

Numerous seminars, courses, conferences and check-lists are available to teach operational people how to 'manage' a crisis, but there is nothing specific for leaders or top executives. **Patrick Lagadec** addresses this lacuna

HURRICANE KATRINA, H1N1, THE Eyjafjallajökull volcano, the oil spill in the Gulf of Mexico, climatic shocks... The volatile 21st Century calls for an evolution in our visions, responses and preparations for crises. For decades, the key words have been planning and response, command and control, co-ordination, communication, business continuity and recovery.

Herein lies a paradigm. Are you following ready-to-use protocols and plans? They can disintegrate in the first five minutes. Are you consulting the experts? They may be drowned by ignorance or lack of knowledge in such fast-moving, hitherto unimagined sequences of events. Are you communicating? Being transparent is still good, but when you no longer know where you are going this can be difficult and self defeating...

There are no scripts; the challenge is to fill a blank page. And senior executives (not managers) have a vital role to play in this.

As yet, very little training or education has been offered to executives to prepare them to deal with such a difficult mission. However, we can identify entry points gained from past experience and lay some vital foundations.

Emergency response and even crisis manuals contain pages of best practice, though crisis leadership calls for more vital stances. The day-to-day mission of executives is to lead their organisation

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beyond known territories. Strangely, when it comes to crises and the ensuing surge of vital unknowns, a closed mentality can often prevail; pre-listed tactical bodies set predefined plans in motion, experts adjust the problems to their models, and communication departments dictate the talking points.

Leaders ensure that the whole machinery runs as it should do. Taking the time to stand back and survey the crisis from a distance is often not programmed into such responses, demonstrating aptly how

the prevailing model – ie crisis strikes, pressure points and silos emerge, leaders conform – is a trap for everyone involved.

A crisis destroys all points of reference. Applying known or customary responses just feeds the dislocation of the dynamics involved. Crises call for full deployment of creative leadership, meaning: Total commitment from the top; opening questions beyond conventional borders; and collective sailing through storms in uncharted territories. Clearly, leadership has to be central, not suspended – in charge, not discharged – and above all, creative.

In crises, life and death issues surge with the most extreme brutality. Key responding factors for executives include: In-depth conviction and strategic intelligence; the ability to bear heavy burdens while injecting confidence and faith; and mobilising people and opening networks. As Mayor Giuliani put it after the September 11, 2001, attacks: "Have beliefs and communicate them. See things for yourself. Set an example. Prepare relentlessly. Under-promise and over-deliver. Don't assume a damn thing".

TECHNOCRATIC PROTOCOLS

This is not a time to hide behind technocratic protocols, but to lead from the front. When I interviewed the appointed member of French Government in charge of the giant Amoco Cadiz oil spill (French side of the Channel, 1978) I asked him about his key impressions

of the battle. His answer was crystal clear: "It started from the very moment when I stepped off the helicopter, the first minute I arrived on scene. A man came to me and said: 'Marc, do you remember me?'"

"If I had answered no, I might as well have flown back to Paris immediately. I had a couple of seconds to search my memory before I answered: 'Yes, I remember, we worked together in agricultural trade unions 20 years ago.' The test was passed. I could stay and lead. My job title carried no weight. The fact that I was

'Marc' was the relevant and decisive point."

The opposite example is the former CEO of BP's incapacity to maintain that vital dimension or rapport for the first months of the crisis in the Gulf of Mexico. The former French Telecom president showed the same infirmity during a surge of suicides in his company. He spoke on the radio to express his regret at such a 'fashionable mood' – an unfortunate description. He had to return the following day in an attempt to correct the terrible impression left by such words, only to compound the apparent lack of empathy by concluding that although his company had experienced a great shock – it had also been 'a small shock' for himself. Those statements are not mere communication mishaps; they clearly sign an embedded inability to lead in such an important situation.

Leadership essentially consists of:

- Opening questions and categorising the issues;
- Opening the visions and maps of actors;
- Outlining trails into the unknown and fixing some pointers;
- Consolidating global cohesion and injecting energy;
- Focusing and fortifying weak points, critical hubs and nodes;
- Shaping and launching decisive mutations; and
- Preparing the organisation in advance to deal with the swift mutations of a crisis.

