

# Adapting Leadership in Crisis: Lessons from Diverse Corporate Leaders

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## Abstract

The reality of the modern, fast-paced business world is crisis. Instability in today's business world is brought on by rapid organizational change, shifting economic situations, personnel issues, unanticipated technological advancements, and political ramifications. The state is unable to control this instability, which manifests as economic disruptions leading to crises. Concerns about job loss affect not only those who have left their work but also those who are affected by the global crisis that affects our nation and every other nation in the world. It appears that firms are interested in this economic instability. But the environment isn't the only thing that influences crises. A crisis will arise and start a chain reaction if it is not appropriately managed or brought under control. There has been a noticeable shift away from authoritarian leadership through teamwork and a participative management mindset due to the growing turmoil. The world of commerce has been growing increasingly intricate and multifaceted. The aforementioned modifications have resulted in the transformation of conventional crisis leaders into a leader model that facilitates scenario analysis and teamwork by assembling diverse viewpoints to generate the best possible response. In order to comprehend the application of leadership in a crisis, the ideas of leadership and crisis are examined together. Crisis leadership is also thought of as an efficient and prompt method of evaluating the effects of unfavorable conditions, regardless of their cause. A comparison of the executive and leader concepts, as well as general information about leadership concepts from Total Quality Management principles, are provided in the first section of this article, which will present a wealth of material. The importance of the lead executive in a crisis and its contribution to the literature will be examined in the last section, while leadership in crisis management will be discussed in the second.

**Keywords:** Crisis management, leadership, and overall quality control;

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## 1. Introduction

Distances are practically nonexistent now thanks to remarkable advancements in information, communication, and transportation technologies. All global customers receive instant access to goods and services produced in various parts of the

world. To stay in business, companies compete with one another to provide their clients with faster, less expensive, and more qualified service. Global developments that were formerly considered Japanese miracles are now recognized as Japanese realities, and total quality management—under several names—has evolved into a competitive management style. It is a company strategy that seeks to fully and economically satisfy both present and future consumer expectations, as well as to enhance and develop all works with the involvement of all staff members. [1]

Today's emphasis on perfection and whole excellence can be summed up as follows: Total quality is a strategy that addresses organizational resources both material and human, places more emphasis on processes than on organizational functions or outputs, and relies management choices on the analysis of information and data that is adequately collected.

Democracy is Total Quality Management. Everyone is allowed to freely express their opinions and participate in management and

decision-making in some way. Employee suggestions will be considered, valued, and given credit. A key component of total quality management is communication. You are responsible for establishing a positive, two-way dialogue with your employees. There is collaboration to achieve goals when all employees are aware of your organization's vision and mission. To promote communication, a straightforward organizational structure, the elimination of hierarchy, and the adoption of open-door policies are required..

"Sustainable Improvement" is the cornerstone of whole quality management. You will review every procedure you use, ask yourself how it could be done more quickly and effectively, and look for long-term solutions. Collaborating as a team and gathering employee suggestions are essential for this. Measurements and comparisons are required. You will identify the KPIs for every process and assess how well it has improved in comparison to "the best of the world" and "the best of the market." [2]

## 1. Total Quality and Leadership

It is well acknowledged that a key factor in the success of Total Quality Management is leadership. To explore the roles of leadership in TQM practice, it is required to take a quick glance at the organization's improvements and changes, i.e., to analyze organizational models. The previous paradigm was mechanical and treated the organization like a machine. Employees were

thought of as the components of that machine. Following the mechanical model came the biological model. According to the biologic model, the organization is an organism. A brain is present. Top Management owns this brain. Employees resemble hands and feet. According to the social model, the organization is a society. Everyone in the society needs to have a goal and an idea. In order to achieve the overall goal, the management will try to guarantee interpersonal relationships. Although the social model's fundamental idea originated in the USA, Japan was the first country to successfully implement it through Total Quality Management. The following are leadership functions that TQM practices, according to Thomas H. Lee, Chairman of USA Quality Management: [3]

- To establish a common understanding and vision; in the biological model, this is primarily the job of senior managers. However, because it is everyone's responsibility, involvement is important in the social model.
- Weakness tendency;
- Creating an ever-learning organization;
- Authorizing individuals;
- Creating an interactive organization;
- Having a plan that is defined at a certain stage

It is imperative for every organization to gather insights from its past successes and experiences in order

to make improvements for the future. Significant roles are played by managers in the use of these data. In today's highly competitive world, organizations want leaders who can differentiate and succeed above mere managers. It is imperative for every organization to gather insights from its past successes and experiences in order to make improvements for the future. Significant roles are played by managers in the use of these data. In today's highly competitive world, organizations want leaders who can differentiate and succeed above mere managers.. [4].

