

# Crisis: Get ready for something that may never happen

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## How much time are you prepared to spend on something that may never happen?

Your excuses for not thinking about crisis management might include some of these:

- Too costly with inadequate results
- Doesn't prevent crisis happening anyway
- The crisis will develop differently than we expected
- We don't know how to prepare

If any of those excuses sound familiar, it's time to reframe what being crisis-ready means for you.

You can sharpen up on some skills and responses that will strengthen your organisation regardless, and will definitely help if you find yourself in a crisis.

### Definitions of crisis

*"An organisational crisis is a low-probability, high-impact event that threatens the viability of the organisation and is characterised by the ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly."*

(Pearson and Clair, 1998 in Mikušová and Horváthová)

More simply, an event combining:

*"threat, surprise, and short decision time."*

(Mikušová and Horváthová)

# Four questions to prompt action

This isn't a step-by-step guide to crisis management. But if it was, it would stop at the **pre-crisis phase** of a three phase model (Coombs and Hollady, 2012 in Mikušová and Horváthová). The three phases are:

- **Pre-crisis:** prevention and preparation
- **The crisis:** response
- **Post-crisis:** learning and revision

These four questions prompt actions in the pre-crisis, prevention and preparation phase, and you'll benefit whether or not a crisis happens:

## 1. How well do you know your operating context?

These three actions could be summed up as taking the balcony view to be sure you can see the context in which you operate.

### Know what is going on now

This is about taking a wide view: knowing the context in which your business gets done, being aware of the risks, interdependencies, and challenges.

Alice Laugher, head of Committed to Good, a company founded in Afghanistan and based in Dubai that supports humanitarian organisations – is used to working in crisis zones. Laugher makes sure all the staff know the reality of the frontline. “One key strategy is to expose all our headquarters staff to the realities of the business [...] understanding our on-the-ground work, who it benefits, and what our partner organisations want is critical. It is simple things like seeing that a cash machine withdrawal of \$100 might require a B6 armored vehicle and a costly private security detail.” (Katsos, Miklian, McClelland).



You may not have such a dramatic example, but your head office staff still need to know what it takes to keep your business going. Because if they don't, how will they be in a position to make good decisions about re-establishing operations after a 'low-probability, high-impact event'?

### Think about what has gone on before

This is about taking the long view. Tim Johnson writes about four things leaders need to do in a crisis – he calls it “being yourself but with more skill.” One of the actions is to be “cognizant of, but not captured by, history and precedent” (Johnson). This means having the intellectual curiosity to put current circumstances in the context of history and to learn from the lessons of past response.

You can do this by using Gary Klein's technique of listening to stories to inform decisions. He suggests repeat listening to identify and analyse decision points – and learn from experience. That forensic approach has value here. (See the notes from [Tea & Toast October 2022](#) for more on this).

I can hear the objections: lightning doesn't strike twice; it won't be the same. Klein's technique suggests posing hypotheticals: what if that hadn't happened? What if that option wasn't available? Taking the time for retrospectives of past crises builds up a leader's ability to 'be yourself but with more skill'.

Tim Johnson says to be 'cognizant of but not captured by history'. So the key is to recognise what is different, and avoid applying solutions that are not right for the time.

### Turn on your radar and pay attention

"Companies are embedded in their social, economic, and political context – not separate from it. That means they are directly connected to the major crises that engulf society, from climate change to income inequality and beyond. Further, research shows that younger generations are more likely than others to see large firms as socio-political actors that can have a positive impact on their communities." (Ravishankar).

Rakshitha Ravishankar interviewed eight business leaders about spotting a business crisis. One of the questions she put was "How can companies identify the crises they'll likely face?"

Your radar may need to be tuned to social media, to business networks, or to specific communities. Paying attention will help you identify possible sources of crisis and take action to deflect it.

## 2. How do you connect with the people your organisation employs and works with?

The balcony view is also useful for thinking about all the personal connections that are necessary for your organisation to achieve its purpose. Think colleagues, contractors, suppliers, Board, and more.

"Relationships are not just part of your broader network of contacts; they take time, effort, and care. Ultimately, like all business, you must know your sphere of influence to get done what is needed." (Alice Laugher, *Committed to Good*, quoted in Katsos & Miklian)

If you need to persuade leaders to focus on interpersonal skills and connections, sell it as an exercise in risk mitigation. Recognising that these skills of human connection are crucial in being able to deal with a crisis highlights the validity of developing them now.

