

Leadership in challenging times: Attributes of Effective Leadership in team effectiveness



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Abstract

While leadership is seldom easy, those charged with leading in the current environment are confronted with an array of challenges. In the crisis situation and present state of the economy good leaders overcome the situation and ineffective leaders are left unequipped in the race to succeed. The success of organizations could rest on the competitive skills of the leader. These leaders have to concentrate on building relationships, focusing on resources. The most successful leaders always integrate and discuss goals and stay focused on the vision for the future.

Business Leaders face a choice during times of economic stress and softer demand, They can make a panicked attempt to squeeze more out of already anxious workers, who will waste no time leaving for better jobs when things improve. Or, they can focus on the long term and invest in leadership skills, relationships with employees, effective Reward systems and motivating work.

While existing leadership research has tried to focus on the importance of transformational leadership in normal times, very little attention has been paid to transformational leadership in crisis situations. Leadership effectiveness has been considered to be playing a very crucial role for various organizations, both during normal times and in times of crisis. In this paper, an attempt is made to focus on the attributes of a leader during crisis.

This paper focuses on existing cases from the literature emphasizing the leaders who have performed exceptionally well for their organizations to successfully lead during turbulent times.

In this study an attempt is made to discuss the patterns of successful leadership roles for team effectiveness in organizations.

Some key dimension variables for leadership behavior identified are : motivating teamwork ,mentoring, creating benchmarks and getting results, good communication skills, Delegation of authority and power, giving rewards for performance, training and developing employees, encouraging risk- taking behaviour, forecasting , managing the diverse work force which have an impact on team effectiveness.

Keywords:

Team effectiveness, Leadership Roles

Introduction

“Crisis becomes the real test for a leader and their organizational units”.

Mullins (1996) defines leadership as a relationship through which one person

influences the behavior of other people (Kangis and Kelly;2000: 393). Leaders must not only be able to define departmental, unit or organizational missions, but they must also be able to coordinate the activities of others and motivate them to meet mission requirements.

During crisis, the successful leader has the ability to show their value and worth to the organization. In times of turbulence leaders must concentrate on improving relationships, building various systems and structures within the organization and working to enhance their competitive skills. The successful leader always combines and discusses long term objectives and highlights and work for the vision for the future.

Leaders are smart in relevant ways. They add real value in meetings and in informal interactions. They make other people smarter, and their involvement leads to better decisions

In crisis situation, we suggest that leaders' emotional control and the quality of leader-member exchange are two important factors that play the moderating role in the relationship between transformational leadership and value congruence between leaders and members.

Due to the rapidly changing work environment, economy and society, leaders are being challenged to remain competitive in an environment that is for the most part unrivaled to any other time in history.

American Express CEO Ken Chenault in a recent interview had commented "Have pity on such leaders before condemning them. In times of crisis leaders have to spend more hours on the phone and closeted in meetings, reducing their visibility, and they're particularly starved for the information they need to make high-stakes decisions. Every force is pushing them to "hunker in the bunker,"

Challenges Faced by Leaders

Taking the role of a leader is in itself a challenge. The various types of challenges which leaders may face can broadly be classified as external which may come from different people and situations, or there may be internal factors evolving from within the leader himself or those which may be from the nature of the leadership role.

Some situations which may cause problems for the leaders in the organization begins when *there is a new beginning to something in the organization*.

The leaders face a challenge When something new like a programme or a new intervention is started, the old habits or routines are difficult to change, the fear of changing to new creates a challenge for the leader. The leader during this transition phase has to lead successfully so that, Systems and relationships do not break down, and finally leadership styles decides whether the new situation is successful or not.

When something in the organization is coming to a close.

At the end of any project, or new initiative, the leader faces the challenge to move to the next level. It becomes the responsibility of the leader to plan the successful completion of the ongoing project and plan the next phase.

