

Leveraging culture and leadership in crisis management

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Abstract

Purpose – The purpose of this paper is to explore the relationship of organizational culture, leadership and crisis management through exploration of these three constructs with respect to crisis management.

Design/methodology/approach – In this paper, a conceptual framework has been proposed that is based on the literature findings of organizational culture, leadership and crisis management. Two types of cultural elements are used; internal versus external focus and low versus high flexibility. Organizational crisis management process is explained through the five-stage life cycle, including signal detection, prevention, damage containment, recovery and learning. Four types of leadership are included; directive, transactional, cognitive and transformational that are critical during crisis management. Five research propositions have been proposed for each stage of crisis management.

Findings – Five research propositions have been proposed based on the stages of crisis management.

Research limitations/implications – The conceptual framework needs to be tested for validity. More research is needed on how changing demographics and technology affect these constructs. Organizations need to develop through reflective practices that focus on leadership competencies and crisis-prone culture to tackle any crisis event.

Practical implications – Organizations need to develop leadership competencies and crisis-prone culture. Organizations needs to be reflective on their practices.

Originality/value – The proposed conceptual framework is an expanded version of the crisis response leadership matrix (CRLM) model of Bowers *et al.* (2017). In this paper, an unique concept is presented by aligning leadership, culture and crisis management with respect to each stage of crisis management and types of crisis.

Keywords Leadership, Leadership styles

Paper type Conceptual paper

Contemporary organizations operate in an age of extreme uncertainties. Natural calamities, for example, Hurricane Harvey in Texas, the USA, Earthquake of Chiapas, Mexico in 2017, wildfires of California in 2018, European migrant crisis of 2013, chemical war in present times at Syria, etc., are just a few of many unpredictable conditions that have not only had fundamentally impacted organizations but also made them more vulnerable than ever. Burke (2008, p. 2) noted that:

[...] factors and forces in an organization's external environment are discontinuous, do not fit neatly together in a pattern, are not interdependent, homeostatic, linear or highly predictable, and therefore, it can cause both "destruction" and "creativity" within an organization's internal environment.

In addition to crisis events arising from external conditions, there are numerous examples of crises which occur internally within an organization like mergers, acquisitions, leadership failures, diversification of product lines, organization cultural and technological changes. While the factors and forces which are viewed as sources of organizational crises are



“characterized by surprise”, they may “hold value for the organization, both in a positive and a negative sense” (Bechler, 1995, p. 2). From a Human Resource Development (HRD) perspective, there are many issues that remain unanswered and are worth exploring in the crisis research. Some of these issues that are highlighted in this article focus on how to minimize the negative impacts of crisis by leveraging the crisis situation to its advantage through consistent stakeholder involvement at each stage of crisis.

According to Hutchins and Wang (2008, p. 315), five elements are inherent in a crisis system. These elements are; “technology, organizational structure, human factors, organizational culture, and top management psychology”. Each of these elements can be a causal or consequential factor on its own (Pearson and Mitroff, 1993). Of these, organizational culture and human factors can be considered the most important elements during crisis. Sun (2008) noted, “culture provides better (or the best) ways of thinking, feeling and reacting that could help managers to make decision and arrange activities of organization” (Sun, 2008, p. 137). Cultural values and beliefs are often manifested in organizations’ policies and practices which can “create a crisis or allow a minor event to escalate and grow into a crisis” (Bechler, 1995, p. 15). A crisis event can pose a threat to the organization’s core values (Bechler, 1995), modifying the existing culture into something different. In line with these researchers’ thinking, it can be assumed that organizational culture plays a visible role in shaping an organization’s reaction to crisis situations, both positively and negatively. Additionally, human elements like effective leadership, coordinated teams and motivated employees can also have a great effect on averting and controlling crisis. Effective leadership is especially encouraged by the organizational culture which will be further expanded later in this article. A leader who “understands his organizational culture and takes it seriously is capable of predicting the outcome of his decisions in preventing any anticipated consequences” (Madu, 2012, p. 2). However, not all leaders are equally equipped to manage crisis situations. Competent leaders whose styles can align with the organizational culture and the crisis can be a good fit for addressing the situation (Bowers *et al.*, 2017). Therefore, to foster a proactive organizational culture, where members appreciate, and participate in crisis management, effective leaders can be a useful resource.

The next section provides the gaps and significance of this topic in the realm of HRD.

