

THE VIEW FROM THE CROW'S NEST

Given the number of times that school leaders are inundated with the metaphor of changing the organizational direction of a school being somewhat akin to trying to turn a large ship, it is worth recalling that, prior to the advent of radar the crow's nest was the common structure in the upper part of the main mast of a ship used as a lookout point. This position ensured the best view for lookouts to spot approaching hazards, other ships, or land.

It seems as if the frequency of "high-impact, low-probability" (HILP) macroevents in the past two decades signals the emergence of a new "normal." Apparent large-scale, one-off, high-profile crises such as 9/11, Hurricane Katrina, the British Petroleum oil spill in the Gulf of Mexico, and the Japanese earthquake and subsequent tsunami, were all megadisasters requiring rapid responses at a global level, marking the beginning of what has been termed a "crisis trend."

BREATHING SPACE

The 2010 British Petroleum oil rig disaster that was depicted in the Academy Award-nominated film *Deepwater Horizon* serves as a case study of how latent errors, enabling conditions, and a lack of management acumen can blind leaders to the potential for tragedy. The events that led up to the catastrophe are well chronicled but can be categorized as ignoring early warning signs, relying on outdated failsafe technologies to solve problems that might occur, and believing that the survival of near misses was actually a sign of successful management practices fed into the overinflated hubris of the leadership team. The combination of these factors can be illustrated in the following algorithm:

$$\text{Latent Errors} + \text{Enabling Conditions} \times \text{Untamed Ego} = \text{Organizational Catastrophe}$$

When leaders get caught up in their ego, their untamed ego erodes their effectiveness as decision makers. The combination of false pride and hidden self-doubt created by an unchecked ego feeds into a distorted image of self-importance. Very few school leaders are willing to admit that they have big egos. In fact, many want to suggest that they have no ego at all, lest they be labeled a narcissist. There is little doubt that one critical feature of effective school leadership is humility. In the book *The One Minute Manager*, author Ken Blanchard states, "People with humility do not think less of themselves; they just think about themselves less."

However, coupled with humility is the need for positive or healthy narcissism. Healthy narcissism is a quality that comes from having a realistic self-

image of one's own inherent value without being cut off from one's inner emotional state. In order to be of service to others, a school leader should believe that she or he has something of value to offer her or his students or school community that might make a positive impact on their well-being. This sense of not only being of service but also being capable to serve is a healthy form of narcissism that says: "Yes, I am important enough that I can make a difference in someone else's life."

A MINDSET FOR THE UNTHINKABLE

Schools are not immune from the effects of high-impact, low-probability events. Whether it is the unimaginable violence that tragically erupts on a campus in the case of a school shooting or the damage to a school that can occur as the result of a fire, flood, or tornado, the public perception is that, because these crisis events seem to be occurring with increasing frequency, school leaders should be prepared to deal with the upheaval and stress that accompany them. It is a matter of trust.

The public trusts that in some way school leaders are prepared for the inevitable crisis. It is under this kind of public scrutiny that leadership is judged. In the quiet of the coffee shop or on Facebook, people will ask: How did the principal react to the crisis and was this good enough? It is simply impossible to plan for every crisis. Many are unpredictable. That is why the episode turns into a crisis. Not expecting, however, that you will face a crisis of some sort during your tenure as principal seems foolish. While it might be true that in some rare cases it is impossible to foresee an organizational tsunami before it hits, school leaders can rely on some management norms to better position their schools to weather the storm.

- Recognize that high-pressure situations create enabling conditions for organizational disaster. Leaders need to examine their and their staff's decision making during pressure-filled time periods and ask the question: If I had more time and resources, would I make the same decision?
- Research demonstrates that when leaders become numb to the statistical risk associated with the outcomes of the decision at hand, they become less concerned with the level of risk even though the likelihood of negative consequences remain the same.
- Unless expressly required to consider worst-case scenarios, many leaders will not give serious thought to the potential hazards of their actions.
- When organization-level decisions produce poor outcomes, it is important to conduct a "post-mortem" of what went wrong to determine the root causes, learn from them, and teach others about the lessons that can be learned.

Educational leaders are lauded at conferences for their success and are championed as trailblazers whose ideas are worthy of a platform to preach from and typically attract a bevy of followers. There is nothing inherently wrong about celebrating success. However, it is extremely rare, especially given the rhetoric of learning from failure, to see school leaders put on full display an experiment gone awry so that others might learn from their experience. In learning organizations like schools, leaders should require that as much emphasis be placed on dissecting failures as there is on heralding success.

SCHOOL OPERATIONAL RISK EXPOSURE (SOREs)

A school operational risk exposure analysis (see figure 4.2) offers an illustrative model, albeit a somewhat simple one, that allows principals to consider both the likelihood of a negative outcome that might result in making a specific operational decision that has a level of risk associated with it and the potential impact on the school's operations that are associated with the risk exposure.

