Role of Leadership in Crisis Management for Business Sustainability

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ABSTRACT :

A good leader may make a good management. The reach of businesses is expanding, customers' needs and wants are increasing, and natural and Man-made disasters permeate the business environment causing tremendous financial implications On business productivity. Given these crises, there is the need for business leaders to develop Leadership skills or adapt different leadership approaches to mitigate the negative effects of crisis and Disaster in order to maintain business effectiveness. Considerable literature on disaster management Seeks to aid business leaders on how to address/manage disasters in business.

This conceptual Chapter explores leadership approaches that leaders can implement in times of crisis. We suggest that A leadership function in a crisis environment intensifies the impact of management functions. The Chapter concludes by examining the implications of leadership approaches. This then leads us to a Discussion of business sustainability and the impact of decision-making on leadership. Although the Literature states that transformation is the best in times of crisis, we opine that situational leadership Is more appropriate in the dynamic environment of a crisis.

KEYWORDS:

Situational leadership ,Crisis management, Financial resources , Business Sustainability, Functions of management.

INTRODUCTION:

Leaders shall overcome the state of crisis where there is a environment in the organization, they shall restructure the organization and adopt it to the changing environmental circumstances. So we can conclude that, a leader has a significant role in crisis management.

A crisis is an event that interrupts an organization's normal operations. Depending on the event's severity, a crisis can lead to reduced profits or impact a company's reputation.

Common examples of crises include as follows,

Natural disasters, political uprisings and disease outbreaks. These events may reduce the demand for certain products by shifting customer priorities and making it challenging for them to access nonessential items.

Crises can also result from internal practices, such as failing to enforce safety protocols or secure customer credit card information. Crisis leadership is the process of responding to an organization's challenges and preventing them from occurring in the future. Most crisis leaders emphasize the needs of their employees

and customers by providing emotional support. For instance, they might acknowledge their concerns and maintain clear communication throughout the crisis. People who use this leadership style also focus on the long-term implications of challenging events.

OBJECTIVES:

The primary goal of crisis management is to ensure the safety and well-being of employees, customers and other stakeholders. This involves implementing emergency response plans, providing timely and accurate information, and taking necessary actions to mitigate hazards and risks and protect individuals from harm.

It helps organisations to handle unexpected situations efficiently provides clear direction, maintains team morale, makes quick and accurate decisions, and influences successful recovery from the crisis, ensuring the organisation's survival and growth.

LITERATURE REVIEW:

Leadership in Crisis Situations:

Boin, A., 't Hart, P., Stern, E., &Sundelius, B. (2005). "The Politics of Crisis Management: Public Leadership Under Pressure". Cambridge University Press. This book offers insights into the challenges of leading during crises, highlighting the importance of communication, decision-making, and coordination.

Yukl, G. (2013). "Leadership in Organizations". Pearson. The textbook discusses leadership theories and their application in crisis situations, emphasizing the role of transformational leadership and situational leadership.

Crisis Management Strategies:

Mitroff, I.I., &Anagnos, G. (2001). "Managing Crises Before They Happen: What Every Executive and Manager Needs to Know About Crisis Management". AMACOM. This book outlines proactive strategies for crisis management, including risk assessment, contingency planning, and crisis simulation exercises.

Pearson, C.M., & Clair, J.A. (1998). "Reframing Crisis Management". Academy of Management Review. This article proposes a new approach to crisis management, emphasizing the importance of sense-making, learning, and reframing during crises.

Communication in Crisis Management:

Coombs, W.T. (2014). "Ongoing Crisis Communication: Planning, Managing, and Responding". Sage Publications. The book discusses the role of communication in crisis management, including crisis communication strategies, message framing, and media relations.

Seeger, M.W., Sellnow, T.L., & Ulmer, R.R. (2003). "Communication and Organizational Crisis". Communication Yearbook, 27, 231-275. This article provides a comprehensive overview of communication theories and strategies relevant to crisis management, including crisis communication models and message strategies.

Decision-Making in Crisis Situations:

Fink, S. (2013). "Crisis Management: Planning for the Inevitable". Routledge. The book explores decision-making processes in crisis situations, including factors that influence decision-makers, decision biases, and strategies for effective decision-making under pressure.

Klein, G. (1998). "Sources of Power: How People Make Decisions". The MIT Press. This book examines decision-making processes in high-pressure environments, offering insights into the

role of experience, intuition, and expertise in crisis management.

Leadership Styles and Crisis Response:
Drath, W.H. (2001). "The Deep Blue Sea: Rethinking the Source of Leadership". Jossey-Bass. This book explores different leadership styles and their effectiveness in crisis situations, including directive leadership, participative leadership, and servant leadership.

Bowers, M.R., Pharmer, J.A., & Salas, E. (2000). "When member homogeneity is needed in work teams: A meta-analysis". Small Group Research. This article discusses the importance of team cohesion and leadership in crisis response, highlighting the role of transformational leadership in promoting team effectiveness during crises.

These literature sources provide a solid foundation for understanding the role of leadership in crisis management, as well as strategies and approaches for effective crisis response.

