

# Leading in a Crisis

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# Recent Press from HR Magazine

HR TRAINING

## How to *train* a leader



*Leadership is being touted in HR circles as being the skill set that will drive organisational change and innovation—but how does an organisation train someone to be a leader effectively? For that matter, what does an effective leader even look like? HR Magazine spoke to Randall Peterson, Academic Director—Leadership Institute and Professor of Organisational Behaviour, London Business School for his perspective on what makes a leader and how organisations can develop effective training programmes.*

Warren Bennis, the late American leadership scholar, once described leadership as having 'the capacity to translate a vision into a reality'. It is an apt quote for HR departments who, in recent years, have been grappling with the concept and trying to translate a vision of developing great leaders into a reality.

So far, this has been a tough task. According to Deloitte's *Global Human Capital Trends 2016* report, only 13% of global companies report being 'excellent' in building and growing leaders. The figure is even more concerning when asked the same about millennials—according to the report, only 7% of companies reported being 'excellent at building millennial leaders'. This is all the more worrying as firms worldwide spent nearly USD 31 billion on leadership programmes in 2015.

Thus, in the spirit of Bennis, it is pertinent to ask the question about how we turn a vision of great leadership programmes into a reality. Leadership is a diverse topic with many different angles, and knowing how to put the research into practice can make a big difference to the impact that leadership development can have. Programmes that are systematic and grounded in the realities of a certain organisational context will help organisations excel in the long term.

**Why leadership is so important**

There are many reasons why leadership skills are more important than ever before: the workplace is becoming increasingly 'team-centric', workforces have gotten both younger and older, and business challenges have demanded a need for more leaders. As firms strive to innovate further, leadership is not just found at the top level but is a skill set that should permeate through the whole organisation.

Speaking to *HR Magazine*, Randall Peterson, Academic Director—Leadership Institute and Professor of Organisational Behaviour, London Business School stated, "Today, as the business environment becomes ever more competitive, everybody needs to be working at their maximum potential—and yet the levels of disengagement around the world are shocking. Never has it been more important for all employees to have some leadership skills: the world is becoming more and more complex, and sometimes the solutions to these challenges can be found in the middle of our organisations. Organisations need people in the middle to be putting forward their ideas."

**Defining leadership**

Leadership is strategically important but it is difficult to give it a precise definition. This is not helped by the fact there is various understandings of leadership: from Bennis, who believed in

visions turning into reality, to the ancient Chinese scholar, Lao Tzu, who took a more laissez-faire view of leadership stating that 'a leader is best when people barely know he exists'. This opens up debate as to the right styles of leadership and which ones are the most effective.


Through his research, Peterson expressed that to begin to understand what effective leadership is requires individuals to first understand themselves, their colleagues and their environment. He explained, "In essence, leadership comes down to the question of how do I best motivate and engage those who follow me?" This, he believes, comes down to five characteristics.

*"In essence, leadership comes down to the question of how do I best motivate and engage those who follow me?"*

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HR TRAINING

## HOW TO BE AN EFFECTIVE LEADER



**Know and develop yourself**

Leaders must be able to demonstrate a level of self-awareness and the impact they have on other people. In this respect, I look down to knowing when to step forward and when not to, as well as being able to identify and work on weaknesses.

**Communicate powerfully**

The ability to communicate a message in a powerful, effective and clear way ensures that a team knows what to do and can operate effectively.

**Solve complex problems**

With the world getting faster and growing more complex, leaders now need to have a strong capability to see and solve complicated and cross-functional problems inside and outside their organisations.

**Lead and implement change**

With the ability to solve complicated problems also comes the ability to think divergently, see new angles on old problems and deliver the necessary changes.

**Deliver through others**

Leaders have to lead a group of people and can only do so if others are motivated to work on the priorities set out by the leader.

**What can HR do practically?**

**Identifying future talent**

Leadership skills should permeate through an organisation—not only to enhance employee productivity and engagement, but also to cultivate future talent. This is best done by thinking and planning strategically for the long term, focusing on building a talent pipeline and training programme to provide experience before candidates are ready.

To get the ball rolling, Peterson suggested that HR can identify a potential candidate with a good track record, technical or business brilliance, commitment or 'sacrifice', good interpersonal skills, and, where culturally appropriate, ambition. This does not mean that a leadership candidate should have all these attributes—finding all of these in one individual can be challenging at best and the type of skills required will vary from company to company.

Peterson explained, "Part of the process of development is a need to help people understand where they are less strong. For a start, helping potential candidates have a bit of self-awareness is important. They need to know their limitations and what they need to improve."

**Reality-based development**

Once potential leaders are identified, Peterson explained, "HR could consider thinking about how leadership programmes can be developed to become a more practical exercise. For example, is there a part of the organisation where an employee can work or is there a task they can carry out that will help them improve that skill? HR could also think about investing in relevant workshops and coaching to facilitate the development process—these would really help."

