

CRISIS MANAGEMENT

Are You Leading Through the Crisis ... or Managing the Response?

by [Eric J. McNulty](#) and [Leonard Marcus](#)

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The coronavirus crisis, like every crisis, is unfolding over an arc of time with a beginning, middle, and end. It is useful to think what distinguishes what *was*, *is*, and *will be*. There *was* a past of relative stability and predictability. There now *is* chaos and disruption. There *will be* ... a different state. As this future unfolds, some organizations will be resilient. For others, this future will be catastrophic. The actions of executives and their teams now, in the midst of this crisis, will significantly determine their fate.

Crises, replete with both complexity and change, require executives to both lead and manage effectively. Addressing the urgent needs of the present is the work of management. You need to make immediate choices and allocate resources. The pace is fast, and actions are decisive.

Leading, by contrast, involves guiding people to the best possible eventual outcome over this arc of time. Your focus needs to be on what is likely to come next and readying to meet it. That means seeing beyond the immediate to anticipate the next three, four, or five obstacles.

For nearly two decades, we've researched and observed public and private-sector executives in high-stakes, high-pressure situations. What we've learned is that crises are most often over-managed and under-led. The best leaders navigate rough waters deftly, saving lives, energizing organizations, and inspiring communities. However, we've found that many leaders fall into one or more of the following leadership traps:

1. Taking a Narrow View

The human brain is programmed to narrow its focus in the face of a threat. It's an evolutionary survival mechanism designed for self-protection. The trap is that your field of vision becomes restricted to the immediate foreground.

Leaders need to intentionally pull back, opening your mental aperture to take in the mid-ground and background. It is what we call *meta*-leadership — taking a broad, holistic view of both challenges and opportunities. Properly focused meta-leadership fosters well-

directed management.

U.S. Coast Guard Rear Admiral Peter Neffenger (Ret.) was deputy national incident commander during the Deepwater Horizon oil spill. We were with him during that event and distilled his insights into a situation connectivity map — a visual representation of the many situations unfolding around the spill. They included legal issues, political fallout, business continuity concerns, the economic and social health of affected communities, environmental impact, inter-agency coordination among responders, and more.

With this wider view, Neffenger discovered that his most pressing job was not managing the response to the spill itself — it was leading through the thicket of political implications consuming federal, state, and local officials. His efforts helped create space and top cover for the operators on the ground and water to succeed.

2. Getting Seduced by Managing

For leaders who have risen up through an organization or in a single industry, managing a crisis can feel thrilling. The trap is that you're often returning to your operational comfort zone. Your adrenaline spikes as decisions are made and actions are taken. You experience a feeling of adding tangible value. However, it is like a sugar high that is quickly followed by a crash.

Leading through a crisis requires taking the long view, as opposed to managing the present. You need to anticipate what comes next week, next month, and even next year in order to prepare the organization for the changes ahead. You need to delegate and trust your people as they make tough decisions, providing proper support and guidance based on your experience while resisting the temptation to take over.

Knowing that a crisis can emerge at any moment, organizations in high-risk industries, such as energy and aviation, have robust health, safety, security, and environment (HSSE) functions to manage crises. When senior executives have deep trust in those in the HSSE function, they can focus their efforts on what's necessary to emerge from the crisis

stronger than before. When they do not, they micro-manage the response, disrupting the operating rhythm of the response managers, and subverting their own desires for a positive result.

3. Over-centralizing the Response

Risk and ambiguity increase during a crisis because so much is uncertain and volatile. The trap for leaders is trying to control everything. Suddenly, you've created new layers of approval for minor decisions. The organization becomes less responsive and frustration grows with each new constraint.

The solution is to seek order rather than control. Order means that people know what is expected of them and what they can expect of others. Leaders must acknowledge that you can't control everything. Determine which decisions only you can make and delegate the rest. Establish clear guiding values and principles while foregoing the temptation to do everything yourself.

The response to the Boston Marathon bombings was the most collaborative and synchronous we've studied. Among our findings was the wise leadership taken by then-Governor Deval Patrick. As he and others told us, he most often would enter the command center asking how he could be useful, rather than telling people what to do. He was clear that the FBI was in charge of the investigation, the mayor of Boston wanted to "run his streets," and that the professionals in the many organizations involved were best suited to make most moment-by-moment calls.

Where Patrick realized he could contribute the most was as a communicator — giving people hope for the future as the public face of government and serving as a trusted intermediary with the White House. He also spearheaded efforts to ensure that Massachusetts' communities had the support to be resilient through significant adversity.

4. Forgetting the Human Factors

While it may seem obvious, crises are crises because they affect people. However, leaders can instead become trapped by focusing on the daily metrics of share price, revenue, and costs. These are important, but they are the outcome of the coordinated efforts of people.

Organizations exist in order to accomplish together things that individuals cannot do alone.

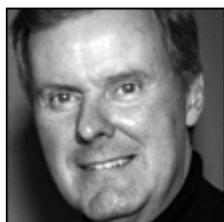
The solution is to unite people in their efforts and goals as valued members of a cohesive team. This starts with a common, clearly articulated mission that infuses the work with purpose. The mission is then animated through an inclusive leadership approach where each person understands how they can contribute—and that their contribution is recognized. This gives deeper meaning to even the most menial tasks.

James “Jimmy” Dunne was one of three managing partners of the investment bank, Sandler O’Neill (now Piper Sandler). Their offices were in the World Trade Center on 9/11. The firm lost 40% of its personnel in that attack, including the other two partners. Dunne told us that the firm’s survival became his personal mission because he wanted to deny the terrorists a victory.

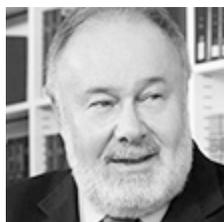
Dunne visualized his mission, looking at his two hands: In one hand, he held his business concerns; in the other was taking care of Sandler O’Neill’s people and their families. He said that the more he led on the people issues — personally attending funerals, continuing salaries and benefits, and other efforts — the more the business issues seemed to take care of themselves. Dunne created an environment in which people were collectively motivated to contribute to their shared success.

Imagine leading and managing as two circles in a Venn diagram. At the moment crisis strikes, the two circles largely overlap. As the event unfolds over the arc of time, the two activities move apart. The two circles are never fully separate because the present and the future are interdependent. The most effective leaders in crises ensure that someone else is managing the present well while focusing their attention on leading beyond the crisis toward a more promising future.

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