The top manager's primary responsibility in the transfer to Total Quality Management is to constantly remind everyone, from the lowest level to the highest level, that quality can be attained via teamwork. In order for quality practices to yield meaningful outcomes over the long term, the top management must provide guidance and support throughout the entire process.

The senior management should provide an example, design the training environment, form, support, and motivate groups focused on quality improvement, and take part in quality improvement research as a whole. For managers to have a favorable impact on their employees, their words and deeds must match.

Change of attitude in quality shall be reflected on everybody from top management to the bottom level management or worker units just like a water flush cleaning the former and

bad habits. The important point here is to deliver the messages of top management to the very bottom level without skipping any level and to ensure that medium and bottom level managers in particular adopt the message of the concerning people. [5] Applying the following procedures in a hierarchical manner will ensure that TQM is used effectively and sustainably within an organization. [6]

- Choosing to implement Total Quality Management (TQM)
- Defining a goal for TQM
- Developing a vision for TQM
- Identifying TQM policy

## 2. Leadership in Crisis Management

The acts of managers who took over during difficult times brought about by poor production, a shortage of raw materials, poor quality, poor marketing, etc. are known as crisis management. [7]

Stated differently, crisis management necessitates methodical decision-making, the formation of a team to implement these decisions, and the capacity to make new decisions in order to expedite the practice's outcomes. [8]

For example, crisis management might be defined by Mitroff as "a series of internal link or supervision regarding crises that might pose danger for the main processes, workers and managers, and external environment of organizations.". [9]

"A process where managers try to meet their own objectives with a reasonable cost in states of danger," "a

specialty requiring process which attempts to predict the events that might interrupt significant future relations," and "organization managers' attempt to attain balance with minimum cost" are all definitions of crisis management. [10]

In light of that, it is required to recognize the issue when a crisis arises, to pinpoint the issue within the parameters of the intended goal, to pinpoint the most feasible opportunities, to assess the utility of a resolution in order to inform the final resolution, and to keep an eye on the various stages, such as the resolution's implementation. [11]

Crisis management is the process of gathering crisis indicators, evaluating their likelihood of occurring, and taking the appropriate action to minimize losses while a crisis is in progress. In this regard, prompt and effective decision-making as well as the prompt correction of aberrations are essential components of crisis management. In order to effectively handle a crisis, an organization must move quickly and decisively against any state that poses a threat to its existence or interferes with its operations. [12]

The following are possible ways to phrase the goals

of crisis management:

- recognizing the kinds of crises that could influence decision-makers and educating them on the crisis process,
- To give managers the tools they need to recognize and evaluate a crisis,
- to give them many strategies for devising crisis contingency plans,
- to equip them with the skills they need

to handle crises as effectively

### **Definition of Crisis Leadership**

Leaders are made in groups. Relationships within the organization, not individual personalities, are what determine leadership. In this sense, leadership takes on tasks like those performed by a police officer or postman and involves organizing a group, addressing problems, and providing guidance. A person becomes a leader because of their traits. Leadership requires a strong personality, perception, and intelligence. Assigning authority alone does not make someone a leader. Not only must a leader possess authority, but they must also be able to wield it. [13]

An organization requires a leader more than a manager during times of crisis, yet a leader is not the same as a manager. Leadership is concerned with originality, harmony, and agility, whereas management is more concerned with replication and continuation of the status quo. A leader also looks at the horizon line on the end-of-period profit-loss chart, in addition to the final total line, which is what managers see. In contrast to a manager, who concentrates on policies, procedures, systems, and oversight, a leader prioritizes dependability and interpersonal relationships. [14]

The first achievement criterion in crisis management is "leadership." A individual must be able to inspire others, bring people together, leave a legacy, and make a difference in order

to be considered a leader. Leadership requires two things: having a message to convey and acting in a well-mannered manner. Leaders use their cognitive and intellectual experiences to paint a picture of the future. This is the leaders' vision. Leaders are followed by those who follow their messages, and followers follow the leaders. [15]

