

LEAD ON!

Since September 11, business leaders have been reassessing how well prepared they are to lead.

By Ruth Palombo Weiss

John P. Kotter, Harvard Business School professor and author of *Leading Change*, says that when a crisis develops, people tend to react immediately to try to solve it. “Conducting business as usual is very difficult if the building seems to be on fire,” wrote Kotter, unknowingly prophetic. “But in an increasingly fast-moving world, waiting for a fire to break out is a dubious strategy.”

When economic and political environments are relatively stable, handling new initiatives promptly isn't an essential element for success. Says Kotter, however, “The problem for us today is that stability is no longer the norm. And most experts agree that over the next few decades, the business environment will only become more volatile.”

So in times of political and economic instability, it's crucial for leaders to have a well-reasoned strategic plan, as well as be flexible and farsighted enough to know when to stick to that plan and when to alter it.

Crisis Leadership

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Back to Kotter: “Leadership is a set of processes that creates organizations in the first place or adapts them to significantly changing circumstances. Leadership defines what the future should look like, aligns people with that vision, and inspires them to make it happen despite the obstacles.”

We all know that there are few easy answers or trouble-free solutions when dealing with crises. Ronald A. Heifetz, founding director of the Center for Public Leadership at the Kennedy School of Government, Harvard University and author of *Leadership Without Easy Answers*, writes: “We call for someone with answers, decision, strength, and a map of the future, someone who knows where we ought to be going—in short, someone who can make hard problems seem simple. Instead of looking for saviors, we should be calling for leadership that will challenge us to face problems for which there are no simple, painless solutions—problems that require us to learn new ways.”

Heifetz notes that in business, the concept of leadership has evolved. For decades, most people referred to top-management positions when they talked about leadership. That’s still the case more often than not. “Recently, however,” says Heifetz, “businesspeople have drawn a distinction between leadership and management, and exercising leadership has come to mean providing a vision and influencing others to realize it through noncoercive

means. Rather than define leadership either as a position of authority in a social structure or as a personal set of characteristics, [it may be] more useful to define leadership as an activity. That allows for leadership from multiple positions in a social structure. A president and a clerk can lead.”

There are numerous ways to hold people together through a period of disequilibrium. Strengthening a variety of sources of cohesion can help a group withstand centrifugal or divisive forces associated with the kind of adaptive work required and address the underlying sources of a crisis. Those sources of cohesion are no great mystery, according to Heifetz. They include

- horizontal and lateral bonds of identification and association
- vertical bonds of trust in authority
- a shared language, purpose, and values
- a shared history of problem solving.

The stronger the cohesive bonds are, the more heat and more sustained stress an organization can endure without breaking apart.

Disasters, both real and metaphoric, continue to engender a great deal of anxiety since the terrorist attacks of September 11. “The most influential variable in regulating the anxiety of any work group is the presence of a clear-thinking leader,” says John Engels of Leadership Coaching Incorporated. “Leadership regulates the anxiety of any group—the family, a company, the nation.”

2. Know your stuff.

Followers don't care if you're good at office politics; they want you to be good at what it takes to get the job done.

1. Maintain absolute integrity.

That means doing the right thing.

3. Declare your expectations.

You can't “get there” until you know where “there” is, and let your followers know.

4. Show uncommon commitment.

If you aren't uncommonly committed, no one else will be.

Eight Universal La

A hallmark of an exceptional leader is the ability to spend time thinking about a crisis problem. Says Engels, “The higher the level of leadership one has in any organization, the more of his or her time has to be devoted to thinking rather than doing. The CEO is being paid to think on behalf of the organization, and much of his or her time has to be devoted to thinking.”

Leaders must maintain their ability to keep thinking when a crisis develops and not become entangled in a swirl of anxiety that threatens to take over the system. That’s the dilemma, because leaders are often subjected to emotional forces. “They have to stay connected,” says Engels, “but emotionally separated. That’s significant, because you can’t hold steady to a strategic goal if you can’t think.”