Need for research

Compared to other academic disciplines such as management and psychology, crisis and crisis management studies is still lesser explored in the field of HRD. Hutchins and Wang (2008) called for research on crisis management from the HRD perspective. The special issue, “*Crisis Management in Organizations: The role of Human Resource Development*” they edited in 2008 (volume 10, number 3), represent the first systematic research effort made by HRD scholars in linking HRD and crisis management. As a field, HRD has been involved in developing and improving individuals, groups and organizations by engaging in strategic changes (Hutchins and Wang, 2008); to manage a crisis is in essence to manage change (Wang, 2008). McCarthy and Sheehan (2014) provide a similar recommendation by drawing attention towards HRD’s lack of research and practice in the area of a global crisis that is so rampant in today’s society. Therefore, it is essential to study both from a theoretical and practical standpoint, how HRD can support organizations before, during and after crisis strikes and what strategic measures can be taken to minimize the negative impacts of any type of crisis event. Furthermore, we call for attention to variables which may influence effective crisis management. In this research, we focus on two critical elements of crisis – culture (from an organizational point of view) and leadership styles

(from a stakeholder point of view). Gaining a solid understanding of these variables, crisis management efforts can be integrated with HRD initiatives that will support leadership development and creation of a proactive, crisis prepared organizational culture.

Organizational culture is embedded in each and every function of an organization. The culture of an organization helps to shape the input, process and output of crisis management. [Elsubbaugh et al. \(2004\)](#) pointed out that to prepare for crisis situations, organizations must have a favorable culture that encourages crisis management strategies and actions. Additionally, competent leadership is also needed to drive such efforts in the organization ([Elsubbaugh et al., 2004](#)). However, the effectiveness of leadership is dependent on the organizational culture and how well the cultural elements are defined to support the competencies of a leader ([Elsubbaugh et al., 2004](#)). Our literature review reveals a scarcity of research on human competencies required to prevent and manage crisis situations ([Wooten and James, 2008](#)). “Crises often drive organizations to predictable mitigation strategies focused on managing distractions rather than prioritized actions targeted at crisis response” ([Bowers et al., 2017](#)). In other words, research has been minimal on how human efforts can prepare organizations to confront, tackle and manage crises in an effective way. Research studies need to highlight organizational culture and human capabilities that are needed for crisis management in the pre- and post-crisis phases. This article is a step forward to fill some of the gaps in the current knowledge base.

Purpose of the research

The overarching goal of this research is to explore the relationship between crisis management, organizational culture and leadership in the crisis management life cycle. To achieve this goal, distinction between types of crisis (internal and external) and crisis phases (pre and post) have been done. This article intends to integrate two studies; the first one is by [Bowers et al. \(2017\)](#), who proposed the Crisis Response Leadership Model (CRLM) and the second one is by [Wooten and James \(2008\)](#) on the different leadership competencies required at each stage of a crisis response. By integrating the two studies, following three research questions guide the inquiry of this article:

- RQ1. What type of organizational culture affect crisis management?
- RQ2. What are the leadership styles that affect crisis management?
- RQ3. How can organizational culture and leadership be leveraged to bring a positive outcome to each phase of crisis management, in times of internal and/or external crises?

This is a conceptual article which is mainly based on literature review. The databases that were used to find literature were mainly from HRD, Management and Education based databases. *Educational Resources Information Center (ERIC) database*, *Academic Ultimate Search*, *PsycInfo*, *Management and Organization Studies: A SAGE Full-Text Collection*, *ProQuest Dissertations and Theses Global* and *Emerald Insight* were some of the main databases. Some of the keywords used to generate results were “crisis management”, “organizational culture” and “leadership”. Mainly peer-reviewed journal articles were used; however, outside references from books and periodicals were also used for supporting arguments.

In the literature review section, a brief overview of the different aspects of organizational culture are provided along with the five stages of crisis management life cycle as proposed by [Pearson and Mitroff \(1993\)](#). Following that, an overview of the different leadership styles is described, as prevalent in an organizational context. This section also provides the link

between leadership and organizational culture and leadership and crisis management. Finally, the three variables; crisis management, culture and leadership are explored through a conceptual analysis through the development of five research propositions. The research propositions are meant to be studied further empirically to understand the true implication of the relationship in the context of crisis. The article concludes with implications for HRD practice, theory and future research.

Organizational culture: an overview

Organizational culture has been defined in multiple ways and explored through different models. Schein (1984) proposed a model about the levels of culture that runs deeper than the visible artifacts and values to undetectable assumptions. These deep rooted assumptions eventually end up in defining how an organization reacts to disruptions in the internal or external environment. As defined by Schein (1984, p. 3), organizational culture is “the pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration” and helps organizational members to perceive, feel and react. These basic assumptions are directly manifested in the workplace in the form of language, symbols, ideologies, dialogues, actions and goals (Mileti *et al.*, 2002) and define the organization as a collective entity as organizational culture is “created, maintained, and transformed by people” (Madu, 2012, p. 2). In this sense, organizational culture can be transformed into something new, through individual experiences in its internal and external environment.