Erika Hayes James, an organizational psychologist at the University of Virginia's Darden Graduate School of Business, and Lynn Perry Wooten, a clinical associate professor of strategy, management, and organizations at the University of Michigan's Ross School of Business, in their book *Leading under Pressure: From Surviving to Thriving before, during, and after a*

| | | Likelihood of a Negative Outcome | | |
|----------------------------|-------------|--|--|---|
| | | Highly improbable | Improbable but potentially possible | Highly probable and likely possible |
| Impact of Negative Outcome | Significant | Those very rare events that no one could see coming but can cripple a school's operations. | Events that transpire that were unlikely to occur but can be crippling. | A blind donkey could have seen these coming and would have avoided at all costs. |
| | Moderate | Those very rare events that no one could see coming that with time and energy can be recovered from. | Events that transpire that were unlikely to occur but ones that can tax organizational energy. | Foreseeable events that can be survived but call into question your masochistic tendencies. |
| | Minor | Those very rare events that no one could see coming that act as speed bumps. | Events that transpire that were unlikely to occur and have very little impact. | Foreseeable events that come with the business of running schools. |

Figure 4.2. SORE Analysis Matrix

Crisis identify two primary types of organizational crises: “sudden” and “smoldering.”

Sudden crises are circumstances that occur without warning and beyond an institution’s control. Consequently, sudden crises are most often situations for which the institution and its leadership are not blamed. Alternately, smoldering crises begin as minor internal issues that, due to a manager’s negligence, develop to crisis status. It is commonplace that, in the immediate period after the smoldering of the crisis has dissipated, leaders are questioned for not having a plan in place to deal with crisis management and are held responsible to any subsequent negative effect on the institution that is a result of not being prepared.

The capability to lead under extreme pressure can be described as crisis leadership. Crisis leadership matters precisely because crisis events are inevitable. Crisis leadership matters because leaders of organizations can make a difference in the extent to which people are affected by a crisis. Crisis leadership matters because in its absence the stakeholders who are adversely affected by the crisis cannot truly recover from the damaging event. Crisis leadership matters because, despite the damage that is caused by a crisis, effective leadership is the one factor that creates the potential for a school community to recover following the crisis and the possibility that the community might be stronger than it was before the crisis.

James and Wooten identify five essentially inevitable conclusions we can draw about crises—whether current or from times past—and the rippling effect they can and have had. First, crises are inevitable. Some crises may be avoided, and some may be managed well enough to limit long-term damage, but at the end of the day, every organization, and in fact every nation, will experience one or more crisis of some magnitude. Second, it is often the handling of a crisis that leads to more damage than the crisis event itself. Third, effective crisis leadership involves much more than good communication and public relations. Although these certainly help, rhetoric and positive spin alone will not resolve a crisis. Fourth, learning from a crisis is the best hope we have of preventing repeat occurrences. Finally, crisis events can create potential for significant opportunity to be realized for individuals and for organizations.

At its core, crisis leadership, or the ability to lead under pressure, requires that a particular leadership frame of mind, accompanied by a key set of behaviors, be present. The frame of mind needed to manage crises well is characterized by openness to new experiences, willingness to learn and take risks, an assumption that all things are possible, and a belief that even in times of crisis people and organizations can emerge better off after the crisis than before. Clearly, crises are traumatic, and I don’t want to leave a false impression or indicate that there is not real pain and suffering that results from them. Indeed, this can be, and often is, the case. Leading in times of

crisis means we must address and deal with these circumstances. Our goal, however, is to emphasize that leadership is also about creating possibilities so organizations can blossom in ways that might not have been predicted or possible in the absence of the pressures that crises evoke.

Thus far, what has been presented can be categorized as the human, legal, financial, and reputational costs potentially incurred when risks taken do not turn out well. These costs can range from miniscule or negligible to enormous or even insurmountable. Sometimes a single small short-term risk leads to a disastrous and costly outcome. Sometimes a seemingly large risk turns out well for all. Sometimes accumulating, overlapping, long-term risks lead to a full-blown crisis. Crises based on too much risk taking are considered crises that could have been avoided. As I described earlier, however, crises and the costs that are incurred due to crises are sometimes unavoidable and are not, in all cases, caused by accumulating risks. Natural disasters, random violence, and hazards we are ignorant of can all create unforeseen crises we then need to manage.

THREE RISKIER AREAS

What are the areas that pose the most risk for school leaders? It turns out that most crises tend to occur within one or more of these three operational arenas: employment of personnel, finance, and facilities and property. Figure 4.3 lists three particularly risky operational areas that can typically lead to operational conundrums and lays out what leaders need to pay attention to in creating their risk management plan.

INDEMNIFICATION

Because schools cannot guarantee that disaster will never strike, they need to take steps to indemnify themselves appropriately. While school leaders are not expected to be experts in the insurance industry, they should be aware of and ensure that adequate levels of insurance exist so as to protect the school division, its students and staff, and others who it comes into contact with who may suffer an injury or harm while on school premises or while operating under the auspices of the school's authority.

A basic understanding of insurance coverage is quite simple. Typically, a school division purchases insurance to indemnify itself and its employees against loss or peril. In the event of a claim, the insurance company pays its insured client for injuries and losses. The insurance company may then sue the party that the injured person contends caused the damages. However, as anyone who has filed an insurance claim knows, the insurance transaction rarely transpires with that kind of ease.