Leaders must base decisions on thinking and an overall strategy instead of just reacting to a specific crisis. Leaders who can regulate their own tendencies to respond in an automatic or emotionally driven way—and have a clear sense of self—know where they’re going. They also know where they strive to take the organization and are able to succeed in times of crisis.

“Holding steady doesn’t mean not changing your mind,” cautions Engels, who notes that good leaders have the presence not to get taken out of action by their anxiety. If a leader needs to shift directions, he or she must base that decision on new information that has been analyzed and reasoned thoroughly.

Emergency, adaptive

Heifetz points out that a major crisis has two distinct phases—emergency and adaptive—and that it’s important to distinguish between the two. The first is an initial response to the threat itself.

Says Heifetz, “Mayor Giuliani and New York City did a good job orchestrating the aftermath of the terrorist attacks. Giuliani sustained the New York people in a horrific moment.”

The immediate aftermath is over, and we’re now in a more complex phase that makes terrorism no longer negotiable. If this adaptive phase isn’t addressed, crises reemerge either because they’ve been festering or things fall apart quickly.

Crises sometimes embody adaptive challenges that have been left unattended for a long time. The September 11 attacks stem, in part, from situations in Bosnia, Kosovo, and Jerusalem.

Says Heifetz, “September 11 was an awakening of this festering challenge, and we must mobilize to meet it. We live in a world where interdependence is the only sustained source of security and peace, and where it’s no longer a luxury but an obvious fundamental. That’s our much bigger challenge.

“Getting people to clarify what matters most, in what balance, and with what tradeoffs becomes a central task. [Leaders] must provide a guide to total formation and strategy. In selecting adaptive work as a guide, one considers not only the values that the goal

6. Take care of your people.

When you take care of them, they’ll take care of you, and the reverse is also true.

5. Expect positive results.

Research has shown that the higher your goals, the higher the goals you’ll achieve.

8. Get out in front.

You have to lead by pulling and not pushing. Get out in front where you can see and be seen. Not only will you know what’s going on, but the people who follow will know you’re committed.

7. Put duty before self.

If you’re a leader, your mission and your people must come before you or you aren’t a true leader.

Principles of Leadership

represents, but also the goal's ability to mobilize people to face, rather than avoid, tough realities and conflicts. The hardest and most valuable task of leadership may be advancing goals and designing strategy that promote adaptive work."

In addition to having skills in planning, design, and strategy, good leaders are also excellent communicators. The first task of a leader during a sustained crisis is to recognize the crisis, articulate it to the group, and develop a plan for dealing with it.

In times of crises, leaders need to meet frequently with a wide range of employees to understand how their business and strategic initiatives are progressing. During such collaborative processes, each subgroup should determine what's working and what isn't. If the business has to defer any activities to accomplish its strategic goals, the leadership group can determine how that decision will affect the company within a specific timeframe.

One of the hardest decisions leaders are called on to make is determining how much time will be spent dealing with risks during times of acute threat. Will the solution be all-consuming, or can the firm deal with it while continuing its mission?

Because each crisis is individual, there's no way to plan how to respond until you know the specifics. James E. Jones, a psychotherapist with Psychotherapy Provider Network, says that during the September 11 terrorist crisis, Sun Microsystems turned away from its everyday business missions to take care of 400 employees in the World Trade Center who suddenly didn't have a place to work. For several weeks, many people at Sun Microsystems put aside what they were doing to get those 400 people up and running again.

Another necessary skill for constructive leadership is acknowledging the job that all employees are doing and giving them positive recognition, especially in times of crisis. "It's vital to keep employees involved in your business; it's their business as well," says Michael Scalzo, managing director and CEO of

GEMKO Information Group. "We want to keep our employees excited about the future, so we need to communicate that our strategic goals are still in place as we ride through the storm."