In times of crisis, true leaders emerge. In times of crisis, new guidelines and regulations are applicable. Pessimism and uncertainty are prevalent. However, genuine leaders are upbeat because they are thinking about the answers. Since people in moments of crisis want for a change in their circumstances and the making of a difference, this energy affects those around them. In times of crisis, conventional wisdom is rendered useless. A real leader makes a difference and alters the status quo. This makes becoming a leader an inescapable obligation rather than a "duty." Within crisis management, the achievement element is another crucial component. Not only is it vital to carry out the task at hand, but it's also critical to embody every quality of leadership within the given situation. [16]

When carrying out organizational tasks, leaders disregard the difference between decision makers and implementers. They believe that the primary danger facing an organization is not the intellectual potential of its members, but rather the confinement of such potential. Leaders who meet the criteria for "crisis states leadership" place a high importance on personal

growth, independent thought, and initiative. They also dislike bureaucracy and strike a balance between their personal and professional lives. Leaders think that the organization won't achieve its goals unless the operators achieve theirs. Being a leader is an unavoidable responsibility rather than a duty.

Within crisis management, the achievement element is another crucial component. Not only is it vital to carry out the task at hand, but it's also critical to embody every quality of leadership within the given situation. Managers who possess bravery and the ability to handle risks in unusual circumstances elevate to the position of leadership. When the general public has accepted that there are no other options, leadership can empower individuals to take a risk and make an unexpected offer.[17]

When crisis management becomes necessary, a leader is born. Right now, leadership steps forward and illuminates the route, provides resources, directs the path, makes decisions, starts actions, and follows through on them.. [18]

In times of crisis, people require strong, self-assured, and approachable leaders. [19]

In times of crisis, it's important to fight the crisis and inspire the staff to do the same, as intra-organizational ties weaken and the organizational climax is upset. In order to overcome a crisis situation where there is an atmosphere of disorder within the company, leaders must restructure it and adapt it to the changing external conditions. Thus, it follows that a leader plays a crucial part

in crisis management. Studying the traits of a leader in crisis management is so essential. The following is a list of leader managers'

qualifications for crisis management:

- The capacity to recognize crisis indicators.
- Getting ready and guarding against emergencies.
- Making decisions throughout the crisis management process with efficiency.
- The capacity to exercise authority when handling a crisis.
- Planning the crisis management procedure is one of the skills.
- The capacity to set up a crisis management procedure.
- The capacity to guarantee communication every step of the way during crisis management.
- The capability to oversee the crisis management process. • The ability to guarantee coordination throughout the crisis management process.
- Possibility of returning to normal state.
- The capacity for learning and evaluation during the crisis management procedure

### **Leader Management in Crisis Management**

The entirety of actions taken in a deliberate, methodical, and logical manner with the goal of eradicating the situation that is classified as a crisis is known as crisis management. Because of its systematic nature, it makes it possible to start the process of making decisions step-by-step, establish a team

to implement these decisions, and make new decisions based on the practice's outcomes.

Pre-crisis, crisis, and post-crisis management are the three main types of process management that are typically employed in organizations to overcome crises. The management's goal in the pre-crisis phase is to identify crisis indications and turn crisis circumstances into an opportunity for success. The stage where a possible state of crisis is anticipated and required steps are made in order to avert crisis is known as crisis management, which is the type of management during the state of crisis. The post-crisis phase begins when the crisis has passed. At this stage, leaders and managers must identify suitable solutions that adjust to the circumstances and add fresh perspectives to their plans and operations.

The key of crisis management is to prevent a crisis before it arises, turn a catastrophe into an opportunity for the company, and avoid trying to solve or find a way out of a problem. Prerequisites for a crisis are typically already in place before it occurs. Presuming any future issue and averting crises is one of the fundamental characteristics of contemporary management policy. In addition, it is critical to successfully implement reasonable managerial safeguards during times of crisis resulting from external, unforeseen natural, political, economic, technical, or environmental factors. [21]

[22] outlines the following as the

components of crisis management. "Creating a crisis management team, collaborating with experts in the field, establishing a plan for handling crises, being aware of labor regulations, offering guidance and coaching, and implementing methodical measures." Attempting to resolve the issue through management collaboration is the simplest strategy to get through a crisis. Consequently, crisis management teams must be established inside each firm. In times of crisis, members of the crisis management team should be specialized individuals and should not be overcrowded. These groups collaborate to talk about possible threats the company could encounter and how to handle them. [23]

Staff members will be more likely to cooperate in order to combat the issue if they work as a team. [24] This crisis management team, which is made up of individuals who have committed their lives to preventing crises, determines the strategies that are required for crisis management. To supervise the team from a single location, an extraordinary crisis control center or urgent information center must be established. [25]

Crisis situations necessitate quick decision-making and action. Consequently, visionary leaders and managers are needed for crisis management. In the modern world, effective leadership involves having a clear vision for the future of the organization, identifying achievable goals, and inspiring others to work toward achieving these goals. Leaders

with vision and foresight are able to evaluate their employees' potential and convince them that they can do better than they did. [26]Therefore, visionary leaders and managers act quickly to identify crisis indications and provide appropriate guidance to their workers and team.