Despite culture being conceptualized as a complex, multi-dimensional phenomenon, there is no singular universally accepted one. To facilitate a clearer understanding of culture, different cultural elements have been identified. Sun (2008) explains that cultural elements help to measure the impact of culture on daily operations. For example, Hofstede *et al.* (1990) identified values, rituals, heroes and symbols, whereas Mileti *et al.* (2002) categorized organizational culture into three cultural elements; values, knowledge and institutional practices. Based on these variety of elements, every culture is unique and showcase a different style of function, when it comes to productivity, employees, customers, branding, communication, etc.

There are several culture models existing in the literature. Some of the contemporary ones that have a potential relevance to the topic of this manuscript are offered by Dimitrov (2015) and Cameron and Quinn (2011). Dimitrov (2015) suggests the concept of humane organization which is synonymous to terms like “meaningful work, meaningful workplace, best places to work for, employee engagement and national culture” (n.p.). A humane organization is a supportive work environment that is reflected through the members of the organization as well as the organizational values (Dimitrov, 2015). The model by Cameron and Quinn (2011) explains that organizational culture can be categorized into four different types also known as the competing values framework. The first type of culture is a *hierarchy culture* which indicates structure, internal control and formalized practices in a stable environment, allowing clear decision-making with consistent products and services (Cameron and Quinn, 2011). The other one is a *market culture* which is usually driven by external forces and profitability through interactions with customers, suppliers and other stakeholders (Cameron and Quinn, 2011). A *clan culture* is like a family and focuses on team work, group cohesion, shared values and goals with minimum involvement from leadership (Cameron and Quinn, 2011). Finally, an *adhocracy culture* is a temporary and evolving culture that can function in a highly disruptive environment and can innovate and adapt constantly (Cameron and Quinn, 2011). Based on the four types of values that shape a culture, two dimensions can be narrowed down. An organization can have a

hierarchy, clan, market or adhocracy culture depending on the type of focus the organization has (internal versus external focus) and the degree of flexibility (low versus high) (Cameron and Quinn, 2011). In order to simplify the abstract, complex and vast concept like culture, this article would use Cameron and Quinn's (2011) competing values framework (type of focus and degree of flexibility) to expand the conceptual propositions discussed later in this article.

Crisis management: the life cycle

Crisis by nature is an unprecedented event which does not give us much time to prepare in advance. The effects of most crises can be detrimental, if not handled properly. There are different types of crisis both occurring from internal and external factors. Some examples of internal crisis are; "moral or ethical failures, an unanticipated change in leadership, poor oversight, product failures" (Bowers *et al.*, 2017). There could be some external crisis events too; "environmental disasters due to acts of nature, pandemic threats, targeted public acts, stock market crashes" (Bowers *et al.*, 2017).

To manage a crisis, it is important to first understand its nature and impact. Pearson and Clair's (1998, p. 3) offered one of the first comprehensive definitions: an organizational crisis is:

[...] a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly.

Coombs (2007, p. 2) described crisis slightly differently, as a "perception of an unpredictable event" that threatens stakeholder expectations and impact an organization's performance. Despite the lack of a universal agreement on the definition, it is generally accepted that a crisis event:

- is highly ambiguous, unknown and unexpected;
- has a low probability of occurrence yet high impact on organizations and their stakeholders;
- offers little time to respond to; and
- leads to positive or negative change (Wang, 2008).

To understand the different stages of a crisis, researchers have developed various models. Smith's three-stage framework is one of the simplest frameworks that differentiates crisis into "pre-crisis period, the crisis of management; a crisis period, the operational crisis; and a post crisis stage, the crisis of legitimation" (Coombs, 2007, p. 9). Myers and Fink came up with four-stage frameworks to provide more clarity and detail to the crisis management process (Coombs, 2007). More recently, Veil (2011) proposed a crisis model which includes organizational culture in crisis management by emphasizing the role of learning at each stage of crisis management and highlighting the importance of creating a culture that acknowledges learning acquired during crisis. However, Pearson and Mitroff (1993) came up with one of the most comprehensive models that not only lays out different phases of crisis management, but also provides more step-by-step analysis of crisis management. In Pearson and Mitroff (1993) model, a crisis goes through five stages: signal detection, preparation/prevention, containment/damage limitation, recovery and learning.

In this research article, Pearson and Mitroff's (1993) model has been selected as the guiding framework for two reasons. First, this model has been empirically studied the most. Second, it is simplistic and illustrates each stage of crisis management clearly which aligns

with the goal of this article. Discussed briefly below are the five stages as outlined by [Pearson and Mitroff \(1993\)](#).

