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## Preface

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Organizational instability has surged in the modern era, particularly in responses to a wide variety of crises. As defined by Erika H. James and Lynn Perry Wooten, a business (or organizational crisis) is “Any emotionally charged situation that, once it becomes public, invites negative stakeholder reaction, and thereby has the potential to threaten the financial wellbeing, reputation, or survival of the firm or some portion thereof.”<sup>1</sup>

Crises take such forms as a sharp downturn in business, hurricanes, tornadoes, fire damage, a massive product recall, workplace violence, and a sex scandal involving a senior executive. Leading an organization, or an organizational unit, through a crisis was important in the past, is very important now, and will be even more important in the future because crises are almost inevitable. Leading others through such turbulence requires a crisis leader, defined here as a person who leads group members through a sudden and largely unanticipated, negative, and emotionally draining circumstance. Published handbooks about crisis leadership are quite specific to a particular field and focus more on police and security measures. An example of such a handbook would be dealing with a crisis within a school. Furthermore, limited academic research has been conducted on the subject of crisis leadership, thereby creating a need for a handbook about crisis leadership. The focus of this handbook is on the process of leadership and the leader’s characteristics.

The purpose of this handbook is to summarize much of the theory, research, and opinion about various facets of crisis leadership to advance this emerging field. At the same time we hope to provide guidelines for practitioners about dealing with organizational crises. We also attempt to provide suggestions for further research in relation to the many subtopics of crisis leadership explored in this book.

## THE FRAMEWORK OF THE BOOK

The information in this book is presented in four sections that embody the core areas of research and opinion in the subject of crisis leadership in organizations. Some of the information also deals with crisis management because it is not always easy to draw a clear distinction between leadership

and management. Crisis leadership typically emphasizes change and influence whereas management emphasizes developing and maintaining systems to prevent and manage crises. Yet both crisis leaders and managers work toward mobilizing people to prevent a future crisis or minimize its impact.

The four parts of the handbook have different emphases but some overlap is inevitable. Part I of the book focuses on the nature of the crisis leader, and some of the behaviors he or she uses to deal with a crisis. Part II focuses on actions crisis leaders take and the attitudes they take to get subordinates through a crisis. Part III of the handbook is at a more strategic and macro level as it explores the many interactions crisis leaders have with external stakeholders, as well as disaster planning and organizational learning from a crisis. Part IV is a conclusion to the handbook that is based on many of the most salient findings of the contributors.

We hope that this handbook provides fresh insights into crisis leadership as well as integrating much of the useful information in this relatively new field. Whether or not we achieve our goal entirely, the subject of crisis leadership is too important to wait for a handbook until the field has matured and most of the research findings and opinions have been replicated. The group of contributors to this volume includes some of the most influential researchers in the field of crisis leadership, often accompanied by emerging scholars.

### **Part I: Attributes and Behaviors of the Crisis Leader**

The first part of this book is pitched at the micro level, and focuses on the personal attributes and behaviors of effective crisis leaders. Part I consists of two chapters highlighting the crisis leader. Chapter 1, written by Andrew J. DuBrin, takes an overview of the leader's attributes and behaviors. An early part of the chapter classifies the types of crises facing organizations and their leaders. The thesis of the chapter is that the leader's characteristics, traits, and behaviors play a major role in his or her effectiveness in leading others through a crisis. Among the key attributes of crisis leaders are charisma and inspiration, strategic thinking, sadness and compassion, decisiveness, and adaptability. Key behaviors include directive leadership, extensive communication, staying calm, making good use of teams, and the avoidance of stonewalling the crisis.

Chapter 2, by J. B. Adams, Scott B. Dust, and Ronald F. Piccolo, focuses on how crisis leaders may choke under pressure and what leaders can do to minimize the likelihood of this happening. The chapter reviews research related to both choking under pressure and crisis leadership, and then offers an integrated perspective on approaches to minimizing

choking under pressure. Finally, the authors build upon this framework and offer recommendations for practicing managers on how to minimize choking. Three examples of the many suggestions are for leaders to (a) communicate to others where to focus their attention; (b) prioritize the worthiness of alternatives with the team; and (c) focus on the outcomes not the mechanics.

## **Part II: Leadership of Subordinates during a Crisis**

Chapter 3, written by Rajnandini “Raj” Pillai, explains that several major organizational turnarounds have been associated with the exercise of transformational leadership where the leader took an organization from the brink of disaster and returned it to profitability. Transformational leaders engage in the types of behaviors (e.g., having a vision, challenging the status quo, inspiring and motivating followers, fostering the acceptance of group goals) that are especially important during a crisis. The various elements of transformational leadership (including charisma, idealized influence, inspirational motivation, and individualized consideration) can be harnessed effectively to influence followers during a crisis. The result can be followers developing confidence and trust in the leader’s vision, developing hardiness and being willing to make sacrifices in the service of a cause that is greater than they are.