The fact that some managers would like to follow the rules is the biggest challenge when it comes to crisis management. They are unable to respond quickly in response to unforeseen circumstances because they want all of their operations and actions to be outlined in legislation. This has a negative impact on the organization's management. [27]As a result, when necessary, top managers will be able to act quickly.

Crisis management, according to [28], is the process through which the company tries to adopt and implement the essential safety measures to get through the crisis with the least amount of damage

The steps in this method are five:

- Recognizing crisis signals: managers need to be alert to these signals since they reveal the impending crises' existence and potential for violence.
- Crisis preparedness and protection: Using the early warning systems to inform it of impending dangers, the organization will adopt the appropriate anti-crisis measures. Keeping crises under control: While early warning, avoidance, and protection systems may be effective in certain situations, they may not be sufficient to fully resolve a crisis. Data gathered throughout the initial two phases is thus utilized to track the crisis process.

- Returning to the normal state: After the crisis has been contained and resolved, the organization must become stable once more.
- The learning and assessment step involves reviewing the choices made, the safety measures used, the procedures followed, and the lessons learned from the incident.

As to reference [29], the initial step in crisis management is to establish a crisis call plan and a crisis rapid action plan. There will be a crisis management center and crisis teams formed. A crisis communication system must be established, and public support and trust must be guaranteed. It is not appropriate to employ an authoritarian management style during this process. Conversely, disciplinary actions will be implemented, employees who do well will receive recognition, and society as a whole will be inspired.

Lastly, a thorough assessment of the crisis process and crisis management is required.

In conclusion, leading managers must possess knowledge and skill in order to successfully navigate unexpected crisis states. For when organizations are not effectively managed in times of crisis, new issues will unavoidably surface.

#### **4. Conclusion**

A crisis is an erratic situation that interferes with an organization's regular operations and necessitates quick action. Given that crises are unpredictable and disrupt regular operations, it is necessary to prepare an effective crisis management strategy and possess strong



managerial abilities. A crisis management plan can assure crisis readiness and reduce the potential for harm. In the same way that it is incorrect to accept a crisis as the organization's fate and abandon it to it, it is incorrect to assume that there will never be a crisis and to take no preventative measures or to create no crisis action plan.

In order for businesses to achieve their goals, they must recognize possible crisis situations and establish the operational procedures, substructure systems, and strategies that are required.

Crises inspire people and strengthen bonds of trust. It is a shared conscience that leaders should cultivate on a daily basis. A crisis also gives the leader the ability to make decisions and carry them out authoritatively since it guarantees cooperation in order to accomplish goals. Leaders typically bargain with one another to accomplish goals and come to a consensus via significant challenges and a longer time frame. Since leaders would not

permit hopeful decisions based on unfavorable information, the information received must be carefully considered, composure must be maintained, and any attitude that could result in misinformation or ignorance must be avoided. Reacting excessively to a crisis situation can have worse effects than taking no action at all..

TQM, like all other forms of management, cannot be seen as a panacea that can resolve every issue on its own. To guarantee that expectations are met, it must be sensibly applied and

adjusted in accordance with the organizational structure. By removing these "policies of quality," a functional and dynamic system can be established.

Activities must stay true to the main goal; in summary, TQM is a tool for providing higher-quality training, improving organizational conditions, ensuring sustainable development, and providing better services to all groups with expectations of the organization. TQM should never be turned into an aim rather than a tool; primary goals and priorities should always be taken into account.

TQM is a sustained endeavor. Since TQM will fundamentally alter how firms operate, it cannot be assumed that quality would be obtained quickly. It must constantly be remembered that TQM requires teamwork. Success is certain if senior management has made this problem a top priority and assembled a team that has embraced TQM policy. In states of crisis, a leader shall be able to find out ways of solution that will include all staff besides the crisis team.

In times of crisis, a leader should be able to allow employees to freely express their opinions and value their responses. They should also avoid placing restrictions on them, make information easily accessible so as to prevent gossip from spreading, motivate employees to concentrate on their work, foster an environment where they can brainstorm and provide feedback, update security plans, and exercise patience.

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