

Noetic Notes

Senior Leadership in Times of Crisis

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“...there is an awful sameness about these incidents...they are nearly always characterised by lack of forethought and lack of analysis and nearly always the problem comes down to poor management...”

Dr Tony Barrell, on the Piper Alpha Disaster where 167 men died in 1988¹

Introduction

The last decade has seen a range of natural disasters of significant proportions worldwide. In 2011, these included the Japanese tsunami and ensuing nuclear incident, the Christchurch earthquakes, major tornados in the United States of America and floods in Thailand that engulfed much of the country. In Australia, seemingly unprecedented bushfires broke out across the country, there were major floods in Victoria and Queensland, and tropical cyclones swept through the country's north. Most of these disasters caused a large number of deaths, widespread destruction of property, huge economic loss and human misery. *The Economist* reported that globally in 2011 these events resulted in 29,000 deaths and costs of \$US362billion². Natural disasters are rarely prevented, but their effects need to be minimised. Through an effective response, loss of life and damage can be decreased.

The Noetic Group has undertaken a range of lessons learnt studies and post activity reviews of disasters, incidents and crises over the past decade. Having recently analysed and reviewed the observations and lessons from the responses to major bush fires, floods, tropical cyclones, oil spills and disease outbreaks, a pattern of senior leadership failure has emerged. The failure is **seldom one of character**, but inevitably a lack of preparation and understanding. Leaders, and their teams, are unable to effectively apply their knowledge and skills to a situation that is either so novel, or of a scale that is beyond their experience and conception.

This Noetic Note explores the outcomes of this analysis and what can be done to improve leadership performance. It shows how the environment for senior leaders has changed, the three things leaders at the strategic level should do when facing a major, unpredictable crisis and finally, the implications for developing leaders.

¹ BBC Television, *Spiral to Disaster*, 1997.

² Economic and Financial Indicators, *The Economist*, March 31, 2012, p.105



A changing context

It can be confidently asserted that the context that senior leaders find themselves operating in any sphere of endeavour is more complex than that faced by their predecessors. For those involved in public safety and emergency management this is particularly the case. Many factors contribute to the increasing complexity, such as the growing interconnectedness of society, a reduced appetite for failure and the impact of *out of scale* events. Noetic defines *out of scale* events as those that are infrequent, novel or of a magnitude beyond that usually experienced.

Due to a rapid growth of global interconnectedness, the impact of natural disasters has been heightened. For example, Thailand's floods had a negative effect on multinational supply chains³, and the destruction of fruit crops by Tropical Cyclone Larry led to a rise in Australia's inflation figures. Where once a natural disaster's impact was only local, now the effects can reach a national or global level.

Before, detailed knowledge of a disaster was confined to its origin, but now, modern communication enables instantaneous reports and footage to be accessed worldwide. In 2011, the Japanese tsunami was broadcast live. This, coupled with the community's increasing expectations of government and the services it delivers, means there is a decreasing appetite for failure to effectively respond to disasters. Noetic Group's research has shown that *the community accepts that disasters will happen, but will not accept a poor response*.

These drivers become particularly important where *out of scale* events are concerned. Out of scale events are not new, but it is arguable that climate change and other factors (such as the scale of human development in the natural environment) are increasing their frequency. Enabling senior leaders to effectively respond to these out of scale events is the central theme of this *Note*.

³ The supply chain of Toyota was so disrupted during the Thai floods that it resulted in the reduction in production in North American production. See Chongvilaivan, Aekapol, (2012) *Managing Global Supply Chain Disruptions: Experience from Thailand's 2011 Flooding*. http://ascc2012.org/images/files/ASCC_Paper_Chongvilaivan.pdf



What did we find?

Each disaster or event is unique in its circumstances and how it is responded to. When Noetic analysed a range of events with different circumstances, a number of recurring lessons emerged. The major thematic lessons include:

- + **Leadership.** Leaders at all levels are put under a significant test by major events. In situations where the response is poor, ineffective leadership at senior levels is often evident.
- + **Planning.** A poor response is often characterised by ineffective planning. This is not so much about pre-planning, although this can be important, but rather a lack of planning that adapts to the changing situation.
- + **Intelligence.** An effective response is hard to develop when information on the situation is not sought and incorporated into planning. Many poor responses are characterised by a failure to look out beyond the immediate situation and to try to understand what might happen.
- + **Resource allocation.** The ineffective allocation of resources (particularly scarce resources) is also a recurring theme. This includes inaction whereby resources are not allocated to the response because of a paralysis of decision making at senior levels.

