

CRISIS LEADERSHIP - AN ORGANIZATIONAL OPPORTUNITY

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ABSTRACT

Reactive leadership and crisis management have been synonymous for years. This flows from the belief that crisis is unpredictable and unexpected, which is simply not true. Crisis has its genesis in the values, beliefs, culture, or behavior of an organization which become incongruent with the milieu in which the organization operates. A leader, who is able to read the signals of looming crisis and understands how to harness the exigency brought on by the situation, can diminish the potential dangers and take full advantage of the resulting opportunities. This paper presents a generic crisis lifecycle as a representation of overall crisis. Since a crisis can be broken down into three unique phases, crisis lifecycles can be understood and utilized for the benefit of the organization. In the first phase of the lifecycle, the organization finds itself mired in a static phase which equates to a comfort zone. In this first phase leaders struggle when they attempt to introduce change or learning due to the organizations preference to avoid conflict and maintain stasis. When a crisis engulfs an organization then the stasis that envelops the organization evaporates and gives rise to the second phase or the disaster phase. The disaster phase often threatens the very existence of the organization. When the organization successfully eliminates the immediate organizational threat, the organization is able to enter the adjustive phase of the crisis lifecycle. In this third phase, the leader has the undivided attention of the organization and the underlying urgency to solve the issues that led to the crisis in the first place. Regrettably, many leaders don't take advantage of this golden opportunity and push the organization back toward the status-quo which ensures that the crisis will return in force. The study of crisis leadership has become more important since the dawn of the new millennium because leaders in all areas face differing degrees of crisis in their daily work life. This emphasis on crisis leadership has spawned many books and academic journal articles which has resulted in a wide-ranging body of work from which we have divined the three stages of crisis and six strategies crucial for organizational success. These strategies are illustrated with examples of crisis leadership and how leaders saved their organization and tailored them for long-term significance.

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This paper addresses the challenges that leaders face before, during, and after crisis by using a generic crisis lifecycle model. Effectively dealing with a crisis is a competitive advantage, while ineffective crisis response can place the existence of an enterprise in jeopardy. Unfortunately many leaders that have garnered credit for leadership tools such as vision, strategic focus, and discipline preside over undisciplined crisis responses, often at great risk to the leader's career and the enterprise's future. We collectively recognize the immense significance inherent in understanding crisis theory and the leadership strategies that can be employed in these situations. Our hope is that this paper will improve the reader's theoretic and practical understanding of crisis and be of value as they prepare, lead, and adapt their organizations to face challenges and crisis, but also grow from those same challenges and crisis. Crisis, for the scope of this paper, is defined as an unexpected, dramatic, and unprecedented event that forces and organization into chaos and may destroy the organization without urgent and decisive action.

The study of crisis leadership is important today due to the unpredictability, intensity, duration, and cost. Leaders throughout the world struggle with the challenges of crisis from the corporate boardroom to the nonprofit board, the small businessman to the city hall. Decisive action is demanded immediately from organizational leaders due to globalization, organizational transparency, and technological advances. As a consequence, leaders are required to

endure intense public examination while weathering the disrupting forces of catastrophe. Leaders must get ready for the inevitable, unforeseen, and unprecedented.

Organizational leaders at all levels will be able to exploit this paper for the benefit of their organizations. It provides a structure to better comprehend the crisis lifecycle and institute strategies for leaders to use as they plot a course through the crisis. The research presented herein provides organizations and leaders with an opening point to study and refine their leadership knowledge, skills, and abilities in preparation for the imminent crisis their organization will inevitably face.

CRISIS LIFECYCLE

Crisis is a worldwide reality. Crisis is simply an inefaceable part of the human condition (Mitroff, 2004). Thomas Kuhn (1996) described how crisis begins in his book on the scientific revolution, *The Structure of Scientific Revolution*. In it Kuhn states that “existing (organizations) have ceased to adequately meet the problems posed by an environment that they (in part) have created...the sense of malfunction that can lead to crisis” (p. 92). The failure to take note of the preliminary signals or tremors and recognize that our connection with the surroundings has changed is what leads us headlong into crisis.