Stage 1: signal detection

During the signal detection stage, small warnings begin to appear in the organizational settings ([Hutchins and Wang, 2008](#)). For example, it was argued that the BP oil spill of 2010 in Gulf of Mexico could have been prevented if numerous warnings had been detected just in time. However, these warnings were ignored by contractors and workers resulting in the ghastly environmental disaster ([Cappiello and Weber, 2010](#)).

Stage 2: preparation/prevention

The next stage is crisis preparation or prevention, which involves “systematic planning to prepare the organization to manage a crisis event, explicating critical personnel, resources, and actions to be allocated during a crisis situation” ([Hutchins and Wang, 2008](#), p. 316). The primary goal at this stage is to maintain a regular routine of tasks by the organization or management to prevent crises as much as possible. For example, during the 1984 Bhopal gas tragedy in India, both workers and management were aware of the poor quality of machines and equipment. If they had acknowledged this operational signal early on, then they could have prevented one of the worst industrialized disasters.

Stage 3: damage containment

The third phase is damage containment, which is primarily intended to reduce the negative impact of crisis situation. “Effective management of this phase would detail plans for preventing a localized crisis from affecting other uncontaminated parts of the organization or its environment” ([Pearson and Mitroff, 1993](#), p. 53). This minimizes the overall damage incurred to the organization. One example is the Fukushima Daiichi nuclear plant disaster which occurred in Japan in 2011. The management and government officials took immediate action in an attempt to fix the leaking of the reactors, even though the reactors have been still leaking.

Stage 4: recovery

At this stage, the organization develops both long-term and short-term plans and takes actions to bring the operations back to normal ([Hutchins and Wang, 2008](#)). The recovery action plans address the following questions posed by [Pearson and Mitroff \(1993, p. 53\)](#):

- Q1. “What are the minimal procedures and operations that we need to recover and conduct normal business?”
- Q2. “What are the key activities and tasks that we must perform to serve our most important customers?”

After NASA’s Challenger Space Shuttle disaster in 1986, the leadership decided to cease all launches for the next 32 months to make severe changes in their goals and actions for both short term and long term.

Stage 5: learning

The last stage in crisis management is learning ([Pearson and Mitroff, 1993](#)). As aptly explained by [Hutchins and Wang \(2008, p. 308\)](#), this phase includes “critical reflection of the crisis experience, analysis of the impact on central and ancillary system processes, and then

adapting behaviors and systems to improve the organization's crisis management practices". Wang (2008) argued that learning plays such a critical role in crisis management that it should be incorporated into every one of the five stages rather than being considered as a one-time effort after the fact. In other words, learning should be an ongoing and continuous process of reflection and evaluation of actions (Wang, 2008). Some organizations fail to do a good job at learning from crisis events, which lead to the management's decision to cease their operations. Examples here include Lehman Brothers and Merrill Lynch after the economic recession in 2008. Some of the biggest barriers to organizational learning are blame-games, issues in dealing with information (e.g. ignoring the warnings during the signal detection stage), as well as organizational politics and cover-ups (Pidgeon and O'Leary, 2000).

In the next section, we discuss leadership and its relationship with organizational culture and crisis management.

Leadership

The relationship between an organization and its leaders have been researched extensively. An effective leader is able to support the organization through different internal and external disruptions. There are different leadership styles that can be adopted, encouraged and leveraged by a supportive organizational culture as indicated by the Dimitrov (2015) in humane organization. On the flip side, a leader is also contributes to the organizational culture through their personal style, traits, vision and performance and dictate how an organization responds in a given situation (Bowers *et al.*, 2017). In leadership research, different styles of leadership have been proposed. This is not a comprehensive list of leadership styles, but some of the most popular ones are discussed in this section. A *cognitive leader* is perceptive who thinks strategically and uses his or her knowledge and expertise to solve a problem (Bowers *et al.*, 2017). A *Laissez-faire leader* is hands-off leader who provides full freedom to their subordinates and interfere less in the daily actions (Khan *et al.*, 2015). A *transformational leader* is a detail-oriented who seeks out consensus from everyone and is able to provide the big picture (Bowers *et al.*, 2017). A *directive leader* is in charge, makes decisions and communicates clearly (Bowers *et al.*, 2017). A *democratic leader* allows participation during the decision-making phase and shares the responsibility among everyone (Khan *et al.*, 2015). A *transactional leader* takes all details into account and make sure the job gets done as per the set rules and regulations (Bowers *et al.*, 2017). Servant leadership is a more contemporary concept in leadership literature. A *servant leader* has the desire to serve and help others and focuses more on developing people (Keith, 2011).

In the next section, more analysis is provided on the relationship between leadership, organizational culture and crisis management.

