

Featured Publication & Author Interview

Leading Under Pressure: From Surviving to Thriving Before, During, and After a Crisis

by Erika Hayes James and Lynn Perry Wooten



This month, ILA president Cynthia Cherrey takes on the role of guest interviewer for this feature. Cynthia has published journal articles and book chapters in areas of leadership, organizational

development, and higher education and is the co-author of Systemic Leadership. She is a noted international speaker at conferences and events. In addition to her role as the president of the ILA, Cynthia serves as the vice president for campus life at Princeton University and as a lecturer in the Woodrow Wilson School of Public and International Affairs. In her previous position as vice president of Student Affairs at Tulane University, Cynthia was part of the Senior Leadership Team which brought Tulane University back to life following Hurricane Katrina.



Crisis management experts Erika James (L) and Lynn Wooten

As a corporate consultant, executive trainer, and keynote speaker, Erika Hayes James, has brought valuable perspective to Fortune 500 organizations such as ExxonMobil, Freddie Mac, Johnson & Johnson, and more. Her innovative teaching materials include an engaging

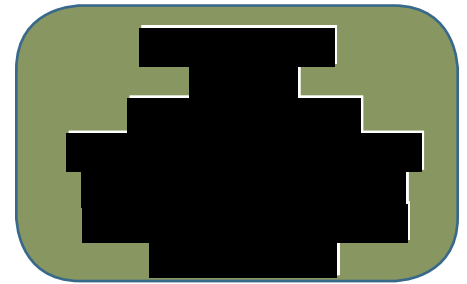
multimedia crisis management simulation as well as numerous business case studies. She is a tenured associate professor of business administration at the University

of Virginia's Darden School of Business, where she pioneered the position of Associate Dean of Diversity. A visiting professor at Harvard Business School, she has held faculty appointments at Tulane's Freeman School of Business and Emory's Goizueta Business School.

Lynn Perry Wooten is a human resources expert who assists organizations in identifying key members of a crisis team—long before a crisis ever emerges. She is adept at training executives to develop global strategies by demonstrating that “every crisis is a global crisis.” A clinical associate professor at the University of Michigan Ross School of Business, Lynn teaches organizational behavior, nonprofit management, and strategic consulting. She is the co-director of the Center for Positive Organizational Scholarship.

Cynthia: Welcome and thank you for allowing me to take this opportunity on behalf of the ILA to interview both of you on your book *Leading Under Pressure*. You may know I went through Hurricane Katrina in New Orleans and so the concepts presented in your book about leading under pressure resonated with my experience during the crisis. I understand that the two of you have written together on the topic of crisis previously. Tell us about how you got started writing on this topic.

Lynn: Do you remember the Texaco discrimination lawsuit in the mid 1990s? Erika was actually in New Orleans at that time and she came



across some interesting data that helped us to map out how Texaco handled this particular discrimination crisis. From there we went on to build a career around crisis leadership.

What was the impetus to write this book on crisis leadership?

Erika: When you look at the other books, they are all about crisis management. Lynn and I have always been very conscious about approaching the handling of crisis as a leadership agenda; so we distinguish between the skills and the competencies that are necessary to engage in crisis management versus those that are necessary for crisis leadership. So far, all of the books that are out there on crisis handling have to do with the management side, namely the very tactical crisis response behaviors. A lot of it has to do with communications, PR, and dealing with the legal issues and business recovery. All of those are vital to managing crisis situations, but what we realized is that more and more crises are not the rare and unique instances that have typically been

true in the past. People are referring to their everyday work life as a crisis of some sort or there is always some significant event that they're handling. This led us to believe that there's something missing from organizational leadership before an event occurs that is preventing, or discouraging, or inhibiting crisis from happening. There is a leadership that is lacking that would prevent some of these more dire circumstances from cropping up. Then, there is also a leadership mindset that's required for when circumstances do come up that you can't prevent. There is a leadership mindset and set of behaviors for helping the organization through that, and then from learning from those and creating opportunities from those crisis afterwards. The management books don't deal with that, but our focus on crisis leadership and leading under pressure does deal with the before, during, and after aspects of crisis.