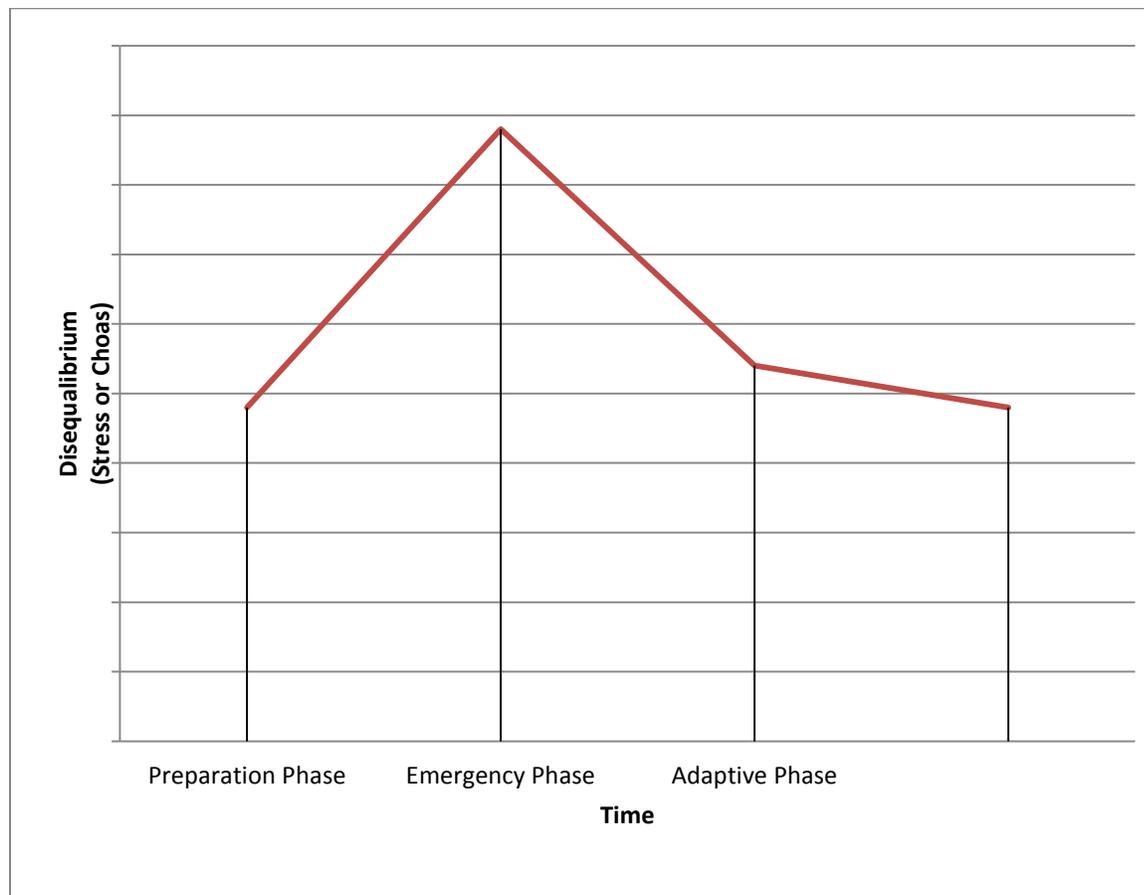


Figure 1

Our research indicates that crisis can be defined by a generic model of a crisis lifecycle, as represented in Figure 1 (Heifetz & Linsky, 2002). This crisis lifecycle model represents a single event. It also needs to be understood that organizations face a repeated bombardment of overlapping conflicts or small crises. Likewise, most crises can't be defined by one event and the fundamental challenge may rematerialize numerous times, overlapping its beginning and ending phases (Pinsdorf, 2004). For the purposes of this paper and clarity, our discussion will revolve around a single, cataclysmic crisis event that threatens an organization's very existence.

The crisis lifecycle is defined over time and disequilibrium. The vertical axis represents disequilibrium and it illustrates the amount of stress felt by organizational members. This axis can further be divided into the comfort, learning, and danger zones. The comfort zone is the status quo, where organizations and bureaucracies prefer to remain. The comfort zone is a state of equilibrium or stagnation. Most organizations endeavor to dissipate conflict or stress in order to preserve the status quo. Ronald Heifetz (1994) notes “there is nothing ideal or good about a state of equilibrium...achieving adaptive change probably requires sustained periods of disequilibrium” (p. 35). Regrettably, organizations that remain locked in the comfort zone keep their values, culture, or operating archetype static in relation to the ever-shifting environment.

Above the comfort zone is the learning zone. The learning zone is a critical area flanked by equilibrium and danger. This zone is where a minimum amount of stress is desirable for an organization to elicit change and it causes anxiety and conflict within the organization. It is the conflict linked with change that facilitates an organization's growth and the size of an organization's learning zone is directly correlated to its capacity to handle stress. Responsive and flexible organizations have larger learning zones and are better able to handle organizational chaos and conflict. Organizations that are large and bureaucratic are less able to handle change; therefore they have much smaller learning zones.

Above the learning zone is the danger zone. The line separating the learning zone and the danger zone is represented by the amount of stress that may cause an organization to implode and disintegrate. Crisis characteristically causes the stress level in an organization to hurdle into the danger zone. Perhaps the most complicated and illusive key to effective leadership is creating sufficient stress within the organization to transform it into a learning organization but not enough stress to rocket it into the danger zone.

Leaders can change organizational stress using technical or adaptive techniques. Technical responses provide quick solutions and harness a set of procedures toward well-understood problems. When a leader applies technical responses to problems, organizational stress typically abates (Heifetz, 1994). However, an adaptive solution is used when a predicament is not well understood or there is no adequate response, expertise, or procedure. Adaptive solutions address the fundamental issues that are creating the conflict. Heifetz explains, “adaptive solutions tend to demand a more participative mode of operating and shift responsibility to the primary stakeholders (and) problem solving takes place in their hearts and minds” (Heifetz, 1994, p. 121). Adaptive challenges compel people within the organization to face “dysfunctional habits, values, and attitudes;” thus escalating organizational stress. In essence, crisis leadership is recognizing that technical solutions may be essential to diminish immediate danger, but are insufficient for long-term organizational growth; which requires innovative and adaptive approaches (Goethals, 2004, p. 291).

The horizontal axis of the crisis lifecycle model is composed of three phases: preparation, emergency, and adaptive. Prior to any crisis, an organization is in the preparation phase. During this time, leaders should be cognizant of tremors or signals of misplaced values and behaviors. Complacent organizations are ripe for crisis.

The transition point from the preparation phase to the emergency phase begins when an eruption is followed by institutional awareness of the crisis (point A on Figure 1). Stress and disequilibrium become unendurable and the survival of the organization is at stake. The transition point from the emergency to adaptive phase (point B on Figure 1) is difficult to distinguish and occurs when the pressing danger is controlled. Sadly, leaders and followers don't want to face these hard challenges, particularly after overcoming the immediate crisis. They do not take into account the urgency, attention, and opportunity gained. Staying in the learning zone after the crisis is the most complicated, least understood and largest delineator of leaders who effectively navigate crisis.

The preparation phase

Once you understand why leaders are ineffective at adapting their organizations during the preparation phase, then you can understand crisis. Without a crisis it is extremely difficult to move an organization from a state of comfort to a state of growth. Change threatens stable relationships, balance of power, standard operating procedure, and/or the current distribution of resources (Heifetz, 1994). Even when leaders are aware of their organization's need for change, they struggle with the paradoxical requirement to provide direction without causing pain to the organization (Heifetz & Linsky, 2002). Leaders must also continually balance the severe pressure to remove stress from their organization while fighting the tendency to return to the status quo. In order to facilitate organizational adaptation

or prior to crisis, the leader must establish credibility and create an atmosphere that allows people to face change in relative safety. It requires them to lead from the front.

Another way that a leader can prepare an organization for crisis is to recognize, prioritize, and mobilize awareness for change. The leader must understand and focus on the core purpose of the organization. This strategy is at the crux of understanding how an organization's values are related to a changing environment. Positive illusions, self-serving biases, and a tendency to discount the future often prevent leaders from listening to their environment and gaining much needed feedback. Sometimes leaders are unable to overcome the state of denial or the awareness of indicating tremors (Bazerman & Watkins, 2004).