Leadership and organizational culture

Leaders' values and beliefs are reflective of organizational culture and vice versa. This is because culture dictates behaviors and practices in an organization. As Tsai (2011, p. 2) noted, "the core values of an organization begin with its leadership, which will then evolve to a leadership style". Leaders must create a culture "where organizational members are encouraged and rewarded for thinking systematically" (Wooten and James, 2008, p. 355). In a crisis context, leaders must "take direct responsibility for orchestrating a work environment that infuses a competency-based approach to crisis management (Wooten and James, 2008, p. 355). To create such a culture requires certain leadership competencies displayed at different crisis phases (Wooten and James, 2008). A leader who "understands

his organizational culture, and takes it seriously, will be capable of predicting outcomes, and making decisions to counter anticipated consequences” (Madu, 2012, p. 8).

Apart from culture, a leader’s reaction to a crisis situation is indicative of organizational values and norms (Madu, 2012, p. 5). Culture cannot be exercised without being communicated and implemented by the leadership. In this sense, it can be assumed that an organization loses its competitive edge if leaders do not know their organizational culture or lack clarity on how to use cultural values, knowledge and practices to their advantage. During times of crisis, leaders have direct influence on crisis management outcomes by demonstrating their knowledge on the organizational culture through their decisions. This is only possible if the organizational culture values their leadership and provides a supportive environment to take control of the crisis event.

Leadership and crisis management

The relationship between the two constructs of leadership and crisis is well-documented in crisis management literature. Whether it is maintaining effective communication, building trust, increasing productivity or protecting brand value, leaders play a huge role during crisis times (Lockwood, 2005). Therefore, leadership competencies determine the success or failure of crisis management efforts. Lockwood (2005, p. 3) highlighted the importance for leaders to have emotional intelligence competencies, such as “empathy, self-awareness, persuasion, teamwork skills and the ability to manage relationships” during crisis management. Wooten and James (2008, p. 354) further expanded the list of competencies for crisis leadership by including, “decision making, communication, creating organizational capabilities, sustaining an effective organizational culture, managing multiple constituencies, and developing human capital”.

According to Wooten and James (2008), different leadership competencies are needed to manage a crisis at different stages. During the signal detection stage, “sense-making” and “perspective taking” are important leadership competencies (Wooten and James, 2008, p. 12). In the prevention stage, *issue telling*, *organizational agility* and *creativity* are the three critical leadership competencies (Wooten and James, 2008). During the containment stage, *decision-making*, *effective communication* and *risk taking* are the core leadership competencies (Wooten and James, 2008). In business recovery stage, leader needs to *promote organizational resiliency* and *act with integrity* (Wooten and James, 2008). Finally, at the learning stage, a leader’s *learning orientation* is crucial to organizational success in crisis (Wooten and James, 2008).

Competencies are linked with leadership styles as each of the traits as explained above will differ depending on the style that a leader adopts. Bowers *et al.* (2017) proposed a conceptual model known as the crisis response leadership matrix (CRLM) based on few guidelines known as the crisis response leadership principles (CRLP) that connects styles with crisis response. The first principle of this model is based on the need of assigning a stakeholder to manage crisis along with the resources and expectations to carry out their responsibility (Bowers *et al.*, 2017). The second principle reminds the stakeholder (leader in this case) to focus on the crisis response and communication, rather than on other variables like media representation (Bowers *et al.*, 2017). Finally, the principle states that not all leaders are suited for managing crisis and therefore, organizations need to make advance preparations to know their culture, and leaders so that they can aligned with the right crisis environment (Bowers *et al.*, 2017).

The CRLM states four leadership styles; transactional, transformational, directive and cognitive, that have been complemented with three types of organizational culture; hierarchy, clan/adhocracy and elitist. Depending on the nature of crisis, internal versus

external factors and culture of the organization, leadership styles need to be adjusted (Bowers *et al.*, 2017). The purpose of this rubric is to identify “the type of leader most equipped to lead an organization through a serious crisis given the crisis environment and organizational culture” (Bowers *et al.*, 2017, p. 555). For example, during an internal crisis of a hierarchical organizational culture, directive leadership style is more effective, whereas during an external crisis, a transformational leadership style may help (Bowers *et al.*, 2017). On the other hand, a clan or adhocracy culture may need transformational leadership style to manage both internal and external crisis environments (Bowers *et al.*, 2017).

In the next section, the model by Bowers *et al.* (2017) is further expanded by proposing a conceptual relationship between all the constructs.

