

HUNTING FOR MANAGERS WITH A DETERMINATION TO LEAD

As anxiety is contagious, so is serenity. Panic is contagious but so is courage

by
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The successful management and resolution of crises calls for people with answers, decisive strength, and a clear vision of the future, people who know where we ought to be going, people who can make hard problems seem simple – in short, leaders. In management teams, we need a number of them. However in crisesⁱⁱ instincts can be our undoing as studies on how we process information indicate that our wetware requires up to ten seconds to process bits of complex information. If you add more stress, coming from pressure of various types, the slower the process becomes. If we are not prepared for the possibility, when faced with multi-tasking our brains slow down just when we need to move much faster.

Perception-base retrieval of situationally appropriate responses is the dominant mode of responding but the additional need to integrate information and draw inferences places an even larger demand on working memory. This situation explains the urge to do nothing in a crisis. For example when people are asked to evacuate in anticipation of a natural disaster most confer with several sources such as family, media and officials before making a decision. Such milling is common in disasters.

People caught up in threatening circumstances fall into three categories. Ten to fifteen percent remain calm. Another 15% breakdown although panic is usually isolated and controlled by the team around them. The vast majority of people remained stunned and bewildered. About 45% of people shut down and stop moving or speaking for 30 seconds or often longer when asked under pressure to perform unfamiliar but basic tasks. They cease reasoning effectively and just sit there. It seems incredible that people are hard-wired to do nothing in a crisis.

It is for this reason that people behave much more appropriately when they know what to expect. This is why crisis simulations provide organizations with a powerful means of selecting and training leaders and are an essential part of increasing any organization's resilience to business interruptions. Because of the potentially devastating effects the best companies constantly strive to successfully manage crisis situations. An important aspect in accomplishing this outcome is fostering leadership and a culture of deputies; the single-most critical factor in determining whether the crisis will be controlled. These Crisis Leaders have the crucial role of developing and implementing strategy under pressure with simulations providing a controlled and focussed environment in which to assess and train.

Competencies these days are more valuable than skills and corporate searches for leaders are becoming harder. Real leaders might have saved Enron as an institution takes on the character of its leadership; so much so that simulations are now being successfully used to predict future job performance, determine managerial potential and to gather information for promotion. High performance evolutions used in HR selection and training have been consistently linked to the bottom-line effectiveness of organizations as they create high-fidelity, realistic scenarios that mimic the characteristics of a crisis.

How do you do this? Firstly select a scenario from typical issues such as Industrial Relations, public perception, top management succession, sudden market shift, product failure or adverse international events. About six managers are then needed for the Crisis Team in the boardroom representing a range of appointments and disciplines such as MD, GM, Counsel, HR Manager, HSE Manager, Commercial Manager, Operations Manager and so on. Ideally use people in their roles but this is not really critical as it is their competencies which are being assessed. Locate a role-player room close by and ensure a simple telephone system with the Crisis Team. Task these role players under the direction of a controller to represent stakeholders such as media, shareholders and regulators.

Initially brief the Crisis Team on the conduct of the exercise and the leadership competencies being sought. Then conduct an intensive simulation for about two hours which places the team under pressure to perform and requiring them to develop and implement business strategy under tight timelines. You can even invite potential employers to observe, sit in or even participate undeclared. You can eliminate some team members by calling them away or you can put more pressure on team members by nominating them as spokespersons for the media or injecting conflict that impact on their role. In the last half-hour immediately debrief of all participants. You can use self-assessment and peer assessments or you can use a declared or undeclared assessor as part of the Management Team.

Most people are not prepared for being trapped in a burning building however to a fire fighter it is all in a day's work. Military and sporting teams, two groups that live under crisis-like stress use hostile-intent stories or scrimmage to develop the important instinct to act. It is an accepted axiom in the military and martial arts that people fight the way they train. In developing the important instinct to act, it is accepted axiom that people behave the way they prepare, so it is critical to provide a training environment that includes a high level of stress underwriting the procedures leading towards resolution and beyond. Simulations with extensive realism and feedback are the keys to effective Crisis Leadership.

Managers are not paid for the routine work they do today, but rather for what they might have to do in the extraordinary circumstance that is tomorrow. The Art of Crisis Leadership is thus the ability not only to contain the problem when it occurs but to take the organization past any advantage line and transform the organisation post-crisis. Hence Crisis Leaders are big-picture, people types who use power and passion to turn the camera on in people's minds. Leaders must maintain their ability to think clearly during an emergent crisis rather than becoming swept up in the panic of crisis hysteria. Theirs is the crucial task of developing a strategy aimed at resolution, and of articulating it to their organisation through raw displays of leadership in the workplace.

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ⁱⁱ Turning-point, especially of disease; moment of danger or suspense in politics and commerce etc. From the Greek word *krino* to decide