

Crisis Leadership: A Conceptual Approach for Key Competencies and Recommendations

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Abstract

The report catered to the evolution, importance, and contemporary knowledge of crisis leadership. Crisis leadership is known as a multifaceted and demanding discipline. Effective crisis leadership depends on several key competencies. This article discusses the key competencies of crisis leadership, for instance, emotional intelligence, strategic thinking, adaptability, and clear communication. This article also highlights the theoretical underpinnings of four different crisis leadership theories that help in effectively combating the challenges faced within an organization during a crisis period and navigating them through the crisis. Further, this article throws light on the Role of Charismatic Leadership in Crisis: The Charismatic Leadership Theory states that charming leaders have novel characteristics that rouse and spur their followers. In crisis circumstances, these magnetic characteristics become especially articulated and fundamental. After synthesizing the findings on the evolution of the key competencies of crisis leadership and the role of charismatic leaders during the time of crisis-situation, multiple critical recommendations for actions that crisis leadership have been recommended for the betterment of the leaders and organizations.

Keywords: Crisis Leadership, Charismatic Leadership, Key Competencies, Recommendations

1. Introduction

Most of the theories in leadership emphasize normal or stable situations. However, studying leadership in crises becomes more crucial. A crisis is an effective litmus test of leadership. From a leadership perspective, crises are “events that are perceived by leaders and organizational stakeholders as unexpected, highly salient, and potentially disruptive” [1]. Past major crises such as the tsunami, Chornobyl nuclear disaster, the 2007/08 Global financial crisis, and more recently, the COVID-19 pandemic required all leaders from both the business and political front to deal with the escalating expectations and demands from stakeholders [2]. Leadership behavior is highly influenced by the context under which they are operating. This will affect their personal characteristics, mindsets, and actions. It may also have implications for the decisions or actions a leader takes. An in-depth study of crisis leadership would better equip our leaders on how to handle crises.

Most studies are based on anecdotal evidence, assumptions, and individual reflections. Such studies are primarily subjective and descriptive in nature. While we have previously witnessed various crises, crisis leadership gained credence during the COVID-19 pandemic. It is, therefore, still in its nascent period from a practical and academic perspective [3]. The fragmented nature of research into crisis leadership means it becomes increasingly harder to gain in-depth insights into the current

state of this area of research and make plans on the subject.

Even though good leadership requires a strong vision, during a crisis, followers need a leader capable of “holding” them through this period and hopefully, keeping the organization alive. According to Abrams, ‘holding’ from a psychological perspective has to do with the ability of a leader to contain and interpret what is going on in an organization in the face of uncertainty [4]. Such a leader assures followers, sees things clearly, and assists them in sticking together [4]. Crisis leadership requires a leader who can communicate with clarity and is trustworthy. Total transparency is needed in a crisis and leadership must not withhold information as this can be a source of uncertainty and mistrust from the followers. Effective communication helps to reduce such uncertainty.

In today’s contemporary world, a crisis arises without any warnings and causes disruptions. Therefore, it becomes imperative to deal with crises whenever they strike and mitigate their effects efficiently. The recent crises involve the global pandemic and the energy crisis experienced globally. Businesses and other organizations are immensely affected by these disruptions. Koehn cited that the role of the leaders thus becomes pivotal in these organizations to navigate and inspire these organizations through the hard times [5]. The leaders manage the organizations by predicting the obstacles and managing their

resource allocation effectively during this time. The actions implemented are fast and decisive in the crisis period.