Lynn: Erika's statement challenges us to think about how crisis leadership is a missing perspective. It is not only missing in the research but it is missing in how we teach leaders, it's missing in how we teach business school students, and the training of leaders in other sectors, such as the non-profit sector and public administration. Even when practitioners think about crisis situations, they don't think about, what are the leadership competencies needed. Most managers have the mindset, "Just get me out of the crisis," instead of thinking about, how do I use this as an opportunity, how do I learn from a crisis.

Erika: Well it matters in large part because the world continues to become more global and competition across the world is becoming more fierce and resources are becoming more constrained. The need to be able to operate in that new environment requires that we learn a set of skills that we might not have been introduced to in previous generations. So developing core competencies associated with leading under pressure, if you will, or leading in crisis, is becoming an expectation that will allow firms to remain competitive and grow and develop in ways that the context and the changing environment are requiring.

In your book you spend a considerable amount of time talking about individual leadership competencies as well as organizational capabilities. Talk more about those critical individual leadership competencies that are needed for designing and leading in a crisis.

Lynn: First, it is starting with the mindset of, when the crisis hits, how do I transition from managing to leading? Leading involves courage. It involves quick and ethical decision making, and this decision-making has to take into account multiple stakeholders. So, leaders think about how do I create a win-win situation to resolve the crisis from the viewpoint of various stake-holders? The other thing that our book emphasizes is a leadership mindset for seeing possibilities—and possibilities are multi-dimensional. Resolving the crisis is only one aspect of seeing possibilities. Leaders see the possibility of resilience and making a better organization. Leaders see the possibility of who you should collaborate with as you lead this

crisis. Also, leaders see the value added of trust among your stakeholders.

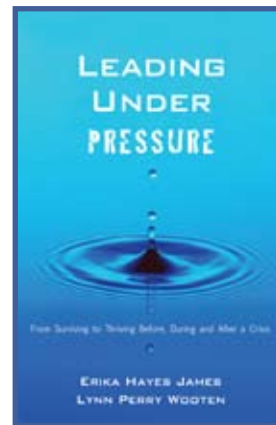
Erika: Our book outlines a framework that identifies the phases of a crisis and there are five phases. There is the signal detection: what can you read in the environment that lets you know that a crisis might be imminent? There's the preparation and prevention phase. Once a crisis happens, then you have to move immediately into damage control or damage containment. Then there is business recovery and learning. So with the book, we describe each of those phases and then we introduce a set of competencies that are necessary for leaders in each of those phases. For example, in the signal detection phase we talk about the

important role of sense making. How can you read your environment and make sense of all of these disparate clues that might be an indication that something under the surface is not working well? We also talk about perspective taking, or the importance of being able to see the environment from multiple

perspectives. Similarly, in damage containment, communicating and risk taking are important competencies for that phase.

You write about the concept of sense making in that initial phase. How does that work with another leadership competency called meaning making?

Erika: They are very similar. It's about making sense or making meaning of data, information, clues, intuition, all of those ways that we bring information into our consciousness. How do we make sense of it in a way that makes



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Let's talk more about crisis and the needed leadership competencies, but before we go there can you, Erica and Lynn, succinctly talk about why crisis leadership matters?

sense? How do we make sense of it in a way that becomes actionable?

Lynn: Right.

Because that is so important for a leader.

Lynn: It is. And, it's a mindful practice. So it's thinking about what's happening to the organization, why is it happening, and how can I resolve the situation and learn from it? Sense making is a practice of filtering the data from multiple sources and understanding what is happening in the organizational context that will produce results.

Right. Let's talk about trust. I'm intrigued because, when you go through a crisis you're making decisions at a very rapid pace.