According to Deloitte, the percentage of companies running strong role-based and experiential leadership programmes grew from 9% to 20% in 2015. One good example of this approach is at Macquarie Group Limited, a global investment banking and financial services group. In early 2014, they launched a programme for associate directors with two three-day workshops over a year, one-on-one coaching, a 360-degree assessment and even a skilled volunteering experience. The highly practical approach to broadening the scope of participant's thinking within the context of their organisation, and to teach them a set of questions they could ask themselves made the programme successful.

**Moving forwards**

Leadership is a complex topic with many dimensions. In the end, for organisations, it comes down to knowing what the research says about leadership, and knowing how to put this into practice.

Putting leadership into practice is what the London Business School's Leadership Institute is aiming to do. Partnering with leaders from all walks of life, hearing from them and carrying out research is what helps to create practical leadership programmes. Peterson concluded, "The Institute aims to create a generation of leaders who have a global view, a strong sense of community and get the job done by leading from the heart, as well as their head."

**RANDALL PETERSON**  
Academic Director—Leadership Institute and Professor of Organisational Behaviour, London Business School

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# Recent Press from WWD

DAILY EDITION APRIL 13, 2020



**No Immunity**  
Japan's sales plummet  
in March, seen  
dropping further.  
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**Changing With**  
**The Times**  
Advertising campaign  
production adjusts to the  
new normal.  
Pages 8 and 9

**Ending Spending**  
**The Times**  
Media spends seen hitting  
more severe lows than  
during the Great Recession.  
Page 10

Experts tell WWD that among the key attributes for CEOs in this crisis are honesty, strength and confidence.



BUSINESS

## How to Lead During a Crisis – And What to Avoid

● Don't hide, don't panic, communicate honestly and frequently, and seek advice everywhere, leadership experts advise.

BY MELISSA BOCHKA WITH CONTRIBUTIONS FROM TOM CLARK

"Crisis is just an unfortunate way to separate leaders by name only, and leaders by character and ability."

So says Gaetano Pettiglieri, a professor of organizational behavior at French business school INSEAD, among the experts WWD consulted for dos and don'ts for the e-site negotiating the coronavirus pandemic and the economic upheaval it has wrought.

Chief among their advice: don't hide, don't panic, and communicate honestly and frequently. You might even consider a video address.

According to Pettiglieri, "the ones who are better at leading through a crisis have one characteristic: They know how to deal with high uncertainty and high anxiety."

"These are the times that really tell the quality of leadership, more than when things go well," concerned Randall Peterson, professor of organizational behavior and academic director of the Leadership Institute at London Business School. "A lot of sins are covered up by economic boom."

Stanislav Haeger, associate director of Angle, a consulting firm in Paris, warned that a crisis tends to exacerbate the

shortcomings of leaders, whether that's a lack of decisiveness or a lack of empathy. "Conversely, some leaders reveal their qualities at these kinds of occasions. It is not only a matter of innate qualities. It is also a matter of preparation and anticipation," he said.

Here, their chief recommendations.

### DO: FORGET THE PAST

According to Pettiglieri, management needs to let go habits and reflexes of the last decade, when many industries, including fashion and luxury, were flourishing.

"Our view of leadership for the last 20, 30 years has really been focused on pushing, controlling, efficiency. What's needed now is containing, and reassuring employees. This crisis is exposing the frailty of institutions whose leaders who are more capable of draining them than holding them," he said, employing the word "holding" in the psychological sense of being supportive and unifying.

Peterson cited another psychological phenomenon: the "threat-rigidity effect." Essentially, when people are threatened, they become more rigid, and they tend to "go back to things that have always worked in the past."

"So if you have always gotten ahead by making sure everything is always exactly right, the more threatened you are with all this change, the more your instinct is to go to greater and greater levels of perfection. That is the wrong instinct right now," he said in an interview.

In short, this is not a time for cold, distant, hard-driving bosses, they agreed. For that overly accommodating ones are the answer. Peterson noted that in good times, "we love leaders who listen carefully, who take things on board."

That's not a good tactic in a crisis. "You ratchet up your visibility and strength as a leader," he advised.

### DO: STEP UP TO THE PLATE

"During any crisis, what is most needed is to have leaders display executive presence," said Joel Garfinkle, an executive coach and author based in California. "The best example of outstanding leadership during the coronavirus is Dr. Anthony Fauci [head of the U.S. National Institute of Allergy and Infectious Diseases]. He has shown a commanding and confident presence. People look to him for leadership and he delivers."

Commanding figures take charge, radiate calm, make decisions quickly and are "direct and clear with instructions and expectations," according to Garfinkle. "Projecting confidence shows that you are in control of the situation. This helps calm people's fears. People are looking to you for reassurance. They need to know you have their best interest at heart."

According to Pettiglieri, the stakes are high.