A framework for strategic leaders

Analysing the recurring lessons for strategic leaders in times of crisis we know that there are three things leaders at the strategic level must do when facing a major, unpredictable situation. First, senior leaders need to be able to think in a way that helps them to understand that the situation might be different to the norm. That is, the senior leader must 'frame' the event differently to his or her past experiences. Second, the senior leader must be prepared to intervene directly and early to provide strategic (high level) level guidance to operational teams, allowing them to act in a coordinated way. This guidance should be in the form of what needs to be done, not how it is to be done. Third, senior leaders need to understand the personal behaviours and actions that will support a successful response to the crisis.

Framing the event

With the possible exception of broad area flooding, major crises develop quickly from seemingly routine events. The responses to the 2003 Canberra bushfires, the 2005 Eyre Peninsular bushfires in South Australia, Blackwood bushfires in 2011 and the 2011 Brisbane flood emergency (management of the Wivenhoe dam) were characterised by an initial 'business as usual' approach. Standard responses were made to the presenting conditions. On ground responses followed well practiced sequences that emergency managers were familiar and comfortable with. Sadly, in each case, the presenting emergency followed a different set of actions that were not anticipated. Senior leaders allowed these responses to continue until it was too late to avoid a disaster. Intelligence based on Bureau of Meteorology forecasts and actual conditions on the ground was not adequately included in initial response planning. Senior leaders did not incorporate local knowledge. The planning did not adequately include the impact of a worst case scenario.

Senior leadership roles are characterised by the need to deal with ambiguity. Conflicting information is common, along with major information gaps. Senior leaders need to pick up faint signals that things might not be as they first appear or that conflicting information requires attention, not discarding. Many senior leaders rely on their past experience to interpret signals and therefore make the signals fit their experience, neglecting to flag a difference. Initiating standard, pre-planned responses is expected of junior leaders, not those charged with strategic leadership. Senior leaders must anticipate extraordinary events.

Senior leaders also need highly developed collaboration skills, in order to better 'frame' an emerging event. These skills must be developed well before any crisis unfolds. Collaboration with other agencies, government departments, local communities and businesses is essential. The senior leaders need to be personally involved with the potentially long list of collaborators. Collaboration cannot be left to junior leaders alone; senior leaders must put their 'personal skin in the game'.

Early senior leadership intervention

The Noetic Group's research has highlighted the challenge many senior leaders faced when deciding to become personally involved in guiding a particular response. Many senior leaders did not want to interfere in initial operations, considering the expected response to be within the responsibility of others. Some senior leaders felt that injecting themselves into the initial response would be interpreted as a lack of confidence in their junior leaders. Our research shows that many junior leaders conducting initial response operations actually wanted their senior leadership to be involved, not to take over operations, but to be a sounding board and to initiate collaboration and planning.

The art of senior leadership is understanding when to become directly involved in operations and in what manner. In many of the disasters we have examined, it is clear that capable senior leaders did not understand this requirement and continued with 'business as usual'. They relied on subordinates to undertake the response and were confident of a good result. Meanwhile, junior leaders tried to alert their senior leaders of unfolding events and sought time to discuss what was happening. It is still unknown where some senior leaders were during the initial stages of many disasters Noetic Group has examined. Presence is an essential requirement for a strategic leader.

We consistently found in our research a lack of direct, early involvement by senior leaders in planning responses to major disasters (contingency planning). It is true that state, national and other disaster plans exist, which were prominently displayed in the offices of the emergency response agencies we visited. The Noetic Group found that senior leaders spend insufficient time developing and operationalising such plans into meaningful actions for their areas of responsibility. Instead, planning is delegated to subordinates and versions are sent to senior leaders for approval. The knowledge is not with the senior leaders where it should be (and is assumed to be).