Katrina taught us that decisions that used to take a week you had to make in a day, and those that needed to be made in a day you had to make in an hour, and those decisions that needed to be done within an hour should have been done yesterday. There is this acceleration of time when you're in different phases of a crisis and so trust in your core group is critical. Can you share more about the importance of trust both with the team members during a crisis and then also with the stake holders?

Erika: You know if you look at many of the Gallop polls or other business polls and the extent to which people trust business today, the numbers are actually dismal. A lot of that is because customers and employees are seeing that decisions are being made that are not in the best interest of people. And so there is a lack of trust right now. What we talk about in the book is that at the critical moment, if you're not operating in a trustworthy environment and you're not creating a ground-swell of trust within your

organization and among the stake holders, then when something goes wrong you are going to lose the support of people who you are going to need to help you though a crisis. So it's important to see trust as a foundation for managing a business. Therefore, when a crisis happens, if you have that trust, you are much more likely to garner the support that you need and the resources that you need in order to help your way out of it. So that's one aspect of dealing with trust. The other is, people are more willing to follow leaders that they trust.

When you think about stakeholders, there are three that we talk about in the book: there are people who are your advocates, people who are ambivalent, and people who are adversaries. Although it might make sense to focus on building a relationship with you adversaries, often times they are in business precisely to counter whatever it is you're doing. So, it doesn't become a fruitful use of time or energy to try to build sustaining trusting relationships with adversaries. But, if you can keep your advocates on your side and you are able to influence positively people who are ambivalent, then you are gaining a broader set of

stakeholders who can be influential, who will trust you, who will work together collaboratively with you through crisis situations.

Lynn: Cynthia, I think trust is often the missing link. I think trust building is hard work. A lot of trust just comes down to doing the right thing, even in crisis situations. So communicating what the crisis is, why the crisis is occurring, and what you want to do for an action plan helps to establish trust. A couple of the recent crises we've seen, such as Toyota, highlight the importance of building trust. If you don't initiate that trust with stakeholders, it just

becomes more of a declining circle and problems just get out of control.

Erika: I want to piggy back on the Toyota example because I think that is a perfect one. Toyota had built a brand of being a trusted consumer vehicle and it had, presumably, the highest safety record in the industry. Therefore, they had a stockpile of trust that could have eroded a little bit when the crisis initially happened and they had to engage in their recall. But the problem grows when the leadership is not acting in a way that's consistent with the trust that consumers had. When that happens, that stock pile of trust begins to erode and erode pretty rapidly. I think we saw

For a global mindset, it's first of all asking yourself, when a crisis is occurring what are the global implications? Who else outside of my home country do I need to think about? It's also asking yourself, if this crisis is global—and nine times out of ten it is—what are the cultural competencies that I need to survive in that particular crisis?

that early on with the Toyota recall. Toyota's leadership wasn't acting in a way that was consistent with putting customers first. There was denial that there were problems. They were blaming the drivers, calling the problems people were experiencing "driver error." But I do think that because they initially had a strong reservoir of trust, they were able to earn it back more rapidly than they might have otherwise once they started to do the right things.

Lynn: I think Erika's point about the reservoir of trust is a really good example. Cynthia, I don't know if you followed the Chilean mine crisis.

Yes, very closely.

Lynn: The Chilean mine crisis is an example of how to lead a crisis. From day one, they were honest about their skill sets, they invited collaborators, and they built trust between the miners and their families.

So then, let's talk about another recent crisis where it was not handled as well—the BP oil spill in the gulf. What went wrong in that situation?

Erika: Right away the poor choices in how they were communicating with the public did a real disservice to what they were trying to do. Now, granted, BP had a questionable safety record, and so one could argue that they were very clearly responsible for what had happened. You could also argue that going into waters of that depth was uncharted territory and so that particular crisis could have happened to any oil company. That argument aside, what I would say is that because the senior executive at the time was making choices about how to communicate and that what he was communicating to the public did not seem to foster care and

concern for the victims and for the people affected in the area. As a result, BP lost the good will right away. So even if, technically, they were doing all of the right things to stop the leak, people couldn't get beyond the rhetoric to recognize and acknowledge, what, if any, good things they *were* doing to deal with the actual crisis. What that shows is the importance of both the verbal rhetoric and the behaviors and the action steps that people are taking. What people see or hear initially is the rhetoric and if that rhetoric is not soothing or comforting, then you can be doing all the right things and you won't be getting any of the credit for it.