In other words, the real challenge is to open a blank page, and to draw unfamiliar trajectories. Obviously, a great number of preparatory tools will have to be used, a great number of listed actors will have to be involved. But the most important talent will always be the ability to change the action of vision and logic in real time, even if this appears counter-intuitive to others or to fly in the face of accepted rules. The more serious the situation, the more novel the questions to be asked, the greater the empowerment of people on the ground must be. If the leader is not prepared to play this 360° adventure, nobody will.

Let's try to be more operational. How to delineate a set of best practices for executives, especially in emergent chaotic contexts? Experience indicates the following steps as a minimum.

First of all, leaders must scan for strange or aberrant signals, but must not amplify the usual

Mapping the way for senior executives



signals, build statistical knowledge or search for definite evidence. They must search for unknown traces, undocumented configurations of elements, unthinkable combinations within preconceived visions. Far from solid proof, statistical evidence, numerical calculus, the key will be intuition and convergence of feelings.

An essential first task for leaders is thus clarifying whether the culture of their organisation favours the identification of aberrant signals or not. In numerous bodies, the audit is easy and rapid: should anything unconventional occur, all those involved would be struck blind and dumb, upwards emergency information would be blocked, paralysis would be instant, messengers would be fired... And if the typical reaction were to be: "We cannot scare our executives", alarm bells should ring immediately.

Any crisis begins with a shock, a kind of inaugural mourning signifying a rupture in the ordinary order of the world. Intellectual and vital shocks will stun, triggering denial, outcry and disarray. These shocks will be all the more violent and destructive at the executive level, where expectations and major contradictions will converge. Those relying on pre-prepared ready-made solutions are exposed to instant breakdown: either paralysis in bureaucratic silos; or the opposite: senseless gesticulation and meaningless communication.

The second task of any executive is thus to accept preparation for those unthinkable surprises. This does not mean being prepared for the worst, but rather for the most aberrant and surprising scenario. The point is not to spend days and nights preparing for every single possibility; but an acceptance that circumstances are moving into *Terra Incognita*.

Stepping back is another vital task. When the alarm sounds, the leader will meet with his or her operational teams. Each one will suggest – or want to impose – a normal course of action or normal plans, and will insist upon applying the prefixed rules of engagement. Applying codified responses is seen as the only technical way forwards and also can be seen as a defence mechanism to protect those involved from the inevitable post-crisis inquiries, criticisms or attacks.

This is a well-trodden track and familiar trap, for example, encountered when President Kennedy was advised in the strongest possible terms to invade Cuba in order to, solve the 'problem' of Castro for once and for all. John Kennedy listened, but refused to conform; he met with his close advisers and asked for other options. Even if this meant departing from the plans, he envisioned

▶ that the idea of solving Cuba's problems could well be the definite solution for the future of the entire world. He kept his liberty of judgement and freedom of decision.

Serious crises are not solved primarily through logistics and rules of engagement, but through visions, principles, and values. Yet this is more complicated than just being required to apply normal operational procedures. It means revisiting, in real time, deep-rooted principles and visions, re-opening questions on futures, trajectories and actors.

A third task of the executive is, therefore,

with innovative proposals (CRJ 3:2; 4: 2).

In order to open their vision, options and initiatives, leaders are well advised to set up such an RRF as early as possible. They must have prepared themselves to interact with an RRF and to make the most of it.

Clearly, this is miles away from conventional practice when crucial orientations finally emerge from nowhere. An RRF does not restrain the leader's liberty of judgement: quite on the contrary, the whole idea is to open up a wider array of choices.

For example, an RRF would have given

an energy 9/11 – and the locals needed to be involved instantly, not after dramatic outcries).

So a fourth task for the executive is to foster such an RRF, and prepare his or her teams to make the most of such a group.

Another crucial requirement for executives is the instant comprehension that they will have to sail through unknown waters, and that the ways out are not to be found in the prevailing scripts. Volatility will call for flexibility, an in-depth sense-making capacity, and visionary ability, as well as the connecting aptitudes of involving and trusting entirely new actors and the talent of injecting confidence.

