



New Leadership
for a *Changing* World

Leading in a crisis

Part One



Welcome to the first part of a two-part paper on leading in crisis. The emergence of COVID in 2020 presented an unprecedented range of challenges to organisations and their leaders: a major global crisis that affected every aspect of society, business, politics, and economics, combined with a need to rapidly move entire enterprises to remote working.





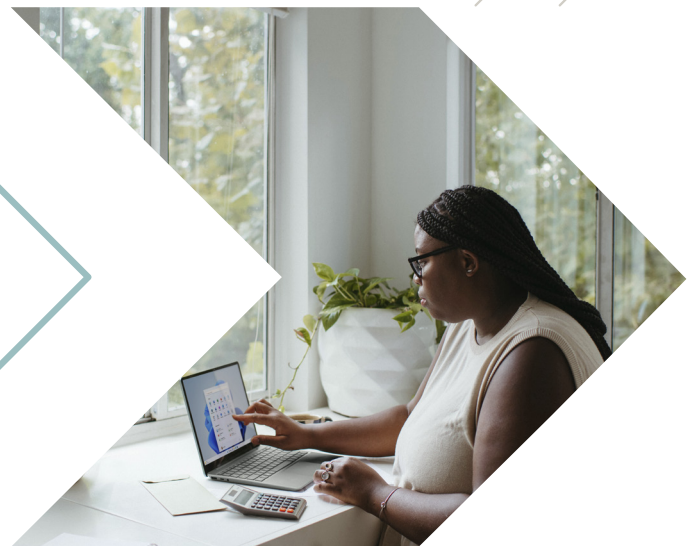
Covid was unusual in that it combined both these challenges simultaneously i.e., compelling enterprises to operate virtually at scale DURING a major global crisis.

Over the course of two papers, we will derive some crucial insights from these challenges to support your leadership development, and we will do so by separating the crisis and remote working issues, beginning with leading in a crisis.

Leaders have long been told they are facing ever increasing levels of instability in their organisation's environment.

The term VUCA perhaps best summarises an environment increasingly affected by volatility, uncertainty, complexity, and ambiguity.

A crisis will often encompass all of these issues simultaneously. Academics characterise a crisis as being an event of significance, with a relatively short decision window, accompanied by an element of unexpectedness or surprise, usually associated with "disorientation, a feeling of lost control, and strong emotional disturbance".



Organisations have been attempting to better react to this evolution and anticipate such crisis for some time, hence the ongoing interest in strategic themes like agility, organisational foresight and scenario planning, dynamic capabilities, cooperation across eco-systems and the need to focus on self-organising systems (perhaps best typified by the Rendanheyi approach of Haier Corporation).





But what of the individual leader?
How do commentators suggest they should best prepare for and react to the emergence of a major crisis?

Perhaps it is best to start with what the rest of the organisation needs in such situations. Commentators point to a number of needs amongst followers during a crisis including the need for clarity and understanding

(what is going on?); Reassurance and confidence (we can deal with this and it's going to get better); a direction of travel (this is what we are going to do) and the deployment of appropriate systems, structures and processes to manage the crisis e.g. self-organising structures, remote communication / collaboration systems etc.



Three issues emerge as particularly significant for leaders, the need to make sense of the crisis for themselves and stakeholders, to demonstrate care and to deploy appropriate tools to help followers manage themselves out of the crisis.

Leaders must clarify and make sense of crisis situations that are often complex, dynamic, and ambiguous. Johansen (2012) defined **clarity** in VUCA as the ability for leaders to make sense of chaos, to comprehend clutter and paradoxes, and envision a future that others cannot yet see. Crucial to this will be personal sense-making – during which leaders may need to develop new mental models to fit with the environmental conditions created by the crisis. There are significant dangers here as individuals tend to simplify complexity through their mental models so as not

to be overwhelmed by data and instinctively look to the past (an unreliable source at the best of times) for guidance. Further this sense-making needs to be built into a general consensus, particularly in top management teams. Challengingly, top teams' sense-making will typically lag behind that of the leader, a situation further exacerbated when considering the rest of the organisation. A huge amount of cognitive inertia may need to be rapidly overcome at many levels in the organisation for progress to be made.