Leveraging leadership styles and organizational culture in crisis management

It is evident from the literature review that organizational culture and leadership are integral to crisis management and crisis-related responses. Organizations need to display a higher sense of awareness of their individual and collective culture so that crisis situations can be managed more promptly and skillfully. The relationship between organizational culture and crisis management has been noted by a number of researchers empirically. For example, Bea (2011) found that organizations with fewer reported incidents foster a crisis-sensitive culture through a wide range of activities (e.g. educating employees to look for crisis signals, evaluating risks, rewarding safety practices, advocating the importance of crisis preparedness). Hutchins and Wang (2008, p. 315) argued that organizational culture can be a major predictor of crisis events, because it “represents the system’s value perspective on issues such as safety, diversity, and performance”. Even though some crisis events cannot be predicted, culture can still impact the different stages of crisis management. For example, Joyner *et al.* (2013) found out that Regional Hospital was able to recover from the disastrous impact of a flood because of their strong culture of leadership, teamwork, ethics, communication and commitment. Therefore, it can be inferred that leadership styles and competencies are major predictors of crisis as also highlighted by Bowers *et al.* (2017) and Wooten and James (2008).

In this section, the CRLM model proposed by Bowers *et al.* (2017) and the leadership competencies identified by Wooten and James (2008) at different phase of crisis management, are further expanded into a more in-depth conceptual framework to connect the three different constructs; organizational culture, leadership and crisis management. Each construct is provided in a tabular format to show how these factors can ultimately determine the success of crisis management, starting from the pre-crisis to post crisis periods. Refer to Page 29 for the table. The table lists the type of crisis (internal/external) along with the crisis phases (pre, crisis and post) and stages of crisis management (signal detection, prevention, damage containment, recovery and learning). These are aligned with the two elements of organizational culture (internal/external focus and low/high flexibility) as suggested by Cameron and Quinn competing values framework (2011). These variables are further integrated with the leadership competencies (sense-making, perspective taking, issue selling, organizational agility, creativity, decision-making, communication, risk taking, promoting organizational resilience, learning and reflection) and leadership styles (directive, cognitive, transformational and transactional) as highlighted by Wooten and James (2008) and Bowers *et al.* (2017), respectively. This conceptual framework is proposing that depending on the type of crisis, crisis phase and stages of crisis management, organizations can successfully manage such disruptions, if they develop the subsequent cultural values (internal vs external or low vs high flexibility), leadership competencies and leadership

styles as indicated in the table on Page 29. The next few sections will discuss the framework and explain the reasoning of each proposition in a more in-depth manner.

Research propositions

Reasoning. Before listing the research propositions, it is important to lay out the reasoning of the framework. In this time and age, organizations are under tremendous pressure to perform in a manner that demonstrate economic sustainability, innovation, profitability, employee and social responsibility. Organizational performances can be coordinated by plan and by feedback (Dynes and Aguirre, 1979). In times of normalcy and stability, organizations can be coordinated by plan, and in times of crisis, organizations are coordinated by feedback (Dynes and Aguirre, 1979). Organizations in the complex world, like to use a mix of both plan and feedback as organizational factors and environments keep changing (Dynes and Aguirre, 1979). Therefore, an organizational culture should be able to adapt and evolve constantly. A single cultural element with a mono leadership style will no longer work in an age where disruptions are a norm. Organizations should have the ability to assess their needs to sustain and survive and make ongoing changes in their structure, values, knowledge and practices. They should always be able to apply more than one leadership style or cultural element to bring the best outcome possible in the worst situations. Based on this assumption, the research propositions below, provide a mix of cultural elements and leadership styles that can change, depending on the nature of crisis and crisis management efforts.

Pre-crisis: signal detection and prevention. Signal detection during the pre-crisis period can have a huge impact on crisis management initiatives and outcomes. One of the most challenging tasks at this stage is to filter out the right signals from the wrong ones (Pearson and Mitroff, 1993). Acquiring appropriate information and knowledge can help organizations discover warning signs promptly and effectively. During an internal crisis, it can be proposed that the most appropriate culture for an organization would be internally focused with low flexibility. This would help organizations to detect signals in a timely manner and help them to enact on correct steps to prevent crisis situations occurring from internal factors. On the other hand, during times of external crisis, an organizational culture that is externally focused with high flexibility would easily detect signs and initiate steps to curb the effects of the crisis.