2. Contemporary Knowledge of Crisis Leadership

Hartley mentioned that leadership is generally considered an idea where an individual or a group of individuals manage and lead a business or an organization [6]. This leader or leadership group inspires, guides, and provides new avenues to the organization. Leadership, in general, is associated with leading and guiding an organization through normal and stable times. However, the need for leadership increases enormously during times of crisis. The studies and research on leadership have been mainly focused on times of stability and leadership in times of crisis is a very underdeveloped area of research and study. Crises are the different unexpected and sudden disruptions that occur without a warning and can disrupt the whole functioning of an organization [7]. Effective leadership during a crisis period involves the preparation of different crisis management teams who work efficiently to combat the challenges encountered during the crisis period. Crises generally disrupt the viability and operational ability within an organization. The crises that can have an effect within an organization can be typically classified into four broad categories namely, scandals, accidents, employee-related problems, and health hazard risk-related crises which compromise the safety of the employees and operations within the organization. There are several attributes of an occurrence that help in distinguishing it as a crisis rather than a normal challenge faced by an organization. These attributes of an occurrence can be analyzed by the leadership management teams to understand and analyze a crisis [8]. The dynamics such as the low probability of occurrence, ability to cause severe consequences, attracting attention outside an organization, and the need for rapid and decisive decisions to mitigate their effects can help in distinguishing a crisis from other challenging incidents that might be faced by an organization. Four different crisis leadership theories help in effectively combating the challenges faced within an organization during a crisis period and navigating them through the crisis. The Crisis Management Theory states that there is a need for a more decentralized leadership structure that will help an organization deal with the complex crisis encountered [9]. This theory encases the idea that the best possible way to combat a crisis is to prepare contingency plans and understand the nature of the crisis proficiently. The opinions and views of front-line employees are also considered to create a crisis management plan. Father of crisis management Ian Mitroff mentioned that the best way to deal with a crisis is preparation [10]. Another theory is the Cognitive Resource Theory which deals with leadership under stressful and immediate circumstances. It states that during a crisis it is important for leaders with much more experience to take over the situation. Serrat reported that the Complexity Leadership Theory talks about taking adaptive and hard measures during a crisis period without worrying about the pressure of bureaucracy or abiding by the standard operational structure that is followed within an organization during stable and normal times [11]. The final theory of crisis leadership is the Charismatic Leadership Theory. Although this theory is based on single individuals, it creates a highly positive attitude amongst the employees within an organization during times of crisis and presents a captivating

goal that helps the organization to recover from the crisis and move forward. Crisis leadership is a critical part of effective corporate management, particularly in the present unstable and capricious environment [12]. Leadership during emergencies demands an extraordinary arrangement of capabilities and abilities to negotiate turbulent waters while imparting certainty and strength to team members [12].

3. Key Competencies Needed for Leadership in Times of Crisis

Multiple key competencies are required to have a leader during the time of managing a crisis in a firm. Sometimes, crises require clear precedents as well as demanding leaders who would have the ability to make adaptive decisions based on limited information [13]. Apart from this, timely and clear communication is paramount in case of crisis leadership. Therefore, leaders must have the capability of conveying information transparently to all stakeholders. For instance, the public, employees, government authorities, and others.

Evaluating the literature on crisis leadership, it can be established that leaders should have the competency to communicate with authenticity, empathy, and confidence to instill as well as calm during turbulent times. In addition to this, managing and recognizing emotions of one's own as well as of others are vital competencies for crisis leaders. In this instance, a High level of emotional intelligence can enable the leaders to navigate the emotional complexity of a crisis and help in providing emotional support to the members of the team and maintaining composure under pressure [14].

Crisis leaders are required to have a strategic mindset. This means that leaders must have critical thinking abilities. It helps the leader to anticipate potential challenges and develop effective crisis response strategies. In addition, strategic thinkers in crises are known as better equipped to allocate resources and manage long-term damages [14]. Effective crisis leader's adept at leading and building high-performing teams. Moreover, collaborative skills are essential for fostering unity and cooperation because crises often demand multifaceted and cross-functional solutions. Such as team members, stakeholders, and external partners. Leaders must have the ability to withstand the pressures of crisis management and bounce back from setbacks. This competency is crucial for crisis leadership.

Effective Communication: Effective communication starts with clear, straightforward, and convenient communication. Leaders should have the capacity to pass on data that all partners can understand. During a crisis, misinformation and bits of gossip can spread quickly, making clear and precise communication fundamental [15]. Competent crisis leaders guarantee that their communication isn't just educational but additionally consoling, giving an internal compass and security.

Decisive Decision-Making: Crisis circumstances frequently include rapidly developing circumstances and elevated degrees of vulnerability. Competent crisis leaders are equipped to make brief and all-around informed decisions. They gauge risks and benefits while thinking about the best game plan. Decisiveness

is essential in guaranteeing that ideal reactions can alleviate damage and vulnerability [16]. Leaders should be ready to proceed with reasonable plans of action when it is important.