This will be difficult: the whole purpose of organisations (including expertise and science) is to protect themselves from anything new. The surge, or even the faintest perception, of unmapped territory or events will instantly trigger morbid anxiety and disarray. The Pavlovian reflex will be to erect defensive lines across the board, to cave in to bunker attitudes.

The traps are instantly set for, and rapidly grabbed by, executives, including: False reassurances and panic at the highest level: Strict compliance with the rules (even if totally irrelevant); a feeble command and control mentality, and collective abrogation under the pretext that the crisis is not playing by the rules. They will be dragged into a series of teleconferences, drowning them in a morass of pointless micro-management, only to be driven rapidly to media programmes with empty sound bites.

The crucial responsibility of the leader will be to set up a new playing field, enabling everyone to play their role under unknown conditions. Experience indicates that some operational references to bear in mind are the following.

■ **Expertise:** The priority is to ask about the limitations of expertise: 'Who can tell me what, with which delays, and with how much credibility?' must be the question, not: 'Give me the appropriate course of action'. The leader will at no time forget that expertise is never pure science but is a social construct, is not the solution but a part of the problem. The problem is not to be towed along by expertise, but to be able to work with expertise. The leader sets the tone, not the expertise.

■ **Operational bodies:** The questions to be asked of technical people will focus on their difficulties, their hidden hypotheses, and their ability to work together. The challenge for the leader is to keep an open mind, to keep a firm hand on the whole steering capacity – when so often they become trapped in tactical conventional rules. And the leader must absolutely refrain from diving into the micro-



The Deepwater Horizon incident in the Gulf of Mexico: Senior executives must be prepared for such unthinkable surprises. This does not mean being prepared for the worst, but rather for the most aberrant and surprising scenario

USCG

to step back, even if many may criticise such an unconventional stance ('failing by the rules' is often more comfortable than succeeding through unconventional paths).

In crises now, more than ever, it is crucial to understand the essence of the issue, to detect the pitfalls, to map the whole array of actors who are involved and who should be involved. And, last but not least, to forge initiatives that can foster positive dynamics. These are the four questions to be explored by what I have named Rapid Reflection Force – RRF, which is a small group of people, chosen for their diverse backgrounds, who are trained to be creative, open and able to come up

the Director General of the World Health Organisation some options in the H1N1 challenge (it was not H5N1) and would have opened up other approaches in dealing with the ash plume thrown up by the Eyjafjallajökull volcano. This was not the same type of problem encountered by the 1982 British Airways 747 jumbo jet incident when it lost all four engines owing to volcanic ash from the Mount Galunggung volcano in Jakarta, which was used as a precedent for banning all air traffic in 2010. An RRF would have given the US President the option of another stance at the beginning of the BP case in the US (this was not an oil spill, more like an oil gush; not a Katrina but more

technical management, even if such an activity appears comfortable and familiar.

■ **Organisations:** The executive must map the complexity of all bodies involved, and step back to practise meta-leadership, far from bureaucratic quagmires. The key is to open new areas of collaboration, to develop confidence and trust, precisely when anxiety tends to develop into Towers of Babel. The leader must help to launch bridges, not erect walls.

■ **Connective tissues:** the classic trap in a crisis is to envision the whole landscape as being instantly governed by the laws of panic and anti-social behaviour – justifying centralisation, law and order, even military control. Quite the contrary, emerging crises call for intelligent and extensive empowerment of people on the ground. Large bodies will have a crucial role, but not at the expense of a wholesale freezing of people's capacities. The more chaotic the situation, the more bottom-up dynamics, or those horizontally-layered at the bottom, will have to be encouraged.

■ **Communication:** Since the 1990s crisis communication has taught leaders that they have to be transparent, and not speculate when questioned. In very chaotic times, the communication paradigm has to be revisited: the point is not only to say what is known, but to redistribute knowledge, responsibility, and even questions. "Those in authority must retain the public's trust. The way to do that is to distort nothing, to put the best face on nothing, to try to manipulate no-one. Leadership must make whatever horror exists concrete. Only then will people be able to break it apart" as Abraham Lincoln put it.