Organizations need a structured dialog, systematic decision analysis, and they must conduct continuous planning in order to ensure that actions are prioritized toward the organizations long-term health. Unfortunately, leaders often tend to ignore problems and avoid making the much needed hard choices; this is why it is important to build the team within the organization. Leaders who construct effective teams are able to rapidly respond to crisis in an unified manner. It is the leader that overcomes these obstacles and mobilizes resources toward learning, who may avoid crisis altogether.

Emergency Phase

The emergency phase begins when the crisis erupts. If an organizational leader fails to examine their fundamental assumptions of the world, connect the dots to see the big picture, or think differently from everyone else, that leader risks experiencing devastating tragedy and crisis. The most important factor during the emergency phase is to mitigate the threat and reduce disequilibrium to a level where the organization and people within are at a safe level (Stern, 1999). A leader can leverage an organization's high expectations for security as capital for autocratic and technical solutions that will reduce the immediate stress; unfortunately, without addressing the underlying misalignments, crisis will return to the organization. A timely intervention is key to mitigating the immediate threat and limiting long term danger (Stern, 1999). At this time it is perfect for a leader to use quick, technical fixes to reduce organizational stress to levels that are tolerable. The leader must, however, weigh the need for action against the uncertainty that surrounds the event.

First impressions of the crisis are usually accompanied with limited factual information that often misses the underlying causes. Because of this, it is advantageous to focus on the core purpose when formulating the initial response (Mitroff, 2004). A leader must not be overcome by the urgency of the crisis; instead the leader must step back and draw from the guiding principles of the organization. The leader must weigh the quick decisions against the realization that stress reduces cognitive abilities (Goethals, 2004). Even when they do not apply perfectly, utilizing standard operating procedures may help to lower the tension due to the routine being calming and reassuring to people within the organization (Heifetz, 1994). As information becomes available that helps to clarify the situation, action and communication become even more essential so the leader can tell the story to the organization and get their backing. Leaders must explain the facts of the situation and the actions that are being taken. People begin to relax when they see a calm, poised leader relating to their loss (Heifetz). All of these responses are crucial to seizing the initiative during the emergency phase.

The Adaptive Phase

The adaptive phase begins when the organization returns to a sense of stability. The leader must take advantage of the fleeting organization mandate to address the underlying cause of the crisis so that the event will not be repeated, even though the immediate crisis and danger is under control. The leader has an opportunity during this phase to change and grow, develop new procedures, alter the organizational culture, and help the organization to profit from the crisis. Technical solutions may still be needed during this phase, but the leader must focus on reorienting the organization to face tough choices. The adaptive phase requires a balancing act between maintaining urgency for change while at the same time fostering a sense of safety and security.

Crisis provides us with the ultimate signal that we have ignored, avoided, or failed to recognize the most pressing issues of the changing environment. As situations worsen, signals and tremors foreshadow impending disaster, giving us an opportunity to prepare for or adapt to it. Sadly, most institutions resist the needed change and prefer to chimera of safety that is provided by the status quo. When disaster strikes, the leader must refocus the organizations resources and attention on survival. The leader must use this small window of opportunity to seize the initiative.

Yet when survival seems assured, leaders face a crucial choice. The leader can either harness the urgency and attention provided by the crisis to alter the organization with the environment or risk the return of crisis and danger.

CRISIS LEADERSHIP STRATEGIES

Our research has led us to uncover some essential strategies that a leader must apply to lead their organization out of crisis. These strategies were identified from historical crisis situations that have been written about in the existing body of research. Not every strategy is applicable to every crisis situation and the strength of the strategy varies with the crisis. Similarly, these strategies are not confined to use during a certain, prescribed phase in the crisis lifecycle model. A strategy may fit neatly into one phase of the crisis or it may span the boundaries of several or all phases of the crisis.

Each strategy should be viewed as another tool that the leader has in their tool kit for crisis leadership. The strategies show that it is not important that the leader hit the nail squarely on the head to be effective, the leader must just hit the nail head in some way to make it useful for the organization.

LEAD FROM THE FRONT

“During periods of crisis, people look for a strong leader. They don’t look to committees or to teams; they look for a confident, visibly engaged leader to pull them through” (*Harvard business essentials: Crisis management*, 2004). Unfortunately, leaders that are hit by crisis often withdraw behind the protective curtain of their peers and lawyers or blame their subordinates and the media (Pinsdorf, 2004). Analysis of crisis situations shows how common and costly this mistake is (Pinsdorf, 2004). The leader must be many things at many times and during a crisis, at an irreducible minimum, the leader must be visible, poised, courageous, committed, and attentive. If an individual’s job during a crisis is to lead, then he must assume the role and do it well (*Harvard business essentials: Crisis management*, 2004). The leader must understand the importance of people seeing him face the challenges head on, walking the walk and talking the talk as it were (Witt, 2002). The leader must create opportunities for visibility and use the power of his role as a leader to provide assurance, direction, and inspiration.

Visibility & Image

Peter Arfenti conducted a study of the September 11, 2001 tragedy in New York City and this study clearly validates the power of a visible leader (*Harvard business essentials: Crisis management*, 2004). Arfenti found that “the most effective leaders during the crisis displayed high levels of visibility” (*Harvard business essentials: Crisis management*, 2004, p. 87). Those leaders understood that people needed concrete evidence that their leaders were concerned about their distress and were working to make things better (*Harvard business essentials: Crisis management*, 2004).

However, a visible leader must present the right image. “A crisis can quickly expose a leader’s hidden strengths as well as his core weaknesses” (Klann, 2003, p. 1). Former Federal Emergency Management Agency (FEMA) director James Lee Witt wrote that leaders who handle crisis best are the ones that think of others before they think of themselves (Witt, 2002). Fortunately, “crisis frequently brings out courage, honor, selflessness, loyalty” (Klann, 2003, p. 8) and many other positive behaviors in leaders. “During a crisis, a leader’s first mechanism to contain distress must be to contain himself. If a leader remains poised and indicates through his calm demeanor that the situation is serious but that there is no cause for panic, he reduces the possibility of one” (Heifetz, 1994, p. 140).