It's also crucial for leaders to continually promote what they're trying to do, says William A. Cohen, author of *The New Art of the Leader*. The most important way to ensure that the message you're sending is the same message that's being received is what management guru Tom Peters calls management by wandering around. "People see you, and you see your employees," says Cohen.

In leadership seminars, Cohen often uses the childhood game of Telephone to illustrate what can easily happen when people communicate. During one such exercise at the FBI academy with about 50 police chiefs in attendance, Cohen asked the group to select five chiefs who were considered especially articulate. With the other four out of hearing, he read a short story aloud to one chief in front of the class. Then, he asked that chief to relate the story to the next chief and so on. The last listener had to recount what he heard to the group.

The lesson was that the accuracy of any story is degraded with each retelling. "If you have levels between you and the people you lead," says Cohen, "and you issue a mandate, it may not get transmitted correctly. The advantage of management by wandering around is that you can find out if the message you're [sending] is being perceived correctly."

Long-term, short-term

It's also important for leaders to distinguish between long-term and short-term crises. Chronic threats are different from acute threats and have special concerns and solutions. "When people are under a long-term threat, reactions often take on a life of their own and pull people away from the primary mission," says Jones. "Humans deal better with ongoing stress when they have a plan or structure to [manage] it."

Leaders also need to help people determine

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which are real threats and which are imagined. It's important to make a plan to deal with the real ones and develop strategies to ignore or minimize the imagined ones.

Because politics are involved in any major change, leaders need to separate political factions from the original business model. Because we all tend to fight for our own territory, it takes exceptional leaders to look unbiasedly at the business model and cut the parts that will have the least impact. It's a leader's job to make adjustments so that when the recession or crisis is over, the business is still able to pursue the original strategy.

Jones advises that leaders also have to be prepared to deal with an increase in employee absences, faction fights, turf wars, and other emotionally driven distractions from the primary mission. Some employees may take decisions, such as eliminating a division, emotionally rather than rationally. Leaders need to keep the big picture in view and apply a balanced approach.

When people have a sense of belonging to a group or an organization, they find it easier to deal with crises because they're focusing on the group as a whole and not just on their personal reactions to the situation. In difficult times, some people may try to take advantage. Leaders must interrupt behaviors that are "me first" and make it clear that the business can't succeed when people pursue only their own interests.

Freezing or shutting down in response to an ongoing threat is another common consequence of sustained stress. When that occurs, leaders need to pump up the troops.

In the best and worst of times, the way in which a leader functions has an enormous influence on the people in the company. A leader's physical presence is comforting to people in times of stress. People look to authority as an indication of how tolerable the level of distress is. If a leader conveys composure, as Giuliani did, that will communicate that the crisis is containable and even though these are tough times, the crisis

can be overcome.

"Never underestimate the impact of the behavior of leaders," says Jones. "In the midst of a crisis or threat, the leader needs to keep his or her head and help the group define what needs to be done. Leaders must also publicly demonstrate such ability. Giuliani's words were on target, and his manner conveyed volumes."

Says Engels, "Leaders must have a moral compass. I'm not talking about product or service, but the process. Churchill said that the reason World War II happened is because the wickedness of the weak was stronger than the virtue of the strong."

Cohen says that times of crisis often produce a roller-coaster effect. "On Monday, the goals may be clear to us. But on Wednesday, they may not be as clear. That's why any leader has to continually restate goals. It's also essential to promote the goals in different ways."

Pointing to how the Bush administration has continued to remind the world that the war against terrorism is long-term, Cohen notes that some days Secretary of Defense Rumsfeld says it won't be an easy war to win and other days President Bush, Secretary of State Powell, or a key congress member restates the same message. Cohen advises that leaders need to make sure their vision and overall goals are continually promoted and that the company is progressing toward those goals.

"It doesn't matter if the progress is slow. What matters is that progress is acknowledged," says Cohen. "Integrity is the basis of leadership. Leaders need to tell the truth, and they need to keep everyone informed." TD

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