Lynn: Soothing, comforting, and honesty are important. Organizations should not deny that the crisis does not exist or adopt a mentality that it is not our fault. Not having actions associated with your rhetoric really hurts an organization's trust points.

So it's the correct communication, it's the right communication, followed by action.

When you look at the other books, they are all about crisis management. Lynn and I have always been very conscious about approaching the handling of crisis as a leadership agenda; so we distinguish between the skills and the competencies that are necessary to engage in crisis management versus those that are necessary for crisis leadership.

Lynn: Yes.

You do a nice job in your book talking about the global mindset, which Lynn you talked about early on in our conversation. In this interdependent world both transnational and cultural competencies are so critical. In your book, when you talk about crisis in the global environment, you also talk about the importance of a global mindset. Can you elaborate on what you mean by a global mindset and then talk about the four mindsets that you describe in your book?

Lynn: One of the things that we knew from the onset was that we wanted this book to be global. We felt that people, especially Americans, often think of crisis as being domestic and United States-centric. So for a

global mindset, it's first of all asking yourself, when a crisis is occurring what are the global implications? Who else outside of my home country do I need to think about? It's also asking yourself, if this crisis is global—and nine times out of ten it is—what are the cultural competencies that I need to survive for that particular crisis? So when I think about a crisis in South Africa or Australia versus Japan, the cultural competencies will differ? The examples in the book talk about

not being familiar with the cultural competencies of a country, and this makes the crisis worse. In the initial research that Erika and I conducted on discrimination crises, there was a Mitsubishi example about how, in their home country, affirmative action is not a legal mandate and so they thought that they could get around not having to have a woman and minority friendly workplace. If they would have had the cultural competencies and understood the global context, I think that this would have helped them with leading the crisis and expedited the crisis' resolution.

The other thing is, there are a lot of different ways to think about the global context. So when you think about the "defender mindset," this particular mindset acknowledges being a global company but conducts business as usual. A strong focus is on domestic operations. Events external to the home country are not a strategic priority. Whereas the "explorer mindset" is about taking an active role in global operations, but mainly from an administrative aspect. The company is usually new to the international terrain and is "exploring" its way through the context. Thus, it may be unprepared for a crisis. Then there is the "controller mindset" that focuses on leading its global operations through stringent policies that are dictated by the home office of an organization. These organizations can be inflexible in a global crisis situation.

Lynn: And then the "integrator mindset" is highest on the continuum. The key hallmark of the integrator is organizational learning. If I'm operating in South America, I'm taking that knowledge that I learned from a crisis in South America and bringing it back to the home office. So that the next time I have a crisis in Japan I can use that particular knowledge and adapt it to

the Japanese context.

Thank you, Lynn. That's very helpful. Well, let's take off from that then. Talking about organizational learning and the conversation you have around the opportunity of change, how does an organization that is in an ongoing learning process also take advantage of creating change during and after a crisis?

Lynn: Organizational learning is hard work. I was with a chief learning officer who said that one of the reasons that learning is hard work is because even people who like to learn, like to acquire the knowledge. But learning is more than acquiring knowledge. It's thinking about how I'm going to use that knowledge to change a situation. That's the same thing that applies in a crisis situation. So throughout a crisis situation Erika and I propose that crisis leaders constantly think about, what should they should be learning, what do I do with that knowledge, and, more importantly, how do I use that knowledge to change the situation? The other difficult aspect of learning is that after a crisis we are all tired and burned out. People are so glad the crisis is over, but they need to take the time to reflect upon the crisis and think about not only what was learned but also how they can make the organization better. It's a difficult task and we've seen only a few organizations do that.

