Business Leadership During an Unprecedented Crisis

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Author's note

This has been written as the Covid 19 virus affects the world with large scale illness and fatalities. The New Zealand government has just announced that the country will go into four weeks of Stage 4 alert where citizens are to stay at home, while educational and non-essential business will close. This article provides a summary, at short notice, of some key elements from a larger research project.

Introduction

Although the Covid 19 crisis is a medical issue, it is increasingly becoming a leadership issue. At a government level, leaders across the world are making crucial decisions regarding their approaches for dealing with an immense, global challenge.

Skilled, competent leadership is vital in a crisis. While political leaders hold media attention, the leaders of business and community organisations also play a crucial role, and this commentary focuses on those groups. Existing 'business as usual' approaches do not work in crises, and unfortunately, organisations that do not make rapid changes and respond appropriately, will risk descending into varying degrees of dysfunction.

Leadership in Crisis Settings

The longstanding literature regarding disasters or crises has addressed a range of aspects, including leaders' interpretation of crisis events (Dutton and Jackson 1987; Maitlis and Sonenshein 2010; Weick 1993), communication management (e.g. Manoj and Baker 2007; Palttala et al. 2012; Quarantelli 1988), framing processes and cognitive reactions (Brockner and James 2008; Starbuck 2009), decision making processes (e.g. Anderson 1983; Smart and Vertinsky 1977), organizational learning (Christianson et al. 2009; Lampel et al. 2009), and more generally, the role of leadership in the context of crisis (e.g. James and Wooten 2010; Littlefield and Quenette 2007; Zhang et al. 2012). The consistent implication from these sources is that leading in a crisis is usually not a simple endeavour.

The scale and complexity of the current situation however, are unprecedented in recent history. Across whole communities, and across the world, citizens are experiencing high levels of community-wide, life-threatening health anxieties and job insecurity. Entire countries are in lockdown, and economies are grinding to a halt. The ongoing functioning of organisations becomes increasingly difficult to sustain, especially with large scale staff shortages. Potentially 20% of staff could be absent due to school closures, self-isolation, illness, caring for dependents, or bereavements. The situation could continue for months. The phrase from the McKinsey group, that this is no ordinary disruption, is an understatement (Dobbs et al., 2016).

Leaders need to steer their organisations and achieve a speed and scale of adaptation and innovation that most have not seen before. The demands are vast but the skill-resources are limited. Typically, leaders have little experience of such unfamiliar and complex situations. If they have not

seen effective leaders operating in a crisis, they will lack role models or a full understanding of what constitutes good leadership, and typically work without a clear plan.

Our research into crises has identified a set of leader attributes that will also be vital in the current setting. The research was inductive and empirically grounded, with findings derived from in-depth studies of a range of organisations in disaster, and disaster recovery situations (see for example, Nilakant et al., 2016; Walker et al. 2017; Walker et al., in press). Those crisis situations form a special context, and our work explored the factors that influenced the trajectory of organisations in those settings.

When studying crisis situations, there is, at first glance, a deceptive similarity among organisations. Once a crisis becomes evident, most large organisations typically adopt the same standard, official measures, such as assigning emergency roles to senior management teams, and implementing crisis procedures. However, when looking more closely, marked differences become apparent, in terms of the nature of organisations' actual crisis-handling capacities. Some organisations deal with crises in a highly responsive, proactive manner, while others struggle. A central factor that accounts for these differences is the nature of the leadership. The most effective leaders create organisational capacities that are valuable in normal circumstances, and absolutely essential in crises.

Principles, Priorities and Intentionality

The purpose of this current discussion is to outline key elements of leadership that are relevant for the current crisis. A more full account of our findings, to be published later, does address the connections between leadership in the settings we studied and the existing, well defined models of leadership theory. The focus here however, is on providing a set of principles that can be readily applied by leaders working in a crisis.

In virtually all of the cases we studied, the leaders attended to the essential tasks, in terms of planning work, accessing resources, informing staff of procedural matters and checking outputs. Those aspects are covered in standard business continuity advice and were often addressed in the organisations' own systems. These elements formed an essential, shared baseline. What was distinctive in our research however, were the factors that made some leaders noticeably more effective than others, in terms of the staff perceptions of those leaders, and the functioning of their organisations.

Contrary to common stereotypes, the most effective leaders did not have a list of pre-scripted practices that they apply in all situations. The leaders in our research they knew that each unfamiliar situation needs its own customised response. Furthermore, crises are rapidly changing, evolving situations where the needs, and the most appropriate employer responses, will change over the duration of the crisis.

Instead, these leaders worked from a set of principles that are central to their personal worldview. The principles formed an in-built way of working that already shaped their day-to-day ways of operating under normal circumstances. When thrown into unfamiliar situations, those principles became a moral compass that guided them in uncharted territory. Although the principles are presented for this discussion as separate elements, in reality they are closely interwoven, supporting each other.

