



Shocks to the System: Does Your Leader Absorb Them or Make Them Worse?

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It's long been said that when it is darkest, the stars come out.

Leadership today allows for no downtime. The 24/7 news cycle is fed by millions of social media "reporters" (everyone) looking to post the blunders of corporate chiefs, customer service disasters, or other company failures. In this environment, leaders must be on their game – and at the top of their game – at all times. The fact is that a crisis can occur, and mistakes happen, at even the best-run companies. These tough times serve as a crucible for revealing the true nature of a leader, and how he or she can handle – or not – the inevitable shocks to the system.

Great leaders have the ability to be effective when there is stress – great deals of stress – in the system. Major stressors can include catastrophic events such as an airline suffering an accident, an oil platform exploding, or natural disasters such as the tsunami in Japan or Hurricane Katrina on the Gulf Coast, or missteps such as Progressive Insurance just experienced through the wrath of social media. These kinds of events create high degrees of stress and uncertainty and can quickly become very emotionally laden for everyone involved.

In our work studying and coaching thousands of leaders, we have seen that some leaders are able to act like shock absorbers. They are able to largely take the hit themselves, thereby protecting their team's ability to effectively manage through the crises. But other leaders choose to amplify the challenges – almost as if Chicken Little had written their management bible. Amplifying leaders often see their behavior as strategic. Exaggeration can be intended to deflect responsibility or to plant the seeds of an excuse for failure. Or the executives' intent may be

to increase the pressure on the troops because they feel it is necessary to motivate them. In reality, though, this behavior simply fuels an already dangerous fire as it handicaps those set out to fight it.

The poster boy for amplification is former BP CEO Tony Hayward. His words and deeds after the disaster in the Gulf of Mexico did nothing to absorb shock for his team. Nearly every time he opened his mouth in public he amplified the public damage being done to BP, further demoralizing employees.

How to be a "Shock Absorber"

What does absorption look like? Consider, in contrast to Hayward, an airline executive who had a plane crash under his watch. He remained clear in his thinking, absorbed the emotion around him, and did not panic or lose his cool. He engaged with all stakeholders in an authentic and compassionate way. He stepped back and put a process and plan in place with key leaders responsible for executing various parts of it. He led from the front and stood in the firing line of all those that legitimately had bullets to fire. He was empathetic and he took personal responsibility and accountability for the errors that occurred, never trying to hide or blame someone else. He didn't bemoan that he "wanted his life back."

Through observing how leaders around the world have responded to crises of all kinds – from corporate missteps to the "black swan" events that are outside of a company's control – we have identified five things that "shock absorbers" do to lead their companies during these tough times. One important observation to take away is that an executive's absorptive capacity is based both on how they appear

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and what they do; who you are matters, your process matters:

- **Be the rock - behavioral and emotional stability are critical.** Followers are looking to you all the time; any “tells” that point to crises will be seen and amplified by others.
- **Listen to stories, but focus on facts.** People will want to have their fears heard, but it’s likely that facts will better guide decisions. Listening is an important display of empathy for the stress they are experiencing, but while you listen you must continually work to continually bring people back to the facts. Never miss an opportunity to improve the quality of the information you have at your disposal.
- **Slow down the game; take as much time as you can to make decisions.** In a difficult time it takes a deliberate effort to avoid jumping to a conclusion. Even if there is time for you to correct a bad choice, it’s better not to have made one. Constant course corrections can be seen as poor leadership.
- **Don’t give up your position out front, but stand shoulder to shoulder in support of your team.** It’s essential that no one doubt your willingness to be the first target for those aiming arrows at the company. Fortunately, it is possible for you to be in two places at once. While you are out front, you can also be shoulder to shoulder, never letting the team doubt your availability and your desire to offer them support.
- **Effective communication is critical.** The volume needs to be high, but quantity is not enough. What is shared needs to be supported by the facts of the situation and

needs to be delivered in a frank, constructive manner. Amplifiers generally communicate the most, but the content of the message becomes the problem.

Employees need a great deal from leaders, especially in times of challenge. And the last thing they need is someone fanning the flames. As a leader, it may sometime be the case that your ability to simply not make matters worse is a gift to followers. It’s an even greater gift if you can use your resources to absorb some of the shrapnel that often accompanies workplace crises. The way a leader either absorbs or amplifies the threats that result from these situations plays an enormous role in how employees handle a crises. An absorber rises to the occasion and uses his or her “absorptive capacity” to protect and enable their teams, whereas others, through words and deeds, end up amplifying stressors, making situations more dangerous by effectively undermining their teams. Keeping these five recommendations in mind will help you help your team do what you’ve brought them together to do – to find the right way forward.

Note: See the next page for photos and bios of the authors.

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ABOUT THE AUTHORS



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