

Leading in Times of Crisis

Step up when you are most needed.



by Norm Smallwood and Patricia Seemann

YOU MAY WONDER WHETHER YOU HAVE what it takes to lead in a crisis. Are you the kind of leader who freezes up? Blames the problem on others? Lashes out about unfairness? Becomes a victim or a whiner? Goes into hiding? Digs a deeper hole by making dumb comments? Runs away? Puts yourself first?

Or, do you see the crisis as a chance to step up as the person in charge and make a lasting impression on others?

At some point, you will face a crisis. Your ability to deal with it successfully depends on how you act today as well as what you do in the crisis itself.

There are many types of crises. A crisis could threaten lives such as with a fire, terrorist attack, or war. Or, a crisis could be a downsizing, criminal investigation, or takeover attempt. Crisis situations involve fear of the known and unknown. The fear arises from perceived physical or emotional danger.

Before the Crisis

Leaders who shine in a crisis tend to do five things right beforehand:

1. They have the guts to live with people who are (sometimes brutally) honest with them as well as the guts to fire the ones who betray them. Leaders are most vulnerable when they have not developed strong personal loyalty and trust in and from their people. Trust and loyalty are created by honorable, fair, predictable, and reliable behaviors on both sides. In a crisis, remaining loyal to the leader will be hard. If some people get away with betrayal, others will likely try it.

2. They cultivate good followers who shine lights into dark places and offer options for resolution of problems. Good leaders create a culture where issues, fears, problems, and poor performance are debated openly, but

whining is unacceptable.

3. They have the courage to ask for help. You are not credible if you act as if you always know everything. In a time of crisis, this makes you a very scary guy.

4. They make debates and decisions based on facts, but they also take intuitions seriously. Intuition is compressed experience. In a crisis, when data is scarce and ambiguous, this is all you have to go on.

5. They never spin to their people. You may have to spin to certain stakeholders. But be careful how much, for how long. And never spin to yourself and your people. You might start believing it.



During the Crisis

During a crisis, successful leaders demonstrate eight common principles:

• They step up and do their duty, acting with honor and dignity. Leadership is a duty to others, not a privilege to you. Know it and live it. Honorable behavior inspires greatness and loyalty in your people. Dignity is what people will remember about you.

• They let their humanity show by being open and visible. When there's a crisis, everyone is nervous. No one knows what or when things will get better or worse. Real crises need to be managed by a small circle of people. If the thinking of this group and the leader is not transparent, it becomes scary for those on the outside. The best leaders stand up and are visible. In a

crisis, people want direction and reassurance. They need to see someone taking action to solve the problem.

• They act decisively, keep a perspective, and put things in context. They know it's impossible to change the past, so they don't go there. They focus on what is happening right now; talk about achievable solutions to near-term problems; put things into context to quiet nerves; give people a perspective, a sense that there will be life after the crisis and motivation to stick it out.

• They are realistic. Nothing is scarier than a leader who doesn't "get it" in a crisis. If you spew blissful confidence when everybody knows that the situation is grave, people lose confidence in you and even start ridiculing you.

• They go into the lion's den. Go face with your accusers and respond. Never lash out at them. As you respond, stick to the facts and don't be defensive. If you have made mistakes, admit them. Be confident about the future. Describe what you are doing to correct past mistakes and make a better future.

• They are modest in public and confident in private. Any trace of arrogance will make the situation worse. The leader's inner circle must know that the leader is confident for a successful outcome, but this confidence must be portrayed in public with modesty.

• Their private and public conversations are in harmony. During any crisis, people will ask the leader, "What do you really think about this?" Your answer is what will dominate the rumors around the water cooler. And that is where people make up their minds, not in formal meetings.

• They always put the company first and know when to quit. Your first duty is to the firm and your people, not to yourself. In a crisis, try to separate your personal fate from the fate of your firm. The moment people think you are trying to save your own backside at the expense of the firm, you lose your honor and any right to expect loyalty. And it is your honor and dignity that will carry you into your next stage in life.

If you follow these principles, you will step up as the person in charge. **EE**

Norm Smallwood is cofounder of Results-Based Leadership. Patricia Seemann is CEO of Sphere Advisors Inc. nsmallwood@rbl.net, patricia.seemann@sphereadvisors.ch.

ACTION: Are you sharing real leadership?