Chapter 4, by Michael D. Mumford, Paul J. Partlow, and Kelsey E. Medeiros, argues that the basis of charismatic leadership lies in the mental models leaders formulate. The major types, or styles, by which people formulate viable mental models or visions – charismatic, ideological, and pragmatic – are described. The three styles result in differences in how each leader approaches crises. Charismatics attempt to exploit crises, ideologues seek to educate vis-à-vis crises, and pragmatics seek to resolve crises. Moreover, these stylistic differences result in different patterns of performance under crisis conditions with regard to variables such as crisis awareness, accountability, and timing of responses.

Chapter 5, written by Gary Bonvillian, emphasizes a high performance leadership model that illustrates how management and leadership functions converge during times of crisis for those executives with the most direct responsibility for resolving the crisis. Based on case study analyses, there is clear evidence that senior leaders take action that requires skills and attributes traditionally viewed as responsibilities of both management and leadership. For example, in times of crisis for an organization, a leader should combine the traditional management responsibility of communicating to internal constituents with the traditional leadership responsibility of communicating to external constituents. Responding to or averting

a crisis has become increasingly important because resources to executive work have become more limited.

Chapter 6, written by Galit Meisler, Eran Vigoda-Gadot, and Amos Drory, presents the case of the importance of leader emotional intelligence during a crisis. The authors argue that crisis leadership is not limited to rational thinking and rational management. Rather, emotional aspects also play a role during such trying times. Furthermore, objective events are not the sole factor affecting employees' attitudes, behaviors, and performance. Emotions that arise in the wake of such crises and from rational behavior also play major roles in shaping these outcomes. The authors encourage other researchers to investigate the interplay between emotional factors and crisis management.

Chapter 7, by Augustine Pang, Kim Hyo-Jung, and Suwichit Chaidaroon, provides both theoretical and practical implications for organizational leaders to manage emotions of internal and external stakeholders in times of crisis. The authors explain how in times of crisis, stakeholder emotions can be manifested at three levels: direct emotions that stakeholders may experience; emotions influenced by the media; and emotions expressed in the organization. By understanding stakeholder emotions strategies can be streamlined to address their specific needs.

The authors present an Integrated Crisis Mapping model aimed at understanding the diverse and varied emotions likely to be experienced by stakeholders during crises. Given that crises are often media events, the chapter elaborates on how different news frames influence stakeholders' emotional responses to crises which in turn affect their evaluation of the organization in crisis. The emotional upheavals of internal stakeholders are examined through the types of emotional communication among internal stakeholders during and after crises.

Chapter 8, written by Rashimah Rajah and Richard D. Arvey, focuses on the role of resilience in dealing with crises. The emphasis is on resilience development that rests on the idea that resilience is learned, malleable, and open to development. Resilience can be developed at various levels – individual, team, and organizational. The authors outline what leaders can do to promote resilience among group members. The authors also argue that instead of the traditional top-down, step-by-step procedures that firms traditionally employ to solve organizational issues, perhaps we could delve more into the “softer” side of management by turning crises around through vision, inspiration, and empowerment.

### **Part III: Managing the Present Crisis and Preventing Future Crises**

Chapter 9, written by Erika H. James, Bret Crane, and Lynn Perry Wooten, explores the impact of modern technology on the various phases of a crisis. In particular, the authors explore the impact that social media have on how leaders detect the early warning signs of a potential crisis, aid in crisis response, and facilitate business recovery after the crisis ends. Organizations have embraced social media in crisis management to varying degrees. This is due in part to the additional complexity and ambiguity that social media introduce to the process. While the landslide of technologies produced by the information age may be overwhelming to some leaders, when managed effectively this environment presents fertile ground for innovation and the development of new tools and strategies for leading an organization through a crisis. Failure to use social media, or failure to respond swiftly when a firm's reputation is harmed by negative communication on social media, may make a business recovery more difficult.

Chapter 10, by Lynn Perry Wooten, Erika H. James, and Kelle Parsons, presents frames as leadership tactics for strategizing in a crisis situation. The four frames are design, political, cultural, and human resource development. The authors explain that well-prepared and capable leaders effectively integrate the diverse perspectives included in all four frames when managing a crisis. This calls not only for developing strategic plans, but also for implementing actions aligned with the thought processes of the four frames, including high reliability organizing, scenario planning, and issue selling. In addition, investing in developing human capital and efforts to build a positive organizational culture enables an effective crisis leadership strategy. Another key point of the chapter is that by asking the right questions during a crisis situation, leaders can transform from a normal to a fundamental state of leadership that is authentic, responsible, responsive to stakeholders' concerns, and receptive to learning.

Chapter 11, written by Augustine Pang, focuses on dealing with external stakeholders during a crisis by managing the information vacuum. If leaders do not fill this vacuum, it would be consumed by less credible, accurate, and useful information to the detriment of the organization. Pang's chapter explicates and elaborates on the nature, characteristics, and effects of the vacuum. The dynamics and dynamism of the information vacuum are illustrated by recent cases. Among the conclusions to his chapter are that an organization's message in the vacuum should always be victim- and stakeholder-centric. Crisis leaders should shape responses by understanding the emotional upheavals stakeholders face so that strategies can be streamlined to address their specific needs.