There are further major ‘traps’ for leaders addressing these demands, particularly the tendency of those at the top of organisations to revert to a management rather than leadership stance in a crisis – focusing on the known and familiar, looking backwards for advice and guidance, not thinking beyond the immediate situation, trying to control ALL decisions through entirely centralised control and forgetting to pay sufficient attention to human factors.

Commentators have suggested that managing employees and their morale was the single most important priority for leadership teams during COVID. This then is the time for leaders to show they care, as staff struggle with often

extreme levels of uncertainty, anxiety, and confusion. Academics stress a particular focus on **accessibility, availability, and reliability**. ‘Showing up’ – being visible, present and available in a crisis, however that might be achieved (face to face or remotely) is a key sign leaders care, hence “leadership is strengthened, legitimised, even venerated when leaders appear at the site of crisis” (Tomkins 2020).

But arguably, before any steps are made to direct followers in how to react to a crisis, leaders need to manage their own responses. Personal sense-making is the start of this, along with a sensitivity to how the crisis might be affecting their own decision making.





This requires leaders to be tuned into (and regulate) their own emotions pointing to the importance of an ongoing effort to develop emotional intelligence (something we will return to in the second of these papers).

This emotional intelligence needs to include how leaders are thinking of themselves. Miles Advisory's research into the impact of COVID suggested that over a quarter of interviewees described their experience as a primarily negative one.

For this group the three words most frequently used were...



One of the most significant pitfalls for leaders during crisis is that they fall into **‘sacrifice syndrome’** taking on the majority of the responsibility for decision making, attempting to micromanage every aspect of the operation of the organisation and perhaps most importantly, failing to take care of themselves physically and mentally.

Stress, anxiety, and a lack of sleep have all been shown to negatively impact information processing in decision making at a time when the quality of such decision making becomes more crucial than ever.

Physical resilience may be as significant as mental fortitude throughout a crisis. Hence, in times of crisis, leaders must take care of themselves and be resilient (Heifetz et al., 2009) in order to effectively lead their organizations.

So, as well as working on your emotional intelligence and potentially going to the gym regularly to ensure our physical readiness, how else might leaders prepare for future crisis? By their very nature, the most significant crisis tends to be unexpected and unpredictable.





But this should not deter leaders from ‘cultivating vigilance and protecting preparedness” (Stern, 2013), by ensuring that appropriate systems, structures, and staff are in place to respond pro-actively (in a self-organising way) to the next crisis and creating a culture of preparedness.

Start by asking some simple questions...

Do you have a chief crisis officer or a crisis management team?

Have you had sufficient training to deal with a crisis?

How about the rest of the staff and senior management?

What are you doing to make sure your organisation can detect the early warning signs of an unfolding crisis?

How do you ensure your organisation learns from crisis events, extracts benefit from the experience and gets better at dealing with them?

Do you have a culture of preparedness?

There is opportunity as well as challenge. As one of our interviewees suggested, “A crisis is a terrible thing to waste” using COVID as an opportunity to imagine how their organisation could emerge “in better shape, thinking and operating differently”.

More than twice as many interviewees in our survey described their recent experience of the crisis as being more positive than negative.

The primary reasons for the positivity were feelings of...



Lewin notes that typically organisations become ‘frozen’ over time and unreceptive to change initiatives. They need to be unfrozen for change to happen. A crisis potentially creates that opportunity.

Renowned academics like Andrew Pettigrew have long noted the active exploitation of crisis by leaders in organisations to help catalyse change.

As well as a major challenge then, a crisis is perhaps one of the most significant opportunities

for leaders to make real change happen.

Typically, this will start with the deployment of appropriate tools and processes to allow staff to manage themselves out of the crisis. In terms of the appropriate tools, inevitably this will vary on the nature of the crisis e.g., during COVID the focus was on remote (typically home) working at scale.

We will examine the leadership challenges of this context in our next paper.



Reading List



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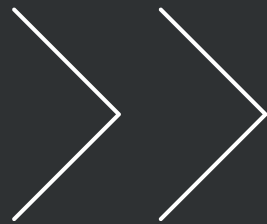
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