Demonstrate Courage

Courage is not the absence of fear, but the ability to act in its presence (Collins, 2003). Whether a leader is the departmental director or a corporate CEO, if the resources are being threatened, it is imperative that he demonstrates courage and accept responsibility for dealing with the situation (Witt, 2002). John Kennedy reminded us that courage is the willingness to speak “truth to power.” “Demonstrating courage is one action that is indispensable if a leader expects to mobilize people” (Bazerman & Watkins, 2004, p. 215) to prevent, mitigate, or learn from a crisis. Many great leaders throughout history made their reputations through their courageous actions before, during, and after crisis; often in the face of significant uncertainty and resistance (Bazerman & Watkins). A demonstration of courage is central to crisis leadership because it signals the leader’s “willingness to act against one’s own and other’s short-term interests to avoid heavy long-term costs” (Bazerman & Watkins, p. 12). Additionally, it puts members on notice of the need for action (Bazerman & Watkins).

Show Commitment

A leader must show that he is committed to see the task through to successful completion. A leader that demonstrates the ability to accept the harsh reality brought on by the crisis, yet continues to persevere, demonstrates a personal investment in the team and their mission. Perseverance sends a clear message about the leader's commitment and creates an opportunity for the team to rally to achieve a common goal. Similarly, if a leader signals a lack of personal investment in the team and mission, "he presents an invitation to the people who are uncommitted" (Heifetz & Linsky, 2002, p. 51) to dismiss his perspectives and push his agenda aside.

Maintain Perspective

Leaders must ensure they don't lose sight of their ultimate goal. Regardless of where a leader is in the lifecycle of a crisis, it is imperative that he maintain perspective. "Occasionally, leaders get so caught up in the action and energy that they lose their perspective, their wisdom" (Heifetz & Linsky, 2002, p. 165). Franko Bernabe, CEO that successfully transformed Italy's large energy industrial group Eni, was very much aware of this trap (*Harvard business essentials: Crisis management*, 2004). He understood that executives leading their companies through crisis often don't have time to think. They don't have the time to tune-in to their organization and environment; they only have time to react. Consequently, he walked to work every day. He said that this gave him an extra half hour to think (*Harvard business essentials: Crisis management*). Bernabe believed that the ability to step away and think clearly is "one of the most critical skills a crisis leader must have (*Harvard business essentials: Crisis management*). Heifetz describes this stepping away or need to get perspective as "getting off the dance floor and going to the balcony" (Heifetz & Linsky, 2002, p. 51). The intended "image captures the mental activity of stepping back in the midst of action and asking, 'What's really going on here?'" (Heifetz & Linsky, p. 53).

FOCUS ON THE CORE PURPOSE

When people understand and pursue their purpose, a purpose that puts meaning into their life, they can weather any storm. Victor Frankel (1987) discovered this in a Nazi concentration camp. As a trained psychologist he observed that when a person has a greater meaning for living, they lived (Frankl, 1985). Those that had lost purpose died (Frankl). The same can be said of organizations.

Know and Understand the Core Purpose

An organization that has a relevant, acknowledged purpose can survive even the worst crisis. On the contrary, an organization which has no clear purpose, or a valueless purpose such as simply raising capital – as in the Enron scandal, will eventually fail. Successful leaders know they must understand their organization's core purpose and then ensure that their people appreciate and support it. Both the leader and the people of an organization must believe in something higher than themselves. In planning for crisis, identifying the organization's core purpose is essential for it will provide a foundation for every action and decision.

Instill Value and Align with Reality

An organization's purpose must align its values and its reality. If a company's leaders or personnel are acting contrary to the business' core purpose, values, or environmental reality; crisis, in some form, is sure to develop. The leader must define what the future should look like, align structures and processes, and inspire people to make it happen despite obstacles (Mitroff, 2004). In this case, leadership is influencing the organization to face its problems (Heifetz, 1994). According to Heifetz (1994), "tackling tough problems – problems that often require an evolution of values – is the end of leadership; getting the work done is the essence" (p. 26). The leader must confront and close the gaps between his organization's values, its behaviors and its realities. This may require the organization to endure a period of significant, adaptive change. In this situation, "it becomes critically important that the leader communicates, in every way possible, the reason to sacrifice" (Heifetz & Linsky, 2002, p. 94). He must justify "why they need to sustain losses and reconstruct their loyalties" (Heifetz & Linsky, p. 94). People need to be reassured that the final results are worth it (Heifetz & Linsky).

Provide Vision and Embody Values

Where the purpose and values are the foundation of the organization's vision, a leader can leverage this vision as a rallying point to provide stability to employees during a crisis. But to make this vision truly credible, the leader must embody and be seen living the organization's purpose and values. Successful crisis leaders know that a purpose, value, and vision system that have been effectively communicated so employees understand them, feel ownership of them, and endorse them, become a powerful influencing tool during all phases of a crisis. The vision, grounded in values, will clarify what is, and is not important to the organization. Additionally it can serve as a

compass for action, providing direction and stability to people who become unhinged by the crisis (Klann, 2003, p. 14). A leader must also remain mindful of his organization's purpose and vision when overseeing the crisis planning. The vision will ensure that crisis actions are in line with the mission, goals, and objectives of the organization (Klann). During the crisis, a successful leader can provide stability and security as well as reduce anxiety by consistently returning to the organization's values and vision (Klann).

Consistently Assess and Update Purpose

A leader must periodically reassess the organization's purpose and values to ensure they remain relevant to the current and future environment. He should look at how well the purpose prepared the organization to identify or avoid a crisis and if it enabled or hindered the response. Based on the outcome of the analysis, the leader may want to realign or redefine the organization's purpose to make it more relevant to the environment, current and future operations, and especially crisis (Klann, 2003, p. 63).

BUILD A TEAM

The success of any business organization hinges upon successful organizational team building. The question is sometimes ask, why have a team? And the answer is rather simple; the success of any organization cannot be accomplished by managers or leaders alone. To build a successful team begins with the leader who has been placed in the position to build a bona fide, competent, and resourceful team for the development, improvement, and the eventual fulfillment of the desired mission of the organization (George & Jones, 2005).

Before an appointed leader can begin the team building process, the leader must first recognize the mission of the organization and then organize the people and resources to fulfill the mission of the organization. This idea of fulfilling a team based mission is supported upon the notion of having a vision. A leader must first develop the vision and have that vision in place before she can identify people, skills, and behavior needed to meet challenges of the organization (Heller & Hindle, 1998).