The principles that differentiated the more effective leaders were not enormously new. The significant finding however, was the way that these principles were operationalised. The more effective leaders knew how to prioritise, and for them, their core principles formed the priorities

that they focused on. Alongside this, they had an intentionality about ensuring that those principles became lived out, in practice.

1. An Employee-Centric Approach

The first core principle is respecting and valuing staff. This is a non-negotiable, fundamental element that sets the foundation for the other elements. In our research, the more effective leaders typically stated that people were their first priority, and they put this into practice in a deliberate ongoing manner. This contrasted with other leaders who would focus on work processes and outcomes, and although they said that they were aware of staff needs, this typically did not carry through in their leadership actions and priorities.

At a personal level, the more effective leaders act in a very humane, emotionally intelligent way, intuitively tuning-in to how workers are thinking and feeling, seeing things from their point of view. In relating to staff, the leaders are open and they listen, with a humble and compassionate way of relating. The overall organisation shares an employee-centric culture, with the senior leader and other leader sharing this way of working, and creating systems that deliberately emphasise people-care.

In crises, staff are typically thrown into a complex and threatening setting. If leaders do not acknowledge those fears, they undermine their relationship with their workers. In the current crisis, employees' well-being has to be paramount; workers need to know their leaders understand their fears and that they are concerned for the employees' well-being too, so they can trust that their employers will not harm them. Implementing this employee-centric perspective involves looking creatively at any possible steps to mitigate the anxieties and stresses affecting workers. As mentioned, the specifics have to be customised for each crisis and are likely to evolve during the crisis. In other crisis situations they have extended to minimising or delaying the threat of job losses, providing flexible compassionate leave, remote working, and finding ways to reallocate resources to reduce stress and overload in peak demand times.

The situation is compounded when workplaces and school are closed. Although counselling support is an obvious part of helping workers, disaster research shows that the support of leaders and co-workers is also an important element for handling the stress of major disruptions, and for healing after a crisis has passed (see for example, Powley 2009). Employee-centric leaders will work to create a variety of ways to ensure that genuine person-to-person connections are sustained, and give staff a sense of belonging.

Customising a means for online social connections for example, may require experimenting, trying out options that suit a work-group. Common options can include online tea-breaks or team check-in times, but the key test is to make sure these include social interaction, rather than just business interactions. If the set-up and participation are not achieved easily, some leaders tend to give up at this point, and move their attention elsewhere. In contrast, because the more effective leaders prioritise wellbeing and social support, they deliberately persevere until a work-group does find a way of connecting that is practical for the members. Those leaders will also keep monitoring it to check in case participation declines, and if necessary they will intervene to keep the linkages happening.

2. Quality Two-Way Communication

A second, accompanying principle is two way communication. The more effective leaders in our research were often described as having a dedication to personal communication with staff and other stakeholders. Those leaders keep people constantly informed, and are transparent, but

without causing information overload. They are very visible, proactively and intentionally making contact with staff. They keep the volume of written communications manageable, with perhaps two key all-staff emails per day, and where possible they also make sure there is a face-to-face, or in this case, online contact. The leaders themselves model a balanced response that is not panic, nor complacency. Typically local leaders share the information with their staff, so that it comes from a person who the workers have a connection with. This is supplemented by broader messages from the overall organisation-leader.

The other half of the communication loop is often overlooked; and this is what distinguished the more effective leaders; they actively listened to their staff, in an open, non-judgemental way. In our research, staff trusted the more effective leaders not only because they kept them informed, but also because they also listened to them. These leaders ensure that this type of openness is part of the wider organisation's culture, shared by the senior leader and other leaders. A major crisis is a rapidly changing, unique situation where no single person knows everything that is happening. Communication from staff back to their leaders is vital for leaders to be able to respond by changing processes or allocating resources. When people operate in a setting where they can genuinely raise issues, and then see a response, with action taken to address those matters, they feel valued and heard.

While the value of communication is obvious, in our research the less effective leaders assumed their communication was good without checking; and in reality it is often lacking. Again, it was the intentionality of the more effective leaders that drove them to keep checking the true nature of the communication climate, and kept working until it is established. A responsive and attentive leader earns the workers' trust and commitment.

3.   A Common Vision and Empowered Teams

A third principle involves creating a common vision, with a sense of purpose, and empowered teams. The more effective leaders expound a clear vision, taking people beyond the day-to-day routines. They see this as a pivotal element of their role, and an essential need for the organisation, so they work to establish a shared vision and purpose in a range of ways, through their language and their messages, as well as their actions. For them, it is again ongoing work-in-progress that they prioritise and deliberately keep working at, to get everyone to share the vision and work towards the same, united goals.