All senior leaders, including politicians, need to commit more time to understanding how the various emergency response plans are developed and implemented. Importantly, senior leaders need to understand what assumptions and data sit beneath plans, since an unfolding disaster will call for quick adaptations. If the senior leadership lacks an in-depth understanding of the plan's foundations, they cannot adapt it quickly and sensibly. Planning is learning and this is how flexible operational responses are generated.

Early intervention by senior leaders is also needed in outlining what outcomes are desired from a large scale response and what resources are to be allocated to different areas. Major disasters are too big for senior leaders to control in detail.



Indeed, to do so would demonstrate a lack of confidence in subordinate incident controllers. However, Incident controllers must know their part in the overall response. The senior leader should do this by specifying the outcomes to be achieved and allocating the resources for the job. The senior leader must make considered resource allocations, since resources will not sufficiently cover all requirements. Without such allocations, incident controllers will waste time chasing unavailable resources. The senior leader should also anticipate resource requirements, preparing them in early stages. This last point is a major lesson as there are too many examples of jurisdictions refusing to ask others for assistance when it is patently obvious that it will be required. The result is delayed assistance and greater damage.

A consistent theme that has emerged from Noetic Group's examination of the requirement for senior leadership early intervention is in the earliest part of preparation itself—training. After examining several disasters, it is clear there has been a lack of resources and insufficient attention given to training. The Noetic group found that response training for routine accidents is effective at all levels. However, this is not the case for novel or 'out of scale' disasters. This additional level of training requires resources above those that are generally allocated to routine emergency response and they should be targeted at senior leaders with responsibilities in this field. The Noetic Group's work has confirmed the obvious in Australia—the **emergency services personnel available are outstanding**. The lesson is that emergency service personnel promoted to senior leadership positions do not generally receive training to manage *out of scale* events. Further, an individual's ability to perform routine activities determines the promotion, and not the ability to manage ambiguous events leading to major disasters.



Senior leaders' actions and personal behaviour

A senior leader's actions and personal behaviour are critical components of success, especially in an emergency response.

The senior leader's first action should be ensuring the absolute clarity of roles in the overall response organisation(s). The lack of role clarity is a common lesson learnt in the review of numerous emergency response operations. If the need to reallocate roles arises because of the evolving nature of a disaster, mechanisms must ensure such changes are promulgated widely. Requests for assistance can go unanswered for long periods if sent to the wrong area. Similarly, there will be confusion and a waste of precious resources if emergency response staff take actions outside their area of responsibility. Senior leaders must also understand the roles of leaders in other organisations/agencies, in order to collaborate and succeed.

The Noetic Group found that it is essential for senior leaders to operate a '2 Down 2 Up' policy, to ensure they have the best 'feel' for the operation and emergency response personnel's ability to cope on the ground. Senior leaders must regularly visit subordinate leaders on the ground at least two levels down and consult with leaders two levels above (often therefore into the political level). This should be the normal modus operandi for the senior leader, not something that only happens in an emergency. Such actions will assist the senior leader in picking up weak signals and reduce ambiguity. Also, the senior leader will have less chance of only being exposed to information that direct reports think that their leader should hear. By engaging senior leaders '2 Up', a common understanding is developed and preparations are made for potential escalation.

Senior leaders can act effectively through strong relationship management. Senior leaders who invest time and effort into improving relationship management have achieved better results in disaster response. Clearly, a senior leader who

manages relationships well will also be more likely to succeed in collaboration. Since relationship management is an acquired skill, all senior leaders should continually strive to develop this.

Noetic Group's work has highlighted three personal behaviours, which ensure high team performance rates if demonstrated by senior leaders during a crisis. The three behaviours are: **approachability**, **optimism** and **calmness**.

If senior leaders are unapproachable, team members will avoid contacting them until it is too late. Bad news needs to be transmitted with speed. If a person fears their senior leader's reaction, information transmission will be delayed. Sometimes, team members attempt to solve an impossible situation, rather than seeking assistance.