During crisis

If the organization is facing financial crunch or the profit margins are negligible the leaders are held accountable and have to find solutions to the financial issues like reducing expenses and effective use of resources. The leaders have to frame policies which ensure that business is run in profit.

Organization change

There are many situations in the organization in which a group can be in transition. The work group may have to change because of many reasons it may because of a technology change, a change in the leadership or any other economic or political reason. The leader has to work very hard to motivate and maintain the group morale of the existing workforce. The leader has to ensure that the key resources are retained by the organization.

The leaders have to be real change-makers to sail the ship through rough waters. These leaders also need to take quick decisions to survive crisis. They are risk takers who have to make short term goals to thrive during turbulent times. Such leaders delegate work and constantly communicate with their workforce at all levels to show commitment.

Leaders act as role models during crisis. They take charge from front and become and accept accountability for all their actions. Involving all supervisors in the decision making is also their leadership characteristic. They adopt transformational style of leadership to overcome the difficult times. They are empathetic and try to understand the needs of the entire team to achieve success.

Leadership characteristics to motivate employees during crisis

Innovative thinking and great ideas often come about as a result of adversity. In the words of Albert Einstein: "In the middle of every difficulty lies opportunity."

The normal pep talks at board room meetings don't work during crisis. Employees in the organisation expect that their Leader will put forth very creative solution to their ongoing problems.

It is a known fact and proved by many researches in the past that good times in the organization are the direct result of what decisions were taken by the leaders during crisis. The behavior of leaders during the turbulent times decides how the organization will proceed in the future to achieve its goals. These leaders do not get disheartened during crisis rather they take pledge to amend their actions and take the opportunity to change the situation by taking the advantage of their past experiences.

The transformational leader never stops during turbulence rather get ready to face the challenges and prepare themselves and the team for a ideal condition where such situation does not pose a threat to their survival in the market in future.

These leaders send clear signals to their team members as what is expected from them and how they will overcome the tough situation to achieve the taste of success. They keep motivating the work force by asserting that they will get through this and be much better the next time, as it is true that clear rocks can be easily seen after a strong tidal current.

Sometimes leaders are struggling with situations and become a victim of loneliness. Facing tough situations is not easy as they are in pain because of many reasons like they know that many good employees may be losing their jobs because of crisis situation or they will not be able to keep their earlier promises to employees

Leadership traits required during downturns

According to Cox A, Fairhurst P, Hadjivassiliou K, Hirsh “Some specific skills required by leaders during crisis are strategic thinking, personal effectiveness, working with others and delivering performance.” These skills are depicted in Figure I