"Every morning, remind yourself: People will remember me for how I dealt with this. How do I want to be remembered? People will not forget what you did during this time," he said. "This is

not a sprint, and it's not a war. It's a test of endurance and care."

Pettiglieri praised companies like LVMH Moët Hennessy Louis Vuitton, which immediately shifted perfume production to hand sanitizers to aid front-line health-care workers. "Those are moments, people will remember that. They signal, I care, I'm here, and I'm of value."

On the plus side, being active and dynamic has a magical effect. "In a crisis, the good news is people are usually open to whatever changes the leader wants, as long as he or she is leading change, and doing something," Peterson said.

### DO: SHIFT YOUR FOCUS TO THE NOW

"In regular circumstances, you want leaders to be 80 percent focused on the future and 20 percent focused on the present, to not to be out of touch," Pettiglieri said. "In a crisis like this, you need the opposite. You need to show up, be available, and focus on what's needed now. The 20 percent becomes what does this mean for the future? What if this isn't just an interruption but a disruption? A lot of people are still treating it like an interruption, how to get through this hull."

Indeed, it's vital not to forget the eventual rebound.

"Especially in this situation, leaders have to consider that this is not going to disappear in the matter of a few months. It requires a two-year vision," advised Tommaso Galli, founder of TFC Consulting in Milan.

"In addition, not starting to plan now for the post-pandemic can be a costly mistake," Terry J. Lundgren, former chairman and chief executive officer of Macy's Inc., noted that expectations are low in a crisis.

"There's nothing you can do in the short term that's going to be any worse to your stock price, if you're a publicly traded company, than what the virus has already done," noted Lundgren. "Now is the ►"

Photo: iStock.com/istockphoto

# Crisis

A time of intense difficulty or danger.



# When people feel threatened.

- 1) ***Narrowed Focus***: The search for solutions is restricted to what is immediately around.
- 2) ***Constriction of Control***: We look upwards for help and direction.
- 3) ***Pressure for Uniformity***: All of us become more willing to work together.

# When people feel threatened.

- 1) ***Narrowed Focus***: The search for solutions is restricted to what is immediately around.
  - a) Well-practiced skills are efficiently and effectively delivered
  - b) Creativity and flexibility are seen as risky, adding to the sense of threat
  
- 2) ***Constriction of Control***: We look upwards for help and direction.
  - a) Leaders have more power and can expect greater compliance
  - b) Followers will choose leader strength over competence
  
- 3) ***Pressure for Uniformity***: All of us become more willing to work together.
  - a) There is less public dissent and disagreement
  - b) Everyone is inclined to collaborate

# For Leaders

In difficult times we seek and defer to strong leaders.



## Strong Leadership

- Look the part: height, energy, being engaged
- Act the part: dominance, assertiveness
- Consistent values
- Be inclusive and open

# For Leaders

Crisis is a time of opportunity as well as risk.



## To find opportunity

- Forget the past...you cannot undo the crisis
- Step up to the plate
- Shift your focus to the new
- Communicate often and honestly
- Look at the role models

# For Followers (and Leaders)

There is less public dissent and disagreement.



## To be most helpful

- Share key information
- Look outside for insight
- Keep a growth mindset
- Ask questions, be sure you understand what is being asked of you and why

# For Followers (and Leaders)

Asking questions and seeking honest answers feels like slowing down the response in a crisis – it is actually preparing for the future rather than wasting time trying to protect the now outdated old ways.



Don't forget... you cannot undo the crisis.

# Some thoughts to inspire you in a crisis.



“The price of doing the same old thing is far higher than the price of change.”

—President Bill Clinton



“There is no passion to be found playing small - in settling for a life that is less than the one you are capable of living.”

—Nelson Mandela

**Never give up**





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## Written Work (Academic)

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## Written Work (Practitioner)

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2. Peterson, R.S. (2016) Four ways to get the best out of diverse teams. *London Business School Review*.
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4. Peterson R.S. (2016). Eight must-read books on leadership. *London Business School Review*.
5. Peterson, R.S. & Wakeman, S.W. (2017). The type of narcissist that can make a good leader. *Harvard Business Review*. 3 March 2017.

## Video Work

1. TEDx LBS 2017:  
<https://vimeo.com/absolutefluidity/review/217620294/2318ca120a>
2. Leadership insights: What makes a great confidant?  
<https://vimeo.com/absolutefluidity/review/218325266/946dd05116>
3. Are you in the market for a narcissist?  
<https://vimeo.com/absolutefluidity/review/205413733/1509d48997>
4. World Economic Forum Davos, 2016:  
<https://vimeo.com/absolutefluidity/review/200579769/f31b109532>
5. Creating conditions for your dream team:  
<https://vimeo.com/absolutefluidity/review/205419948/ca7f629f0a>
6. Global Leadership Conference, 2015:  
<https://vimeo.com/absolutefluidity/review/30602976/4f3939a081>