Adaptability: Emergencies are dynamic and can unfold quickly, requiring leaders to be adaptable. Competent crisis leaders can develop systems and strategies as the circumstances develop. The capacity to stay light and adaptable is vital, guaranteeing that pioneers can effectively respond to evolving conditions [17]. Adaptability likewise includes recognizing when current methodologies are not working and being available for elective arrangements.

Emotional Intelligence: Effective crisis leadership demands a serious level of emotional intelligence. Leaders should be on top of their own feelings while additionally understanding and dealing with the feelings of their team members. Empathy and emotional guidance are critical for offering help and staying totally under control during upsetting times [18]. Leaders who can interface with their team members on an emotional level can cultivate trust and a feeling of solidarity.

During the Coronavirus pandemic, the PM of New Zealand, Jacinda Arden, was highly appreciated for managing the crisis in the country. She was very quick and active in her decision-making and declared the lockdown immediately to keep her people safe. She communicated to her countrymen through different media to explain the importance of safety measures related to the pandemic [19].

CEO of British Petroleum, Tony Hayward was criticized badly after the Deepwater Horizon oil disaster, due to his lack of compassion and openness [20]. Due to this criticism, he resigned and he was punished for his role in the disaster. This shows that during times of crisis, it is important for leaders to take necessary steps and if they shy away from taking the necessary steps, they are to be held accountable for their role in the crisis. Doing nothing, when the situation needs critical action is also to be treated as criminal and offensive. This example proves that leaders are to be held accountable for their acts and omissions [20].

The best crisis managers drive others, establish trust, and communicate clearly. They are individuals who accept lessons from their mistakes and change paths when required to strengthen their leadership abilities.

4. The Role of Charismatic Leadership in Crisis

The Charismatic Leadership Theory states that charming leaders have novel characteristics that rouse and spur their followers. In crisis circumstances, these magnetic characteristics become especially articulated and fundamental:

1. Inspiring Hope: charismatic leaders have a momentous capacity to impart hope and confidence in their followers, in any event, when defied with difficulty and vulnerability. Their steadfast self-assurance and convincing vision give them a significant internal compass and motivation, which is priceless during emergencies. Followers look to charming leaders as encouraging signs in the midst of mayhem, accepting that under

their direction, they can overcome unfavorable difficulties. During a crisis, hope can be a strong impetus [21]. Charismatic leaders through their unfaltering disposition and relentless confidence in a more promising time to come, offer a beam of hope that lights a feeling of assurance in their followers. This hope keeps spirits high as well as cultivates versatility, empowering people and teams to continue through the hardest of conditions [21].

2. Motivating Action: One of the main traits of these leaders is their capacity to prepare people and teams right into it through enticing communication and an unfaltering confidence in their vision. In crises, this ability takes on monstrous importance. Charming leaders succeed in conveying a need to get a move on and a sense of responsibility that rouses unprecedented exertion. Fundamentally, they can galvanize individuals into aggregate action, diverting their energies towards a common objective. By articulating a convincing mission, charming leaders can persuade individuals to cooperate agreeably, rising above individual worries and zeroing in on everyone's benefit [22]. This limit concerning inspiration is significant in crisis circumstances where fast and purposeful action is frequently expected to alleviate harm and accomplish positive results.

3. Building Trust: Trust frames the base of effective crisis leadership, and alluring pioneers frequently succeed in causing trust and unwaveringness among their followers. During a crisis, people focus on their chief for direction as well as for a conviction that all is well and for confirmation. Charismatic leaders are seen as authentic and genuine, which reinforces the connection between leaders and followers. The trust that alluring pioneers motivate upgrades the cohesiveness of the team and supports the flexibility of the association. Followers need to trust in their chief's capacity to explore them through violent waters, and charismatic leaders have a natural capacity to encourage this conviction. This trust, based on straightforwardness, empathy, and a common sense of direction, permits teams to weather emergencies with a sense of solidarity and responsibility. In outline, charming leadership expects a crucial job in crises, where the capacity to move hope, persuade action, and fabricate trust is of the utmost significance [23]. These magnetic attributes, joined with effective crisis leadership abilities, engage pioneers to direct their teams and associations towards versatility, recuperation, and eventually progress notwithstanding testing conditions.

