



# Leadership in Crisis Mode

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## **Seminar objectives**

- ✓ Review crisis scenarios from an organizational and personal leadership perspective
- ✓ Review leadership characteristics and qualities
- ✓ Q&A

There are essentially two types of Crises relative to projects:

1. Operational—Post Project
2. Implementation Crises—During a Project

**An Operational Crises.... started at 4 AM when vital cooling water started to escape through an open valve at TMI.**



## **Key Leadership Problems**

Confusion in communications

Credibility of utility

NRC contributed to confusion

Failure to grasp the situation

Perception of the problems

Little command of the facts

Everyone and no one in charge

(.....Post Project Problems)

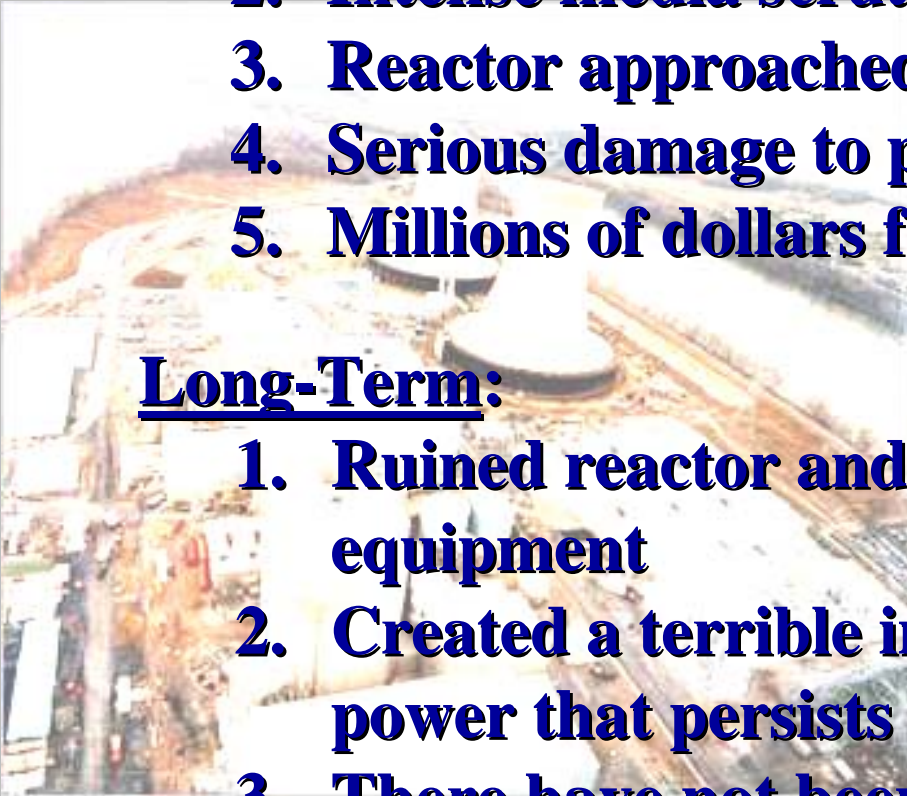
**Results of TMI**

**Short-Term:**

- 1. Almost caused wide-spread panic & hysteria**
- 2. Intense media scrutiny and second-guessing**
- 3. Reactor approached a melt-down condition**
- 4. Serious damage to power plant and loss of power**
- 5. Millions of dollars for repair and clean-up**

**Long-Term:**

- 1. Ruined reactor and other hard-to-replace equipment**
- 2. Created a terrible image problem for nuclear power that persists to this day**
- 3. There have not been any nuclear power plants ordered since 1976**



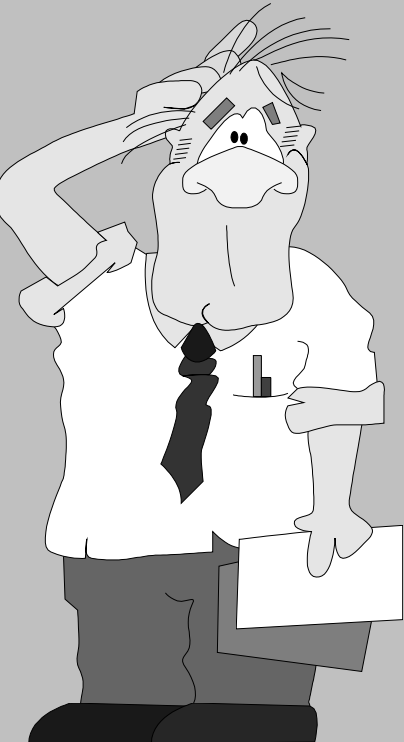
## Implementation Crises—During Project\*

☞ Two weeks before turning over a software project to the client with 500,000 lines of computer code, it is discovered there are 25,000 “bugs”

☞ Two years after starting a \$1-**billion** program consisting of 25 projects, the budget is over-run by \$100-million and behind schedule by 8 months.