Chapter 12, by Robert S. Littlefield, examines the complexities of communicating with the multiple publics affected by a crisis. He explains that, historically, scholars have operated under incorrect and incomplete assumptions with respect to crisis communication. Littlefield explains that instead of a homogeneous audience, there are multiple publics. Cultural groups vary greatly with regard to language, perceptions about their place in society, normative beliefs and values, and worldviews. Equifinality establishes that there are many equivalent ways to construct crisis messages for different publics, and solutions that integrate cultural perspectives will be more effective in communicating crisis messages to diverse publics through multiple spokespeople. (Equifinality means that different initial conditions lead to similar effects.)

Littlefield recommends that rather than using one approach exclusively when conveying crisis messages to multiple publics, there should be a more culture-centered use of spokespeople to work with the organizational leaders and decision-makers to disseminate crisis information quickly and meaningfully to multiple publics.

Chapter 13, written by Stacy L. Muffet-Willett, examines the vital topic of disaster planning and training for crisis leaders and managers. She observes that effective crisis leaders protect organizations from disruption and disaster effects. These leaders have the key role of protecting lives, jobs, organizational resiliency, and the overall public opinion of that organization. As the training transfer process clearly demonstrates, motivation to learn and change has to be in place. Although there are many tools to develop crisis leadership within an organization, few studies have taken a critical look at those methods. Among these training methods are experiential learning, coaching, mentoring, and computer-based training simulations and exercises. Crisis leaders attending these types of training need to be asked their opinions. The author also argues that the research and practitioner communities need to come together to form a collective vision of future crisis leadership preparedness methods.

Chapter 14, written by Tony Jaques, focuses on another topic of central concern in the subject under study: the leadership role in crisis prevention. He explains that much of the literature on crisis management is focused mainly on how to prepare an organization for a crisis, and how to respond when it strikes. The best crisis, however, is the one that does not take place.

Jaques presents research and opinion that crisis prevention is more difficult and a longer-term goal than crisis management, demanding genuine commitment from management at the highest level. The role of leaders in achieving crisis prevention is not always fully understood. Yet the tools and processes offered by issue management, and the emerging process approach to crisis management, are key elements in helping clarify that

role. According to Jaques, experience shows that nothing damages an organization faster and deeper than a crisis or an issue mismanaged, and the responsibility to prevent such damage lies squarely in the executive suite.

Chapter 15, written by Edward Deverell, provides an in-depth look at how organizations learn from crises. Drawing on a limited knowledge base, the author begins by differentiating crisis-induced learning from other types of experiential learning. The infrequency of crises within a given organization makes learning more difficult than with repetitive events. Individuals are the main learning agents in organizational learning but knowledge acquisition becomes organizational when learning is shared and when it takes root in organizational structures. The level of centralization/decentralization in an organization is important for its crisis response and for the way the organization learns. However, the kind of decentralization that works well for complex organizations in risk-prone environments may not be easily transferred to regular organizations and firms. Deverell concludes that, given the consequences of crisis leadership and failures or lost opportunities to learn from crisis for practitioners, it is essential that practicing communities are informed by crisis management and crisis-induced learning research.

Chapter 16, by Eugene H. Fram, describes how to prevent and manage leadership crises in nonprofit organizations. Although the previous fifteen chapters present much information relevant to both for-profit and nonprofit organizations, Fram focuses on several of the unique concerns of crisis leadership in the nonprofit sector. He explains that nonprofit boards of directors have to assume an enlarged leadership position, with enhanced practice skills, to help the organization deal with the crisis. Approaches to preventing a crisis at a nonprofit organization will depend on the mission of the specific nonprofit and its type of organization.

Fram predicts that nonprofit directors and managers will continue to face environments with disruptive forces that are complex and crisis-prone. Leadership coping skills will need to be strengthened. Nonprofit board directors on crisis-prone boards will have to be much more alert to the organization's fault lines. Managing a crisis will mean much more formal and informal meeting time devoted to board discussions. A crisis at a nonprofit organization could result in the directors being saddled with personal liability. For most directors, the obligations of the position will no longer allow it to become a pleasant avocation.

#### **Part IV: An Integration of Approaches to Understanding Crisis Leadership**

Chapter 17, written by Andrew J. DuBrin, provides some conclusions about crisis leaders and crisis leadership. So much useful information has been gathered about the field of crisis leadership that conclusions of use to scholars and practitioners can be reached.

#### **TARGET AUDIENCE**

The target audience for this handbook includes scholars in the field of leadership in general, and crisis leadership and management, management consultants in the field of crisis leadership and management, human resource professionals, and research libraries. Practicing managers who search carefully reasoned and researched information about crisis leadership represent another target group.

#### **NOTE**

1. Erika Hayes James and Lynn Perry Wooten (2005), "Leadership as (un) usual: How to display competence in times of crisis," *Organizational Dynamics*, 34, 2, 142.