■ **Decisions:** Yes, the leader must be prepared to 'decide'. But this cardinal function will only be possible if the leader has put in place the cultural and managerial context outlined in this article. If and when the whole playing field has been opened up, then decisions will make sense and have the real capacity to be powerful, then the whole knowledge of decision-making will once more become relevant.

A fifth task of the leader is to open up this new playing field, and help his or her organisation – and the systems at large – to play by new rules and with new references. This precludes a strategic intelligence capacity, linked to the ability to inject faith, trust and confidence. This is what I discovered in New Orleans after Hurricane Katrina. The only leaders who succeeded (for instance, the Director of Louis Armstrong International Airport) demonstrated a double ability: global vision, and the capacity to foster empowerment, both within their own organisation and beyond.

Numerous seminars, courses, conferences

and check-lists are prepared to teach operational people how to manage crises. There is virtually nothing specific for leaders. Decisive initiatives have to be taken to think and implement *ad hoc* preparations and training for executives. These include seminars devoted to critical thinking.

Such seminars should not, however, comprise assembly-line training or instruction by Power-Point. The aim is not to teach the answers of the past, but to give executives the ability and skills to pose the necessary questions, especially when even they don't know which questions have to be asked.

Red team exercises, where executives are asked to design their own unthinkable

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scenarios, are also important and should be far removed from those ritual drills where they are expected to react, apply and conform.

In addition, debriefing for executives should be organised, focused on the most difficult challenges for leaders in 'impossible' situations. This is very rare; generally post-incident reports only concentrate on co-ordination and communication. But this implies a decisive move, still extremely rare, ie deciding and letting it be known that those perspectives are crucial, that the leader is personally committed to meet the challenge.

DOMESTICATED CONCEPTS

Clearly, this is still very difficult. Nothing in higher-level education has prepared the leader to wander into *Terra Incognita*. The opposition is formidable. It is still so attractive to teach what we know, to publish what will not damage any established paradigm, and to contain research within the limits of well domesticated concepts. In his work on scientific revolution, Thomas Kuhn has written brilliantly on the subject. Now, it is urgent to overcome opposition and invent new practices. A world of systemic crises does not leave any other choice.

Leaders and executives have vast margins of liberty and progress. But fundamental constraints should not be overlooked.

Our philosophy and culture of risk, the basis of our practices and policies, are now largely obsolete. Today's world confronts us with something quite different from limited, independent, well documented, scalable,

insurable, and recoverable risks. Today is a time of singular events of considerable importance, which can destabilise large systems, or trigger instant global contamination. Today's events confront experts not only with uncertainty, but with their sheer ignorance – either because of the facts themselves or the combination of complexity and speed. Today's events can trigger irreversible dynamics.

Moreover, the event itself is no longer the crucial source of the crisis dynamics. We now live in very unstable environments – super-cooled contexts that are prone to liquefaction. We live in a chaotic world, which no longer follows the rules of the past. If we do not adjust and adapt our strategy, we are bound to be defeated in every battle.

A second strategic factor is that of our managerial rules: executives are evaluated on a three-monthly basis, efficiency is developed at the expense of resilience, bureaucratic processes and financial norms override every other consideration. This does not stimulate strategic innovation in terms of leadership.

Under such constraints, it is structurally impossible to meet the challenge of 21st century crises. A paradigm shift is necessary and is of the utmost urgency if the very existence of the leadership function is to be saved.

But we cannot underestimate other dimensions, such as interests, conflicts and radical oppositions. Climate, energy, wealth distribution, religious norms – these will only blossom with the burgeoning of global crises. We will need new leaders prepared to confront such high intensity situations. Leaders far removed from the traditional official who follows tactical constraints and dictates impotent orders from centralised headquarters. We need executives trained to think and act outside the box, to shape unknown routes with unknown actors, to listen and empower. Leaders prepared to confront mega-crises in super-cooled contexts.

This will probably call for new education institutions able to produce people able to think and act in a new way. Humanity has achieved this in the past, and it is essential that we manage to do it again to ensure our future. CRJ

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