Erika: What I'll add to that is that really, crisis events are so traumatic you have a natural, almost biological instinct on what to do. Emotionally we become fearful or feel anxiety or feel threatened, or we engage in denial or defensive behaviors. Then often times, when we're problem solving with that emotional state, the chances are we are not going to produce very desirable, creative results. So the challenge for leaders

is to deal with, acknowledge, and recognize that the defensiveness, the anxiety, the fear, and the threat are part of the crisis response initially. Allow yourself some time to work through those so that you can reach a different emotional, mental, and psychological state that allows you to recognize the possibilities that can come from what initially seems like only a threatening situation. Learning—or the ability or willingness to take time to learn—from the situation is the action step that allows us to begin to recognize the potential sources of opportunity, or the possibilities that can be created or manifested from the threatening situation.

Let me close with one question taking off again on organizational learning and individual learning. What did both of you learn from writing this book?

Lynn: People often remark even if they just met us they know that Erika and I have been working together a long time. We were in graduate school together so it's a friendship and a team partnership of almost eighteen years. Interestingly, what we learned from this book was how to work together as a team. But also, that this was such a massive project that we had to expand our circle and bring in other people to help this book come to fruition, as we conceptualized it. Wouldn't you say, Erika?

Erika: Yes, I think that's actually perfect. I think it's true for people in a crisis to recognize that situations of such a magnitude can't be handled alone, and so knowing where your resources are—whether they be people or financial resources or some other form of resources—and knowing how to gain access to those at the times when you need them the most

is important. So I think, to Lynn's point, we learned to recognize that we needed additional support to accomplish this. Just as leaders recognize—or should recognize—that they are not responsible, nor can they handle a crisis situation, on their own, they should be able to connect with critical contacts, collaborators, and resources to get what they need in order to help themselves and their organizations through it.

Lynn: And one other point, a lot of times when I work with organizations and their smoldering crises, part of it is because the leader who is at the head of the organization does not have a strong bench. So their VP level team is just not strong. I think that's one of the reasons Erika and I enjoy working with each other so much. We know that we can count on each other. We know our strengths and we invite other people who have the competencies we need to complement our team.

I would also gather that there is a great deal of trust between the two of you in terms of working together.

Lynn: There is.

Erika: Absolutely.

Well thank you both Lynn and Erika for sharing the concepts within this book, which really is a wonderful compilation of research and practice. Also, thank you for sharing a bit about how you wrote this book and how you brought it together. This has been great fun.

Lynn & Erika: Thank you.

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Personal Leadership Seminars

Barbara Schaetti and Sheila Ramsey, ILA members who presented in October 2010's *Leadership Perspectives* webinar entitled "Leading through Change: Being the 'I' of the Storm," would like to announce some upcoming opportunities which may be of interest to you. Their organization – Personal Leadership Seminars, LLC – is offering several seminars throughout the spring in which you can explore Personal Leadership principles and practices. These seminars will be held in Crestone, CO and Big Sur, CA. Learn more at their website: www.plseminars.com/4schedule.html

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ILR's special issue on Leadership in India is now available free online at integralleadershipreview.com. The *Integral Leadership Review's* vision is to "make a substantive difference in creating self-sustaining and generative people, systems and earth through an integrative, developmental and transdisciplinary approach to leadership by serving as an integrating force among leaders, developers, theorists, students, consultants and coaches in all domains and cultures." *ILR* was started by ILA member Russ Vockman in 2000 as a monthly newsletter and is now published online five times a year.

The **current issue features new board member Prasad Kaipa's article: A Conversation with Om Prakash Bhatt**

Other articles include:

[Exploring What Is Indian: A Parable and a Discussion](#)
by Raghu Ananthanarayanan;

[The Tensegrity Mandala: A Model for Organization Design](#)
by Gagandeep Singh;

['Amirtasya Putraha' \(Children of Immortal Bliss\) Rejoice Being Slumdog Millionaire?](#)
by O. B. Ramasubramania;

as well as the regular columns: "Notes from the Field" and "Book Reviews."