☞ The “Big Dig” in Boston, MA. Proposed in 1983 at a cost of \$2.2-billion is to be completed in 1995.

**Current cost: \$14.6-billion to be completed in 2005(?).**



\* True scenarios

## **Key Leadership Problems**

Confusion in communications

Credibility of leaders

Lack of planning

Failure to grasp the situation

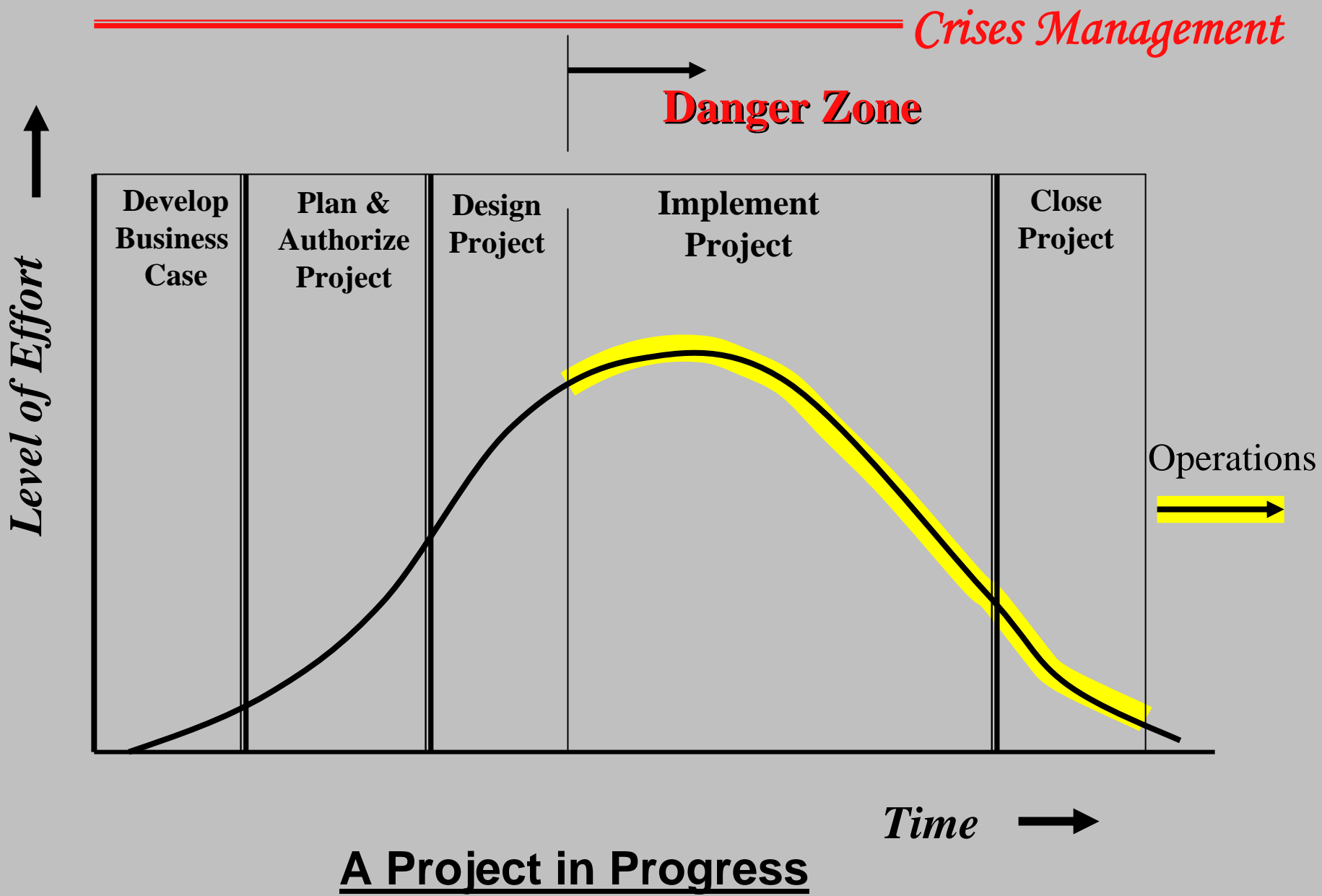
Perception of the problems

Little command of the facts

Everyone and no one in charge

**Guess What?  
We have the  
same problems!**

**Where do we go  
from here?**



## Questions to Consider:

**How do we get ourselves into a crises?**

**More importantly, how do we resolve the crisis?**

**What should be my first actions?**

**Is it possible that I will fail or make it worse?**

## Questions to Consider:

### **How do we get ourselves into a crises?**

- Poor planning
- Inadequate resources
- Unrealistic expectations
- Lack of executive support
- Inability to change with conditions
- Dysfunctional organizations
- External forces
- Failure to heed warning signs

From a personal perspective, you may find yourself in a crisis through no fault of your own; or

You may be asked to step in and rescue a project or resolve a crisis condition *created by others*.