### Which relationships get the most of your time, effort, and care?

We naturally prioritise certain relationships. The flip side is that some relationships don't get nurtured. Take time to think about what that might mean when your organisation is under threat, has been surprised, or you have a short decision time.

One way to start thinking about this for yourself is to use [Scott Horton's trusted-10 exercise](#). That prompts you to locate yourself in your work context and name the 10 people in whom you have the greatest level of trust. Your responses will reveal which relationships get most time, effort, and care – and may be useful in showing you where else you need to focus some of that energy.



### 3. How practised are you at innovation and adaptation?

Just as relationship and connection skills must be developed and practised, so must the skills to innovate and adapt.

Yes, a crisis will sharpen the mind by taking away options and forcing you to consider different approaches. But what's stopping you from doing that now?

Tim Johnson suggests leaders focus on "being yourself but with more skill." Part of that is to be open to creativity and challenging the status quo (Johnson). This is a measure of leadership in a crisis because at the very moment we want to revert to the status quo, to the familiar, it is more useful to think beyond what was. Crisis management is not returning things to how they were; it is thinking about how things can be from this point forward.



#### Operating in a permanent crisis

Ronald Heifetz, Alexander Grashow, and Marty Linsky think about the idea of operating in a permanent crisis. They identify two phases: stabilization and adaptation.

The **stabilization phase** buys time. This is where the knowledge of context and relationships is vital – what context do we operate in, how do we connect.

The **adaptive phase** is where you tackle the underlying cause of the crisis and build the capacity to thrive in the new reality – which is where these capacities will support innovation and adaptation (Heifetz, Grashow, Linsky).

#### Create an inclusive environment

This is future proofing to allow leadership from within. A crisis is disruptive: the usual leaders may not be available; the usual tasks may not be appropriate. People will not lead from within in organisations in which they don't feel psychologically safe and valued. This means putting work into policies and practices that truly empower people to take on leadership.

#### Foster adaptation

This overcomes the temptation to hunker down. It can be hard to accept that what you were doing is no longer appropriate. Maybe existing practice triggered the crisis – so what are you going to do instead? They use the lovely phrase "next practices". As a leader, you have to create an environment that enables people to challenge what you do and how you do it.

#### Embrace disequilibrium

This is an approach that directly challenges the idea of 'not rocking the boat'. It requires bravery. Instead of seeing the goal as a return to equilibrium after a crisis, this says disequilibrium is a desirable state. That might mean a fundamental shift in approach.

They use the analogy of keeping your hand on the thermostat – if people are always comfortable, they have little incentive to change or innovate. But if they are always uncomfortable, they will find other places to be.

## 4. What are you doing to grow your resilience?

A crisis demands a response, and can drain you of energy, positivity, decision-making ability. Multiple researchers identify the risk of decision fatigue in crises, and link that to diminished resilience.

So what can you do?

A common trap is to fall into analysis, and getting stuck in 'what if'. In a crisis, you must respond.

Joshua D. Margolis and Paul G. Stolz have a model for moving from analysis to response that is grounded in self-care. Their approach fosters resilience by guiding you towards what you can do in a framework that makes sense to you.

They identify **four lenses** 'through which managers can view adverse events to make the shift'.



### Control

Knowing what you can take control of, rather than getting bogged down in identifying every factor.

### Impact

Being able to identify what you can do to have a positive impact on the situation.

### Breadth

Do you understand the specific causes of the crisis, or do you see it as something that is pervasive?

### Duration

How long do you believe the crisis will last?

So what? The authors suggest a resilience regime. First, to understand which of these lenses you use most frequently, then ask yourself **three types of questions** while using each lens.

5. **Specifying questions** – to elicit details
6. **Visualizing questions** – to imagine options and consequences
7. **Collaborating questions** – to build a team or joint response

Let's think about this using the **impact lens**. The primary driver is to be about to do something that will make a difference. Before leaping to 'do something', ask yourself these questions.

1. **Specifically:** *What can I do right now that will have an immediate positive impact?*
2. **Visualise:** *How will my actions positively affect those around me?*
3. **Collaborating:** *How can I mobilize others to take action?*

The idea is to use those three questions to consciously work through each lens, training your mind to develop a response. The challenge is to be match-ready when you don't know when or if a crisis will come.

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## Thanks for coming!

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