The lessons learned work has also shown that an effective senior leader in a major emergency response will always display a sensible level of optimism. This encourages others to work effectively for long periods, creating a resilient organisation. Like optimism, resilience is an acquired trait which displays similar results. The Noetic Group has found that pessimistic senior leaders have a deleterious effect on staff and responders.

Calmness is also essential during a crisis. Noetic Group's work confirmed what has been known for many years: when senior leaders resort to shouting, bashing on desks or maps and other hostile actions, they instil fear and break relationships, causing optimism and resilience to diminish. The likelihood of a successful response to the crisis becomes dramatically reduced.

Implications for strategic leadership

This Note identifies several implications for strategic leadership. Due to the national, and potentially international, significance of disasters, such implications are increasingly important. The key implications for strategic leadership are around **selection**, **preparation**, and **training of leaders and their teams**.

It is challenging to select senior leaders for any organisation. The process becomes complex when trying to find people who can demonstrate effective leading and managing skills during an *out of scale* event. However, the cost of not doing so is likely to be far greater than that of improving the process.

Senior leaders face a myriad of daily challenges. Ensuring that they are prepared to handle an unpredictable event will take effort and thought. Consequently, the development programs for leaders will need to allow the opportunity to enhance existing professional skills and relationships, as well as building their personal skills and attributes. Given the differences in agencies, positions and individuals, there is no 'one size fits all' development program. As with selection, this is not simple and will require effort by agencies and leadership teams.

It is well understood that the effective response to any event is a team effort. As noted previously, training is often focussed on the lower levels of agencies and usually for common events. Seldom is training all-encompassing and testing of those involved. There is a need to regularly practice and test senior leadership teams. These activities need to be realistic, challenging and thoroughly debriefed. Most importantly, the performance of senior leaders should be closely scrutinised during these activities. All participants need to learn from training activities and for this to be an intrinsic part of agency's continuous improvement.

Conclusion

The findings of inquiries, operational reviews and royal commissions are not leading to the changes needed in senior leaders responsible for managing the response to major disasters. Senior leaders are being increasingly held accountable for any real or perceived failures in emergency response. In some cases, they are facing court actions from poor disaster response. Yet senior leaders are not being developed in specific areas now known to enable effective response to major disasters, particularly *out of scale* events. Noetic Group's research shows that a different approach is required if better disaster response outcomes are to be achieved.

The selection and development of senior leaders involved in disaster response should be improved. Education should be provided in at least the three areas identified by the Noetic Group, namely: the ability to frame a major incident differently, to intervene effectively and early in incident response without interfering in technical areas and concerning personal actions and behaviours to ensure maximum team performance. There will need to be a significant investment. To obtain the needed development, senior emergency response leaders will need time and support to build new skills. This investment would be justified if it prevented a finding in the future, *"there is still an awful sameness about these incidents"*.

About the authors

Peter Murphy is the Chief Executive Officer and one of the founders of Noetic Solutions (a Noetic Group company). He has led much of Noetic's work into youth justice, regulation, organisational reviews, leadership, lessons learnt, emergency services and complex stakeholder engagement. In particular, he has led many of Noetic's lessons learnt projects which has given him an excellent insight into leadership in crisis situations. Prior to joining Noetic, Peter served as an Army Officer for 20 years. Peter also has extensive experience working overseas including Syria, Israel, UAE, Kuwait, India and Timor Leste. Peter's qualifications include a Bachelor of Arts (Honours), Masters of Science, Masters of Business Administration and Graduate Certificate in Information Technology.



Peter Dunn is a Principal Consultant with Noetic Solutions. He has many years of experience in leadership positions in both the public and private sectors. Throughout his career, Peter has focused on building the capacity of individuals, organisations and communities. This has led him to examine the applied aspects of leadership, rather than simply the theoretical elements of leadership.

Peter's experience spans a career in the Australian Army where he retired as a Major General after many commands, and with combat experience in the Vietnam War. He then enjoyed a career in the public service, completing this part of his career as the Chief Executive of a statutory authority. He then moved to the private sector where he has been a chief executive officer and head of the Canberra operations for a global consulting firm specialising in leadership development.

Peter joined Noetic Solutions in 2010 and now specialises in capacity development with a focus on international aid and development programs.

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