Navigating through a tough economic environment in a volatile, uncertain, complex, and ambiguous world is part of doing business for most, if not all, companies today. Many businesses have had their share of declining results and both internal and external crises. Leaders’ actions and words during these times are more critical than ever. They can become the fabric that holds the organization together or the fire that burns it to the ground.

It’s easy to forget that a crisis is a normal part of life. Be it on a personal or a professional level, learning how to react can make a big difference in your life and the lives of those whom you touch. Strong, well-oriented leadership is essential for enduring tough times as an organization. Over time, I’ve witnessed constructive behaviors that leaders should exhibit during a crisis. Unfortunately, I’ve seen destructive actions as well.

I started working for a state-owned bank in 1993, when I was still young. It was a great career starter. The bank had been in operation for 130 years, which meant I would probably build a long career and retire there. Little did I know the bank would be shut down a year later. The demise was heartbreaking. I saw the bank collapse from the inside out. My colleagues, some close to retirement, were desperate for employment. Everyone lost dearly. As I reflect on the way the leaders behaved, I see some clear lessons that can be rescued from the ashes.

Embrace change; don’t be afraid to set a new course. Change is very often viewed as a weakness or lack of leadership. In reality, the ability to adapt to an ever-changing business environment is a strong characteristic to possess. It seems trivial and almost obvious that change is needed when an action renders unwanted results, yet often the change comes too late or not at all.

Define a winning strategy, focus on what needs to change, and inspire people to do it. It isn’t easy to stand up and face the storm or have to think clearly and act diligently during a crisis. It’s then, more than ever, when courageous leaders are needed most. It’s critical to have the clarity of thought to set a new strategy and refocus the organization. As a leader, you must be able to inspire your team to focus on new priorities and stay on course. This is a test for anyone’s abilities.

Be a thermostat, not a thermometer. I remember the first time I heard, “Don’t panic,” from one of the best managers I’ve had at Procter & Gamble. If the situation is too hot, cool it down; if it’s too cold, heat it up. I often reflect on this phrase when I’m faced with problems that need immediate and effective action. A leader who can’t keep his head is prone to error and sloppy outcomes. Conversely, being too relaxed may not convey the right priority or sense of urgency to the organization.

Don’t play the blame game. This is one of the most destructive behaviors in the workplace. It creates a general feeling of being victimized and not in control. Focusing the organization’s time on what others are doing wrong and not on what they need to do is a waste of time and resources. I remember leaders at my previous bank job wasting time pointing fingers at the Board of Directors, turning on each other, and looking for scapegoats while the fire was burning around them. By the time they stopped arguing, it was too late.

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Looking back at what brought the organization to its knees, the killer blow wasn’t a poor financial decision but the betrayal of basic values portrayed by the organization’s leaders. The aftershock of their actions, also perceived as lack of leadership, dissolved trust—trust in the present course of action and trust in any possible alternatives. It was only a matter of time before this internal chaos hit the street. When the run on the bank inevitably came, there was no one to stop it.

Do the best you can to retain talent. Build an atmosphere of efficiency and productivity. Avoid apathy and an “every-man-for-himself” attitude. When leaders jump ship prematurely and don’t face the fire, it cripples the organization’s credibility and its ability to survive the storm.

Everything was put into perspective a few days before I became a first-time father. I know my wife wasn’t impressed by my reaction and distorted, panic-stricken face when she mentioned having contractions and needing a hospital. Easier said than done, isn’t it? I guess it takes some experience, but I think that having the courage to face obstacles and put up the good fight is an essential trait that true leaders have. This type of leadership is certainly needed and most wanted during tough times. SF

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