Once the leader has developed the mission vision for the team concept, the process of team building must now focus on bringing together the right people with the right skills. The selection process of team members must be focused on four critical areas:

- Intellectual integrity
- Results
- The ability to make decisions
- The ability to think conceptually

Leaders must select team members, who are superfluous with intellectual integrity and who are willing to confront reality at all times with total honesty. Leaders want to select team members who are results based oriented, i.e., not only are they willing to talk the talk, but they are also willing to walk the talk. Results based team members are doers and they focus on finding the right solutions. Leaders want to select team members who are not afraid to make decisions. They cannot be afraid to make decisions that are based upon empirical evidence whether in whole or in part.

Furthermore, a leader should select team members who are willing to step up to the plate despite the possibility that their decision just might be wrong in spite of their best efforts. Leaders should also select team members who have the ability to just use good old plain common sense and wisdom. Finally leaders should select team members who have the uncanny ability at conceptual thinking. Teams should be superfluous with conceptual thinkers who can put the pieces of the puzzle together and figure out the right answers in timely fashion.

Once a leader has selected teams members based on the fundamental skills needed to accomplish the task at hand, the leader is now put back under the microscope and she is now the being assessed by her followers based on her own leadership style. You see, one of the key ingredients a leader must possess in their attempt to build a successful team is the element of transparency. This must be apparent from the very start of the team building process. Leadership transparency is just not only about honesty, credibility, and integrity; it is also about interacting with team members through straight talk, openness, and accountability. Leaders must understand people are not willing to follow them until that indispensable element of transparency is exhibited in her style of leadership early on the process (Klits, Mandredi, & Lorber, 2007).

Furthermore, leaders have to realize the members of the team are not willing to follow them until they are satisfied and know that she truly care about them. In this aspect of team building relationships, leaders must adhere to the principles of Abraham Maslow hierarchy of needs and these needs must be incorporated into the team building process. From an organizational perspective the hierarchy of needs reflect:

- a) Physiological Needs – In bona fide organizational settings, team members want to know that they are being adequately compensated for their participation towards the mission of the organization. Fair and equitable compensation is a means to buy food, clothing, and have adequate and fair housing.
- b) Safety Needs – In bon fide business organizational setting, team members desire to know they have job security, adequate medical benefits, and safe working conditions.
- c) Belongingness Needs – In bon fide organizational settings, team members desire to have a good relationship with each other and their leader. They desire to be a member in good standing with a cohesive work group, and they want to be included in organizational social functions such as company picnics and holiday parties.
- d) Esteem Needs – In bona fide organizations, team members desire to know that their work product may someday offer a chance for promotions; moreover, team members desire to be readily recognized for job performance.
- e) Self-Actualization Needs – In bona fide organizational setting, team members desire to know that they will have the opportunity to use their skills and abilities to the fullest and they strive to be all that they can be in job performance (Mears & Voehl, 1997).

The next important steps in the process team building process, is the leaders' responsibility to nurture the relationships among team members and promote internal team building. Leadership nurturing and internal team building is supported by giving team members the required training, education and development needed so that team members can enhance their knowledge, skills, and abilities to assist the leader in accomplishing the mission of the organization. Astute leaders of authentic organization understand the future success of the team hinges on how effectively each member of the team is developed. The right training, education, and development helps the internal system thinking process whereby team members learn how their knowledge, skills, and abilities will affect the organization in whole and part through intellectual conceptualizing and application. Undergoing this team building process allows team members to develop their natural talents and advance their careers. The nurturing and internal team building process from a team perspective must be superfluous, i.e., leaders must continually coach and motivate followers with the notion to help them find meaning in their work, and to instill in them that their efforts do in fact matter for the good of the organization.

The external process of building a team gives team members the opportunity to view how their mission task affects others and organizational systems outside the walls of their own organization. Again this manner of system thinking is but one motivational factor that encourages creative thinking among team members and generates new ways of doing things. External team building provides opportunities to build relationships outside the parent organization in an organized fashion, and it offers a way for teams from multi-variant organizations to work on critical problems that can and will have long term globalize effects on business organizations (Ponder, 2001).

Lastly, continuous successful team building still rest upon Abraham Maslow hierarchy of needs, but of one that I would like to point out that is especially important and that is "Esteem Needs". To maintain the continuity of the team and its mission, recognition of team members go a long way with stabilizing the mission of the team, and in this 21st Century the idea of using a holistic approach in recognizing and rewarding team members will play an important part in building and maintaining an effective team.

CONTINUOUS PLANNING

In addition to leadership vision and organizational mission statements, every thriving organization succeeds by having a clear plan that allows the organization the wherewithal to march forward towards its goals and objectives (Lewis, Goodman, & Fandt, 2004). Therefore, unambiguous planning leads to greater and sustained goal achievements. Peter Drucker once said "Long range planning does not deal with future decisions, but with the future of present decision" (Griffith, 1990, p. 254).

Organizational planning must incorporate SWOT techniques that allow the organization to sustain a clear path towards reaching its goals from year to year. SWOT is the acronym that stands for Strengths, Weaknesses,

Opportunities, and Threats. Applying SWOT techniques in the business realm is but one aspect that helps business organizations conduct the kind of organizational analyses that helps to mitigate or prevent organizational crises. From a team perspective the notion of identifying organizational strengths and weaknesses in the planning process, offers leaders and team members an opportunity to internally assess and identify those probabilities and mechanisms that will assist or hinder the organization from attaining its goals. Some examples of organizational strengths possibly include:

- Competent personnel possessing relevant knowledge, skills, and abilities;
- Staff development and training programs;
- Customer loyalty; and
- Capital investments and strong balance sheets; and
- Efficient procedures, systems, and social responsibility, etc.

Some examples of weakness:

- Personnel lack of awareness of organizational missions, objectives, and policies;
- Deficiency in IT department;
- Lack of new product and services;
- Non-compliance with appropriate legislation; and
- Inadequate leadership, etc,

Taking into consideration opportunities and threats in the planning process provides leaders and team members the opportunity to scan the external environment related to the industrial conditions aiding in identifying and evaluating those elements that may positively or negatively impact the organization (Heal, 2000).

