Leadership and Crisis Management in Modern Organizations

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Abstract

Leadership in modern organizations is complex. This research identifies how leaders in modern organizations can effectively deliver results through crisis management, while maintaining organizational culture. The author addresses leadership through organizational culture, the actions leaders must take, corporate policies and practices. In addition, this research directly contributes to leading organizations through crisis management and maintaining organizational culture today.
Leadership and Crisis Management in Modern Organizations

In order for leaders to deliver results in today’s dynamic, fast-paced, global business environment, they must know how to maneuver the organization through crisis while maintaining the business culture. Bennis (2009) defines these leaders as ones that have the ability to engage others and to move them alongside them, toward a shared purpose or meaning (p. 8). Bennis clearly points out that leaders will have crises in their organizations and they will need to have the capacity to lead the organization through the crises.

A crisis is often the defining moments in an organization. Thomas (2008) describes what leaders can do to harness and leverage crises in the organization. He states that leaders should strive to create experiences that can be mined for leadership development and leverage the ones that occur naturally (p. 145). Unquestionably, crises that take place in an organization can lead to teachable moments. Both Bennis and Thomas comments clearly point to the key role of leaders as coaches that shape the organizational culture, and teach others in the organization how to respond to crises, on both a personal and professional scale.

Crisis Management Leadership

Crisis management requires leaders to serve in various roles. To illustrate these roles, take a leader that must transition an organization from a poor performing organization with low morale, lack of discipline, and one that does not meet business objectives, to a high-performing organization. The aforementioned organization would clearly be in crisis, forcing the leader to first serve in the role Barner (2011) describes as the organizational translator (p. 40). In this role, the leader must coach other leaders, and employees in the organization through the crisis or crucible. Barner (2011) describes the translator leader's role has one that leads the organization through a set of circumstances that test the resiliency of leaders and, in the process, forces them
to change and adapt (p. 40). Bennis (2009) similarly defines leaders in this capacity, as ones that have the ability to make the right decisions while flying blind, based on knowledge, wisdom and ability to stay wedded to an overriding goal (p.8).

Crisis in organizations today could be the result of the organizations’ inability to change with the times. Being in business today is fundamentally different than it was 30 years ago (Sargut and McGrath, 2011, p. 70). Leaders in these organizations must be transformational leaders to demonstrate the vision and direction of the company to the workforce. These leaders recognize the critical interdependencies within the organization and clearly communicate expectations to them.

Sargut and McGrath (2011) argue that complex organizations are far more difficult to manage than merely complicated ones. It is harder to predict what will happen, because complex systems interact in unexpected ways. It is harder to make sense of things, because the degree of complexity may lie beyond the cognitive limits (p.70). This argument is important in today’s organizations because as business becomes more complex, and complicated, crisis is inevitable. This is where leaders must communicate clear direction to maintain or change organizational culture.

**Maintaining Organizational Culture**

Today’s leadership development methods look much different from those approaches used decades ago. Technology innovations, a global workforce, and new generations in the workplace have contributed to a flatter organization in which successful leaders must influence others, adapt quickly to change, drive teamwork, and value relationships - all while remaining humble (Pace, 2011, p. 65). Maintaining culture in today’s organizations must be part of all leaders’ professional development. Diversification of the workforce today requires the ability to
modify behavior in specific situations to accommodate varying cultural norms (Molinsky, 2012, p. 140). This argument is important because without understanding of cultural norms and being able to accommodate or react in a positive way, organizations with experience distress, lack of trust, and potentially fall into crisis.

Molinsky (2012) describes managers that have a global mindset, as seasoned managers who appreciate diversity and international work experience. They also have specific cultural intelligence (p. 140). Organizations today require managers that understand cultural diversity and can leverage differences within the workforce to balance cultural norms. As the nature of organizations change through innovation and globalization, it will become more important for managers to have a global mindset.

Cultivating a global mindset links to Thomas’s (2008) argument that organizations have a huge impact on the kinds of experiences that shape leaders (p.143). Additionally, leaders ‘proficiency in these skills is the foundation of a culture of engagement, collaboration, teamwork, and innovation (Pace, 2011, p. 66). Both of these positions connect directly to maintaining and building organizational culture and being able to work through crises. As Pace (2011) discusses, it is engagement, teamwork, and innovation coupled with a global mindset and experiences that shape leaders to maintain organizational culture.

Being armed with the aforementioned attributes and knowledge does not automatically spell out success. Leaders must apply what they know, with their motivations, skills and attributes to propel organizations toward success and avoid crises.

**Putting Leadership into Action**

How can leaders in modern organizations effectively deliver results through crisis management, while maintaining organizational culture? Discussion in previous paragraphs points
to a leader’s adaptability, skillset, mindset, and influence to maintain culture and avoid crisis. However, the actual application of strategies involves another aspect of leaders. Black and Morrison (2010) points out that what gets you to the top is not what keeps you there (p. 99). They also argue that the application of strategies requires strong corporate policies, practices, thinking and behaviors (p.100). In application this means that leaders must transform organizations and make them personalized (Searls, 2012, p. 58). Transforming organizations through these strategies changes the identity of the business and puts them on the path to modernization of the business culture.

**Corporate Policies**

Corporate policies shape and underpin the company’s business model. Responsible leadership must use the corporate policy structure to mold the organizations shape and sustainable future. This strategy should have short and long-term goals. It is a strategy that allows for efficiency gains, continual improvement, and reduced risk (Goodman, 2011, p. 28). Further, this strategy gives the leader the framework to fundamentally change the corporate culture through application of rules of engagement.

**Corporate Practices**

While corporate policies shape the business model, solid corporate practices fuel execution at the lowest level in the organization. Changing corporate practices is a strategy that is important because ultimately, organizational change, and culture infusion takes place at the execution level within all organizations. Leaders must become especially adept at exploring legitimate business tactics to create highly efficient global teams and set new best practices in adaptive strategy, supply chain management, the use of incentives, global collaboration, and other disciplines (Goodman, 2011, p.27). Without solid corporate best practices, crises in
organizations can creep in and cause chaos. Leaders should possess enough corporate culture intelligence to detect and stave off crises and inject culture improvements through corporate practices.

Conclusion

Leadership in modern organizations requires leaders to deliver results through employee engagement, and personalized strategies that shape the organizational culture. Leaders guide the organization through crises by teaching others in the organization how to respond to each crisis, on personal and professional scales. This requires investment in human systems and personal involvement by the leader.

Leaders must have a global mindset, which helps them apply crisis management strategies for maintaining organizational culture today. In addition, to be successful, leaders must influence others, adapt quickly to change, and drive teamwork. This creates valuable relationships and cooperation from employees. By applying the strategies of building strong corporate policies, practices, team thinking, leaders build organizational behaviors that change cultures and diminish crises in the future success of the business.
References