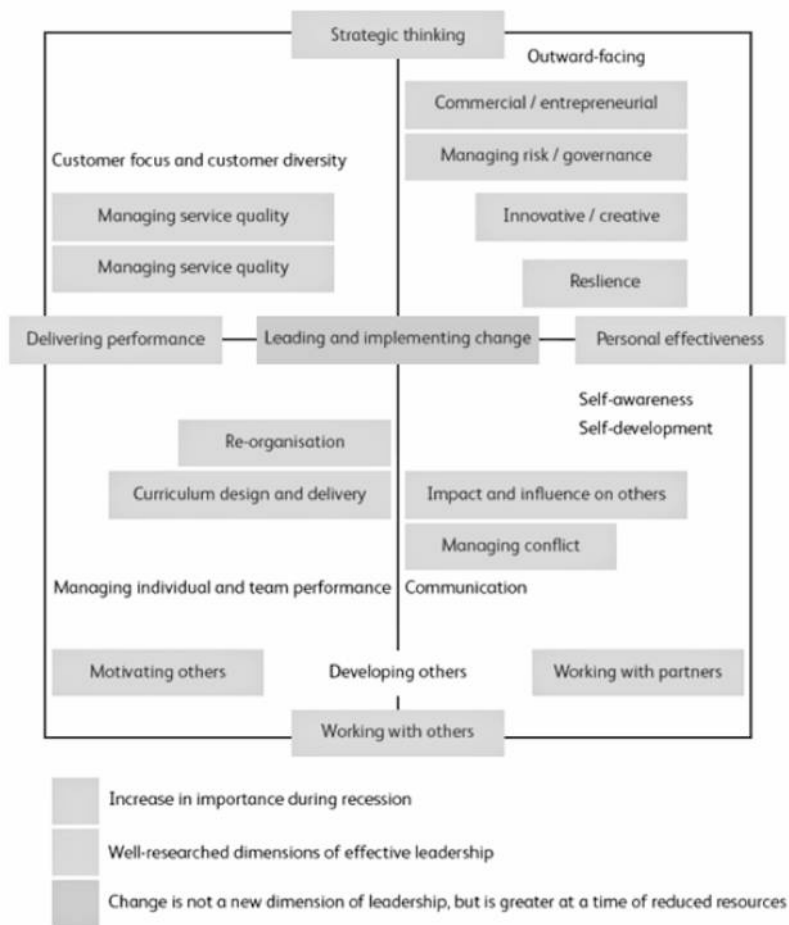


Figure I “Cox A, Fairhurst P, Hadjivassiliou K, Hirsh W, Jones K, Pullen C, Reid B, Tamkin P, Walker Report LSIS233, Learning and Skills Improvement Service, June 2010”

Leaders also have to devote extra time to their employees , this happens because there are too many unanswered questions and some situations also demands attention from leaders. The employees are unable to understand and take decisions on their own.

The leadership trait of being fearless and takes risks acquires a prime importance as they have to focus, align and manage the tough situations.

The high impact leaders must make a clear agenda to deal with transitions. They should strategically plan actions to gain a

competitive edge in the market. They must understand that they cannot please everyone and during crisis the all time friends and pals also become competitors, and thus strict tactical moves will be needed to manage their way out of adversity.

They must set both long term and short term practical goals which are achievable though challenging. They must not focus on too many things at one point of time so that employees can feel the change in the positive direction. The achievement of short term goals keeps the workforce motivated and inspires them to take challenging tasks for future.

There are tough times where there is no hope for improvement in the organization, during such tough situation the leader has to set realistic goals for team members and wait patiently for some positive results. The leader has to also be active listener in order to know the ground reality.

Turbulence means uncertainty and this uncertainty often results in a lack of clear understanding of roles and expectations for leaders and their direct reports. Roles are defined differently, expanded, contracted and sometimes simply left to evolve as the organization sorts itself out.

Leaders must bring clarity to not only their direct reports continued contributions and performance expectations, but also for themselves as well. If they are unclear about their role during these difficult times, they cannot very well expect their direct reports to be clear about theirs.

One of the issues highlighted during difficult business climates is the leader's struggle to provide the appropriate balance between personal relationship skills and empathy and more harder edged task-focused demands. In good times, when moods are positive and everything is going according to plan, strong interpersonal skills are often enough to impact desired business outcomes. But, in tougher times which often call for more strong actions, including budget cuts and layoffs, leaders must learn to demonstrate even stronger interpersonal skills while also balancing these with toughness, making typically harder decisions based on their role as a professional manager and the functional knowledge and expertise they possess. In some cases, this may mean even distancing oneself somewhat from those the leader has interpersonally embraced. Managing through this paradox of being simultaneously hard and soft is probably one of the most difficult challenges leaders face during tough business periods. During such times when frequent and massive change is common, leaders must provide role clarity to those for whom they are accountable.

Review of Literature

Leadership and management require different competencies based on different situations (Stogdill 1948; Vroom and Jago 2007; Bass 2008).

Knight and Pretty (1997) found in their research, for example, that companies that mishandled crises had a 10% decrease in stock price after the first week of the crisis and a 15% decrease below precrisis prices after the first year following the crisis. On the other hand, firms that effectively managed the crisis had only a 5% stock price decrease after a crisis, and during the subsequent year there was quick stock recovery.

crisis leadership does require leaders to adopt a complex set of competencies (including but not limited to communicating effectively) to truly lead an organization through the various crisis phases and into a successful recovery (Bolman & Deal, 1997; Burnett, 2002).