An organizational culture cannot be leveraged, if the leadership does not facilitate the appropriate actions. Leadership competencies such as sense-making are essential during this stage (Wooten and James, 2008). It enables an organization to detect warnings at an early stage by engaging in a sense-making process (Wooten and James, 2008). Further, sharing perspectives among organizational members help them make sense of the crisis signals collectively (Wooten and James, 2008). Additionally, established behavioral practices can influence the “perspective taking” competency of a leader and organizational members, promoting interaction and helping with problem identification before a crisis strikes. Prevention of the occurrence of a crisis by detecting the right warning signals can help organizations save millions of dollars and maintain operational efficiency. “Organizational agility” and “creativity” are the core leadership competencies required at this stage (Wooten and James, 2008). To implement preventive strategies effectively, the organization needs to ensure that solutions are long-term focused and institutionalized into organizational practices in the form of norms (e.g. policies and plans). As explained by Pearson and Mitroff (1993, p. 53), organizations that “prepare for crises systematically and continuously search for potential breaks before they are too big to fix” are successful in averting crisis situations. Based on the

listed competencies, directive, cognitive and transactional can be the most beneficial leadership styles during the pre-crisis period. Refer to [Table I](#) on Page 29:

P1a. During an internal crisis, an internal focused with low flexibility organizational culture, along with a mix of cognitive and directive leadership styles and sense-making, and perspective taking as competencies, can support organizations to detect signals and prevent crisis in the pre-crisis phase.

P1b. During an external crisis, an external focused with high flexibility organizational culture, along with a mix of transactional and directive leadership styles and issue selling, organizational agility and creativity as competencies, can support organizations to detect signals and prevent crisis in the pre-crisis phase.

Post-crisis: damage containment and recovery. Past events in history indicate that organizations have failed to detect the right signals or implement appropriate preventive measures during crisis times. As a result, crisis events occurred and devastated business operations. The main goal at this stage is to control the damage as much as possible. Once the organization has gone through a crisis phase, the ultimate goal is to go back to normalcy as soon as possible and as much as possible. Therefore, during times of an internal crisis, an organization with an internal focused culture and high flexibility may contain damage and recover at a much faster rate. On the other hand, in times of an external crisis, an organizational culture that is balanced in terms of their focus and stability will have a higher success in managing the crisis.

Types of crisis	Crisis phase	Crisis management stages (Pearson and Mitroff, 1993)	Organizational culture (Cameron and Quinn, 2011)	Leadership competencies (Wooten and James, 2008)	Leadership style (Bowers <i>et al.</i> , 2017)
Internal	Pre-crisis	Signal detection and prevention	Internal focused/ Low flexibility	Sense-making Perspective taking	Directive/Cognitive
External	Pre-crisis	Signal detection and prevention	External focused/high flexibility	Issue Selling Organizational Agility Creativity	Transactional/ Directive
Internal	Crisis	Damage containment	Internal focused/ High flexibility	Decision making Communicating Risk taking	Transactional/ Transformational
External	Crisis	Damage containment and Recovery	Internal and external focus/ High and low flexibility	Decision-making Communicating	Transactional/ Transformational
Internal/ External	Post-crisis	Recovery and Learning	Internal focused/ high flexibility	Promoting organizational resilience Learning Reflection	Transformational

Table I.
Relationship of organizational culture, leadership and crisis management

Wooten and James (2008) suggested that “decision-making” and “communication” are the most important leadership competencies at this stage. Additionally, communication is a group activity, which not only involves leaders but also organizational members at all levels. Therefore, if the organization has a strong cultural practice of communication among members in the form of behaviors and norms, then damage containment may be managed in an effective manner. “Organizational resiliency” and “acting with integrity” can help organizations spring back to their pre-crisis stage with utmost efficiency (Wooten and James, 2008). This is the phase, which will serve as a threshold for future practices if the organization focuses on rebuilding trust and implementing strategies and goals for the better functioning of the organization in the long run. Based on these leadership competencies, transactional and transformational leadership styles are the most effective during damage containment and recovery stages. Refer to [Table I](#) on Page 29:

- P2a.* During an internal crisis, an organizational culture which is internally focused, with a high flexibility, along with a mix of transactional and transformational leadership styles and decision-making, communication and risk-taking as competencies, can contain damage and support the organization towards recovery during a crisis.
- P2b.* During an external crisis, an organizational culture which is both internally and externally focused, with a reasonable degree of flexibility, mix of transactional and transformational leadership styles and decision-making, communication as competencies can contain damage and support the organization towards recovery during a crisis.

Post-crisis: learning. This is the most important phase of crisis management where members need to have an open mind to reflect on their actions and learn from the crisis event. This is also the time when the organization needs to acknowledge a crisis situation as an opportunity rather than a threat, for consistent future improvements (Wang, 2008; Wooten and James, 2008). Adopting appropriate cultural practices in the form of behaviors, norms, beliefs and artifacts can assist leaders in transforming the crisis to a situation in their favor. In this sense, learning from a crisis situation is not a random activity but a manifestation of a supportive organizational culture (values, knowledge, and practices) which enables leaders to pull out the organization from any grave situation. One of the leadership competencies critical to this stage is “learning orientation” (Wooten and James, 2008). Whether it is an internal or external crisis, an organizational culture that is internally focused with high flexibility might work best. Therefore, a transformational leader is the most fitting in this case. Refer to [Table I](#) on Page 29:

- P3.* For either type of crisis (internal or external), an organizational culture which is both internally and externally focused along with high flexibility, transformational leadership and organizational resiliency, learning and reflection as competencies can support recovery and organizational learning in the post-crisis phase.