5. Recommendations for Crisis Leaders

After synthesizing the findings on the evolution of the key competencies of crisis leadership and the role of charismatic leaders during the time of crisis-situation, multiple critical recommendations for actions that crisis leadership can implement. Crisis leadership is a multifaceted endeavor [13]. It requires a combination of emotional intelligence, ethical consideration, competencies, and the ability to reassure and inspire its followers.

• Giving Priority to Ethical Decision-Making

Crisis leaders must give priority to ethical considerations in their processes of decision-making. Giving priority to ethical

decision-making fairness, integrity as well and transparency even in the most adverse and challenging circumstances. Ethical decision-making would help in maintaining trust and serve as a guiding principle for action during a time of crisis.

- **Making an Investment in Emotional Intelligence**

Crisis leaders should make investments in emotional intelligence training for better understanding and managing their own emotions as well as the emotions of the team members. Such emotional connection and support are vital for team cohesion and maintaining morale during distressing times.

- **Engaging in Strategic Planning for Crisis Preparedness**

Crisis leaders engage in strategic plans making for crisis preparedness. In this instance, it can conduct a risk assessment and develop crisis response protocols and planning scenarios before the occurrence of the crisis. Crisis preparedness can significantly help in improving crisis management outcomes.

- **Promoting Resilience and Wellbeing of Their Teams and Themselves**

Crisis leaders should give priority to the well-being of their team as well as themselves. Providing resources for stress management, fostering resilience, and encouraging self-care can allow the leader to mitigate the emotional toll of crisis leadership.

- **Inspiring and Motivating Their Teams**

As per Charismatic Leadership Theory, crisis leaders should focus on motivating and inspiring their team. In addition, they should articulate a compelling vision for overcoming the crisis, emphasizing the meaningfulness of their collective efforts and providing hope to their team members.

- **Adopting Crisis-Specific Strategies**

Crisis leaders should engage in recognizing unique strategies as per the requirements. Recognition of unique crisis management strategies can help leaders to meet their needs accordingly. In this instance, leaders should remain flexible as well as open in adjusting their approaches on the basis of the specific nature of the crisis and the needs of the followers.

- **Implementing Effective Communication Strategies**

Crisis leaders must have an effective communication strategy. Crisis leaders should be adept at delivering timely, empathetic, and clear messages to multiple stakeholders. In this instance, effective communication can help in reducing anxiety as well as uncertainty among followers.

- **Developing Key Competencies**

Crisis leaders should actively work on developing key competencies, as defined earlier. For instance, effective communication, informed decision-making ability, high-quality emotional intelligence, the ability of strategic thinking, thinking of the well-being of the team and themselves, promoting teamwork and resilience. Crisis leadership workshops and training can help the leaders in improving these skills.

- **Building Collaborative Networks with Various Stakeholders**

Crisis leaders should proactively work on building collaborative networks with multiple stakeholders. For instance, NGOs, government agencies, community organizations, and others. Such collaboration can help enhance information exchange, resource sharing, and collective problem-solving during times of crisis.

6. Conclusion

To conclude, it can be said that a single set of leadership cannot be applied to all sorts of situations. Moreover, a single set of traits cannot be attributed to leaders for making them effective. Every situation is different and leaders have to be flexible to adapt themselves to act according to the situations and needs of the time. Every leadership style is unique and important and it depends on the utility of the leadership style during different situations that make it perfect. Charismatic leaders have the charisma to inspire the people and crisis leadership demands strict actions during times of crisis to manage the situation in a better way. Effective crisis leadership begins with the cultivation of key competencies. such as emotional intelligence, strategic thinking adaptability, effective communications, and others. Such competency helps in the foundation for crisis leaders.

The Charismatic Leadership Theory highlights that leaders have the ability to inspire and motivate team members during times of crisis and distress. In addition, charismatic leaders can provide hope and clarity. Apart from this, charismatic leaders can lead their teams through even the most challenging circumstances. After synthesizing the findings on the evolution of the key competencies of crisis leadership and the role of charismatic leaders during the time of crisis-situation, multiple critical recommendations for actions that crisis leadership have been recommended for the betterment of the leaders and organizations. Future research should explore the avenues of development of theories in particular to crisis leadership and the role of ethics in crisis situations for the leaders.

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