role in coming up with ideas and making decisions.

Delegating (S4): This style is characterised by a less involved, hands-off approach to leadership. Group members tend to make most of the decisions and take most of the responsibility for what happens.



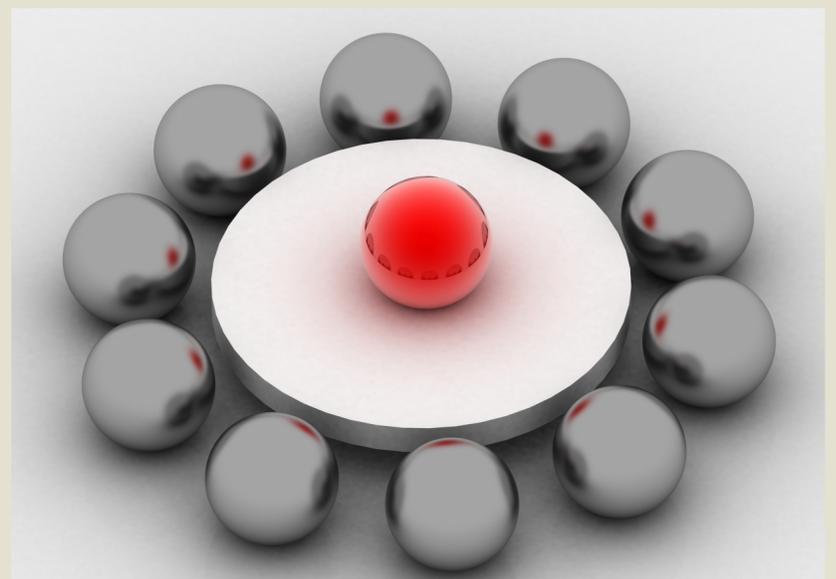
The right style of leadership depends greatly on the level of knowledge and competence of the individuals or group (maturity). Therefore the theory identifies four different levels of maturity:

M1: Group members lack the knowledge, skills, and willingness to complete the task.

M2: Group members are willing and enthusiastic, but lack the ability

M3: Group members have the skills and capability to complete the task, but are unwilling to take responsibility

M4: Group members are highly skilled and willing to complete the task.



Leadership styles may be matched with maturity levels. The model suggests that the following leadership styles are the most appropriate for these maturity levels:

- Low Maturity (**M1**)—Telling (**S1**)
- Medium Maturity (**M2**)—Selling (**S2**)
- Medium Maturity (**M3**)—Participating (**S3**)
- High Maturity (**M4**)—Delegating (**S4**)

So even in a crisis situation it could be argued that your leadership style will need to be tailored to the team you are leading through the crisis. Just like a quality sports coach does not set out the game plan until he/she has assessed the ability of the players available to them. There is no point trying to play like the All Blacks if your skill sets, fitness and game management are more aligned to the lower divisions of domestic rugby. Know your team - choose your style and be flexible depending on what you face.