### Preparation is the Key

Think of all the preparation and test conditions that have been “planned” in these scenarios:

- During the Cold War: Evacuation plans for the Government and preparing for its continuation after a nuclear attack.
- Clean-up of major environmental disasters with quick response teams (i.e. major oil spills)
- Continuous drills, including police, fire and civil authorities, in case of future nuclear incidents, chemical spills, or terrorists activities.

**Preparation does not guarantee success, but will significantly reduce the chance of failure and provide more response options.**

Hopefully, you will never have to deal with an operational crisis (Three Mile Island) or major implementation issue (e.g. Auto recall).

However, should you find yourself in a crisis situation, there are three things to address:

### **I. The Organization**

### **II. Your own Strengths and Weaknesses**

### **III. Staying Focused on the Project**

How do we deal with Crises? What should be my initial actions?

## **I. The Organization:**

### **1. Try to prepare for a crisis situation in advance**

- Project Risk Planning

### **2. Surround yourself with good people**

- They must be people you can trust
- Find those that can assist in strengthening your weaknesses
- They should possess good judgment & competence

### **3. Hold people accountable**

## **The Organization (continued):**

### **4. Obtain facts, data and information as quickly as possible**

- Ask the right questions of the right people at the right time
- Search relentlessly for the facts and their source

### **5. Do not try to manage an emergency by long distance**

- Get to the source of the problem by going there
- Set up your office at the site

### **The Organization (continued):**

#### **6. Maintain relationships with stakeholders**

- They may be able to help you
- A crisis is no time to start looking for friends

#### **7. There should be only one person in charge**

- Confirm that Sr. Management provides strong support and announces this to the organization (i.e. you want all the authority, not just the .... **responsibility**)

#### **8. Set up a war-room**

- The room should be dedicated to the project

## A Word About Groupthink

It is desirable to have a cohesive team, all working toward a common objective, with similar attitudes, etc. However, this also opens the possibility of “Groupthink.”

“Nothing can go wrong while we are in charge”



### **Characteristics of Groupthink:**

- 1. *Illusion of invincibility:*** “A talented team”, “Bold new ideas, “Possessing common sense and hard work”
- 2. *Tendency to moralize:*** “We are right; they are boneheaded”, “We have the best interest of the company at heart”
- 3. *Feeling of unanimous solutions:*** “Everyone agrees with the solution”, “I want to be a team player and go along with the policy, even though I personally have doubts”

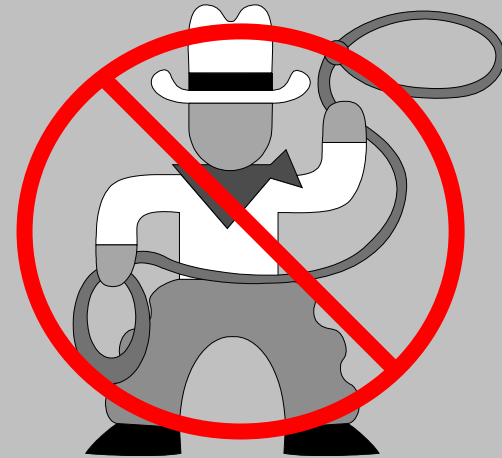
### Characteristics of Groupthink:

4. *Pressure to conform*: “Appeal for group unity”, “We must put forward a common face”
5. *Outside criticism is dismissed*: Because of team cohesiveness and the “pull the wagons in a circle” mentality, relevant arguments may be prematurely dismissed.

In other words, we can do no wrong

## **Causes of Groupthink:**

1. Cohesive Group
2. Strong leadership
3. Unstructured Group Processes
4. Pressure for solutions
5. Perceived narrow range of solutions



## **Symptoms of Groupthink:**

1. Belief in team's moral and rational correctness
2. Perceived invulnerability
3. "Us vs. them" thinking
4. Pressure brought to bear on those who disagree
5. Self censorship
6. Perception of unanimous thinking

## Groupthink Effects on Decision-making Process

1. Limited and/or biased search for information
2. Incomplete list of alternatives
3. Inadequate evaluation of alternatives
4. Maintenance of the status quo
5. Poor planning for contingencies

## **II. Your own Strengths and Weaknesses**

### **1. Control the day, not the other way around**

- Conduct a planning/logistics meeting every morning
- Use an issues log to track & manage issues

### **2. Create a sense of urgency**

- Without this, people will refuse to believe the seriousness of the situation

### **3. Do Not Panic!**

- Remaining calm will prevent team panic, loss of productivity, and the temptation to jump ship

## II. Your own Strengths and Weaknesses (continued)

### 4. Be decisive

- Make the decisions that need to be made
- In an emergency, consensus building may not always be possible (this does not mean ignore input or advice)

5. **Be Flexible.** A change in situation may require a change in leadership style or change in position

6. **Exude integrity, credibility and trust.** A lack of integrity will ultimately work against you.