Implications

Practical implications

Holistic approach towards crisis preparedness. An organization does not work in isolation and there are numerous factors that can contribute or impede the crisis management process. The conceptual framework proposed in this article aims to integrate all the different variables that may influence a crisis event including, organizational cultural elements,

leadership styles and competencies. Therefore, this is a holistic approach towards crisis management as an organization can be aware about all the elements that can influence the fate of a crisis event. This ultimately fosters a crisis prepared organization. HRD practitioners can be very helpful in driving organizations to create a culture that promotes crisis awareness and open communication across all members of the organizations. Crisis education can be through workshops, intranet and organizational newsletters, routine scenario planning practices and role-plays through simulated crisis situations. Through these various developmental initiatives, crisis values that encourage members to be proactive rather than reactive, can be worked on. These initiatives will not only unite organizational members but also enable them to work in unison before, during and after crisis occurs.

Building crisis management competencies. Hutchins and Wang (2008) explained that for organizational values, knowledge and practices to have a positive influence on organizational response to crisis events, training and development initiatives must be taken into consideration (Hutchins and Wang, 2008). The main goal of crisis management is to bring normalcy back to organizations. Crisis not only affects individuals but also teams working in the organization. Therefore, while building on crisis management competencies, both individuals and teams need to be developed to address different types of crisis. Individual competencies will eventually make the teams stronger, which will help teams to function in a coordinated fashion during a crisis event. Different learning and development programs need to address how teams can bank on its members' competencies and work towards a common goal of recovery and restoration, after the crisis is over.

An important element of crisis management competencies which has been discussed at length in this article is, effective crisis leadership. As revealed by our analysis above, leadership facilitates the creation of an organizational culture which has direct impact on crisis management outcomes. Therefore, leadership development needs to be a priority of the organization. HRD practitioners can take a leading role in designing and delivering programs which focus on educating leaders and management, about the nature and consequences of a crisis and educating them about the competencies and leadership styles necessary for handling crisis situations effectively (Wooten and James, 2008). Additionally, programs should also introduce leaders to various pre- and post-crisis scenarios which call for different interventions at different stages.

Standardizing learning in crisis management. Researchers noted that most organizations tend to neglect the learning phase of the crisis life cycle (Pearson and Mitroff, 1993; Wang, 2008). The value of learning not only needs to be a cultural element but also an important trait of the leadership involved in a crisis. Therefore, it is essential for HRD practitioners to document procedures and actions taken at each stage of the crisis management life cycle so that organizations are able to reflect and learn from their past practices and avoid making the same mistakes in the future.

Engaging stakeholders in the planning process. It is important for organizations to include multiple stakeholders (ranging from employees to customers, vendors to competitors) in planning stages of crisis management (Pearson and Mitroff, 1993). HRD practitioners can help to identify and communicate the role of stakeholders at each stage of crisis management to encourage their participation and get their buy-in. Doing so will make it easier for organizational leaders to obtain input from the stakeholders during the rebuilding stage of the organization.

Research implications

Literature suggests that crisis and crisis management studies have been neglected to a large extent by researchers especially in terms of empirical testing (Pearson and Mitroff, 1993; Pearson and Clair, 1998). While this article is an effort to expand the current crisis literature in the HRD field, it did not fill the void – lacking empirical evidence. Hence, it is hoped that this article will not only stimulate more scholarly interest in understanding crisis management, but also prompt some actions towards empirical studies that study the relationship of leadership and culture on crisis outcomes. Unlike many culture studies, this article provided a close examination of different cultural components and leadership styles to establish the link with crisis management. However, the five propositions proposed earlier are derived from a purely conceptual basis. Crisis management and HRD researchers need to empirically test the validity and reliability of these propositions.

In this article, all the different types of organizational culture and leadership styles have not been used to simply the proposed framework linking culture, leadership and crisis management. There is a potential to make the framework more detailed. More research needs to be done on how changing demographics and global markets are influencing the nature of organizations, especially in the context of leadership and culture.

Finally, in this article, we treated crisis and disaster as the same concept. However, literature differentiates them in terms of organizational initiatives and their reach of impact. According to Duncan *et al.* (2011, p. 136), a disaster happens within the larger environment in which some crucial element of an organization is situated, “and has widespread effects or reach” and “a crisis happens to or within an organization and does not impact multiple elements external to that organization”. This stresses the importance of defining and differentiating the concepts through research, as they may reveal different outcomes and require different leadership competencies and interventions for crisis management.

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Further reading

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