Some examples of opportunities include:

- New customer base and new markets;
- New products and service lines;
- New technology; and
- Personnel training opportunities, etc.

Some examples of threats include:

- New legislation;
- Lack of training, education, and development;
- Price competitions; and
- Customer rejection, etc.

Coupled with organizational planning is the importance of continuous planning which integrates the continuation for contingency planning. Continuous planning within the context of business organizations should be directed in such a manner in which all processes within the organization is connected, a condition which reflects system thinking. Continuous planning further incorporates the continuation of applied SWOT techniques that allow organizational leaders and team members to adjust to the sudden impact of changes that ultimately affects the organizations position locally as well as globally.

Considering the broad base of continuous as well as contingency planning, the gravity of these important tenets is principled in the following:

- Identifying Risk and Potential Crises
- Establish and Sensor Monitoring
- Developing a Crises Action Plan
- Testing the Crises Action Plan

The idea of continuous external environmental scanning coupled with SWOT techniques; allow leaders and team members the opportunity to obtain information about events, trends and relationship, which can be assimilated into the continuous planning process. These congruencies enhance and sustain the present and future goals of the organization, and they greatly assist with mitigating potential crises through appropriate crises management measures. The aforementioned tenets, among many other flexible elements, are essential for organizational survival.

Moreover, the aforementioned tenets aid in balancing the scorecard as the process of ongoing planning continues within the organization.

The amalgamation value of applied SWOT and Environmental Scanning techniques in an organizations continuous planning process provides a systematic approach that helps to identify risk and potential areas for crises. To identify those risk and potential areas for crises, organizational leaders and team members must consistently perform organizational audits both internally and externally. Auditing must occur throughout all levels of the organization and it must take into consideration all personnel, customers, suppliers, and external competition. As part of the ongoing planning process, organizational leaders and team members must take on the role of an assassin. Taking on this role allows for the proverbial thinking out of the box concept, i.e., thinking of creative ways in which internal and external conditions can drastically bring about a negative change to the organization (*Crisis management: Master the skills to prevent disaster*, 2004).

Applying SWOT and external environmental scanning techniques contributes to establishing and putting in place those sensory monitoring processes that significantly aid in mitigating potential crises situations. Sensory monitoring includes, but is not limited to:

- Adherence to effective internal and external communications from all constituents of the of the organization regarding potential areas of concern;
- The development and periodic review of comprehensive business data; and
- A total organizational audit from top to bottom to flesh out potential areas of crises concern (*Leading through a crisis*, 2009).

Throughout the continuous planning process, organizational leaders and team members must be able to develop the foresight for crises anticipation. The progressive development of this foresight should lead to the development and preparation of action plans designed to neutralize and contain perceived potential areas of crises. The crises plan must be able to:

- Identify obstacles and fail points, i.e., what factors can and will fuel a potential area of crises;
- Create a resource plan, i.e., identify those resources the organization might need on board to aid in a crises;
- Create a communication plan, i.e., create a communication plan that is designed on a need to know basis both internally and externally; and
- Distribute the resource and communication plan, i.e., all the key players who are part of the crises action process should be issued a copy of the resource and communication plans and measures must be taken to ensure those key players understand the resource and communication plans (*Leading through a crisis*, 2009).

Once organizations has identified those obstacles and fail points that can have a drastic effect on the operations of the organization, the plan for defeating those obstacles and fail points are not complete until the leaders and team members test those plans under simulated and rigorous conditions. Scenario test activities is a means by which organizations can measure the future outcome of a crises situation, and actual simulated scenario activities help to improve the quality of continuous organizational planning.

Creative simulated test plan activities will reveal with clarity what can actually go wrong in the environment, and testing the plan offers a chance for organizational personnel to train and prepare for the future crises events. Creative scenarios activities ensures that organizational members are focused on priorities and the plans that have been developed are aligned with changes that can take place both inside and outside the organization. Moreover, organizational creative scenario activities allow for organizations to project negative events that could possibly affect its environment 5, 10, 15, and even 20 years down the road. Continuous planning as well as the testing of those plans through scenario training ensures that each potential crises event has a developed strategy to suppress its effects and increases the survivability of the organization (Tracy, 2010).

MITIGATE THE THREAT

“Procrastination is the archenemy of crisis management” (Witt, 2002, p. 1). Frequently, crises emerge or go from bad to worse, simply because someone failed to act (Witt). When a crisis presents itself, leaders must take action. “Tough decisions must be made and made fast” (*Harvard business essentials: Crisis management*, 2004, p. 20).

Successful crisis mitigation requires immediate triage – the bleeding must be stopped (*Harvard business essentials: Crisis management*, 2004).

A crisis event can threaten any organization at any time during the business life cycle (Hargis & Watt, 2010). Therefore, it is important to understand the actions that may be taken to mitigate any loss and facilitate a speedy recovery for the organization. For our purposes, let us define the term, crisis, as any situation or event that creates disruption to the organization's normal operations. We would also suggest that a time element exists in a crisis event. This time pressure is the result of the perceptions of the business managers/leaders of "the amount of time they have to search, deliberate, and take action before losses being to occur or escalate (Ford, 1981). Therefore, mitigation of the events occurring becomes of paramount importance. With this in mind, it is critical for business leaders/managers to have an understanding on how to lead and manage crisis events. It is obvious that no organization can "totally control or prevent the occurrence of any potentially negative crisis event" (Louden, 1992). Moving forward with this theory, we suggest in order to navigate these events strategic planning and strategic leadership are of vital concern.

Rigorous strategic planning can assist your organization to clarify its goals and deploy the available resources in a manner that is consistent with the planning. It also assists in maintaining the focus of your organization on those issues. It may also assist in averting some unexpected developments and help mitigate others. Thus, sound strategic planning can enable your organization transcend the circumstances you are encountering and avoid the panic of entering crisis management (Lettow & Mahnken, 2009). Realistically, situations, large or small, can enter our lives instantly. More recently, the economic situation we are facing is very real and has affected virtually every type of organization at some level. "The attitude of those responding to the crisis and the cohesive nature of the teams involved is critical to the success of the effort" (Van de Walle & Turoff, 2007). To mitigate any encountered situation, the organization must first recognize what is being encountered. It is this detection that influences the organization's ability to mitigate the encountered event(s). Clearly, the scale and scope of the event can and most likely will produce complex and difficult situations that must be handled. In some instances, the initial response by organizational leaders/managers is to deny that an event has taken place that requires the organization to respond. This assumption results in the belief that no changes or reactions are needed within the organization. These leader/managers suggest that the issue is outside their realm of influence and that by "pulling together they can weather the storm" (Ford, 1981). There is a very large body of both literature and practical real-world experience that indicates that ignoring an event will not make the event disappear.