Operating Principles in a Crisis

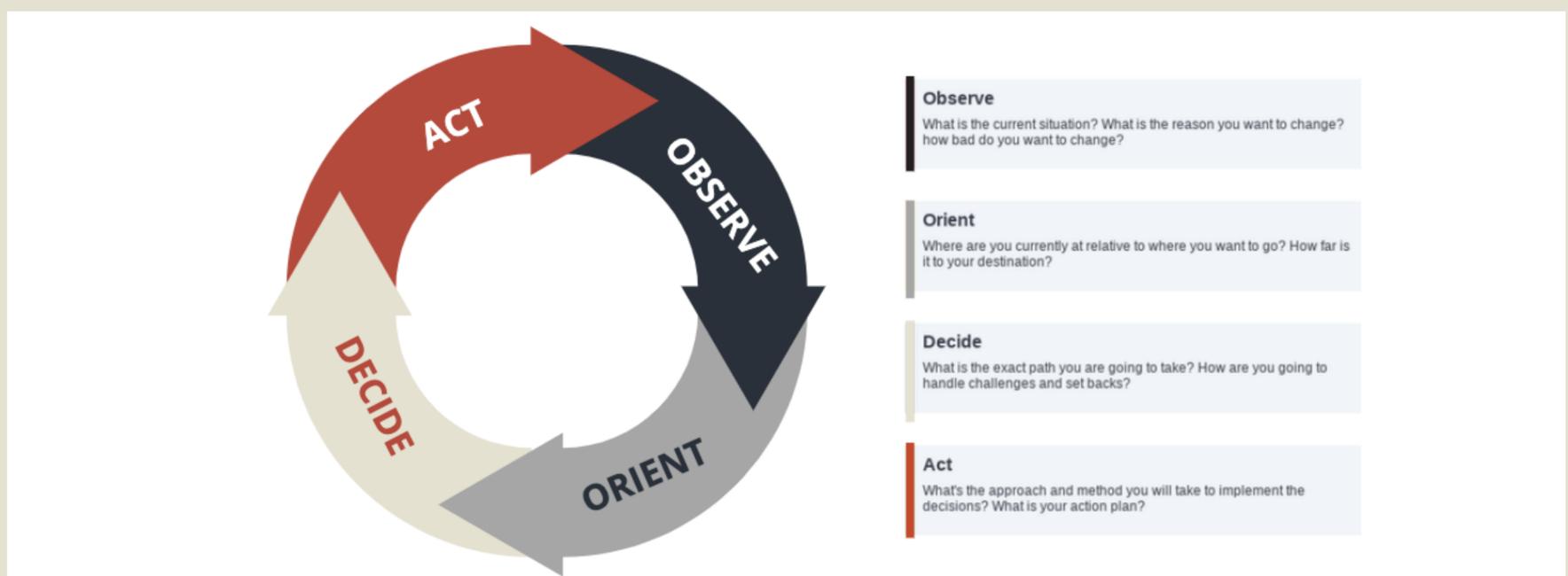
In the absence of predetermined procedures, a novel crisis - whether a natural disaster, terror attack, cyber breach or malevolence such as lone shooting or inside sabotage and fraud - can test the decision-making and strategic thinking of an organisation's leadership. If you are too quick to make a decision (often the manifestation of panic), you might not have appropriate situational awareness and be basing the decision on incorrect or inadequate information; by the same token, waiting for the perfect set of data can lead to **"paralysis by analysis"** and slow decision-making or no decisions being made at all (remember the finance director from our first paper). During a crisis senior executives can find themselves overwhelmed by the vast amount of information and the whole environment.

ISARR offer the following five principles that can help leaders manage the unexpected across different types of crises:

1. Lead Decisively

We have already established the CEO may not always be the ideal choice to lead a response to an unexpected or unusual crisis. In a crisis, other executives, such as the **Chief Operations Officer** or the **Chief Risk Officer** may be better aligned to manage the crisis dependent on training and experience. Effective turnarounds are not made out of micro-incremental acts or decisions, but of very bold and decisive acts. However, it's not uncommon to make mistakes, so it's important to be flexible and back up, change course, adjust and go forward again.

Clearly, this principle is not only coherent with the Cynefin Framework, but John Boyd's OODA Loop also highlighted in the [previous article](#).



2. Continuously Frame the Crisis

Rather than holding fast to the first impression and analysis of the crisis, be flexible to embrace new information as the situation will be dynamic. If new analysis suggests a change of the original plan, then change the plan (as identified in the movie Jaws - we need a bigger boat!). One of the most important things for any crisis leader is to identify what the crisis actually is and to constantly look at that identification every couple of hours, days and weeks because a crisis will change and can in reality become multiple events. What you thought was unimportant yesterday can become extremely important tomorrow. In today's age of social media and 24/7 press coverage, some things can become more significant in a crisis than originally expected, with what appeared minor tactical problems taking on strategic significance at lightning speed. So continually framing the crisis, having the ability to assess on a continuous basis is key.

3. Actively Communicate

During a crisis, it's important to constantly communicate up and down the organisation, and outside to the media, stakeholders and the public. Control the message by designating a sole, trained spokesperson to be the face of honest, consistent information. It's also critical to keep a record of the facts that the crisis management team knows at each point of the process in order to respond accurately and timely to a multitude of requests that may arise, or indeed for subsequent inquiries. Systems (such as the [ISARR platform and modules](#)) and staff whose specific task is to record information and decision are absolutely vital to the leadership team in a crisis. Above all, honesty, integrity and transparency are critical. Any attempt to hide bad news or relay inaccurate information will be found out with significant reputational damage. It is worth noting that every single post analysis lesson learnt report we have seen always has a recommendation on communicating better. It can not be understated how vital this is in a crisis.

