



# Organizational culture and leadership style: The missing combination for selecting the right leader for effective crisis management

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**Abstract** Most organizations faced with a crisis will rely on the leader in place at that time to lead them out of the crisis, often with disastrous results. When the crisis gets out of hand, these organizations realize belatedly that the current leader does not necessarily possess the leadership style required to manage the crisis effectively. We present three crisis response leadership principles (CRLP) to help organizations successfully prepare for and manage a crisis. To accompany the CRLP, we provide the crisis response leadership matrix (CRLM), a prescriptive guide to help an organization improve its initial response and enhance the effectiveness of its crisis management efforts. Combining the element of organizational culture with individual leadership styles, the CRLM offers a standard methodology that allows organizations to match a given crisis with the best possible crisis response leader. We present a real-world case study that describes a successful implementation of the approach: the U.S. Air Force Taiwan-4 crisis. Organizations adopting this methodology can confidently choose the right person to lead a swift, effective response to a crisis.

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## 1. The Taiwan-4 incident: A high-risk, high-magnitude crisis

In August 2006, the United States Air Force (USAF) mistakenly sent four nuclear fuses that help trigger nuclear warheads in Minuteman ICBMs to Taiwan instead of four replacement battery packs

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requested for use in Taiwan's fleet of UH-1 Huey helicopters. The misshipment was a matter of national security that threatened to undermine the credibility of the USAF. More than 18 months transpired before officials in the Department of Defense (DoD) realized the wrong parts had been shipped, and the news hit the media in March 2008 (White, 2008). U.S. Secretary of Defense Robert Gates found the incident disconcerting and launched an immediate investigation. In a move unprecedented in U.S. military history, two high-ranking officials, Secretary of the Air Force Michael Wynne and Chief of Staff General Michael Moseley, were forced to resign in June 2008. This incident presented a crisis because it threatened to undermine the ability of the USAF to secure and account for its nuclear weapons arsenal. This article focuses on crises like the Taiwan-4 incident—namely, high-risk, high-magnitude crises with potential impacts so severe that they can threaten the credibility, perhaps even the survival, of the affected organizations.

Crises often drive organizations to predictable mitigation strategies focused on managing distractions rather than prioritized actions targeted at crisis response. Moreover, many organizations operate in a reactive mode, waiting for public criticism, emergencies, or negative publicity before they act (Girboveanu & Pavel, 2010). A more proactive approach, based on the three key principles we present in this article, can help organizations to prepare for and successfully manage a crisis. These principles, the crisis response leadership principles (CRLP), provide a practical framework for an organization to improve its initial crisis response and enhance crisis management effectiveness. These principles offer a prescriptive methodology to be used in conjunction with a crisis management tool, the crisis response leadership matrix (CRLM), which serves to match a given crisis with the best possible crisis response leader based on organizational culture and individual leadership style. We describe how these principles were applied to the Taiwan-4 crisis supply chain management recovery, demonstrating the impact of leadership style and organizational cultural on optimal crisis recovery.

## 2. Managing crises

Organizations are keenly aware of the potentially devastating impact of a crisis. Typically, when a crisis occurs, the response from the organization facing the crisis can range from pandemonium to a controlled, purposeful, and well-orchestrated crisis resolution, depending on the characteristics of the leadership team in place at the time and the prevailing

organizational culture. The response to the crisis will determine the trajectory of recovery and future organizational performance. In preparation, vigilant organizations should scan the horizon for signs of an impending crisis. Since the job of leadership is to address the crisis as quickly and effectively as possible, an enhanced environmental scan is prescribed by the CRLP that, unlike the traditional environmental scan, assesses how organizational culture and choice of leadership team both directly impact the probability of successfully managing a crisis.

Organizations, however, rarely allocate resources to crisis management preparedness since crisis management is not a part of their day-to-day operational activities. As stated by Hickman and Crandall (1997, p. 75): "Despite past disasters and the millions of dollars of damage they have rung up, many organizations are not prepared for a catastrophe to occur." Crisis management readiness receives little to no attention under normal operating conditions for a variety of reasons, one of which is the belief that the organization is unlikely to be affected by a crisis. In an article on crisis management, Lockwood (2005) cited a 2005 Disaster Preparedness Survey which indicated that even after the 9/11 attacks, 45% of the organizations surveyed did not create or revise disaster preparedness plans.

Organizations rarely allocate adequate resources to prepare for crisis management. This stems from a notion that it is very difficult to anticipate a crisis. Lockwood (2005) presented five reasons why managers and organizations fail in this regard:

1. Denial of an impending threat to the organization;
2. A reluctance to make crisis preparedness a priority;
3. A lack of awareness of the risks inherent to the business;
4. Ignorance of warning signs accompanied by a failure to critically analyze the organization's own history or the disaster experiences of others in the industry or locale; and
5. Reliance on weak, untested plans that will not effectively protect organizations in a real crisis.

The CRLM considers the organizational culture and the leadership traits needed for successful resolution of the crisis, and the CRLP provide clear guidelines on how organizations can adopt a proactive process to prepare for serious crises and manage a

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