The organization's reputation among its various stakeholders (employees, stockholders, customers, the community where the organization is located, etc) and what those stakeholders believe regarding the previous behaviors demonstrated by the organization will also affect the mitigation and recovery effort. There is evidence that suggests that an organization's reputation is a strategic resource to be used wisely and that same reputation may assist organizational leaders/managers during the mitigation and recovery phases of a crisis.

Take Action

"When crisis strikes, a leader must initially think like an EMT. He must quickly identify the problem and determine what actions his organization can take to stabilize the situation" (*Crisis management: Master the skills to prevent disaster*, 2004, p. 67). These actions may only be technical solutions, but they will buy the crisis action team time to implement the appropriate actions form the crisis action plan (*Crisis management: Master the skills to prevent disaster*, 2004). With the crisis action team in execution mode, the leader should continue to search for new and decisive ways to facilitate damage control and move the crisis out of the danger zone (Bazerman & Watkins, 2004). At this point, information is critical to the leader but it's also one of his biggest challenges. His problem may be that there is too little information available, or it may be that there's far too much, with no way to sift out what is important (*Crisis management: Master the skills to prevent disaster*, 2004). Consequently, the requirement for the leader to bring clarity to a murky situation might well be describe the early phase of most crises (*Crisis management: Master the skills to prevent disaster*, 2004). Despite this information challenge, the leader must continue to shape the response through actions, even when the response may be based on inaccurate or incomplete information (Bazerman & Watkins). Decisive, identifiable action is critical at this point because it reduces individuals' perceived level of disequilibrium. Additionally, it gives the appearance that responsibility for the problems has been shifted to the individuals taking action. People will feel that the danger is retreating when they see the leader is paying attention (Heifetz, 1994).

Be On the Scene

Individual's need to know the leader is involved. This critical point cannot be overstated. People want to see their leaders in a crisis (*Harvard business essentials: Crisis management*, 2004). The leader should be physically on the scene as soon as possible. His physical presence sends a loud and clear signal that he thinks this situation is extremely important (*Harvard business essentials: Crisis management*). Similarly, a leader's absence sends the message that he has other priorities (*Harvard business essentials: Crisis management*). Physically being at the scene also gives the leader the opportunity to embrace his central leadership role, capture the initiative, seize power and take control (Bazerman & Watkins, 2004). During periods of crisis, people look for a strong, confident, and visibly engaged leader to pull them through (*Harvard business essentials: Crisis management*). Sadly, analysis of crisis after crisis repeatedly reveals that leaders hit by crisis often withdraw behind the protective shell of peers and lawyers or they play the blame game with subordinates and the media (Pinsdorf, 2004).

Consult the Team/Find Experts

During crisis mitigation, a leader will find himself deluged with time sensitive decisions. Information quality may be marginal at best and there is little time to consider alternative courses of action or think about unintended consequences. The organization's crisis action team exists to address this challenge and take pressure off the leader. Never the less, a leader's capacity to make good decisions will undoubtedly be strained, making it imperative that he seek expert advice and council (*Harvard business essentials: Crisis management*, 2004). Small group decision making can provide a backstop to help curb a leader's impulses, encourage reflection and critical dialogue, and point out problematic assumptions and unrecognized implications of a potential course of action (Stern, 1999). Likewise, engaging subject matter experts from outside the organization as well as individuals, companies, or industries that have an interest related to the crisis can bring fresh, critical thought and ideas to the table (Mitroff, 2004). But leaders should also consider the warning to "beware of conventional wisdom – it may be wrong" (Stern).

TELL THE STORY

Another issue that must be part of any discussion on crisis management and leadership is the issue of communication. The communication process is critical during normal business operations; however, it takes on an even more criticality during a crisis. On June 28, 1863, three days prior to the Battle of Gettysburg, General George Meade was made the commanding officer of the Army of Potomac by President Abraham Lincoln. Realizing that a major battle was close at hand, Meade needed information- accurate and complete information – in order to prepare the Army for the forthcoming task. General Meade treated his subordinates as colleagues rather than as subordinates. Meade believed that "important plans may be frustrated by subordinates, from their ignorance of how much depended on their share of the work" (Coddington, 1968). As history shows, Meade did receive accurate and complete information and passed that information on to his subordinates, which resulted in the defeat of Confederate forces under General Robert E. Lee. What was true then is true now; communications must be accurate and complete for senior leaders/managers within the organization to formulate appropriate responses to the situation and the recovery effort. It is equally important that senior leaders/managers also provide subordinates and with complete and accurate information. As Ford (1981) suggests, information distribution and distortion is likely to place the organization at an even greater disadvantage.

Effective communication is critical to leaders through all phases of the crisis. A leader should capitalize on all forms of communication to tell the story and ensure the widest reception. If a leader communicates effectively, he can at least help to frame, if not control the story. Failing to communicate will result in a misinformed public that may go so far as to damage or destroy the organization (*Harvard business essentials: Crisis management*, 2004).

In the end, how well or how poorly a crisis goes for an organization will have much to do with its communication. If an organization's communications seem open and truthful and the leader is seen as genuine, compassionate, and confident in the future, the leader has already gone a long way towards successfully managing the crisis (Witt, 2002).

Be the Spokesperson

Selecting the correct spokesperson is also central to the effectiveness of an organization's communications. It is imperative that the spokesperson have inner discipline and poise. Crisis will escalate the stress for both the spokesperson and the audience. Despite the stressful environment, a spokesperson must not show distress; he must have the emotional capacity to endure the uncertainty, frustration, and pain that is ever present in a crisis (Heifetz & Linsky, 2002). Whenever possible, the spokesperson should be the identifiable leader, usually the CEO (*Harvard*

business essentials: Crisis management, 2004). When the crisis involves highly technical issues that the CEO cannot effectively address, a team approach should be used (*Harvard business essentials: Crisis management*). General Tommy Franks used this technique very effectively during the Iraq Campaign. General Franks would provide the strategic overview and key points but would hand-off detailed questions to subject matter experts (*Harvard business essentials: Crisis management*).

