



**skills
you need
today**

LEADING THROUGH A CRISIS

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Leading Through a Crisis

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Introduction

The word *leader* evokes images of great men and women who, in moments of crisis, rise up to make a great difference in the course of human events. Simply defined, leading is the ability to influence others to move toward the accomplishments of common goals. Every day, mothers and fathers lead, little children lead, unit heads lead.

But in a time of crisis, leadership is particularly challenging. It is the individuals who rise to this challenge whose stories we read about in books, see in films, and relate to future generations.

You probably already do lead. Think about the times recently when you have influenced others by the decisions you made, by how you chose to spend your time and money, or by simply engaging in a conversation that affected what others were doing. But how do you lead *better*, and how do you translate and grow those skills to lead better in a crisis?

In business, many people think of crisis management as a job for internal audit groups, senior executives, and public relations professionals. And it's true in part—crises such as product tampering, food contamination, or fraudulent earnings reports are best handled by these people. But there are other, broader events like today's financial crisis that could have a devastating impact on your group and organization. These may make it difficult or impossible for you to carry out your business operations—and it's

up to you to make the decisions that steer your group in the right direction.

Where does a good leader begin? Start with the purpose. It does very little good to spend time trying to influence others if you have no idea for what purpose. What is the vision? Where are you trying to go? What are you trying to accomplish? This sounds so simple, but it is absolutely critical. Good leaders know what they are trying to accomplish. Part I of this book, “Leading People,” will guide you through the skills you need to become a better leader, especially crafting a vision and motivating the people around you to work toward that vision.

Good leaders also have a plan to go with that sense of purpose, especially in a crisis. With good planning, you can minimize the impact of a potential disaster, avoid one altogether, or—in some cases—even help your company benefit from a crisis. Part II of this book, “Managing Crises,” focuses on the skills you need to manage in a crisis, whether it be today’s economic realities or some other event entirely.

Finally, leaders in a crisis must need to know how to make effective decisions. You have to know how to evaluate trade-offs, generate alternatives, and come to your final choice quickly. The path you choose will have a real impact on your company and its people, and the higher the stakes in the business world, the more charged the decision-making process becomes. During a crisis, there are many decisions to be made, and a lot rides on every choice. Part III, “Making Decisions,” focuses on your skills as a decision maker, guiding you through eight steps that take the mystery out of the process of making a choice.

Let this guide help you to take the risk and be the leader you already are. In times of crisis, people are looking for a leader—all you have to do is step out and say to yourself, “OK, I am in charge, and I know where I want to go.” Then say to the others, “Follow me.”

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Leading People

The Challenge of Contemporary Leadership

*The definition
of leadership is to have inspired,
energized followers.*

—Warren G. Bennis

Leadership used to be viewed as innate. Epitomized by heroic, Lone Ranger types, it was seen as a mystical blend of courage, charisma, and even a flair for the dramatic. But beyond those traits, to paraphrase Louis Armstrong, if you had to ask what leadership was, you'd never know.

Fortunately, we've all grown wiser—or at least, we've had the lesson drummed into us by a business climate that is increasingly competitive and volatile. Yes, leadership still calls for courage and decisiveness in the face of conflicting demands. For example, the ability to make tradeoffs between people, resources, money, and deadlines—often causing short-term pain for the sake of long-term benefit—remains a vital element of effective leadership. But the changing structure of organizations, the growth of alliances and joint ventures between organizations, indeed, the changing nature of work itself—all call for more practical and diverse approaches to leadership.

Expand your leadership skills

There will always be a time and place for charismatic leaders, but few leaders today use formal authority and the power to command and control; rather, they *influence* and *motivate* people to achieve clearly defined goals. The power to influence and motivate requires skills such as:

- Communication skills to speak and write persuasively
- Interpersonal skills to listen and hear what people are really saying
- Conflict-resolution skills to handle the inevitable times of friction and tension
- Negotiation skills to bring differing groups together
- Motivational skills to convince people to strive for the same goal

Management versus Leadership Skills

MANAGEMENT SKILLS

Planning and budgeting

Organizing and staffing

Controlling and problem solving

LEADERSHIP SKILLS

Setting a direction

Aligning people to a vision

Motivating and inspiring

Leading or managing?

Are leadership skills the same skills effective managers use? Yes, to a degree. Managing and leading are complementary and often overlapping activities. The primary difference is that managing involves coping with complexity; leading, coping with *change*. At the same time, managing requires leadership skills, and leading requires management skills.

Management skills will always be essential, but in responding and adapting to the changing socioeconomic realities of today's markets, managers, even middle managers, are increasingly being called upon to be leaders as well.

Recognize the leadership challenge

No matter what the current economic, political, and social realities may be, the challenge for leaders today is to define their special goals or vision, to acquire as many management and leadership skills as possible, and, finally, to know when to use them to influence others to reach those goals.

What Makes an Effective Leader?

The cult of the heroic leader remains strong.

—Loren Gary, editor

Effective leaders are not born with the gift of knowing how to lead. Rather, they gain experience, they absorb knowledge, they see and listen to the world around them—both inside the organization and beyond. Effective leaders are also capable of assuming the leadership qualities needed for specific situations. There are many kinds of effective leaders—among them the charismatic leader, the transformational leader, and the pragmatic leader—but these distinctive qualities can blend together in one person in different ways at different times.

Charismatic leaders seem to shine

A charismatic leader may seem to be born with a gift to inspire. Particularly during a crisis, people turn to this powerful voice for a grand vision and hope for solutions. Such a leader can clarify the situation for his people and instill the confidence they need. People feel safe handing off a problem to this type of leader.