**STRONG CAUTION: Trust and credibility are hard to obtain. Once lost, they are gone forever.**

## II. Your own Strengths and Weaknesses (continued)



### 7. Communicate clearly and effectively

- Communications should come from one source
- Do not make statements based on speculation or hearsay (especially when dealing with the media)
- Consider setting up a project “Blog” on the internet. It will provide information more quickly and defuse the other bloggers “out there”
- Be sure that each person clearly understands their role, responsibilities, and what is expected of them

A few pointers on what to expect in crisis situations:

1. It is extremely stressful
2. You will probably not get much sleep until project is stabilized
3. Multi-tasking is an understatement
4. You will have to provide continuous updates
5. You may have to deal with the media (everyone will want answers “now”)
6. You may have to replace (i.e. fire) some of the team
7. Fire-fighting will be the norm until you get a grip on project risks
8. You may experience personnel turnover
9. You will be between a rock and a hard place



## **Key Points on Leadership**

- There are differences in leadership behaviors and practices required at different levels of the organization.
- Leadership occurs in extremely diverse environments.
- Different skills are required at different stages in a person's career.
- Leadership is driven by major events.

## **Key Elements of Leadership:**

1. Character & integrity
2. Personal capability
3. Focus on results
4. Interpersonal skills
5. Decisiveness
6. Vision

## Key Leadership Insights

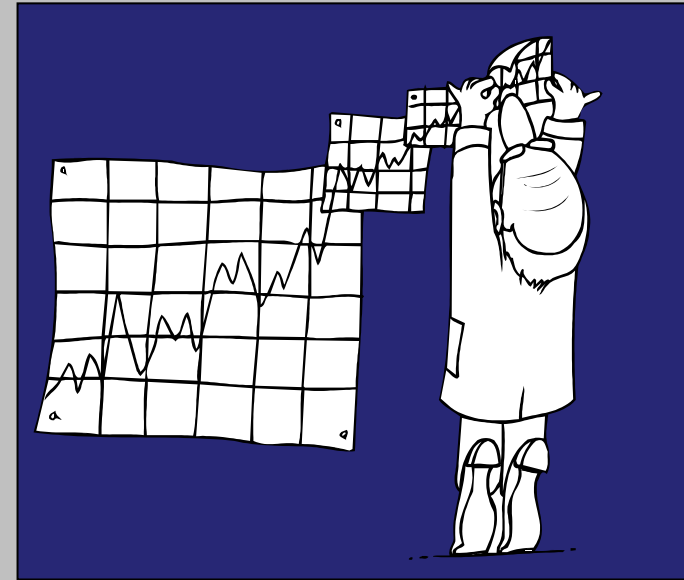
1. Leadership requires effective communication skills
2. Effective leaders have different personal styles (there is no one right way to lead)
3. Effective leadership practices are specific to an organization
4. Leaders are made, not born.
5. Leaders can improve their leadership effectiveness through self-development
6. Project leaders need managerial skills more than technical skills
7. Effective leaders have strong communication skills

## **Some common dilemmas in crisis management:**

- Candor vs. secrecy
- Being alarming vs. being reassuring
- Being human vs. being professional
- Speculation vs. refusal to speculate
- Being apologetic vs. being defensive

### III. Staying Focused on the Project

How do we focus on results?



- Break complex problems down into manageable parts
- Personally sponsor an action or initiative
- Provide ongoing feedback and coaching
- Take personal responsibility for the outcomes
- Ensure that tactical projects align with strategic goals
- Be aware of deliverables and milestones
- Be customer focused

# Five Fatal Flaws that Must be Fixed

1. Inability to learn from mistakes
2. Lack of interpersonal skills
3. Not open to new ideas
4. Lack of accountability
5. Lack of initiative



# How Can I Become a Better Leader?

1. Develop/display high personal character
2. Develop new skills  
(take a course, begin a new hobby, attend different types of seminars).
3. Find a coach or mentor
4. Identify your strengths & weaknesses
5. Fix Fatal Flaws
6. Observe how leaders conduct themselves

## Key Closing Thoughts

- ✓ You don't always get to pick which disaster you are assigned to
- ✓ Preparation & planning will provide traction in disaster mitigation (Use PM techniques)
- ✓ There should only be one person in charge
- ✓ Surround yourself with great people
- ✓ Focus on results and communications

## **Key Closing Thoughts** (continued)

- ✓ A crisis is also a test of leadership
- ✓ Be adaptable to changing conditions

**Thank You!**