In a crisis situation, leadership is collective and dynamic, and it requires perception and sense-making skills by leaders in order for them to determine appropriate courses of action (Walsh, 1995; Weick, 1988).

Examining leadership competencies exhibited during each phase

of the crisis management process gives a structure for framing the process by filtering knowledge and by providing a roadmap for decision making (Bolman & Deal, 1997; Wooten, 2005). In general, crisis management researchers have identified five phases that represent a typical business crisis: (a) signal detection, (b) preparation and prevention, (c) damage containment, (d) recovery, and (e) learning (Coombs, 1999; Mitroff & Pearson, 1993; Pheng, Ho, & Ann, 1999).

Case study of a business leader during crisis

The CEO, of Air Asia India Pvt. Ltd is Mittu Chandilya, 32. He has seen three downturns during his entire career with different organizations, the first one in the US and two in Asia in his tenure leading in various businesses roles. Chandilya, was working with a Singapore-based management consultant. He became the CEO of AirAsia India Pvt. Ltd recently.

Chandliya Shifted to Air Asia after leading the Asia-Pacific services practice at recruitment company Egon Zehnder International.

He is of the opinion that leaders must adopt some principles during the crisis.

“Downturns are the real test for any leader and their organizational units.”

Chandliya in a recent interview had expressed his views about leadership during crisis he says, “You have the responsibility to keep the company in black, hold market share, reach out more to your customers, keep your workforce even more motivated and driven and innovate,” Air Asia's started its business in the aviation sector when all the competitors in the market were facing major losses.

The Air Asia leader Chandliya says, “you have to be honest with your team and your external customers. I never tried to paint a rosier picture than what truly was. However, I was also very clear of my vision of how things would look like once the storm clouds clear,” He further says. “So you have to start with honesty, transparency and hands-on direct approach.”

Chandilya, who heads Air Asia, has now and then commented that a “slowdown offers companies an opportunity to right-size their businesses and focus on the core business, rationalize non-value added processes, products, services and businesses, “Similarly, see which of your employees are the ones that are willing and have the strength to weather the tighter situations, Invest in them and for others have a candid chat and give them the opportunity to pursue their interest elsewhere.”

“In these times, you need focus and can't afford to be distracted with non-value added services or non-committed employees. For those committed ones, you have to personalize the message and motivation. Clarity in terms of your direction and vision, and what it means for them personally, and the end result for them and the company,” he says.

He also stresses that, During downturns, externally it is a chance to spend more time with customers and hear their concerns and observe their behaviours.

Chandilya believes a downturn gives an opportunity to invest in innovation and internal retraining of his team. “Invest in your

team". These onions are expressed by Air Asia Chief in an interview with Live Mint.

Conclusion

To review, it was found that there are several skills, abilities, or traits that characterize crisis leadership and that these competencies are associated with key phases of the crisis management process.

When an organization faces a crisis, the decisions taken by a leader is directly related to the final outcome for the organization. The leader needs to be having traits like quick decision making, risk taking ability and fearlessness. He needs to be a role model, team player in order to survive the crisis. He has to effectively and efficiently use the resources in order to be successful both personally and professionally.

It is a fact that all organizations face downturns and the people heading the organization are held accountable for such a situation, thus the leaders must be prepared at all times to handle the tough situation. The leader must be patient and must take the opportunity during crisis to plan for future course of action. The leaders must also at times take quick decisions so that all stake holders trust the management and support the decisions taken by them. Therefore it can be concluded that Some key dimension variables for leadership behavior are : motivating teamwork ,mentoring, creating benchmarks and getting results, good communication skills, Delegation of authority and power, giving rewards for outstanding performance, training and developing employees, encouraging risk- taking behaviour, forecasting , managing the diverse work force which have an impact on team effectiveness

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