Be Honest and Timely

Rapid, honest, and transparent communication is the lifeblood of successful crisis management (Witt, 2002). The crisis leader must provide all available information as timely as possible. His message must always be forthright, accurate to the best of his ability and reinforced with understandable facts (*Harvard business essentials: Crisis management*, 2004). If there is ever any doubt, his guiding principle should be to err on the side of over disclosure (*Harvard business essentials: Crisis management*). The leader must also get his side of the story into the public's mind early and often (*Harvard business essentials: Crisis management*). When he doesn't, his organization is often convicted by the court of public opinion because a statement by the leader is too late or overcome the medias' negative story and the perceptions that have been fostered (Mitroff, 2004). Warren Buffett's advice is to "first state clearly that you do not know all the facts. Then promptly state the facts that you do know. One's objective should be to get it right, get it quick, get it out, and get it over" (*Harvard business essentials: Crisis management*). An organization's crisis management team may be great and its crisis management plan may be complete, but if a leader cannot communicate his message during the crisis, the organization will fail (*Harvard business essentials: Crisis management*).

Shape the Message

A leader must also determine the principle message he wants to convey in the story. For starters, it should reduce fear and contain empathy for the victims of the crisis. Many victims will sustain incredible loss; financial, emotional, and spiritual. When a leader genuinely conveys a feeling of empathy to the victims, it bolsters the confidence, will, and character they need to recover (Witt, 2002). The story should also tie into the organizations core purpose and values. A message developed from the organization's purpose and values will be calming and reassuring because of its consistency. Organizations that know what they stand for and know where they are going before a crisis hits, inevitably manage it better (*Crisis management: Master the skills to prevent disaster*, 2004).

PROFIT FROM THE CRISIS

Time is not a leader's friend. The longer a crisis drags on, the more likely it is that the organization will be associated with trouble and conflict in the public's mind. Similarly, while the organization is embroiled in crisis, it is likely that it is not working at peak efficiency. Employees will become increasingly concerned with the health of the company and defections will increase. Relationships the leader has developed with suppliers, customers, investors, and stakeholders, which strengthened in the early stages of the crisis, will become increasingly strained. The leader must press on to the next move; he must resolve the crisis, quickly (*Harvard business essentials: Crisis management*, 2004).

At some point the crisis will end and the leader should declare the crisis is over. The leader's declaration serves to stand-down the crisis action team, turn off the crisis mind-set, and focus on adapting the organization while searching for opportunities. To give closure, a leader should meet with his organization. He should explain what happened and why it happened. He should describe how things have been resolved and where they stand today. Finally, he should reiterate the company's core purpose and values and ask everyone to do his best moving forward (*Harvard business essentials: Crisis management*, 2004).

Keep Moving

Once a leader has mitigated the threat, that is, moved the crisis out of danger zone, he can begin efforts to profit from it. He must keep an eye on the threat, but his primary goal should be to move forward as quickly as possible with actions to end the crisis completely. Failure to guard against the threat and move forward gives the crisis an opportunity to mutate and break through the holding actions (*Crisis management: Master the skills to prevent disaster*, 2004).

Learn From the Crisis

A lessons learned session, or after action review should follow any significant event, especially a crisis. Participants should identify what went right, what went wrong, and what should be learned from the event. The leader should

add the notes from the after action review, as well as all relevant crisis documents, to the historical record so valuable experiences are not lost (*Crisis management: Master the skills to prevent disaster*, 2004).

Adapt the Organization

The leader may feel a lot of internal and external pressure to see the crisis as a technical problem, with straight forward, technical solutions that can quickly restore the balance (Heifetz & Linsky, 2002). But he must not squander the urgency, attention, or opportunity the crisis has given him to address the difficult adaptive task of reinvention and simply return to status quo.

CONCLUSION

During a time of uncertainty, opportunities are available for those organizations that are prepared. As was previously stated, managers tend to be protective and hope that over time things will work out. Leaders/managers that use their imaginations, pay attention to the indicators, and listen to understand experts both inside and outside their organizations will find recovery faster than those that enter into a protective state of mind. Those leaders that understand what caused the crisis and work to create a lasting value for the organization's customers, employees, and shareholders will be successful when compared to those that use protectiveness as a method of dealing with the crisis. A true leader understands that the world that existed prior to the crisis will not return to its original condition, therefore, we need leaders/manages that will understand how to benefit from those events that occurred during the crisis. During a crisis, true leaders are those who believe in people; create a feeling of belonging and confidence that the organization will emerge from the crisis in a stronger position than it was before the crisis. Leadership exists because of people. It is for people and with people that we get the concept of leadership. Leadership does not exist as a concept in a vacuum; it exists because it is with this concept that we, as a people, are able to achieve great things.

For years crisis management has been synonymous with reactive leadership. While this type of leadership is often an unavoidable reality, this paper introduced a model that may be used to understand the general life cycle of a crisis, but what is the utility of such a model?

Applied to specific situations, this model can serve as a lens through which leaders may view their organizations. This lens can frame the crisis and help leader's understand the situation they are facing. Further, the model provides the leader perspective and context during the crisis. This perspective gives the leader a birds-eye view of the situation. The crisis life cycle model addresses the theory of crisis analysis, but the strength of the tool is put into practical terms when the crisis leadership strategies are applied to the model. The strategies represent the prescriptive portion of the paper. Knowing where an organization is in a crisis is not helpful unless the leader also knows how to manage this new reality.

We believe that each crisis situation is unique and therefore it is impossible to develop a checklist that can be universally applied. However, the theory and strategies addressed in this paper may serve leaders well, if used to think about where their organization may be in the life cycle of a crisis and the appropriate strategies to be employed to meet their unique challenges.

The intent of this paper is to provoke thought within leaders at every level concerning the management of crisis situations and leadership in this environment. The skills required to lead through disaster must be continually honed to prepare for, respond to, and learn from crisis.

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