Once again, trust figures large in this aspect. In our research, the more effective leaders provided quality communication that led employees to trust their leaders. Those leaders extended that dynamic further by trusting and empowering their staff and respecting their abilities.

The more effective leaders know the strengths of their staff, and create teams that are able to work together, genuinely empowering the teams to use their strengths. The effective leaders themselves are acutely aware of the emerging issues affecting the organisation, at both operational and strategic levels. They have the foresight to strategically anticipate future issues and work towards addressing them. To do this, they have to ensure that they are not trapped in operational details, and they empower capable teams, trusting them to deal with issues.

One of the distinctive difference with those leaders, compared to other leaders, is typically the autonomy and creativity of the teams. Teams throughout the organisation typically know they can innovate and create new ways of responding to issues, while still having access to the leader for advice and support, and still being accountable. One very empowering leader in our research summed up his role as the 'conductor of the orchestra'. In comparison, other leaders will typically allocate duties and roles, but without the same trust and empowerment for innovation.

4. Collaboration and Networking

Collaboration is the fourth key principle of the more effective leaders. They set an example, where they deliberately network and collaborate with a range of people and organisations. Likewise, the overall organisation has a culture where people collaborate and work with others, both inside the organisation and outside. This is not just good teamwork within the organisation, but rather it is genuine boundary-spanning, breaking down silos within the organisation as well as linking with external parties.

When those wider sets of connections are strong, people can draw on a wide range of ideas and resources, and innovative responses can happen.

In crisis situations like the current one, leaders connect with other leaders using the networks and trusted relationships that they have already built up before they crisis. They reach out to others, using local and international connections in order to create responses that suit each particular phase of a crisis. One of the lessons learned by leaders in our research was that they should have reached out, networking and collaborating much earlier in the crisis, and more widely.

Collaboration becomes part of the process of creating customised responses during a crisis. Astute leaders are intentional in connecting with other leaders and network widely. They share ideas and draw on insights and experiences, as to what is effective and what is not effective, from other organisations.

5. Personal and Organisational Learning

Learning is a special component of leadership and organisational agility. At a personal level, the what was distinctive about the more effective leaders in our research was their curiosity, and their desire to learn and grow. Leadership was an ongoing journey for them, and they used experiences as learning sources, as well as other inputs such as reading or coaching. Their openness to learning was accompanied by their willingness to explore and experiment.

Large scale crises involve rapidly changing, unfamiliar and unpredictable situations. Organisations have to move quickly, making decisions with limited information. Nothing is easy or obvious.
In this situation, good leaders realise they aren't the only ones who have good ideas. The whole organisation has to rapidly learn to work differently. Effective leaders act as hosts, creating a setting where others can provide insights, plan, trial them, and learn from what they see. Those leaders have courage, and are willing to take risks.

Learning is however, dependent on having the other principles in place. To use an analogy of a stone arch gateway, earning is like the centre-stone at the top of the curve. It depends on having a foundation underneath it, of valuing employees, communication, empowered teams, and collaboration. People will only contribute and be prepared to explore new options if the essential elements are present, including trusting their leaders, working in a shared team environment, and psychological safety. Insights come from collaboration and learning from a wide range of sources rather than remaining within the confines of one's own group or organisation.

When learning-focused leaders create this setting, the whole organisation can quickly identify new insights and possibilities, experiment with putting them into practice, adapt them and take on board new ways of working. The collective learning fostered by these leaders forms a vital organisational capability, with an ongoing process of adaptation and innovation. The investment in continuous learning will keep paying large dividends.

Situational awareness Putting Principles in Practice:

The more effective leaders in our research exhibited one attribute which was partly a product of their use of the other principles. We termed this situational awareness. In a crisis setting, with rapid, unpredictable changes those more effective leaders were particularly alert to the demands of the setting and were able to constantly identify needs, and anticipate challenges. This ranged across a range of areas, from staff needs through to external challenges. They scanned each new situation in terms of their principles, and because they were so familiar with thinking in those terms, they could almost intuitively identify issues and plan responses. This awareness also created their awareness of the need for rapid responses and organisational learning. They could even amend their leadership style, rather than remaining locked in one particular model or mode. Overall, their leadership itself was dynamic and responsive, mirroring the dynamic nature of the crises.

Conclusion

An important finding from our research has been that the more effective leaders work from a set of central principles. Those principles provide guidance that can be adopted by others working in a crisis. Importantly though, it is not just the existence of those principles, but also the process whereby the more effective leaders translate those principles into priorities in their leadership, and are intentional in constantly working to achieve these.

That combination of principles, prioritising and intentionality are likely to be highly relevant in the current setting. The current crisis is unprecedented and unfamiliar for most people, and it will have many stages. The vast short-to-medium term challenges are unfolding, but there are likely to be enormous longer term economic effects. It will be a time that is more than just turbulent, but leaders who work in these ways, are the ones who will ride the storm best.

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