IMPORTANCE:
Effective leaders are the pillars of strength and stability that teams can lean on when faced with uncertainty. Their ability to make tough decisions swiftly and decisively can be the difference between chaos and calm within an organization.

Leadership in crisis situations inspires confidence among team members, reassuring them that there is a steady hand at the helm steering them toward safety. It sets the tone for how challenges will be tackled, instilling a sense of purpose and direction during tumultuous times.

CHARACTERISTICS OF EFFECTIVE CRISIS LEADERS:
In times of crisis, effective leaders possess key characteristics that set them apart. One crucial trait is the ability to remain calm under pressure, providing a sense of stability and reassurance to those around them. These leaders are decisive, able to make tough decisions swiftly and confidently when faced with uncertainty.

Effective crisis leaders also demonstrate strong communication skills, keeping their teams informed and updated throughout the situation. They are empathetic towards others' emotions and concerns while maintaining a focus on problem-solving.

Adaptability is another critical quality; these leaders can quickly adjust strategies as the crisis evolves.

ROLES OF LEADERSHIP IN CRISIS MANAGEMENT:

People first:
People are the heart and greatest resource of an organization. There is nothing more important during a crisis than human connection. When people feel emotionally connected, valued, heard and supported, they will rally toward a common goal.

Lead with Data:
People are dealing with the unknown, an avalanche of misinformation and fear. Our role is to gather information and base our decisions on facts and data. We have to trust that we made the best possible decision for students and staff at that moment in time.

Transparency and Clear Communication:
People seek honesty and transparency in a leader. Frequent and honest communication is reassuring. When we communicate in an honest and clear manner, we alleviate fears and provide hope.

Truly Listen:
Listening leaders listen with their hearts and minds. They give their full attention

and they listen with empathy and understanding. People need to feel heard, more than ever.

Lead with Compassion:

Our staff and school communities are dealing with isolation and physical distancing, economic hardship and a deadly virus. They are stressed and in need of compassion and empathy. Lead with grace, give it and receive it.

Lead for Equity:

We knew that vulnerable communities and many of our students faced inequity, but school closures and distance learning have truly brought the needs of our most marginalized communities to the surface. Maintain a focus on equity and socially just practices—this is our opportunity to truly transform education.

Be Flexible, Things Change:

Things are changing by the minute, literally. I find myself planning and developing things that have to be revamped the next day. Flexibility is key. Lead with flexibility and extend it to others.

Be Present, Stay Calm:

Focus on "what is" and not "what if." Make decisions based on what you know TODAY. Stay calm, as this will calm others. Stay positive, as negativity is contagious.

Dedicate Resources:

This crisis is requiring us to be more creative about providing staff and students with the resources needed to navigate school closures. Parents are losing jobs and many are in need of meals and mental health supports. Invest your human and fiscal resources in new and creative ways that may alleviate the pandemic's negative impact on our students and staff.

STEPS TO HANDLE A CRISIS:
Anticipate the Crisis:

Usually, business crises happen suddenly. Yet, according to your company industry, you could forestall what type of emergency your brand could suffer from in the future and set public crisis management guidelines to be prepared and help you start fast.

Collect Updated Data and Information:

Now, and once you are in a crisis, you need to handle a crisis with a plan that is cited new data and information that describe all the related details about the ongoing crisis.

Identify Your Crisis Management Team:

After knowing the crisis threats, you need to get your team to collaborate effectively to handle a crisis based on the requirements and needs to deal and cope with it effectively and take action fast while saving the corporate reputation.

Set a Clear Focus Point:

When planning a crisis deal, you need to set a primary focus point that must be handled at the first step, alongside a general managing plan that sets a general focus point from the crisis management.

Break Down the Problem:

The groundwork starts now. After all the planning and data collecting work, you must handle a crisis with your crises management team by knowing precisely what you are dealing with on the internal level and external level and what are the finest solutions to use.

Create a Fast Crisis Plan:

With complete information and a creative team, you can handle a crisis with the perfect plan for your corporate situation, whether this planning will include PR work, financial work, or social media marketing work.

Be Open Minded:

When you are in the middle of a crisis and dealing with tricky situations, as you need much resilience as possible and continuity, hear every individual on the teamâ ♦ ⊠s opinion as sometimes. They may present a lifesaving solution you would not see with all the negative work stress.

Resolve the Problem:

Always remember that even with the best crisis administration plan, you will not get actual results if you do not handle the core problem first with powerful practices. Moreover, do not even think that you can ignore the crisis, and it might vanish on its own.

Be Active:

A huge part of successfully handling a crisis process is communication, and the effective one is where you explain everything to your employees with case studies and examples. Moreover, communicate with them to make them feel involved and know the company's ability to survive this crisis.

Do Post-Crisis Analysis:

After doing all the work to handle a crisis and manage all the direct and side effects, you need to analyse and go through all the past circumstances or wrong things that likely led to the crisis and what could be done to resolve it differently or even avoid.

CONCLUSION:

Crisis leadership refers to the ability of leaders to effectively navigate and manage a crisis situation. It involves making crucial decisions, providing direction, and inspiring confidence in teams and stakeholders during challenging times.

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