4. Be ready for the Unexpected

Under extreme pressure, the Crisis Management Team should understand that individuals may act differently than during normal circumstances, and that the usual organisational roles may not apply during a crisis. This can further add to the unpredictability of a critical event. To counteract this, any one leader should have imposed limitations and should not be the only player to deal with a particular aspect of a crisis.

In advance, plot out when and how external parties might be brought in to help address the crisis. Do not create single points of failure by investing in training for a few specific individuals, but train as a team. In addition, prepare to operate in a situation where there are no technology tools and/or information. By way of example, we saw the disaster plan for a company based in London that had its employees work on laptops from home in the case of a natural disaster. To support this plan, key data had been moved to a secondary site in Ireland. But then came Storm Dennis. So now you had a company in the middle of a crisis with its key data in Ireland, but it is human knowledge at home in London — without power. **It was something that had not been expected nor planned for.**

5. Drive Toward Actionable Intelligence

In the midst of a crisis, leadership must often navigate confusing data and intelligence. It is important, therefore, to cast a wide net, as crucial information can come from a range of sources, including **customers** and **employees**. But those sources must be qualified, as misinformation can be as prevalent as information. It is important to consider sources carefully. Multiple viewpoints from the right sources can provide more objective and actionable information.

6. Manage the Crisis Lifecycle, not Just the Event

The timeliness and effectiveness of an organisation's response in a crisis often determines how it fares afterwards. A pre-planned and exercised crisis management approach with a strong emphasis on readiness, preparation and follow-up can help organisations more effectively stay ahead of potential threats. The key operating principles apply across a broad spectrum of crises.

It doesn't matter whether an organisation is facing a cyber incident or a natural disaster or some kind of financial fraud. What's important is to think of crisis management in terms of a cycle—moving from preparation to response to recovery and then around again—applying lessons learned from one stage to the plans and processes that support the other stages.

Crisis leadership also means having empathy for the people affected and having the ability to ask very pointed questions of the right people at the right time to quickly identify the issues.

Summary

Practice makes a leader

Be genuine with any approach you use. Moving from a dominant leadership style to a different one may be a challenge at first. Practice the new behaviours until they become natural. In other words, don't use a different leadership style as a "point-and-click" approach. People can smell a fake leadership style a mile away - authenticity rules.

Key Factors to take away

There are four key contextual factors that leaders must be aware of when making an assessment of the situation:

- **Consider the Relationship.** Leaders need to consider the relationship between themselves and the members of the group. Social and interpersonal factors can play a role in determining which approach is best.
- **Consider the Task.** The leader needs to consider the task itself. Tasks can range from simple to complex, but the leader needs to have a clear idea of exactly what the task entails in order to determine if it has been successfully and competently accomplished.
- **Consider the Level of Authority.** The level of authority the leader has over group members should also be considered. Some leaders have power conferred by the position itself, such as the capacity to fire, hire, reward, or reprimand subordinates. Other leaders gain power through relationships with employees, often by gaining respect from them, offering support to them, and helping them feel included in the decision making process.
- **Consider the Level of Maturity.** As the Hersey-Blanchard model suggests, leaders need to consider the level of maturity of each individual group member. The maturity level is a measure of an individual's ability to complete a task, as well as his or her willingness to complete the task. Assigning a job to a member who is willing but lacks the ability is a recipe for failure.



Ultimately self awareness and emotional intelligence should also awakened us to the realisation that leadership is not about:

- **Power**, but rather the privilege of allowing one's influence to best serve others.
- **Responsibility alone**, but rather taking ownership of a mission that goes well beyond one's assigned duties.
- **Hierarchy or rank**, but rather how one shows their human side in authentic ways that encourages others to do the same.

Finally, as previously highlighted it takes **10,000 hours** to become world class at any skill - leadership is no different. Practice, practice, practice in the right situational context. If you don't practice for failure how do you expect to lead your way through it? Do you want to be that leader looking like the proverbial "rabbit in the headlights" while all those around you are looking to you for direction and leadership? It is this practice that moves one up the Burch Competency Model described in the previous article to the nirvana of unconsciously competent.



Look out for out next article on *Preparation for Crisis and Decision Centres of Gravity*. You can find the schedule [here](#):